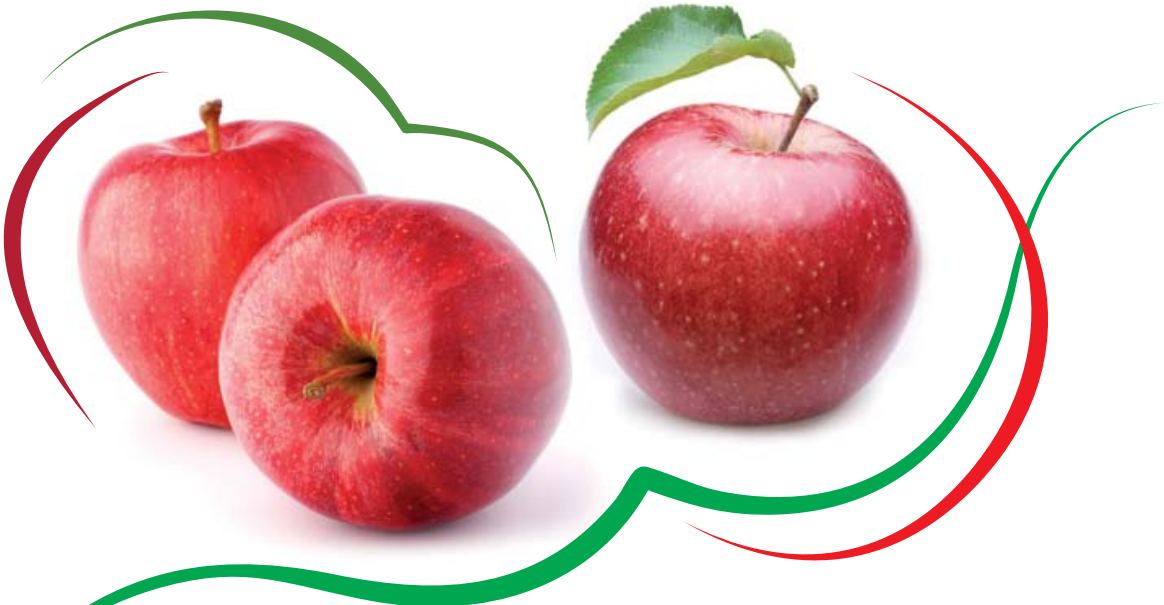
AGRICULTURE AND RURAL ECONOMY IN POLAND



MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

AGRICULTURE AND RURAL ECONOMY IN POLAND

Collective work edited by the Institute of Agricultural and Food Economics

Warsaw 2014

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Dear Sirs,

We hereby present you with another edition of our annual publication entitled "Agriculture and Food Economy in Poland". It is the summary of knowledge about the current condition of the agricultural sector. Apart from the basic data about Poland it also includes extended information regarding particular kinds of agricultural production. Furthermore, it elaborates on the issues concerning the implementation of the policy of support for agriculture, rural areas and fishery resulting from the mechanisms of the Common Agricultural Policy. It is supplemented by the data regarding Polish foreign trade in agricultural and food products and information about the most important institutions servicing this sector of the economy.

The current edition gets issued in a year which is special for us. This is because 2014 is full of various anniversaries. First of all, we were celebrating the 25th anniversary of the memorable elections in which the society had clearly opted for the direction of reforms. This choice was the beginning of considerable changes, not only in Poland, but also in Europe. The consequence of the decisions made in 1989 was the desire to carry out deep reforms in all areas of life. Following the memorable June of that year we started our journey along the road to the European Union. We have had to overcome many formal obstacles and adjust our economy to new requirements. A particularly extensive scope of legislative works was associated with the agricultural sector. As early as five years after the start of the transformations the Agency for Restructurisation and Modernisation of Agriculture was established with the intention to prepare Polish farmers and food processors to the new requirements. Those works were necessary in order to be able to join the European Union, which happened ten years ago. Taking into account the period of directly preceding this moment, until 2014 the rural areas, agriculture and fishery received approximately 180 billion PLN.

From today's perspective we can clearly see that we have managed to put both those years and the available funds to good use. Despite a number of concerns which accompanied our access-sion to the Community, today even the critics admit that the Polish agriculture has changed dramatically and turned out successful. Utilisation of the EU funds along with the domestic support, accompanied by a considerable effort made by our farmers, entrepreneurs and em-ployees of processing plants, has resulted in a significant acceleration in the pace of moderni-sation of agricultural farms and enterprises. Following an evolutionary pattern the number of farms has decreased by approximately 700 thousand. We must remember that from among the 10 countries joining the European Union in 2004 Poland was the only one with several million of farmers. Since then the structure of agricultural farms has improved, the average area of a farm increased and the production become specialised. What's important, despite all of those changes, the traditional rural landscape has been preserved.

Changes have also occurred in agricultural processing. The first establishments to adjust to the new conditions were the meat and milk processing plants. Today, they belong to the world's leaders.

A combination of raw materials, perfect in terms of quality, with modern processing plants has resulted in the fact that Polish food has gradually won broad recognition among half billion of EU consumers and even outside the borders of the Community.

The best proof of this are the results of our foreign trade in agricultural and food products. In 2013 we obtained more than 20 billion euros in sales value, at a positive exchange balance at the level above 6 billion euros.

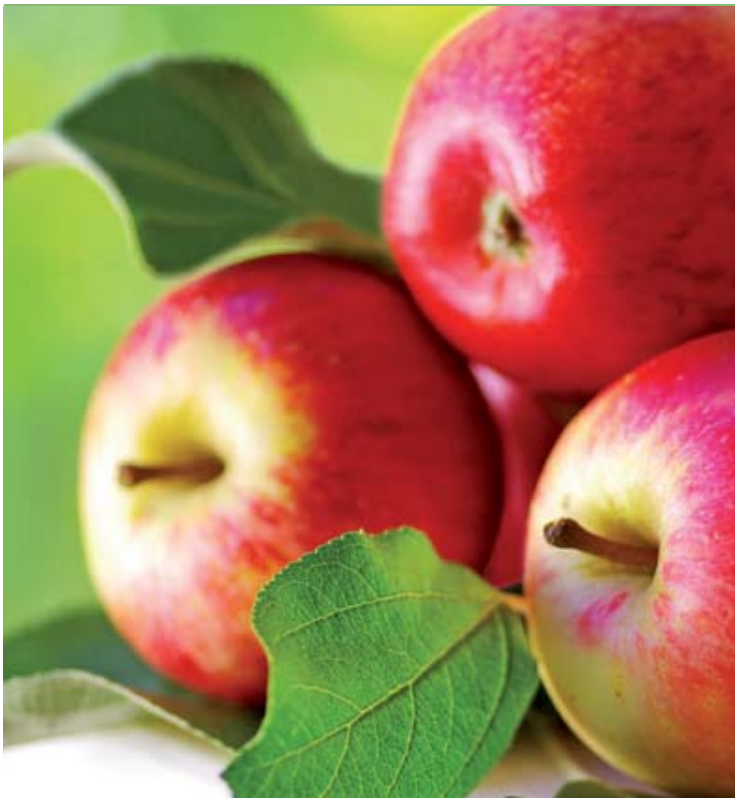
Ahead of us awaits the new financial perspective for the years until 2020. In it we have funds similar to those we have been spending so far at our disposal. For the first time we have de--veloped a consistent system of direct payments and the Rural Areas Development Programme. The assistance has been focused on active farmers, so that the highest number of family agricultural farms will be able to become permanently bound with the market and, at the same time, gain financial stability. This perspective should allow us to build sustainable grounds for further development of the Polish, and hence the European agriculture. The demand for food will be growing, as will also the demand for high-quality food, which is exactly what Poland produces. Already approximately 30% of our agricultural production is sent outside our borders. We are still looking for new target markets and the Russian embargo introduced in August 2014 has clearly confirmed such a necessity.

I am convinced that the publication you are holding in your hand, just like its previous editions, will also prove useful and be helpful in the assessment of the condition of the Polish agriculture, the changes occurring in it and the plans for the future.

I wish you a pleasant reading.

Marek Sawicki
Minister of Agriculture and Rural Development

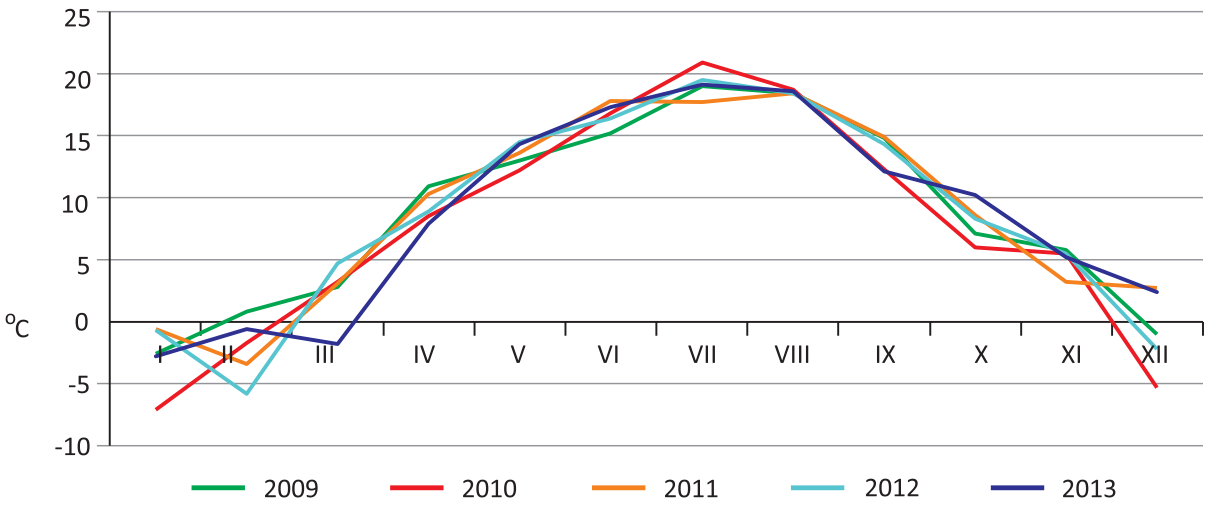
GENERAL INFORMATION ABOUT POLAND



Poland, a medium-sized Central European country, with the area of 312.7 000 km^2 and 38.5 million inhabitants, holds the 6th place in EU-27, both in terms of population and occupied area. In terms of the number of people employed in agriculture Poland holds the first place in the European Union and the second place (after Romania) in terms of the number of agricultural farms. The number of people working in agriculture, hunting, forestry and fisheries exceeds the percentage share of the employed in these sectors in the EU-28 by 2.5 times – (14.5% and 5.6% respectively). Poland occupies 7.2% of the total area of the EU countries, bordering 7 countries, including 4 members of the EU (Germany, the Czech Republic, Slovakia and Lithuania) and 3 from outside the European Union (Russia, Belarus, Ukraine).

Poland is characterised by considerable natural and environmental diversity. Special protection covers 23 national parks, occupying more than 314.6 thousand ha, nature reserves in the number of 1486 with total area of 165.7 thousand ha, 122 landscape parks occupying the area of nearly 2611 thousand ha and nature monuments in the number of 36.4 thousand. The share of forest land in the overall land area of the country exceeds 30%. Many species of animals are protected, of which the most important include

Figure 1. Average monthly air temperature in Poland in the period 2009-2013 (in °C)

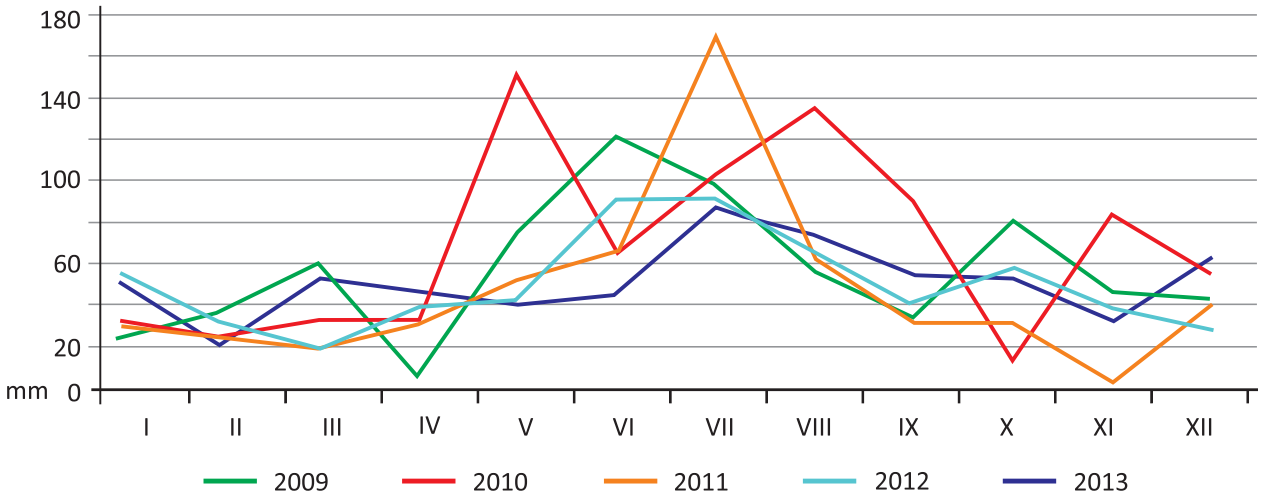


Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

wisents (1337 pcs.), chamois (334 pcs.), bears (164 pcs.), beavers (96 650 pcs.), lynxes (308 pcs.) and wolves (1122 pcs.).

More than 75% of the territory of Poland is situated below 200 m above sea level, including 0.2% lower than 0 m and only 3.1% above 500 m above sea level. The climate in Poland is characterised by significant fluctuations in the duration of particular seasons. In the period of the recent 5 years the average air temperature has ranged from 7.5°C up to 8.9°C and the sum of precipitation between 576 mm and 830 mm. Atmospheric precipitation is the main source of water resources and is characterised by high fluctuations in particular years, months and regions. As a result Poland includes draught and flooding areas as well as experiences floods. In 2013, according to the situation as of 31 December, measurements of temperature and precipitation were conducted by 270 stations and posts and measurements of precipitation only – 980 precipitation stations. The absolute maximum of temperature in 2013 was recorded in August at the Silniczka meteorological station and amounted to 38.9°C, while the lowest temperature was recorded at the meteorological station in Poronin and amounted to -27.2°C. The highest amplitude of extreme temperature values in Poland in 2013 amounted to 66.1°C. The maximum daily precipitation in 2013 was recorded at the precipitation station in Braniewo and amounted to 159.5 mm.

Figure 2. Average monthly total precipitation in Poland in the period 2009-2013 (in mm)



Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

Poland is classified into countries with poor water resources. The average annual outflow of surface waters, along with foreign tributaries in the 1980-2012 period amounted to 62.3 km^2, and in 2013 – 67 km^2, and from the area of the country 57.6 km^2. Per capita it gives the annual water resource of ca. 1.5 dam^3, while on the average value of those resources in Europe is estimated to be 4.6 dam^3.

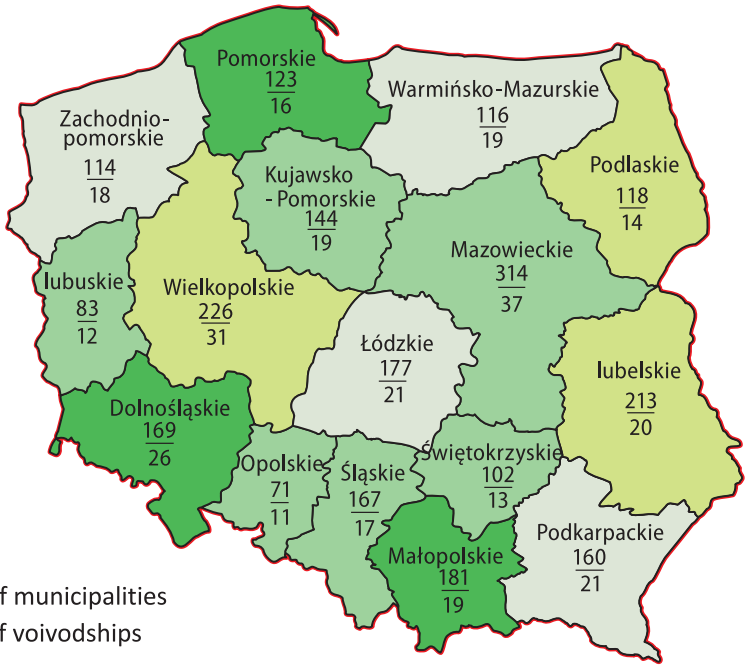
Water resources in Poland are characterised by high seasonal variability and irregularity in territorial distribution. Storage reservoirs have low capacity and may keep only 6% of the annual water outflow in Poland, which does not ensure sufficient protection against periodical water excesses or deficits.

In territorial terms Poland is divided into 16 provinces, 314 counties, 66 cities with county rights and 2 479 communes. Auxiliary units in communes include, among others, village units, in the number of 40 583 thousand. The largest in terms of area (35.6 000 km^2) and population (5.3 million) is the Mazowieckie Province. The smallest in terms of area (9.4 000 km^2) and population (1.0 million) is the Opolskie Province. The largest commune in terms of area is the Pisz commune (634 km^2), while the smallest is the Górowo Iłowieckie commune (3 km^2). In terms of the number of people the largest commune is the Capital City of Warsaw (1.7 million), also being a city with county rights in the Mazowieckie Province, while the smallest is the Krynica Morska commune (1.4 thousand) in the Pomorskie Province.

The population of Poland in 2013 amounted to 38.5 million people, including 23.3 million living in urban areas and 15.2 million people in rural areas. In comparison with 2005 the population has increased by 339 000 people, given that the increase has been experienced only by the rural areas (by 505 thousand). Over this period the number of urban inhabitants has decreased by 166 000 people. As compared to 2012 the

number of live births has decreased (from 386.3 to 369.6) and the total fertility ratio has also decreased (from 1.299 to 1.256). As compared to the previous year the live birth ratio per 1000 inhabitants has decreased and amounted to 9.6 as compared to 10 in 2012. In 2013 the population decreased by 37.7 thousand people. The population forecast drawn up by the National Statistical Office (GUS) assumes a regular decrease in the population in Poland until 2035 (by 2.3 million). In rural areas the migration internal balance will gradually decrease and will not compensate the loss of rural population estimated at 0.5%. The loss will be a result of the decreasing number of births. The primary factor inhibiting the drainage of population from towns and cities will be creation of new jobs in urbanised areas and the permanent stay of some people so far living there periodically.

Map 1. Territorial division units in Poland



2478 - number of municipalities
16 - number of voivodships

SELECTED INFORMATION ABOUT THE ECONOMIC SITUATION OF POLAND IN 2013

In 2013, as a result of adverse external conditions and a strong demand barrier, the economy of Poland was developing more slowly than in the previous years. While in 2011 the GDP increased by 4.5%, in 2012 by 1.9%, then the increase in 2013 amounted to 1.6%. The construction industry failed to reach the 2012 level. It was only slightly exceeded by the import sector. The negative impact of adverse external conditions, weakening the economic situation in our country, could not have been avoided. The main cause of the slowdown was the recession in the Eurozone, which reduced the export capabilities of Polish companies. The internal demand generated by investment activities, consumer and governmental expenditures remained at a low level. The internal demand did not change as compared to 2012. Consumption increased by 1.2%, and accumulation decreased by 4.7%.

The decrease in the development dynamics was accompanied by the limitation in utilisation of production capacity, deterioration in the financial situation of enterprises and reduction in the demand for labour, which resulted in a drop in employment in the sector of enterprises and high unemployment. Business entities signalled excessive levels of their inventories and growing difficulties in payment of their financial liabilities as well as expressed pessimistic appraisals of the current and the future climate of the economic situation, but since the middle of the year the slowly improving economic situation on the world markets signalled a reversal of the negative trends. The growth rate in the first quarter was 0.2 5%, in the second 0.8%, in the third the growth was 1.9%, and in the fourth 2.7%. Also other indicators illustrating the macroeconomic situation also improved.

The economic situation of Poland stood out favourably in comparison with the EU countries. 2013 was the second year of a significant economic slowdown in the European Union countries. The GDP in the EU-28

increased in real terms by 0.1%, after the fall by 0.4% in 2012. In the Eurozone it decreased by 0.7% and 0.5% respectively. The drop in GDP in the Eurozone was accompanied by a slowdown in the economic growth Germany (from 3.3% in 2011 to 0.7% in 2012 and 0.4% in 2013) – the main commercial partner of Poland.

The situation on the labour market remained difficult. At the end of December the rate of registered unemployment reached 13.4 and was the same as in 2012. In December more than 2 157.9 thousand people remained unemployed. The percentage of long-term unemployed in the overall number of the unemployed increased from 50.2% to 53.7%. The increase in the supply of labour exceeding the increase in the demand for labour limited the wage growth pressure. The average gross remuneration in the sector of enterprises reached on average 3.8 000 PLN per month and in real terms was by 2% higher than the year before. The average nominal pension and employee disability pension slightly exceeded 1.9 thousand, and its real purchasing power increased by 4.4%. The real value of benefit-type payments (for the unemployed, sickness) increased. In 2013 the value of cash transfers from people working abroad decreased. On the other hand, the real value of consumer credits in the banking system increased, which resulted from the loosening of the criteria and terms of granting them and the drop in the costs of their acquisition in connection with the lowering of margins in combination with decreases in interest rates. It is estimated that the global disposable income of households was higher by 1.9% than the ones recorded in 2012. The fact of an increase in consumption, which amounted to 1.2% in the entire year, while in 2012 it was only about 1%, should also be noted. It is confirmed by the data concerning retail sales, which in 2013 increased by 1.6%, including a growth in sales of consumer goods by 3% and a drop in the sales of non-consumer goods by 4%.

The influx of funds for development purposes was significantly restricted by the expiry of structural funds due to Poland within the financial perspective for the years 2007-2013. This was the key factor inhibiting public sector investments. Export fostered growing tendencies in our economy. In 2013 the outflow of goods calculated in euros was by 8% higher than the year before, while import was higher by 1.9%. As a result the balance amounted to minus 2 billion euros as compared to minus 10.6 billion euros in 2012. Another very good year was recorded in the exchange of agricultural and food products. The export increased by 14.2%, and the import by 5.6%. The surplus of export over the import reached 6.1 billion Euro. This surplus covered almost ¾ of the deficit in the trade in products of other sectors.

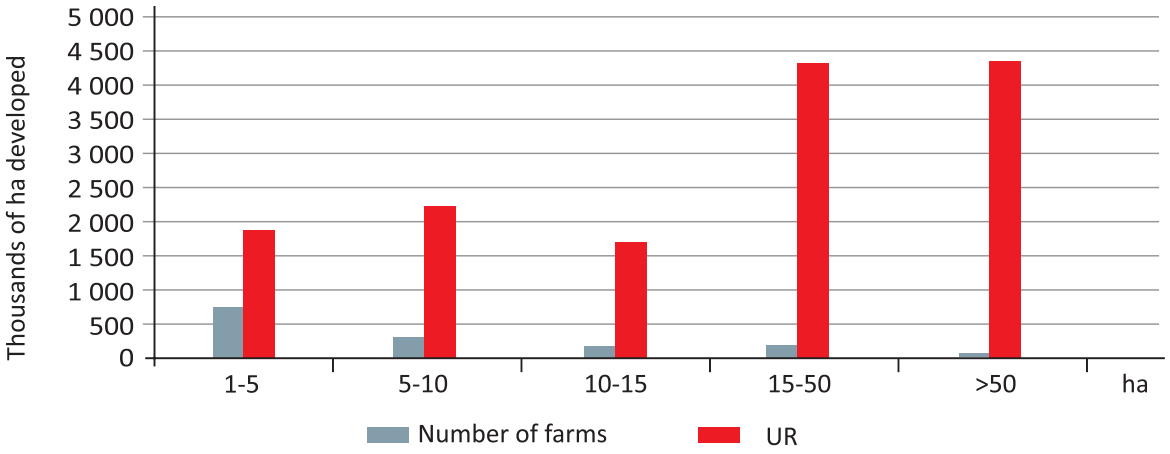
The situation of public finance in 2013 was difficult. The deficit of the institutions of the government sector and local administration caused an increase in debt. The debt of the public finance sector in relation to the GDP rose to 53.9% as compared to 52.6% in 2012. The debt of the institutions of the government sector and local administration increased in relation to GDP to 57% as compared to 55.6% in 2012.

AGRICULTURE

GENERAL DESCRIPTION

Polish agriculture is characterised by considerable fragmentation – the average area of arable land (AL) per 1 farm has been gradually increasing and amounted to 10.2 ha of arable land in 2013 (9.1 ha in 2011 and 5.8 ha in 2002) Despite a certain acceleration in the concentration, slightly above half of the farms in Poland (52.5%) use no more than 5 ha of AL. On the other hand, ¾ of the farms (75.1%) use less than 10 ha of AL and their total share in arable lands is 28.3% (Fig. 3). These farms normally generate production

Figure 3. Use of lands in farms different in terms of area in 2013.



Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

using traditional methods, with low mineral fertilisation and consumption of chemical plant pesticides as well as industrial fodder in feeding farm animals, especially cattle. Subsequently, almost 31% of arable lands can be found in 10-30 ha farms. More than 71 thousand farms, that is slightly more than 5% of the general community, operates on almost 41% of arable lands.

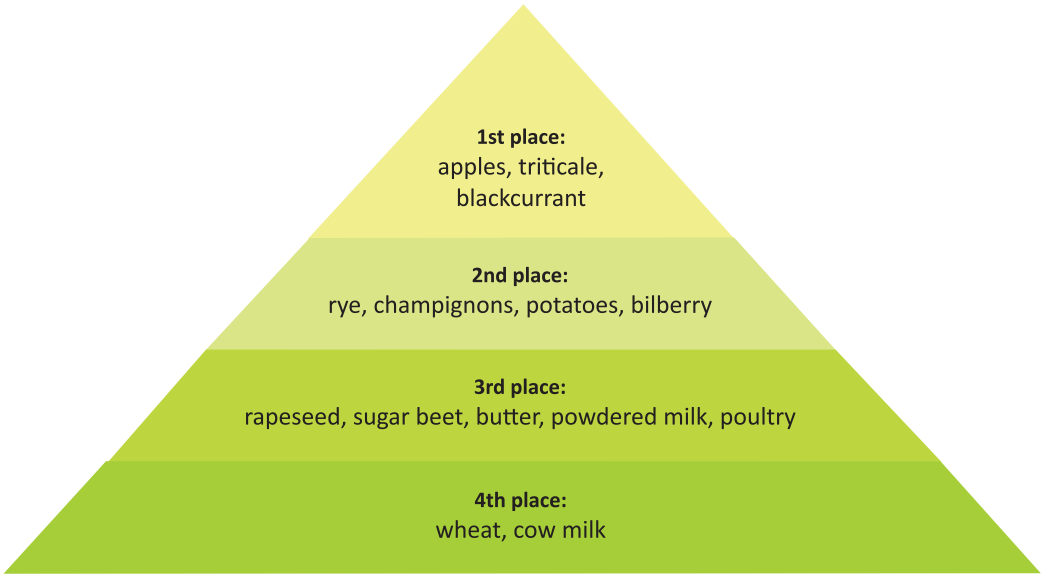
The data gathered during a common agricultural census in 2010 suggests that half of the farms produce exclusively or mostly for own purposes, limiting their expenses on the purchase of food and family sustaining costs.

Table 1. Number of farms and area of arable land in 2013.

Specification	To 1 ha	1-2 ha	2-5 ha	5-10 ha	10-15 ha	15 ha and more	Total
Area of AL, thousand ha	29.2	404,0	1477,4	2228,3	1709,1	8761,2	14 609,2
Number of farms, thousands	34.4	277,6	455,3	315.0	141,3	205,3	1429,0
AL/ha farm	0.8	1.5	3.2	7.1	12.1	42.7	10.2

Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

Figure 4. Place of the Polish agriculture in EU-27 in 2012.



Source: Ministry of Agriculture and Rural Development.

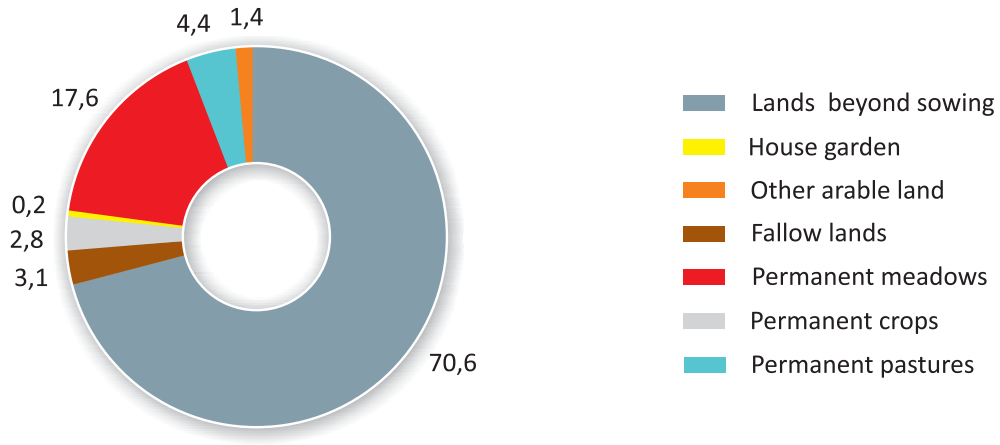
Despite the unfavourable agrarian structure and the lower quality of agricultural production space, when compared to other member countries, Poland is a major global and European producer of agricultural, horticultural and animal products, as a result of having high workforce resources.
Currently agricultural farms in Poland generate production the global value of which (in current prices) gives the Polish agriculture the 7th place in the European Union after France, Germany, Italy, Spain, the United Kingdom and the Netherlands. For several years, the greatest share in the structure of commodity agricultural production has been held by animals for slaughter (31.8%) cow, milk (17.4%) and cereals (15.0%)
Currently, Poland is the European leader in production of apples, triticale and blackcurrants, and the second producer of rye, champignons, potatoes and bilberries (Fig. 4). Poland also holds a significant place in production of berry fruit (strawberries, raspberries, currants) and ground vegetables such as: onions, cabbages and cauliflowers.
Soil and climatic conditions as well as regional traditions determine the specialisation of the production. The areas of central, eastern and northern Poland are used as areas for cultivation of rye, cereal mixes and corn as well as green lands. Orchards and plantations of berry fruit can be found primarily in Mazovia (the region of Grójec), in the Lubelskie Province, the vicinity of Sandomierz as well as in Wielkopolskie and the Łódzkie Province. Crops of plants with higher soil and climatic requirements are more often cultivated in the south-eastern and the western part of the country as well as in the region of Żuławy and Warmia. The crops prevailing there include intensive cereals, mainly wheat and sugar beets as well as rapeseed.
Dairy cattle breeding is mostly concentrated in the Podlaskie, the Mazowieckie, the Warmińsko-Mazurskie and the Wielkopolskie Province, while swine breeding in Province the Wielkopolskie and the Kujawsko-Pomorskie Province. Sheep are bred at a larger scale only in mountain areas (the Małopolskie and the Podkarpackie Province).

RESOURCES OF AGRICULTURAL LAND AND STRUCTURE OF ITS USE

2013 did not bring significant changes in the total area or the structure of use of arable land belonging to the farms. In 2013 they used 14.6 million ha of AL, 13.3 million ha of which was used by individual farms. 14.4 million ha was kept in a good condition, 10.3 million ha of which were sown, 3.2 million ha occupied by permanent grassland, 412 thousand ha with permanent plantations (including 363 thousand ha of orchards), 446.5 thousand ha of arable lands were left fallow, 199.3 thousand ha included other arable lands, while 843.6 thousand ha were occupied by other lands (tab. 2).

As compared to 2012 the area of lands kept in a good agricultural condition decreased by 0.8%. In the general structure of arable lands kept in a good agricultural condition (14.4 million ha – 100%), 70.6% were sown, permanent meadows and pastures constituted 22%, permanent cultivation 2.8% (Fig. 5).

Figure 5. Structure of use of arable lands in 2013 (in %)



Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

The quality of arable lands in Poland is lower than the average one in the EU. A large share of weak and acidified soils reduces the agricultural usefulness of arable lands. The share of light soils, characterised by high sandiness, is twice as high in Poland as the average one in the EU; in Poland it is 60.8%, and in the EU – 31.8%. The soil bonitation ratio, being a quotient of conversion hectares to physical arable lands, in Poland is 0.82. Unfavorable soil conditions and overlapping worse climatic conditions are reflected in a lower soil productivity as compared to the average from the EU.

Table 2. Structure of land use in 2013.

Specification	Thousand ha	%
Total area	31 267,9	x
Total arable lands	14 609,2	100
including arable lands in good condition	14 409,9	x
sown lands	10 313,0	70,6
lands left fallow	446,5	3,1
permanent cultivation	412,2	2,8
including orchards	362,6	2,5
home gardens	31,8	0,2
permanent meadows	2 564,6	17,6
permanent pastures	641,8	4,4
other arable lands	199,3	1,4
Forests and forest land	9 383,0	x
Other lands	7 275,7	x

Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

Since Poland's accession to the EU the area of lands that lie fallow on arable lands has been decreasing. In 2013 the area of lands left fallow amounted to 449.6 thousand ha and was almost 4.5-times smaller than

in 2002, but slightly greater than in 2012. (by 1.5 %) The tendency to reduce the fallow area is related with the use of direct subsidies for each hectare used agriculturally and the growth in prices of agricultural land.

The data about the number of farms in particular years confirm the tendency to changes in the Polish agriculture observed over the recent years, particularly after the accession. And so – in comparison to the results gathered during the common agricultural census in 2002 – the main changes apply to the following:

- reduction in the number of agricultural farms along with simultaneous increase in their areas
- significant changes in the structure of agricultural farms, including a 46.2% decrease in the number of the smallest farms (with total area of 1-2 ha), a 26% decrease in the number of farms from the group of 2-15 ha and 10.4% from the group of 15-30 ha. These changes are accompanied by a significant growth in the number of larger farms, with total area of 30 ha and more, by about 38% (Fig. 6);
- slow, but visible dissemination of the multifunctional farm model, in particular in the group of small farms, which partially or entirely resign from agricultural activities by taking up activities other than agricultural ones;
- decrease in the total area of lands in use of the farms as a result of assigning agricultural grounds for non-agricultural purposes, e.g. infrastructural, with a simultaneous decrease in the area of arable lands (from 16.9 to 14.4 million ha);
- slight decrease in the area of sowed lands with simultaneous changes within the structure of cultivations – decrease in the area used for cereals, potatoes and sugar beets with a simultaneous increase in rapeseed and fodder sowings;
- growth in stock cattle total, with a simultaneous decrease in the number of cows. This trend is connected with a growth in interest in production of beef cattle after the accession to the EU and the increase of the profitability of this production. The reduction in the number of cows is a result of the introduction of milk production quotas after the accession and high quality requirements for cow milk;
- improvement in equipment of agricultural farms with means of production, confirming the process of modernisation of the agriculture after the accession to the EU (unquestionable impact of the instruments of the European Union's Common Agricultural Policy and the improvement in the income situation of the agriculture).

Structural changes continued in 2013. As compared with the previous year the number of farms having at least 1 ha of AL decreased by 3.3% to 1394.6 thousand, first of all, as a result of the decrease in the number of smaller farms using up to 10 ha of AL (by 5.4%), but also 10-15 ha (by 1.7%). On the other hand, the number of farms using from 30-100 ha (by 2.7%) and the number of farms using more than 100 ha (by 4.4%) increased at their expense. As a result, the average farm area using more than 1 ha rose to 10.2 ha. On the other hand, the number of farms using up to 1 ha increased from 21.5 thousand in 2012 to 34.4 thousand in 2013. As a result its share in the structure of farms amounted to 2.4%, and 0.2% in the structure of agricultural land use. The area of arable land decreased by 2.4% to 14.6 million ha.

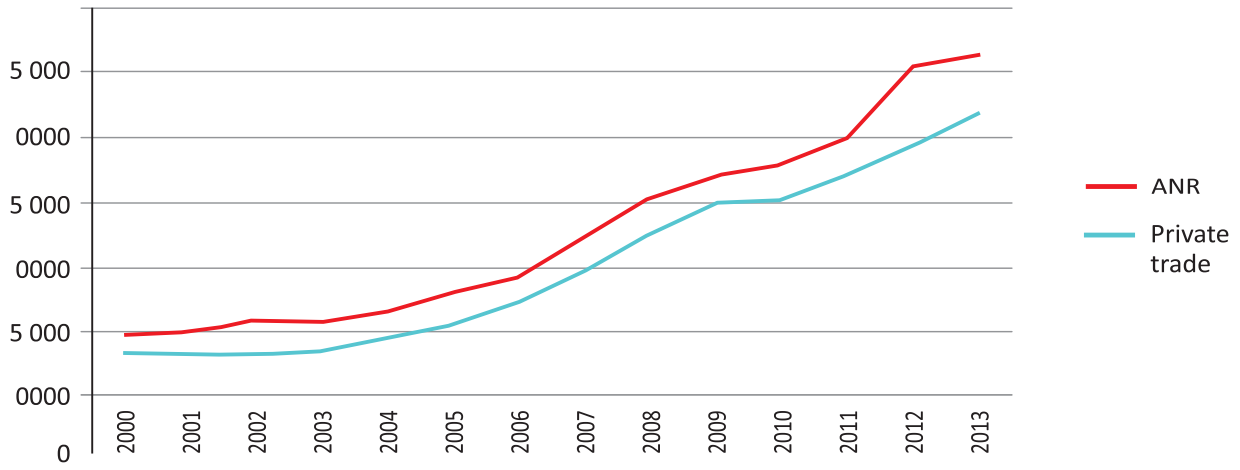
Despite those changes, the structure of agricultural land use did not change significantly, the total share of the smallest and small farms with up to 5 ha of AL within the structure did not change over the previous year. The share 10-15 ha farms increased slightly, by 0.3%. On the other hand, the share of 30-100 ha farms within the structure of arable lands clearly increased, from 18.9 to 20.5%.
The changes in the agricultural structure are the result of the economic compulsion to improve the effectiveness of management and work efficiency, the principles of functioning in a market economy and the direct support of agricultural income.

Figure 6. Structure of farms and arable lands in farms different in terms of area in 2002 and 2013.

Source: Powszechny Spis Rolny 2002, 2010, Rocznik Statyczny Rolnictwa i Obszarów Wiejskich 2012, GUS Warszawa 2013, Użytkowanie gruntów, powierzchnia zasiewów i pogłowie zwierząt gospodarskich w 2013 r., Rolnictwo w 2013 r. GUS Warsaw 2014.

Since the time of integration with the EU there has been an increase in interest in purchase of agricultural land, which may lead to the increase in its prices. During the 2004-2013 period the prices of land in market trade increased 4 times to more than 26 thousand PLN/ha. The growth in the prices of lands sold by the Agricultural Property Agency (ANR) was, at that time, even higher (4.7 times), but their level in all years was lower than in private trade by about 15-30%, depending on the economic situation and the farmers' interest in purchase of land (Fig. 7).
In 2013 the growth in the prices of lands in private trade was lower (3.5%) than those sold by ANR (by 13,1%). The reason for this could have been the high demand in the areas where market supply was greatly limited.

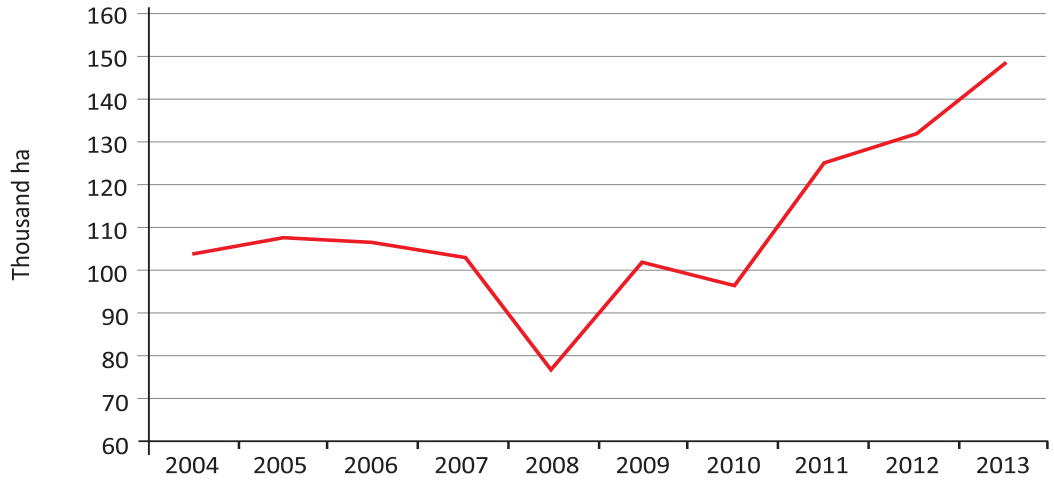
Figure 7. Prices of land sold by ANR and in private trade in PLN/ha



Source: ANR and GUS.

The intensification of transactions in the market trade in agricultural land is characterised by a significant regional diversity, conditioned mostly by supply, differences within the agricultural structure, the economic power of farms and diverse motivations for purchasing lands.

Figure 8. Sales of arable land by ANR during the 2004-2013 period (thousand ha)



Source: ANR and GUS.

The relatively lowest turnover are recorded in the regions of southern and central Poland, where the structure of farms is the most disintegrated and the prevalent practice is giving land to children beginning their adult life. It is also the reason for this significant regional diversity in land prices. The highest prices (higher by 16-45% than the average) are reached by the land sold by the ANR in the Dolnośląskie, the Wielkopolskie, the Kujawsko-Pomorskie, the Śląskie and the Opolskie Province, where the level of agricultural production and farmers' skills are high, the quality of agricultural production space higher than the average and the interest in expanding farms as the basic factor making it possible to increase agricultural income, persists. In the Lubuskie, the Lublin and the Świetokrzyskie Province the prices are 30-35% lower than the average.

A significant effect on the level of obtained prices has the quality of soils as well as its location and the condition of transport infrastructure in the area. Significant fluctuations in the prices of agricultural products result in the fact that, in spite of a systematic growth in nominal land prices, its prices expressed in

natural meters are prone significant fluctuations. Despite the deterioration in the agricultural income, in 2013 the Agricultural Property Agency sold 148 thousand ha and thus by almost 12% more than the year before and the most since 2004. (Fig. 8).

Table 3. Sales of land from the resources the State Treasury Agricultural Property Agency in thousand ha

Specification	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Thousand ha	104,5	108,3	107,4	103,7	78,2	102,4	96,5	125,1	132,2	148,0
Change ratio (previous year = 100)	102,8	103,6	99,2	96,6	75,4	130,9	94,2	129,6	105,7	112,0

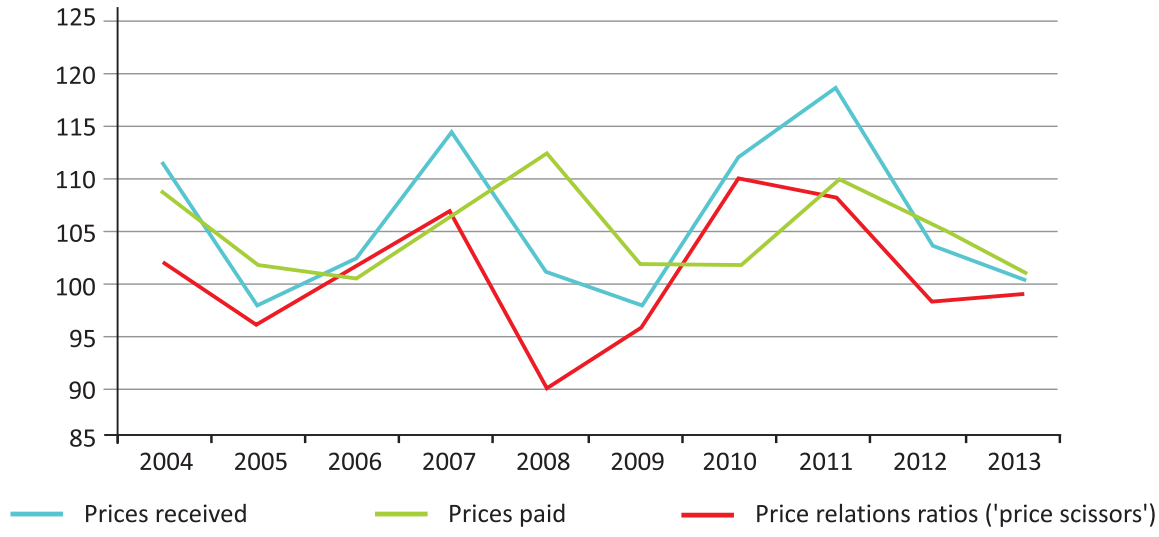
Source: ANR and GUS.

The maintenance of high demand for land was substantially influenced by the increase in the agricultural income in the previous years, preferential credits with a subsidy for their interest, the possibility to sell the lands in installments offered by the Agricultural Property Agency. On the other hand, the sales were hindered by the fact the banks applied stricter criteria for granting preferential credits for purchase of land as well as farmers' protests and blocking the sale of some of the property as well as difficulties with proper valuation of agricultural real estate caused by the intensification of planned changes in spatial development and changes in the past functions of the lands.

FACTORS SHAPING PRODUCTION AND ECONOMIC SITUATION OF THE AGRICULTURE

In 2013 the market conditions of agricultural production slightly improved as compared to 2012. The prices received by farmers in 2013 increased by 0.3%, while retail prices of means of production increased by 1.2%. Hence, the price scissors ratio amounted to 99.1 points as compared to 98.3 points in 2012 and 108.3 points in 2011 1%). The ratios of purchase prices of most agricultural products were growing more slowly than the prices of goods and services purchased for the purposes of current agricultural production as well as investment purposes, which caused that the market conditions of agricultural production in 2013 were not favourable for agricultural producers.

Figure. 9. Ratios of changes in prices paid and received by agricultural producers and the "price scissors"



Source: data of the National Statistical Office (GUS).

The ratio of changes in prices of agricultural raw materials in 2013 amounted to 100.3, given that the ratio of crop products dropped (95.6 as compared to 97.2 in 2012), while the animal products amounted

to 104.1 as compared to 109.1 in 2012. In 2013 the buying prices of wheat fell by 10.8%, rye by 25.4%, triticale by 18.5%, barley by 10.5%, corn by 8.2%, rapeseed by 25.6% and the prices of edible potatoes rose by 43.3%, sugar beets by 8.4%. The buying-in prices of cattle were lower by 3.1%, swine by 0.2%%, consumer eggs by 25% and higher-quality milk by 13.2% and poultry by 1%.

SUPPLY OF THE AGRICULTURE WITH MEANS OF PRODUCTION

CONSUMPTION OF FERTILISERS IN POLAND

Application of fertilisers is of critical importance for keeping a proper production potential of soil and providing high, good quality yields of cultivated plants. Mineral fertilisers are an important element of the cost structure of cultivation of agricultural plants, which substantially limits the level of their consumption. 2013 saw express falls of prices of mineral fertilisers in the world. The decrease in the world prices contributed to reductions in prices on many local markets. In the United Kingdom the prices dropped by 9.7%, in the USA by 5.9%, in France by 4.9%, in Germany by 3.1. On the other hand, in Poland the average annual prices of mineral and calcium fertilisers in 2013 increased by 1.7%, given that single superphosphate got more expensive by 2.2%, urea by 1.8%, and the prices of potassium salt decreased by 4.2% and nitro-chalk by 3.1. The prices of mineral fertilisers on the domestic market began to fall in the second half of the year. As a result of such changes to purchase 1 kg of NPK in 2013 one had to pay the equivalent of 5.3 kg of wheat as compared to 4.8 kg in 2012, and 7.5 kg and 5.7 kg of rye respectively.
The global consumption of mineral fertilisers for 2013 crops amounted to 1993.4 thousand tons per pure ingredient and was 3.2% higher as compared with the previous season. The consumption of nitrogen fertilisers increased by 7.7% to 1179.1 thousand tons, of phosphorous fertilisers by 0.9% to 374.1 thousand t, while the consumption of potassium fertilisers decreased by 6.7% to 390.2 thousand tons. The level of mineral fertilisation increased by 5.7% to 133 kg of NPK/ha of AL (tab. 4). The unit consumption of nitrogen fertilisers increased by 10.4% to 80.7 kg of N/ha of AL, phosphorous fertilisers by 3.2% to 25.6 kg P2 O5/ha of AL, while in the case of potassium fertilisers it shrunk by 4.3% to 26.7 kg of K2 O/ha of AL. In consequence, the N: P: K ratio amounted to 1.0: 0.32: 0.33, while the following proportions are recommended for field cultivations in sustainable fertilisation: 1.00: 0.50: 0.98. A distinct diversity in the level of fertilisation between the provinces remained roughly the same. The highest level of mineral fertilisation was recorded in the Opolskie Province (223.5 kg NPK/ha UR), while the lowest – in the Małopolskie Province (68.2 kg of NPK/ha).

Table 4. Consumption of mineral fertilisers and calcium fertilisers in Poland (kg/ha UR)

Fertilisers	2005/06	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Mineral NPK	123,3	132,6	117,9	119,6	129,1	125,8	133
including: N	62,5	70,7	68,0	69,2	72,1	73,1	80,7
P_2O_5	27,7	28,8	23,3	22,8	27,0	24,8	25,6
K_2O	33,1	33,3	26,6	25,6	30,1	27,9	26,7
Calcium CaO	54,8	38,5	32,9	38,1	37,6	33,9	43,4

Source: data: Rynek środków produkcji, IERiGŻ-PIB and GUS.

The 2012/13 season saw a significant increase in the consumption of calcium fertilisers in Poland as compared to the previous season. 634.7 thousand tons of CaO was used, (126.9 thousand tons more than in the previous season), while per 1 ha of AL it amounted to 52.4 kg (18.5 kg more than in the previous year) The highest level of consumption calcium fertilisers was recorded in the Opolskie Province – 97.7 kg of CaO/ha of AL, while the lowest in the Podlaskie province – 7.9 kg CaO/ha of AL.

CONSUMPTION OF FERTILISERS IN EU MEMBER COUNTRIES

After a clear growth in consumption of mineral fertilisers in the European Union during the 2010/11 season, the 2011/12 season saw a drop in demand for fertilisers in the European Union. The consumption of mineral fertilisers shrunk by 6.4 to 15.1 million tons. The consumption of fertilisers in the EU-15 countries shrunk by 9.6%, including by 14.6% in France, by 14.3% in Spain and by 9.3% in Germany. In the EU-12

countries the consumption increased by almost 4%, including by 28.8% in Latvia, by 15.6% in Hungary, by 14.5% in Slovakia and by 7.8 in Romania.

The decrease in mineral fertilisation during the 2011/12 season in the EU-15 countries is, first of all, a result of decreased potassium (by 8.2%), phosphorous (7.3%) and nitrogen (5.8%) fertilisation. The greatest share in the structure of consumption of mineral fertilisers had nitrogen – 67.3% and then potassium – 17.4 and phosphorus fertilisers – 15.4%. For comparison, during the 2009/10 season the share of nitrogen fertilisers was 66.9%, potassium fertilisers – 17.7%, while phosphorous fertilisers – 15.5%.

The unit level of mineral fertilisation in the EU-27 decreased by 5.8% to 81 kg of NPK/ha of AL, and in the EU-15 countries by 10.9% to 82 kg of NPK/ha of AL, while in the EU-12 countries it increased by 2.7% to 76 kg of NPK/ha of AL. The highest unit consumption of NPK for many years has been observed in Benelux countries, which have a large share of intensive crops in their structure of sowings. During the 2011/12 season the consumption of NPK in those countries amounted to approximately 170 kg of NPK/ha of AL, while in Germany – 136 kg of NPK/ha of AL. A relatively high level of fertilisation was also recorded in Poland (127 kg of NPK/ha AL) and France (100 kg of NPK/ha AL). In other EU-27 countries the consumption of NPK did not exceeded 100 kg of NPK/ha of AL. The lowest consumption was recorded in Romania, Portugal and in Latvia (34-37 kg of NPK/ha of AL). It is estimated that during the 2012/13 season the consumption of mineral fertilisers in the European Union increased by about 5%, both in the EU-15 countries and the EU-12 countries.

Table 5. Consumption of mineral fertilisers in the EU (million t of NPK)

UE	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
EU-27	17,3	17,0	18,3	13,7	14,9	16,1	15,1
EU-15	13,3	13,0	14,0	10,0	11,1	12,4	11,2
EU-12	3,9	4,0	4,4	3,7	3,8	3,8	3,9
POLAND	1,9	2,0	2,1	1,9	1,9	2,0	1,9

Source: data by International Fertilizer Industry Association, Fertilizers Europe after IERiGŻ-PIB 2014.

SALES OF PLANT PESTICIDES

As compared to 2012, the sales of plant pesticides in 2013 slightly increased and amounted to 22204 tons of active substance. The largest share in the sales structure had herbicides (56.4%) as well as fungicides and seed hopper (30%).

In December of 2013 the prices of plant pesticides in Poland were on average higher by 2.8% as compared with December of 2012. The sales of plant pesticides in Poland were conducted in 2013 in 6984 points of sale. As compared to 2012 the number of points of sales of plant pesticides increased by 183 points. As compared to the general number of points of trade of plant pesticides 4.8% (338) are wholesale stores. The smallest number of points of sales of plant pesticides can be found in the Podkarpackie and the Lubuskie Province (173). The highest number of such points is recorded in the Wielkopolskie (893), the Mazowieckie (813) and the Lublin Province (693).

VALUE OF AGRICULTURAL PRODUCTION AND PRICE RELATIONS

In 2013 the global agricultural production in current prices reached the value of 107.8 billion PLN; including crop production - 58 billion PLN and animal production - 49.8 billion PLN. The growth in global production calculated in fixed prices amounted to 103.7%, including by 105.5% in individual farms. Crop production in comparison with 2012 increased by 4.5%, (a decrease by 0.6% was recorded in 2012), while animal production increased by 5% (in 2012 it decreased by 1.4%) The growth in crop production consisted of higher harvests of most of cultivated plants except for potatoes (-19.4%), ground vegetables (-12.1%), sugar beets (-9%), and also root fodder plants. The increase in animal production was caused by the increase in poultry livestock (by 5%), milk (by 0.4%) and chicken eggs (by 5.3%).

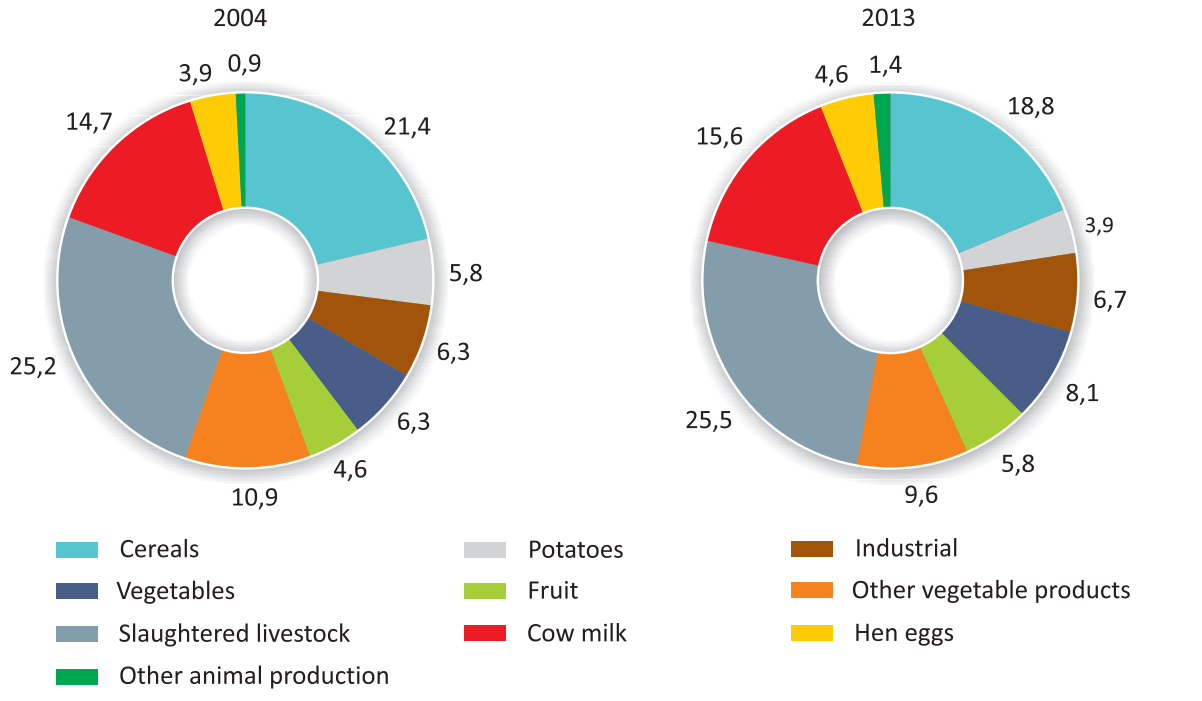
Table 6. Dynamics of agricultural production (fixed prices) (previous year = 100)

Specification	2004	2007	2009	2011	2012	2013
	Global production					
Crop production	116,7	108,9	103,0	105,9	99,4	104,5
Animal production	97,3	102,9	101,7	97,9	98,6	105,0
Total agriculture	107,5	105,9	102,4	102,2	99,1	103,7
	Commodity production					
Crop production	112,1	99,3	107,2	108,3	101,9	108,2
Animal production	97,5	103,1	99,7	100,1	100,7	102,5
Total agriculture	103,3	101,5	103,1	103,8	101,2	105,1
Share of commodity production in global production in %	66,3	64,4	71,2	70,8	72,7	74,5

Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

The commodity production of the agriculture in fixed prices increased as compared with the previous year by 5.1%, given that the growth in individual farms amounted to 4.5%. The increase of crop production as compared with the previous year amounted to 8.2%, and animal production to 2.5 %. Since 2000 (except for 2007) a gradual increase in the share of goods production in the global production of the agriculture has been observed. In 2013 this share increased to 74.5%, including to 73.2% in individual farms. In comparison with 2004 the commodity share of the global agricultural production has increased by 8.2 percentage points.

Figure 10. Structure of global agricultural production (%)

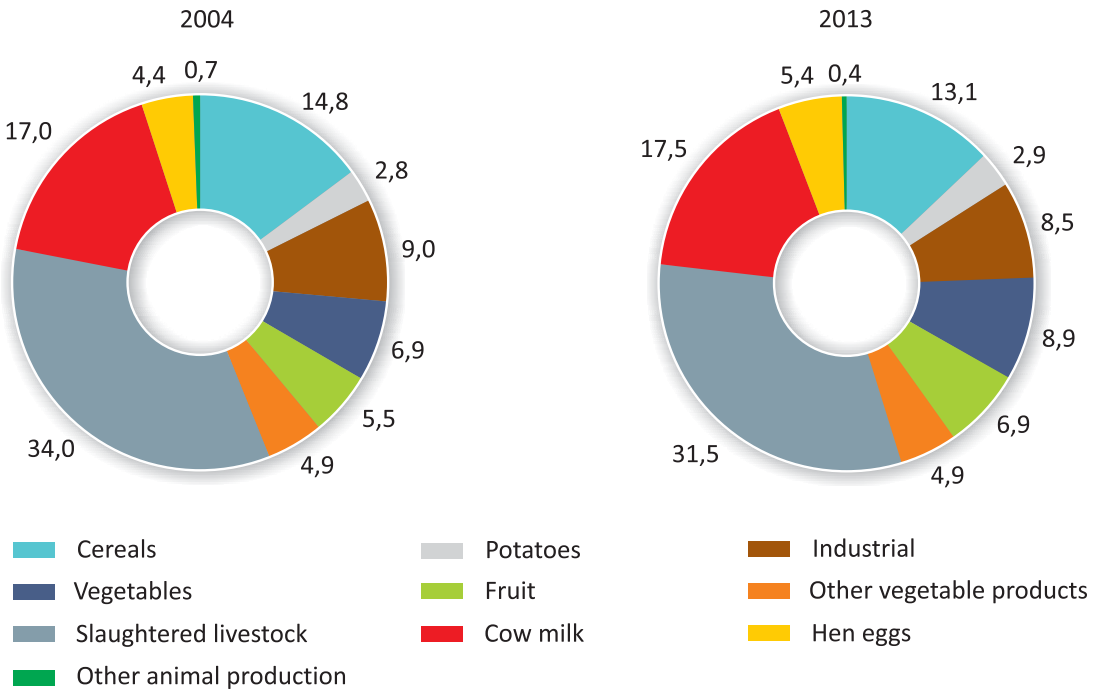


Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

Significant fluctuations in the dynamics of crop production and animal production in particular years mostly result from the variable weather conditions, which affect the level of yields and harvests, and, as a consequence, the supply and the level of prices. This is reflected in the amount of costs and profitability, and, as a consequence, the size of animal production.

The situation in agriculture in 2013 was influenced primarily by favourable economic situation on the international milk market, high prices of cereals, especially in the first half of the year, low numbers of pigs, high dynamics of poultry livestock production, resurgence of eggs production

Figure 11. Structure of commodity agricultural production (%)



Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

High prices of cereals on global markets and good domestic harvests stimulated the export demand. In 2013 Poland for the first time in history became a significant net exporter of cereals (mostly wheat, corn and rye) Nearly 4 million tons of grain was transported out of the country, while the import amounted to 1.2 million tons. Pork livestock import was also characterised by high dynamics. Low efficiency of reproduction of pigs and high costs of production of piglets caused that the import of live animals – mostly piglets and boar cubs-amounted to 5126 thousand pcs. and was higher than in the previous year by 34%. On the other hand, the export of swine was considerably smaller and amounted to 107 thousand pcs.
The buying prices of most crop products in 2013 were lower than in 2012 by 0.5% and the prices of commodity animal production increased by 3.2%. As a result of such changes the prices of commodity agricultural production increased by 1.9%

Table 7. Ratios of prices of commodity agricultural production (previous year = 100)

Specification	2004	2005	2009	2010	2011	2012	2013
Total	122,5	97,3	97,2	107,0	115,7	104,0	101,9
including purchase	114,4	97,1	96,2	105,2	119,5	106,1	99,5
Crop production	124,0	93,9	90,1	119,2	117,8	98,4	100,6
Animal production	121,1	99,4	103,4	98,7	114,2	108,7	103,2

Source: Agriculture in 2013. National Statistical Office (GUS), Warsaw 2014.

FARMERS' INCOME

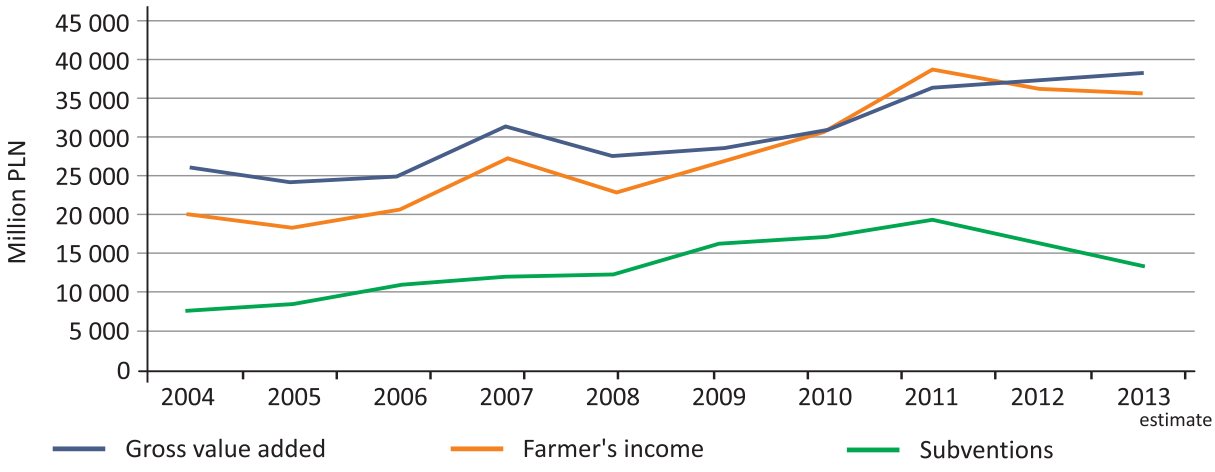
Farmers' income is defined mainly by the volume of agricultural production, the incurred outlays, the prices, and in fact by their changes and relations and the so-called transfers, that is subventions and interest received by farmers and transfers made by farmers for the benefit of the budget and external institutions (taxes, rent fees, credit taxes).
Income in agriculture is determined mainly by the volume of agricultural production, the level of prices and their variability as well as the outlays sustained in the production process. Transfers, flowing both to the agriculture and from the agriculture to the state budget, are also important when it comes to income. A significant share in the income in the Polish agriculture consists of subsidies and subventions.
The analysis of the income situation in agriculture based on the Economic Accounts for Agriculture (RER) shows that the income in the Polish agriculture was systematically increasing in the 2004-2011 period (increase by 95.2%). 2011 saw the growth trend break. In 2012 the income of agricultural entrepreneurs

at the level of national economy amounted to almost 36.7 billion PLN in current prices and, at the same time, it decreased by 5.8% as compared to 2011. According to the estimate for 2013 the income of agricultural entrepreneurs demonstrated a further decrease – by 2% (Fig. 12).

The decisive impact on the growth in the income of agricultural entrepreneurs in the 2004-2009 period had increase in the value of subventions. Their share in the income of entrepreneurs increased from 38.8% in 2004 to more than 60% in 2009. In subsequent years a decreasing significance of subventions in the income has been observed. In 2011 this share dropped slightly below 50%, in the following year below 45%, while in 2013 it failed to exceed 40% (tab.8 and fig. 13).

The value of production of the agricultural sector according to RER as compared to 2011 increased nominally by 3.6% in 2012 and by 2.8% in 2013. At a growth in indirect consumption by 4 and 1% respectively as compared to 2011 and with a simultaneously lower value of subsidies to agricultural products (by 22% and 58% respectively) The result of this was an increase in the value of gross added production as compared to 2011 by 3% in 2012 and by 6% in 2013 respectively. In comparison with 2004 the added value of agriculture was higher by 42% in 2012 and, as an estimate, by 46.4% in 2013., while in fixed prices (from 2005) this growth in 2012 and in 2013 exceeded 22 and 30% respectively.

Figure 12. Economic results of agriculture (current prices, million PLN)



Source: own study on the basis of Economic Accounts for Agriculture; Institute of Agricultural and Food Economics – National Research Institution; (verification: August 2014).

It should also be mentioned that the estimated 1% increase in the value of agricultural production in 2013 as compared to the previous year should be connected with the 0.9% increase in the production volume at an approximately 0.3% drop in prices. The increase in the value of production was a result of the increase in the value of animal production by almost 5%, which consisted in an increase in the volume of this branch of production by less than 2%, with a simultaneous price increase by 3% During that time, the value of crop production plummeted by over 3%, the reason for which were lower prices obtained by farmers (also by over 3%).

Table 8. Economic results of agriculture in 2013 as compared to previous years (current prices, million PLN)

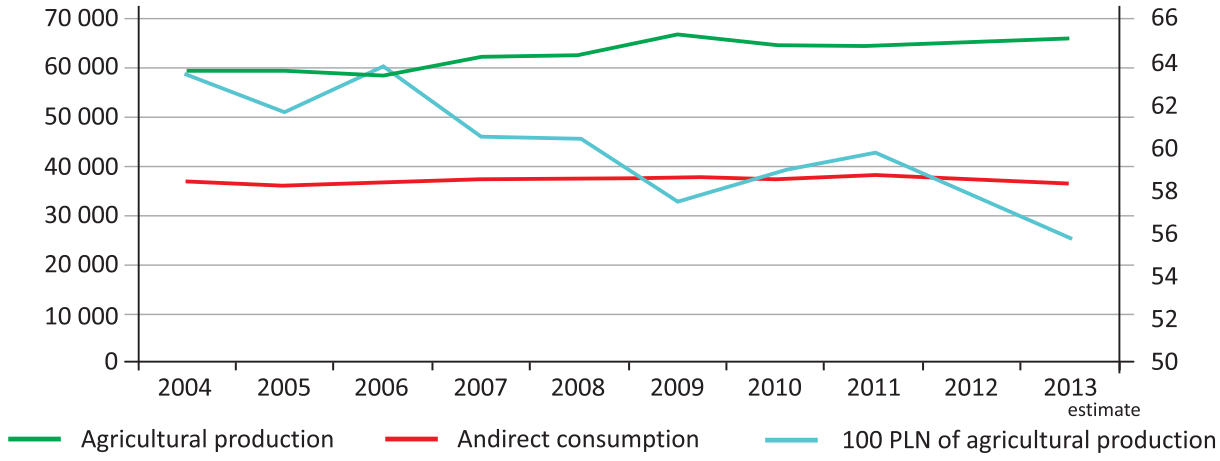
Specification	2004	2006	2008	2009	2010	2011	2012	2013 estimate
1. Production of the agricultural sector (A+B+C)	64 392	62 972	76 672	75 572	78 971	93 734	97 078	96 386
A. Crop and animal production	58 700	56 250	70 277	67 993	71 495	86 927	91 173	91 774
B. Subsidies to products	3 489	4 586	4 062	5 309	5 034	4 269	3 310	1 784
C. Remaining production and services	2 203	2 137	2 333	2 270	2 442	2 538	2 595	2 827
2. Indirect consumption	37 924	37 652	48 815	46 760	47 978	57 217	59 360	57 634
3. Gross value added (1-2)	26 468	25 320	27 857	28 812	30 993	36 517	37 718	38 751
4. Depreciation and amortization	5 642	5 170	5 753	5 749	5 918	6 072	6 291	6 487
5. Net value added (3-4)	20 827	20 150	22 104	23 064	25 074	30 445	31 427	32 264
6. Other taxes	1 375	1 262	1 520	1 455	1 206	1 309	2 370	2423
7. Other subventions	4 236	6 302	8 502	11 116	12 185	15 052	13 048	11 857
8. Income from means of production (5-6 +7)	23 688	25 190	29 086	32 724	36 053	44 189	42 105	41 698
9. Costs of hired labour	2 719	2 859	4 144	4 000	3 461	3 613	3 985	4 108
10. Rent fees	340	391	470	442	450	486	304	479
11. Balance of paid and obtained interest	701	1035	1127	1176	1 202	1183	1151	1198
12. Income of agricultural entrepreneurs (8-9-10-11)	19 928	20 905	23 346	27 107	30 940	38 907	36 666	35 913
13. Share of subsidies and subventions (B +7) in the income in %	38,8	52,1	53,8	60,6	55,7	49,7	44,6	38,0

Source: own study on the basis of Economic Accounts for Agriculture; Institute of Agricultural and Food Economics – National Research Institution (verification: August 2014).

Despite the increase in the value of added production, the income from the means of production, that is the remuneration for work and capital involved in the agricultural production as compared to 2011 decreased both in 2012 and 2013. In 2012 this figure decreased by 4.7% to 42.1 billion PLN on as a result of a reduction in the values of the other subventions by over 13% and a significant increase in the amount of other taxes (by 81%) According to the estimate in 2013 the income from means of production decreased by 1% to 41.7 billion PLN with a further reduction in the values of other subventions by over 9% and a further increase in the amount of other taxes by over 2% as compared to 2012

The estimated increase in the costs of hired labour (by over 3%) as well as a significant growth in the amount of lease rents (by over 57%) and a slight improvement in the interest balance influenced the change in income from own work and capital in 2013 by 2% to 35.9 billion PLN. Since in 2013, according to the estimates of GUS, employment in Polish agriculture did not change (2101.3 thousand fully employed people), the entrepreneurs' income per 1 employed person amounted to 17.1 thousand PLN However, income this was almost 2 times higher than in 2004. However, a significant growth in income was reached as a result of progress in the efficiency of agricultural production. A more than 12% growth in the volume of agricultural production in the 2004-2013 period was achieved at an average 0.5% growth in indirect consumption. As a result, in 2013 an estimated 58 PLN of outlays were used per 100 PLN of agricultural production (indirect consumption) On average, in the 2004-2012 period it was more than 64 PLN.

Figure 13. Value of agricultural production and indirect consumption (at producer prices from 2005)



** producer prices are the prices received by the producer without including the subsidies to the products.*
Source: own study on the basis of Economic Accounts for Agriculture; Institute of Agricultural and Food Economics and National Research Institution (verification: August 2014).

CONSUMPTION OF FOOD

The acceleration in the growth dynamics of the real income of the population after the integration resulted in changes in the level and the structure of food consumption. Along with the increase in people's income the share of expenses for food in overall expenses has been decreasing. This share in 2013 was 24.3% and was lower by 2.6 percentage points than in 2004. At the same time multidirectional changes in the consumption of particular foodstuffs take place. The favourable changes include a systematic growth in consumption of milk and its products, vegetable fats, poultry. The decrease in consumption of beef and also pork (in the 2010-2013 period) resulted in the fact that the balance consumption of meat in 2013 was by 3 kg/inhabitant lower than in 2012 (tab. 9)

The unfavourable changes include the lack of progress and even regress in the consumption of vegetables and fruit in spite of a considerable improvement in the market offer and their availability. However, it is worth adding that the growth in consumption of sugar has been determined by the growing consumption of confectionery, while direct consumption of sugar in households has been systematically decreasing.

The improvement in the quality of food supply in Poland is also proven by a regular decrease in consumption of bread and cereal products as well as potatoes accompanied by a higher consumption of refined and processed food. However, the level of food supply in Poland measured in consumption of animal products as well as fruit and vegetables is lower than the average one in the EU-15 and is typical of north European countries with low level income. The quality of an average Pole's diet also significantly differs from the Mediterranean model of consumption, which is regarded as by dieticians a benchmark one in terms of health reasons.

Table 9. Consumption of certain foodstuffs in Poland per capita

Specification	2004	2005	2009	2010	2011	2012	2013
Cereal products* kg	119	119	111	108	108	108	108
Potatoes (kg)	129	126	116	110	111	107	102
Vegetables (kg)	111	110	116	106	104	103	102
Fruit (kg)	55,0	54,1	55,5	44,0	42,0	46,0	46,0
Meat and offal (kg)	71,8	71,2	75,0	73,7	73,4	72,0	69,0
Fish and products **(kg)	12,4	11,5	13,3	13,1	12,4	11,7	12,6
Edible fats (kg)	30,7	30,5	31,8	32,1	32,0	32,1	32,6
including butter	4,4	4,2	4,7	4,3	4,0	4,1	4,1
vegetable fats	19,7	19,7	21,1	21,5	21,9	22,2	22,6
Milk and products ** (l)	174	173	187	189	194	193	195
Chicken eggs (pcs)	211	215	206	202	172	140	145
Sugar (kg)	37,6	40,1	38,8	39,9	39,4	42,5	43,0

** in cereal grain equivalent, ** in live weight equivalent, *** in fresh milk equivalent Source: Popyt na żywność nr 15, IERiGŻ-PIB, Warszawa 2014.*

AGRICULTURE IN REGIONS

Polish agriculture is regionally diverse, which is determined by a number of factors, first of all, the agroclimatic conditions: quality of agricultural land, climate conditions, terrain relief, water relations, etc. A synthetic indicator illustrating regional diversity of agriculture is the index of agricultural production space quality prepared by IUNG-PIB in Puławy.

The values of indexes in particular regions of Poland considerably vary – from the most beneficial ones encountered in the Opolskie Province to the least favourable in the Podlaskie province. Regional differences also apply to the socio-economic sphere: the structure of arable lands, the structure of farms, the type of land ownership, tradition and culture as well as the possibility to sell agricultural products (location of processing plants, municipal agglomerations, state borders, etc.).

Table 10. Quality of agricultural production space, crops of cereals and potatoes as well as mineral fertilisation in 2013.

Province	QAPS* [per-centage points]	Consumption of fertilisers [kg/ha]		Yield [dt/ha]	
		mineral [NPK]	calcium [CaO]	cereals	potatoes
Dolnośląskie	74,9	160,3	69,2	46,9	245
Kujawsko-pomorskie	71,0	174,3	55,0	44,2	234
Lubelskie	74,1	133,6	60,3	32,8	224
Lubuskie	62,3	188,5	24,0	43,0	232
Łódzkie	61,9	166,7	41,4	31,0	191
Małopolskie	69,3	69,2	10,6	34,6	169
Mazowieckie	59,9	92,3	29,6	30,0	204
Opolskie	81,6	223,5	97,7	51,9	255
Podkarpackie	70,4	74,9	21,0	33,4	189
Podlaskie	55,0	97,6	7,9	30,0	190
Pomorskie	66,2	153,9	66,9	40,0	237
Śląskie	64,2	112,9	53,1	37,2	181
Świętokrzyskie	69,3	126,2	22,9	29,1	168
Warmińsko-mazurskie	66,0	107,7	46,0	39,8	211
Wielkopolskie	64,8	151,1	41,2	42,8	249
Zachodniopomorskie	67,5	136,8	54,2	44,5	243
Poland	**66,6**	**133,0**	**43,4**	**38,0**	**210**

QAPS – Quality of agricultural production space. Source: study by Institute of Agricultural and Foods Economics-PIB, data by GUS.

The quality of agricultural production space as well as the structure of farms result in the fact that there are significant regional differences with regard to intensity. The largest yields are obtained in the provinces of western and northern Poland, where there are many commodity farms using intensive directions of production. The intensity of production is presented also by the consumption yield-generating measures (e.g. mineral fertilisers) and involvement of capital in production (e.g. mechanisation of works). In the

eastern and southern areas yields are lower, since the structure of farms shows very high fragmentation and the soil-climatic conditions are worse (shorter vegetation period) As a result many small farms produce their crops by using extensive and labour-consuming methods and the products are largely allocated for own needs and direct sales. Consumption of mineral fertilisers in the south-eastern regions is significantly smaller than in the western and the northern part of Poland (tab. 10).

Table 11. Share of provinces in domestic area of sowed lands in 2013.

Province	Average farm ha [a]	Share in sowing area (%)				
		sowings	cereals	potatoes	sugar beets	rapeseed
Dolnośląskie	15,0	6,4	7,0	5,6	8,9	14,7
Kujawsko-pomorskie	15,7	8,8	8,2	5,4	19,2	11,5
Lubelskie	7,3	10,8	10,5	8,1	17,1	7,2
Lubuskie	18,9	2,4	2,6	1,2	0,6	3,7
Łódzkie	7,4	8,0	7,9	11,2	3,0	2,3
Małopolskie	3,8	3,0	2,8	7,7	0,7	0,8
Mazowieckie	8,4	12,4	11,7	13,6	5,0	4,9
Opolskie	18,1	3,7	4,5	2,2	7,3	9,2
Podkarpackie	4,4	3,2	3,0	7,9	1,9	2,5
Podlaskie	12,4	6,7	5,7	6,9	0,0	1,0
Pomorskie	18,7	5,2	5,3	5,8	5,3	8,4
Śląskie	5,5	2,6	2,8	2,5	0,9	2,4
Świętokrzyskie	5,2	3,5	3,3	5,0	2,3	1,0
Warmińsko-mazurskie	23,7	5,5	5,1	3,8	1,4	7,6
Wielkopolskie	14,4	13,1	14,3	9,6	21,4	11,5
Zachodniopomorskie	29,8	4,6	5,1	3,4	4,9	11,2
Poland	**10,2**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

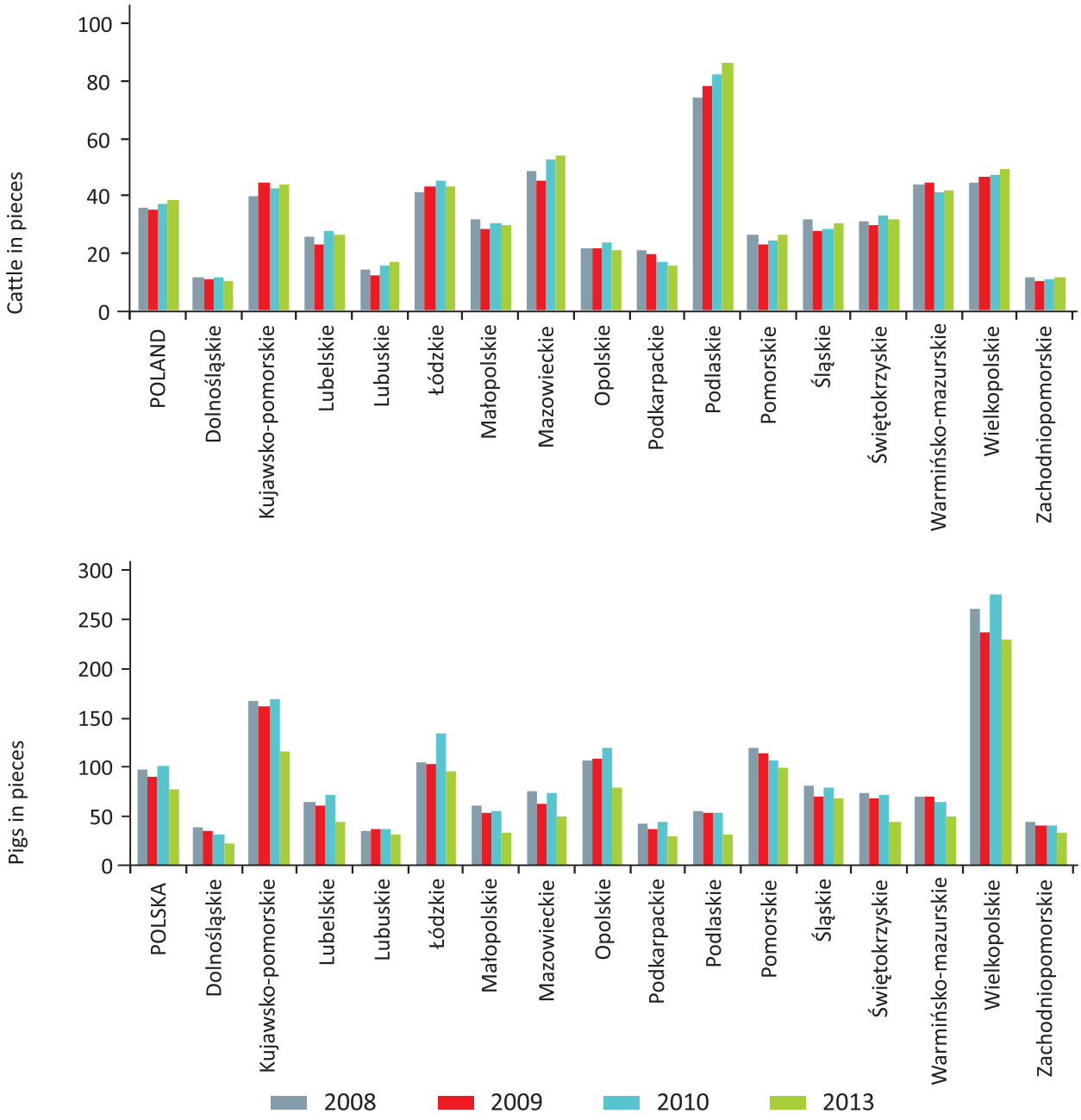
[a] Data for provinces according to PSR; for Poland – Rolnictwo w 2013 r., GUS, 2014. Source: study by Institute of Agricultural and Foods Economics-PIB, data by GUS.

The quality of agricultural production space and the opportunities of sale determine the structure of cultivation and the directions of animal production, which show strong territorial diversity. In Poland one can speak about a clear specialisation of agricultural production in the regions. The Kujawsko-Pomorskie, the Dolnośląskie, the Lublin, the Opolskie, the Wielkopolskie, the Western Pomorskie Provinces have a greater share in the domestic cultivation area of rapeseed and sugar beets than in the domestic area of sowed lands.

Production of cereals, due to the universality of their applications as well as tolerance as compared to the soil and climatic conditions, is distributed proportionally to the share in the area of sowed lands. A relatively large share in the domestic area of lands sowed with cereals have the Mazowieckie, the Wielkopolskie and the Lublin Provinces (10.5%-14.3%) However, it should be remembered that these are the largest provinces in terms of area. A different situation occurs in small provinces (the Śląskie, the Małopolskie, the Lubuskie and the Podkarpackie), the share of which in the domestic area of cereals cultivation is only 2.2%-3.0% (tab. 11).

Animal production also shows large differences in its territorial structure, both in terms of directions of production and its concentration. The stock of cattle in Poland shows minor changes and in 2013 increased by 0.9% to 5570 thousand pcs. The stock of cows shows a long-term downward trend, since is a result of the processes of restructuring (concentration) of the raw material base of the dairy industry. In 2013 the overall stock of cows and the stock of milk cows amounted to 2442 thousand pcs. and 2299 thousand pcs. respectively and was 1.1 and 2% smaller than the year before respectively.

Figure 14. Stock of cattle and swine per 100 ha of arable lands in provinces



Source: calculations on the basis of the data of the National Statistical Office (GUS).

The number of farms keeping cows shrank to approx. 340 thousand, including the suppliers of the dairy industry to ca. 138 thousand. Cattle and cow breeding is concentrated mostly in the following provinces: Podlaskie, Wielkopolskie, Mazowieckie, Kujawsko-Pomorskie, Łódzkie and Warmińsko-Mazurskie.

The aforementioned regions specialise in production of milk- very strongly associated with the production of beef livestock. The stock of cattle in the discussed regions per 100 ha of AL amounts to 42-87 pcs. The lowest stocks of cattle can be found in the Dolnośląskie, the Lubuskie and the Western Pomorskie Provinces (10-17 pcs./100 ha of AL) (tab. 12, Fig. 14).

Since 2007 the production of pork livestock has been experiencing a regular decrease in numbers, which amounted to 10994 thousand pcs. in 2013 and was almost by 38% smaller than in 2007. The number of farms keeping swine in 2013 was ca. 250 thousand as compared to 761 thousand in 2002. At the same time, there was an increase in import piglets and boar cubs up to 5.1 million pcs.

Table 12. Stock of animals by provinces per 100 ha of arable lands (pcs./100 ha)

Province	Share of PG in arable land (%)	Stock in December of 2013 [pcs./100 ha of AL]			
		cattle	cows	swine	poultry
Dolnośląskie	14,7	10,2	4,4	21,8	488,4
Kujawsko-pomorskie	9,4	43,8	14,8	114,2	525,7
Lubelskie	13,9	26,3	11,3	43,5	326,6
Lubuskie	21,2	17,3	6,7	31,7	800,3
Łódzkie	13,7	43,5	19,3	94,2	947,9
Małopolskie	32,4	30,0	16,4	33,4	824,2
Mazowieckie	23,9	53,8	26,8	49,6	1 240,1
Opolskie	7,4	21,0	8	76,9	675,5
Podkarpackie	29,7	15,8	9,9	29,1	713,4
Podlaskie	32,7	86,7	41,9	31,8	475,1
Pomorskie	15,5	26,5	10	97,2	716,9
Śląskie	20,8	30,2	12,3	66,8	2 061,4
Świętokrzyskie	18,0	31,6	12,9	43,8	908,8
Warmińsko-mazurskie	30,5	41,9	20,2	48,5	261,9
Wielkopolskie	13,4	49,2	16,6	225,3	1 296,1
Zachodniopomorskie	16,2	11,3	4,7	32,3	705,5
Poland	**22,0**	**38,3**	**16,7**	**75,3**	**801,2**

PG – permanent grassland, AL – arable lands, Source: study by IERiGŻ-PIB; data of the National Statistical Office (GUS).

The regions of Poland specialising in production of pork livestock are the Wielkopolskie and the Kujawsko-Pomorskie Provinces, where the stock of pigs per 100 ha of AL is 225 pcs. and 114 pcs. respectively. The Pomorskie and the Łódzkie Province have also relatively significant meaning in production. Like in the case of cattle a low share in production of pork can be found in the western regions of Poland: (the Dolnośląskie, the Lubuskie, the Western Pomorskie), the Podkarpackie and the Podlaskie Provinces (tab. 12).

Production of poultry livestock and eggs is a direction of agricultural production which is not linked to the ground (fodder area), since nutrition is based on purchased industrial fodder. Intensive poultry production is concentrated mostly in the following provinces: Śląskie, Wielkopolskie, Mazowieckie, Łódzkie and Świętokrzyskie, since the stock per 100 ha of AL varies from 908 pcs. to 2 061 pcs. A different situation occurs in the Warmińsko-Mazurskie and and the Lubuskie Province, where the intensity of production measured with stocks per 100 ha of AL is 262 pcs. and 327 pcs. respectively.

The diversity of agriculture in particular provinces is reflected in the size of purchase of basic agricultural products per 1 ha of arable land. On average, the following amounts were bought from 1 ha of area of arable lands in Poland in 2013: 743 dt of cereals, 138 kg of pork livestock, 185 kg of poultry and 123 eggs. Furthermore, almost 660 l of milk and 44 kg of beef livestock were bought from 1 ha of arable land (tab. 13). Most cereals is purchased in provinces with predominance of large farms established based on former state agricultural farms and less developed animal production (the Dolnośląskie, the Opolskie, the Western Pomorskie Provinces), but also in the regions where production of pork livestock is of great importance (the Wielkopolskie, the Kujawsko-Pomorskie and the Pomorskie Provinces)

Most milk from 1 ha of arable land is purchased in the Podlaskie province (almost 3 times more than the average in Poland) Extensive purchase of milk is also present in the following provinces: Mazowieckie, Wielkopolskie and Warmińsko-Mazurskie. On the other hand, in the following provinces: Dolnośląskie, Lubuskie, Małopolskie, Podkarpackie and Western Pomorskie, the purchase of milk per unit of area of arable lands is many times smaller than the average in Poland. The leaders in purchase of beef livestock from 1 ha of arable land (66-80 kg) are the following provinces: Wielkopolskie, Łódzkie and Mazowieckie. In the western and southern regions the purchase of beef livestock from an area unit is only (12-13 kg).

The purchase of pork livestock is dominated by the provinces specialising in its production (216-299 kg/ha of AL): Wielkopolskie, Pomorskie, Kujawsko-Pomorskie and Łódzkie. A different situation in purchase (20-56 kg/ha of AL) occurs in the following provinces: Dolnośląskie and Podkarpackie.

Table 13. Purchase of basic agricultural products from 1 ha of AL in 2013.

Province	Cereals	Milk	Livestock			Eggs
			pork	beef	poultry	
	kg	liters	kg	kg	kg	pcs.
Dolnośląskie	1825	168	20	13	78	78
Kujawsko-pomorskie	1230	698	264	45	116	6
Lubelskie	458	378	86	25	65	2
Lubuskie	661	241	86	13	179	141
Łódzkie	323	768	215	76	143	14
Małopolskie	191	238	76	44	53	218
Mazowieckie	380	1065	98	66	224	181
Opolskie	1677	447	137	26	89	1
Podkarpackie	366	189	56	12	48	3
Podlaskie	182	1805	70	59	91	1
Pomorskie	1072	362	230	31	145	20
Śląskie	464	495	122	54	216	11
Świętokrzyskie	172	326	90	36	93	0
Warmińsko-mazurskie	735	748	216	24	172	5
Wielkopolskie	1015	805	299	80	199	211
Zachodniopomorskie	1200	178	71	12	135	44
Poland	**743**	**660**	**138**	**44**	**185**	**123**

Source: study by IERiGŻ-PIB; data of the National Statistical Office (GUS).

Extensive purchase of poultry livestock and eggs from a hectare of arable lands occurs in the following provinces: Wielkopolskie, Lubuskie and Mazowieckie. Significant purchase of poultry livestock itself can be found in: Śląskie, Pomorskie and Western Pomorskie. Extensive purchase of eggs and low purchase of poultry livestock occur in the Małopolskie Province.

CROP PRODUCTION, SELECTED MARKETS AND PROCESSING INDUSTRIES

PROGRAM SUPPORTING THE PRODUCTION OF HIGH-PROTEIN PLANTS

The initiative for support of protein plant cultivation arose from the need to change the structure of cultivation of agricultural plants as well as the present and the future objectives of the EU Common Agricultural Policy Programme. One of them is assistance in use and utilisation of means of production in an effective manner, which guarantees achievement of an optimum and high-quality product with minimum contamination of the environment. Achievement of this purpose is possible, among others, by diversifying cultivations permitting own production of all components of fodder used in animal breeding. Currently, both Poland and the whole European Union depends on the import of basic component of this fodder, which is soya cake. Only Poland imports approximately 2 million tons of soy pellets coming from seeds obtained from genetically modified organisms (GMO) a year Replacement of soy with native proteinous plants will not only permit diversification of cultivations, but will foster a sustainable use of environmental resources and prevent unfavorable climate changes. The climate of Poland, with the spring drought dominant in numerous years is not beneficial for cultivation of leguminous species. High demand for water directly affects the volume of harvest. A challenge for cultivation is to create stably yielding varieties. The difficulties in selling produced seeds pose a nationwide problem. Fodder companies are focused on mainly high and uniform batches of imported soy pellets.

The Ministry of Agriculture undertook activities aiming to increase the use of native raw protein materials in 2010. They are implemented in two major areas:

- financial support for areas of cultivation of leguminous and small-seeded fabaceae plants intended directly for farmers,
- research-implementation programmes.

Special support was introduced in 2010 and is planned to be implemented until the end of 2014. It is implemented under Article 68 of Council Regulation (EC) no. 73/2009 and addressed to farmers cultivating on the territory of whole Poland leguminous and fabaceae small-seeded plants in their main crop, as well as their mixes. Mixes of leguminous plants and small-seeded fabaceae plants with cereals are excluded from support. An exception from this rule is cultivation of common vetch, in the case of which it is possible to use support plants. The programme covers such species of plants as: broad bean, faba equina, cicer, common bean, runner bean, common pea, common sugar pea, edible lentil, common soya bean, white

lupin, narrow-leafed lupin, yellow lupin, field pea, cultivable serradella, common vetch, red clover, white clover, white-pink clover, Persian clover, crimson clover, common bird's-foot trefoil, common sainfoin, common lucerne, bastard lucerne, black medick. The area of cultivations covered by subsidies using this form of support amounted to: in 2010 – 204.34 thousand ha, 2011 – 209.07 thousand ha, 2012 – 203.06 thousand ha, 2013 – 201.55 thousand ha.

Another form of support for production of high-protein plants is a subsidy to the elite or qualified category sowing material paid from the funds available as part of the *de minimis* assistance. According to the Regulation of the Council of Ministers of 13 March 2007 on the list of arable plant species the elite or qualified category sowing material of which can be subsidised because of the elite or qualified category sowing material used for sowing or planting (Journal of Laws of 2007 No. 46, item 300) a subisdy in the amount of 160 PLN to ha can be obtained for such leguminous plants as lupin, common pea, faba equina, common vetch and soya bean. It was possible to obtain additional subsidies for cultivation of certain high-protein and leguminous plants covered by the national supplementary payment (UPO) for the so-called group of basic cultivations. This category includes, among others, such crops as: high protein plants – broad bean, faba equina, sweet lupin and common pea, but also leguminous – common vetch, edible lentil and common cicer as well as leguminous plants used as fodder. The amount of various subsidies to a hectare of cultivation of leguminous and small-seeded fabaceae plants is presented in table 14.

Table 14. Rates of subsidies to a hectare of cultivation of leguminous and fine-grained fabaceae plants

Subsidy in PLN/ha	2010	2011	2012	2013
JPO	562,09	710,57	732,06	830,30
UPO (sector I)	327,28	274,23	211,80	139,39
SPO	207,28	219,53	672,56	719,43
de minimis	160,00	160,00	160,00	160,00
Total PLN/ha	1 256,65	1 364,33	1 776,42	1 849,12

Source: Ministry of Agriculture and Rural Development.

Within the second area of support a long-term programme of scientific implementation nature entitled "Improvement of national sources of vegetable protein, its production, system of trade and use in fodder" has been implemented since 2011. According to the adopted substantive assumptions the programme is intended to contribute to the increase in the interest and use of domestic leguminous plant varieties in fodder production. The implementation of the programme is coordinated by the Institute of Fertilisation and Soil Science – National Research Institute in Puławy. The main contractors of the programme are domestic scientific institutions.

The programme is executed based on the following priorities:

1. increase in the stability and the quality of yield of high-protein leguminous plants;
2. new trends in agrotechnics of leguminous plants and ways of increasing cultivation profitability;
3. domestic sources of vegetable protein in feeding monogastric animals;
4. economic conditions of development of production, infrastructure, market and trade system as well as profitability of use of leguminous plants as fodder in Poland;
5. production of high quality fodder from permanent grasslands.

Complex works within particular areas of research of the long-term programme undertaken in 2011 are aimed to improve cultivated plants by increasing and stabilising their yields as well as improving the quality of their seeds. The third year of implementation the programme sees the continuation of research and verification of the technology of cultivation of pea, lubin, faba equina. In the period from August 2011 to December 2013, that is in the first half of implementation the programme (2.5 year) the implementers of the programme achieved the objectives assumed for this period.

The most important effects and achievements of the programme are:

1. preparation of a method shortening the process of breeding varieties of pea by obtaining 3-4 generations of plants in a year;
2. production of output materials for cultivation of varieties low-tannin faba equina with a non-cracking seed cover;

3. comparison of productivity and economic effects in low, average and high-expense technologies in lupin cultivation;
4. comparison of pre-yield value of leguminous plants for winter cereals and winter rapeseed in different regions of Poland;
5. identification fungal pathogens populating the seeds of leguminous plants coming from different regions of the country and development of a bank of pathogens;
6. identification of nutritional value of domestic sources of protein and antinutritional compounds present in them as well as comparison with the nutritional demand of monogastric animals;
7. optimisation of composition of high-protein concentrates as an element of full-portion fodder for monogastric animals as well as initial assessment of their usefulness as an alternative to fodder based on soya meal for various species of animals in conditions of agricultural farms;
8. assessment of the process of extrusion for pea and lupin seed as well as assessment of the impact of phytase enzyme on the use of fodder containing lupin seeds by poultry and pigs;
9. examination of varieties narrow-leafed lupin in terms of share of metabolic energy and identification of the level of their share in fodder for poultry and pigs;
10. assessment of production and profitability as well as market competitiveness of domestic leguminous plants as well as determination of the risk level of business operations of entities participating in the domestic market of leguminous plants;
11. identification of the mechanisms of the existing trading system on the market of seeds of domestic leguminous plants and initial suggestions of market models permitting an increase in the demand for this raw material in the economic conditions existing in Poland;
12. preparation of species and variety composition of sample mixes for renovation of permanent grasslands in adjustment to the soil-climatic conditions;
13. assessment of the quality of meat from carcasses of cattle fed with fodder from PG enriched in such a way

Based on past results the implementers of verify the programme tasks along with assessing the achieved results. It is planned to continue the programme after 2015. In January 2014 the Minister of Agriculture and Rural Development signed the "Danube Soya Bean" declaration whose goal is to ensure a supply of high quality protein meeting the requirements of the European market and the European agriculture. This is the answer to the demand of consumers for food products based on genetically nonmodified soy bean increasing in Europe. That is why during the possible continuation of the programme, apart from the previously examined species: pea, lupin as well as faba equina, domestic soy bean will be probably used.

INTEGRATED CROP PRODUCTION

Integrated crop production (IP) is a modern food quality system, which makes use of technical and biological progress in cultivation, protection of plants and fertilisation in a sustainable manner as well as draws particular attention to environmental protection and people's health.
Participation in the IP system allows us to obtain healthy food of plant origin, in which one did not record exceeded values of the acceptable levels of residues of plant pesticides, heavy metals, nitrates and other elements as well as harmful substances. The confirmation of high quality of yields originating from IP is the certificate and the reserved IP sign.

INTEGROWANA PRODUKCJA®
URZĘDOWO KONTROLOWANA

Apart from marketing benefits resulting from selling food with officially certified quality, there is a number of other arguments for implementation of IP:

1. consistency of the assumptions of the system of integrated production of plants with the principles of integrated plant protection allows us to state that implementation of IP at the present time guarantees meeting the obligatory requirement of introduction of the principles of integrated plant protection;
2. obtaining a certificate in the IP system makes it possible to refund part of incurred costs related to participation in the system as well as promotion under the actions of RDP 2007-2013;
3. application of IP principles fulfills the requirements that are to be met by the Cross-Compliance system under direct payments, which with regard to protection of plants and food safety have been binding since 1 January 2011;
4. implementation of IP in a farm is extremely important, if it is necessary to confirm the requirements relating to food safety, in particular for the needs of export of fruit and vegetables to the market of the Russian Federation. As part of IP a possibility of running production according to the Russian standards has been envisaged. The main element in this case are special plant protection programmes prepared by the Research Institute of Horticulture in Skierniewice;
5. IP also gives the possibility to largely meet the safety requirements for food and environmental protection under other commercial quality systems required e.g. by large-area commercial chains.

The office responsible by law for supervision over the system is the State Plant Health and Seed Inspection Service. However, following the model of the solutions adopted in the system of organic agriculture, certification may be delegated to certification entities. Based on an authorisation granted by a proper the Provincial Inspector of the State Plant Health and Seed Inspection Service. The condition for obtaining the authorisation is having an accreditation with regard to certification of integrated production of plants granted following the procedure as provided in the Act of 30 August 2002 on compliance assessment system (Journal of Laws of 2010 No.138, item 935, as amended as amended) and ensuring a control of compliance with the requirements of integrated production of plants is conducted by people with adequate qualifications, including education as well as experience in this respect. During the 2004-2013 period the certified area of integrated production increased 2.8-times, while the production nearly 3.8-times (tab. 15).

Table 15. Integrated production during the 2004-2013 period

Specification	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of issued certifcates	811	1557	1891	1915	1 174	838	1068	1482	2465	2898
Certified area (thousand ha)	6,45	9,29	10,92	10,60	7,48	5,64	7,59	10,75	15,44	18,32
Certified production (thousand t)	15,52	17,55	22,97	19,07	20,35	15,32	19,81	31,76	57,46	58,31

Source: data by PIORIN.

In 2013 2671 applications with the intent to join the IP system was received. At the same time 3198 cultivations were submitted to join the IP system. This is due to the fact that producers can declare they cultivate more than one species. The reported area was almost 20 thousand ha, more than 95% of which were orchards.

SEMINAL PRODUCTION MARKET

According to the data of the State Plant Health and Seed Inspection Service and (PIORIN) in 2013 there was a nearly 3% increase in the cultivation area of agricultural plants as compared to 2012 (from 112.2 thousand ha to 115.4 thousand ha). This change was caused chiefly by the growth in the sowing area of plantations of seminal cereals (by 4.3%), small-seeded fabaceae plants (by 83.2%) as well as sugar and fodder beets (by 28.3%). On the other hand, in the group of oilseed and fibrous plants as compared to 2012, there was a more than 11% decrease in the classified sowing area. The decrease in this group was caused by lower production of mustard, hemp as well as flax. The nationwide average size of plantations of seminal agricultural plants, which in 2013 increased up to 8.2 ha, also changed.

In 2013 the area of seminal potato plantations was smaller by 10.7% as compared to 2012 and was at the level of 4.8 thousand ha. One should however note that in the last decade the area of seminal cultivations has remained at a similar level. In the National Register of Agricultural Plant Varieties there are 1286 varieties. The share of foreign varieties in the Register of Varieties in 2013 exceeded 50%. The largest shares (ca. 70%) foreign in the Register of Varieties had the following species: oilseed and fibrous plants, corn as well as beet, that is species in which mixed varietes dominate. The national register is still dominated by varieties of cereals, potatoes and fodder plants (including, among others, fabaceae, poaceae) cultivated in Poland.

According to the estimations of the experts of the National Statistical Office during the 2012/13 season, as compared to the previous period, the sales of sowing material of basic cereals was almost 5% lower, while seed-potatoes by 10% higher. Farmers purchased 78.4 thousand t of qualified wheat seed, 13.8 thousand tons of rye, 32 thousand tons of barley, 9.5 thousand tons of oats and 34 thousand tons of triticale. In comparison with the 2011/2012 season the sales of qualified seeds of wheat, barley and oats was smaller (by 7.2%, 11.5 and 10.3% respectively) and higher in the case of rye and triticale (by 10.1 and 7.5% respectively). The sales of qualified seed-potatoes during the 2012/13 season amounted to 63.2 thousand tons. However, unfavorable weather conditions in May and June 2013 causing rotting of seed-potatoes on plantations influenced the reduction in crops by 31 dt/ha as compared to the previous year, i.e. o 16,8%.

CEREAL MARKET

Production of cereals is one of main branches of agriculture of Poland. In terms of area of cultivation Poland holds the second place in the European Union, in terms of harvests it occupies the third place, after France and Germany. The popularity of the production of cereals results from a relatively simple technology of their cultivation, easy storage and sale and, first of all, the diversity of use of grain, which is mostly used for fodder. The demand situation on the market of cereals is of essential importance for the whole food economy. The cereal sector decides largely also about the economic conditions of production on other markets, particularly including the market of pork livestock and poultry.

The national production of cereals is dominated by wheat, triticale, corn used for grain as well as rye. Cereal and barley mixes have also a significant share in the harvests of cereals. The volume of cereal harvests undergoes fluctuations each year, which is a result of changes in yields and, to a smaller extent, in the acreage and the structure of cultivation.

The area of cultivation of cereals in total in 2013 amounted to ca. 7.5 million ha and was lower than the one from the previous year by 224.8 thousand ha (2.9%) and by 10% from the average from the period 2006-2010. The yields of cereals in total amounted to 38.0 dt/ha, i.e. by 1.0 dt/ha (by 2.7%) more than the obtained in 2012 and by 18% than the average from the period 2006-2010. Total harvests of cereals amounted to 28.5 million tons, i.e. by 0.2 million tons (by 0.3%) less than obtained in 2012 and by 6.5% more than in the years 2006-2010.

For years the domestic demand for cereals has varied from 26 to 28 million tons. The main factors causing changes in the level of domestic consumption of cereals in particular economic years are cyclical fluctuations in the number of swine as well as the growing production of poultry. Pasturing has the dominating position within the structure of domestic consumption. By annual average 16-18 million tons of cereals are intended for fodder. In the recent years, a downward trend in consumption of wheat and rye for fodder has been observed in favor of corn and triticale. Systematically the consumption of grain in production of industrial fodder mixes has been increasing and the consumption of unprocessed grain has been decreasing. The industrial consumption of grain has been systematically growing. Its share in 2004 was 5.8% and 12.3% in 2013. The consumption sowing grain has remains at a constant level. Since 2005, the consumption of cereals for consumption purposes has been constantly decreasing, which results, among others, from changes in dietary habits and the decreasing population. Significant importance in management the domestic production in 2013 was recorded by the export of grain which amounted to 4.1 million tons. (by 41.2% more than in 2012).

SUGAR MARKET

Poland is the third largest producer of sugar in the European Union, after France and Germany. As a result of the reform of the sugar market in the European Union, sugar production has dropped and since the economic year 2009/2010 the amount of sugar production in Poland has been 1405608.1 tons. This amount is divided into 5 sugar producers: Krajową Spółka Cukrowa S.A, Pfeifer & Langen Polska S.A. and Pfeifer & Langen Glinojeck S.A., Südzucker Polska S.A. as well as Nordzucker Polska S.A.

The area of sugar beet cultivation has decreased from 286 thousand ha in 2005 (before the reform) to 185 thousand ha in 2013, while the number of growers – respectively: from 70.7 thousand to 35.7 thousand .In the 2013/2014 sugar campaign 11.2 million tons of sugar beets were harvested, which was used to produce 1713 thousand tons of sugar (1761 thousand tons along with 48 thousand tons of sugar transferred from the 2012/2013 campaign). The harvests of sugar beets were by 8.6% smaller than in the 2012/2013 campaign.

The beets were processed 18 sugar plants. The average buying-in price of sugar beets has increased as compared to the one from the previous year by 5% and amounted to 144 PLN/ton, contributing, at the same time, to the improvement in the profitability of this production, also in comparison with cultivation of cereals and rapeseed. On average, the 2013/2014 sugar campaign lasted 98 days and was 13 days shorter than in the previous year.

In the last three seasons sugar production was by ca. 350-460 thousand tons higher than sugar production quota. The achieved good production results are the effect of high supply and good quality of the raw material. The positive effects of restructuring processes as well as modernisation of the national sugar industry also had significant meaning. As a result of the transformations and investments improvement in technical and economic the efficiency of the sector occurred, whose financial ratios significantly exceed the average values of financial ratios in the food industry.

The consumption of sugar in Poland in recent years has been approximately 1620 000 tons per year, but its structure has changed substantially. The consumption of sugar in households (14.04 kg/person in 2013; in 2010 it was 15.6 kg/person and in 2004- 19.44 kg/person) has been systematically decreasing, while the consumption and the export of food products containing sugar have been on the rise.

POTATO MARKET

The production of potatoes in Poland has been systematically dropping under the effect of the declining demand, first of all on the part of agriculture and adjustment to the demand reported by the labour market. The share of potatoes in the structure of sowings has decreased to 3.4%, that is to the level similar in most European Union member states.

The domestic demand for potatoes reported by the market by has varied in recent years within the range of 4.0-4.2 million tons – 1.5-1.9 million tons is processed by the industry. The starch industry consumes 460-700 000 tons per year for potato starch production, depending on potato prices and the economic situation on the starch market, not fully using the production quota granted to Poland. The consumption of non-processed potatoes has been characterised by a decreasing tendency. The remaining 3-4 million tons of potatoes not finding buyers is consumed in households for own needs, planting or fodder.

Table 16. Area of cultivation, yields and harvests of potatoes

Specification	2001-2005	2006-2010	2011	2012	2013
Area of cultivation million ha	0,81	0,53	0,41	0,37	0,35
Changes (%)	-37,1	-35,4	1,4	-8,2	-7,2
Yields t/ha	18,1	18,8	23,0	24,2	21,0
Changes (%)	-0,1	3,9	9,0	6,1	-13,2
Harvests million tons	14,6	9,9	9,4	9,0	7,3
Changes (%)	-38,2	-32,3	10,8	-2,9	-19,4

Source: Rynek ziemniaka, stan i perspektywy nr 40, IERiGŻ-PIB, Warszawa 2013 i GUS.

RAPESEED MARKET

Rapeseed harvests in Poland are characterised by high variability. It results from the fluctuations in yields and the area of sowed lands. The variability of cultivation of winter rapeseed in Poland is substantially influenced by the sensitivity of this plant on drops of temperature and, as a result, losses in crops caused by freezing. The accession of Poland to the European Union and the EU policy with regard to biofuels and renewable energy have provided a strong impulse for rapeseed cultivation and processing. Rapeseed production has become a rapidly developing branch of crop production. In the years 2003-2013 rapeseed production was increasing by 7.4% a year, as a result of a dynamic growth in the area of cultivation as well as the improvement in its yielding. The domestic processing was increasing even faster. In 2013 rapeseed harvests amounted to 2 677.7 thousand tons and the domestic consumption to 2 195 thousand tons.

High dynamics of production resulted from an increase in the demand and production of vegetable fats. The EU policy with regard to biofuels and renewable energy has provided a positive impulse for rapeseed production and processing in Poland.

A characteristic feature of the distribution of rapeseed cultivations is regional diversity. The area of cultivations centers around 9 provinces: Dolnośląskie, Kujawsko-Pomorskie, Lublin, Mazowieckie, Opolskie, Pomorskie, Warmińsko-Mazurskie, Wielkopolskie and Western Pomorskie, having the most favourable climate conditions for cultivation of rapeseed. The demand for rapeseed grain shapes the demand of the oil industry as well as the export. Apart from seeds, a record quantity of which was exported in 2013 (773.8 000 tons), oil and rape cake are also the objects of foreign trade. Poland is the largest exporter of rapeseed meal in Europe.

TOBACCO AND TOBACCO PRODUCTS MARKET

Poland comes in second in the European Union in the size of tobacco production, which in 2013 amounted to 30.8 thousand tons. The average yield amounted to 21 dt/ha. Tobacco is cultivated by approximately 10 thousand farmers on an area of ca. 14.7 thousand ha. More than 90% of planters are associated in tobacco producers' groups.

The domestic production volume of tobacco is processed in Poland by a well organised first processing network. Polish tobacco, meeting the highest quality standards, is used, first of all, to produce American Blend type cigarettes, more than a half of which are sent for exports. Poland is one of the largest producers and exporters of cigarettes in the European Union. The positive balance of foreign trade of the tobacco sector has been systematically growing and the tobacco industry holds a significant share in generating positive balances of foreign trade of the whole food economy (the positive trade balance of tobacco goods in 2013 amounted to 1059.3 million EUR).

HOPS MARKET

Poland is the fourth producer of hops in the EU, after Germany, the Czech Republic and Slovenia. 2.4 thousand tons of hops were harvested in 2013, which corresponds to alpha-acid production in the amount of 206.71 tons. The area of cultivation of hops in 2013 amounted to 1.6 thousand ha- 62% of which were bitter and 38% aromatic varieties.

Hops from Polish cultivation is characterised by perfect quality and a unique aroma. Polish varieties of aromatic hops are particularly appreciated in the brewing industry. Beer production utilises alpha-acids from hops stored in the form extracts as well as granulated mass. Poland has one of state-of-the-art production lines for extraction of alpha-acids from hops. Before introduction to the market hops are subject to the certification procedure, which confirms their quality as well as origin.

FLAX AND HEMP MARKET

The area of cultivations of fibrous flax and hemp in 2013 in Poland amounted to ca. 960 ha, including 667 ha of fibrous flax and 293 ha of hemp. Flax harvests amounted to 12 471 dt (by 2.2% less than in 2012), while hemp production amounted to 22 827 dt.

Both species are used for production of a wide range of classic clothing and textile products (including environmentally-friendly strings for agriculture), in the food, cosmetic, chemical and pharmaceutical industries. Additionally, hemp has been more and more often used in the cellulose-paper industry as well as in the construction industry for production of boards thermal insulation and materials.

A transgenic variety of flax created by Polish scientists contains compounds with antiseptic properties with a broad potential of innovative applications in medicine and treatment of wounds.

DRIED FODDER MARKET

Dried matter is a component of fodder that contains raw fiber, favourably affecting the functioning of the digestive system of cattle. In the financial year 2013/2014 in Poland there were 5 processing enterprises in this sector that jointly produced 2.92 thousand tons of dried fodder.

The area of cultivations of green forage intended for production of dried fodder in the financial year 2013/2014 amounted to 1.37 thousand ha: 1.12 thousand ha of which consisted of permanent grassland and 0.72 thousand ha- of cultivation with fabaceae plants on arable lands.

FRUIT MARKET

Fruit harvests in 2013 were very high, higher than in the previous season. Only the production of walnuts, raspberries and gooseberries was lower than in 2012. Despite the significantly delayed vegetation period in the spring as well as the presence of extreme phenomena, vegetation conditions were generally encouraging.

Only the production of fruit from trees in 2013 amounted to nearly 3.52 million tons and was by 7.2% higher than the harvests obtained in 2012 and by 36.4% larger than the average production from 2006-2010. Apple harvests amounted to 3.09 million t and were higher by 7.2% than the harvests from 2012 and by 44.5% than the average from the 2006-2010 period (tab. 17). Pear harvests amounted to 75.7 thousand tons plums 102.4 thousand tons, cherries 188.2 thousand tons, sweet cherries 47.6 thousand tons – this was an amount of production higher by 15.8% from the production of the previous year. The total harvests of peach, apricots and walnuts were estimated at 22.6 thousand tons (tab. 17). The total harvests of fruit from fruit shrubs and berry plantations in 2013 amounted to 606.8 thousand t and was 8.9% higher than the harvests from 2012 and by 19.1% higher than the average production from the 2006-2010 period. Strawberry harvests amounted to 166 thousand tons. Currant harvests amounted to 199 thousand tons, including 152 thousand tons of black currants. Raspberry harvests amounted to 121 thousand tons and gooseberry harvests to 15 thousand tons. The harvests of other fruit from fruit shrubs and berry plantations were estimated at the amount above 79.7 thousand tons, including high bilberry harvests, which amounted to 15 thousand tons.

The production of fruit products in Poland during the 2013/2014 season is estimated at the level of 975 thousand tons, comparable with the production in the previous season. The production of the apple juice concentrate decreased from ca. 300 to 260 thousand tons, on the other hand, the production of other fruit products increased, including frozen food products – from 375 to 395 thousand tons. The financial

situation of the fruit and vegetable industry has been good and safe for many years. In 2013 as compared with the previous year the buying prices of industrial apples, pears, plums, strawberries, cherries, apricots decreased and the harvests of chokeberries, raspberries and red currants increased.

VEGETABLE MARKET

The harvests of ground vegetables in 2013 amounted to 4.0 million tons, i.e. by 12.1% less than the harvests from 2012 (tab. 18). The highest decrease in harvests could have been found in cauliflowers, cabbage and carrots; an increase was recorded only in the production of ground tomatoes. The decrease in the production of most species of the soil-grown vegetables was the result of the restrictions in the area of cultivation (by 19.1%) and lower yielding of early varieties as a result of a significant delay in sowing activities and flooding of fields in June. The total production of ground vegetables in 2013 was 7.6% lower than the average production from the 2006-2010 period.

The production of cabbage in 2013 amounted to 975.4 thousand tons, cauliflowers – 210.1 thousand tons, onions – 551.1 thousand tons. The production of edible carrots amounted to 742.5 thousand tons and of red beets to 298.2 thousand tons. Good insolation and favourable temperatures caused good yields of soil-grown tomatoes, at the level of 270.4 thousand tons. The total harvests of "other" vegetables were estimated at 702.7 thousand tons.

According to IERiGŻ-PIB the area of vegetables grown under covers in 2013 was estimated at 5.4 thousand ha, which means a growth by 2% as compared with 2012. The production of these vegetables increased by 2% to 895 thousand tons. The deciding factor was the increase in the harvests of tomatoes from under covers. Champignon harvests in 2013 amounted to 270 thousand tons (tab. 18).

The production of most of processed vegetable products during the 2013/2014 period decreased by 2% to the level of 1.07 million tons. The production of frozen vegetables decreased by 10 thousand tons to the level of 585 thousand tons, however, the share of the volume of frozen vegetables in the production of processed vegetable products remained at the same level as in 2012, i.e. 55%.

In 2013 the purchase prices of almost all basic vegetables intended for direct consumption were higher than in the previous year. The highest increases in the buying prices were associated with cucumbers meant for preservation (by 66%), red beets (by 54.9%), white cabbage (by 51%), cauliflowers (by 48.9%). The prices of red bell peppers, ground tomatoes and root celeries were higher by over ten percent than in the previous season.

Table 18. Production of vegetables in Poland (in thousand tons)

Specification	Average for the period 2006-2010	2012	2013	2013	
				2006-2010 = 100	2012=100
Total vegetable harvests	5 302,2	5 323,0	4 898,9	92,4	92,0
Harvests of ground vegetables	4 564,7	4 553,0	4 003,9	87,7	87,9
including: cabbage	1 195,4	1 140,0	975,4	81,6	85,6
cauliflowers	220,1	246,0	210,1	95,5	85,3
onion	649,3	642,0	551,1	84,9	85,8
carrot	853,3	835,0	742,5	87,0	89,0
beets	335,7	345,0	298,2	88,8	86,4
cucumbers	269,2	283,0	253,6	94,2	89,7
tomatoes	254,4	261,0	270,4	106,3	103,6
Harvests of vegetables from under covers	737,5	877,3	895,0	121,4	102,0
including: tomatoes	418,1	498,0	510,0	122,0	102,4
cucumbers	215,4	238,4	240,0	111,4	100,7
champignon	212,0	265,0	270,0	127,4	101,9

Source: Rynek owoców i warzyw, Stan i perspektywy, IERiGŻ-PIB and Produkcja upraw rolnych i ogrodniczych w 2013 r., GUS.

The prices of most vegetables directed for industrial processing were higher. The prices of cucumbers grown under covers in 2013 were higher by more than 13% than the prices of those vegetables in 2012, while the prices of tomatoes from under covers in 2013 were lower by 7.7% than the prices of tomatoes from under covers in 2012.

STATE OF ORGANISATION OF THE MARKET OF FRUIT AND VEGETABLES IN POLAND

Support of the horticultural sector from the EU and domestic funds depends on whether the producers organise. The purpose of operations of groups and organisations of producers is concentration of supply and sale of their members' products, planning production and its adjustment to the needs of the market, both in terms of quantity and quality as well as reduction in the costs of production, stabilisation of prices and promotion of methods and technologies of cultivation as well as management of environmentally friendly sewage and waste. Producer groups and organisations are established primarily in the areas specialising in gardening production, i.e. in the Mazowieckie (apples, mushrooms, vegetables), the Kujawsko-Pomorskie (tomatoes), the Wielkopolskie (vegetables, mushrooms) and the Lublin Provinces (soft fruit, apples) The value of the products introduced by groups and organisations to the market currently amounts to nearly 20% of the national gardening production. The average level of organisation of the gardening market in the EU countries is ca. 35%. Currently,176 groups and 139 organisations of fruit and vegetables producers operate in Poland. They associate ca. 7.2 thousand members.

ANIMAL PRODUCTION, SELECTED MARKETS

Poland is a major meat producer in the European Union. In 2013 it held the fourth position with regard to pork production, the second in terms of production of poultry meat and was the eighth beef producer. Poland clearly records a positive balance in its international trade in meat and its byproducts; in 2013 it was 766.4 thousand tons and in relation to 2012 it increased by 82.6 thousand tons, i.e. o. 12,1%.

Table 19. Production and foreign trade in meat (pork, beef and poultry) and its by products in 2013* (thousand tons)

Specification	Production*	Export **	Import **	Balance of foreign trade
Pork	1 606	669,2	801,9	-132,6
Beef	373	323,1	27,6	295,5
Poultry	1 660	699,5	96,0	603,5
Total	**3 693**	**1 692**	**925**	**766,4**

**in warm whipped weight, ** in meat equivalent Source: Rynek mięsa. Stan i perspektywy, 2014 r., IERiGŻ-PIB.*

The total consumption of meat and offal in 2013 amounted to 68.1 kg/person., and thus decreased by 2.9 kg as compared to 2012. The greatest share was still held by consumption of pork (35.5 kg/person), then poultry meat (27.3 kg/person), the smallest was held consumption of beef (1.5 kg/person). As compared to 2012 only the consumption of poultry meat increased – by 1.2 kg/person. A continued decreasing ten-

dency was recorded in the case of other kinds of meat – pork consumption shrunk by 3.8 kg/person., and beef consumption by 0.1 kg/person.

PORK MARKET

In 2013 the profitability of swine breeding improved due to the more beneficial price relations of swine to the prices of cereals. This caused a slowdown in the rate of the decrease in the domestic stock of pigs. In November 2013 the stock of swine was 11.0 million pieces, showing a decrease by 137.8 000 pieces (-1.2%) as compared to the same period of 2012. The number most groups of pig stocks decreased. The stock of breeding sows decreased by 57 000 pieces (-5.8%) to the level of 955.1 000 pieces, including pregnant sows – 633.6 000 pieces. As compared to the end of July 2013 the total stock decreased by ca. 168.1 000 pieces (-1.5 %) Pork production amounted to 1606 thousand tons and was lower than the year before by 128 thousand tons (-7%). The buying-in price of swine in Poland amounted to 5.39 PLN/kg in live weight and was by 1 grosz/kg (0.2%) lower than in 2012. (5.40 PLN/kg) The highest prices were traditionally recorded during the summer months (5.80-5.97 PLN/kg), while at the beginning of 2013 the buying prices amounted to 5.13-5.18 PLN/kg.

Since Poland's accession to the EU, the prices of purchase of swine have been more and more dependent on the prices in the EU and the exchange rate of PLN in relation to EUR. In 2013 605 thousand tons of pork was imported to Poland, mainly from the EU-15 (by 1.1% more than in 2012) and 5.1 million pcs. of swine (mostly piglets and boar cubs), i.e. by 34% more than in 2012. The export of meat amounted to 444 thousand tons and livestock to 107.8 thousand pcs.

BEEF MARKET

Over the last few years beef production in Poland has remained on a steady low level, which is the result of low consumption of this kind of meat, dependent to a significant extent on the incomes of the population. This is reflected in the numbers of the cattle stock. A change in the structure of cattle stock in Poland resulting from a drop in the number of cows and the equalising growth in the numbers of the remaining cattle stock has also been observed for several years. Also the number of suckler cows has slightly increased, but it still has a small share in the total stock.

In December of 2013 the stock of cattle amounted to 5595.5 000 pieces, showing an insignificant increase in one year by 75.2 thousand pcs. (+1,4%). The increase in the overall numbers of cattle stock resulted from a growth in the number of calves (+2%) as well as the group of young cattle aged 1-2 years (+3.4%) The stock of cows decreased by 26.7 thousand pcs. (-1.1%) to the level of 2441.7 thousand pcs. Beef production in 2013 amounted to 373 thousand tons and was by 1% higher than in 2012 (371 thousand tons). In 2013 the buying prices of cattle were only slightly lower than the ones recorded in 2012. The average price of purchase in 2013 amounted to 6.20 PLN/kg in live weight and was 3.1% lower than in the previous year. The demand for beef comes mainly from abroad. In 2013 86.6% of the domestic beef production was managed by the foreign markets.

POULTRY MEAT MARKET

The production of poultry meat is dominated by the meat from chicken and turkey broilers (almost 97%) In 2013 the growing tendency in production of meat continued, but its dynamics was lower (increase by 5%). Poultry meat production grows at a higher rate than the consumption, which exceeded 27.3 kg/person (increase by 4.6%) The main factor stimulating the development of production was still the export, whose share in production increased to 35.2%. In 2013 the buying prices of chickens amounted to 3.87 PLN/kg and were higher by 0.9% than the year before, the price of purchase of turkeys increased by 8.1% per year up to 5.86 PLN/kg and the buying prices of geese dropped significantly (by 16.4%)

The export of poultry meat and its products amounted to 668 thousand tons and was higher by 9.4% than in 2012, while the positive trade balance amounted to 547 thousand tons. The main ready markets are the EU countries.

EGG MARKET

Egg production in 2013 amounted to 10 billion pcs. (including 9 billion consumption eggs) and was by 5.9% higher than in 2012. In 2013 the average buying-in price of eggs amounted to 3308 PLN/ton and was

by approximately 30% lower than the one in 2012 when the prices of eggs were on a very high level. The price of purchase of eggs was the highest in January 2013, shaping at the level of 4207 PLN/ton. This was the highest price in 2013. From February to May 2013 the price of purchase of eggs was systematically dropping. The lowest price of purchase of eggs in 2013 was recorded in May 2013, i.e. 2642 PLN/ton. The prices were fluctuating in subsequent months. In 2013 the export of fresh eggs amounted to 219.3 thousand tons and was by 16% higher than in 2012. (189.1 thousand tons). The value of export of eggs fresh decreased by more than 10% and amounted to 213.5 million EUR. The main directions of export were the Netherlands, Italy and Germany. 70% of the total Polish export of fresh eggs went to the abovementioned countries. The import of fresh eggs amounted to 20.5 thousand tons and its value reached 45.0 million euros. In terms of volume the import was greater by 40%, and in terms of value by over 10% as compared to 2012. The import came from mostly from the Netherlands as well as Germany. The positive balance of trade in eggs in 2013 reached the level of 198.8 thousand tons, and thus over 20 thousand tons greater than the year before.

HONEY MARKET

Honey production in the last 10 years has been subject to significant fluctuations – from 9 thousand tons in 2004 to 23 thousand tons reached in 2011. In 2013 22.1 thousand tons of honey were collected in Poland. This was a very good year in which the amount of acquired honey was significantly above the annual average (17.2 thousand tons) from the last 10 years. The highest honey efficiency from one bee family, ca. 20.5 kg, was achieved in the Warmińsko-Mazurskie Province. The most honey was produced in the Lublin Province (ca. 2.7 tons), the least in the Opolskie Province (ca. 268 tons).

Table 20. Production and turnover of foreign trade in honey in Poland in the 2004-2013 period (in thousand tons)

Specification	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Production of natural honey	9,0	16,0	22,0	18,0	18,0	14,5	12,4	23,0	17,2	22,1
Export	0,826	0,262	0,373	0,527	0,729	1,505	2,706	4,691	6,394	9,471
Import	3,597	4,951	5,679	3,414	5,595	7,435	11,621	13,732	14,173	20,156

Source: prepared by the author on the basis of data from the National Statistical Office (GUS) and the Institute Horticulture, Apiculture Branch in Puławy as well as the Foreign Trade IT Centre of the Ministry of Finance.

Beekeepers sell approximately 80% of produced honey directly from their apiaries, getting the highest price in this way.

Poland, like other the EU countries, for many years has recorded a surplus of import of honey over export. In 2013 22.2 thousand tons of honey were brought to Poland – 56.3% more than in the previous year, mainly from China and Ukraine. In the same period 9.5 thousand tons was exported, i.e. by 48.1% more than in 2012. The main export destinations were: Germany, Bulgaria, France and Denmark. In 2013 was also honey was exported China (17.8 tons). The deficit in foreign trade turnover amounted to 10.7 thousand tons and was by 37.4% higher than in the previous year.

The Ministry of Agriculture and Rural Development prepares national programmes of support for apiculture (financed per 50% from the national budget and the EU) in accordance with the Council Regulation (EC) no. 1234/2007 from 22 October 2007 establishing the common organisation of agricultural markets as well as detailed regulations concerning certain agricultural products ("regulation on uniform common market organisation") (Official Journal Of EU L 299 from 16.11.2007, page 1, as amended and the Regulation of the Commission (EC) no. 917/2004 of 29 April 2004. on detailed principles of (...). The first program worth 11.7 million euros was implemented in the 2004/05-2006/07 period. The second programme worth 13.3 million EUR was implemented in the years 2007/08-2009/10. The third programme was implemented in the years 2010/11-2012/13 – with the value of 15.1 million EUR. Currently, the fourth National Programme of Support for Apiculture in Poland for the years 2013/14-2015/16, worth 16.6 million EUR, is being implemented.

The following entities may apply for a refund: apiarian unions, associations of beekeepers, groups of agricultural producers – in the scope of apiculture as well as apiarian co-operatives. Furthermore, a refund under the VI support measure may be claimed also by research and development entities involved in apiarian matters.

Beekeepers holding in total more than million bee families receive assistance on the annual basis. In 2013 more than 19 million PLN was paid from public funds as part of this assistance. In the opinion of beekeepers apiarian programmes are the main tool providing support for the industry and have been enjoying high interest of the beneficiaries for years.

MILK MARKET

Milk production in Poland is one of the most important branches of agricultural production. According to the data of the National Statistical Office (GUS); in 2013 the commodity milk production amounted to 14046 million PLN and constituted 17.3% of the commodity agricultural production. Milk production in 2013 increased by 0.4% and was at the level of 12.35 billion litres, despite the continuing decreasing tendencies in the stock of milk cows.

The annual reduction in the number of milk cows 2.7% to 2299 000 pieces, according to the condition at the end of December 2013, was compensated by a 2% increase in the efficiency of milk cows to the level of 5 240 l/pc. The average efficiency of milk cows in 2013 covered by the assessment of the utility value, (30.5% of the total population of milk cows) reached the value of 7 441 kg/pc. and was higher in relation to 2012 by 0.6%. Raw milk production is 10-12% higher than the domestic consumption. The surplus in supply is directed for export. The share of export of dairy products expressed in the raw milk equivalent is nearly 25% of purchase of milk as well as ca. 17% of the domestic milk production. Dairy products from Poland are exported mostly to the EU countries (73%), the main recipient is Germany (18.9%)

In 2013 the purchase of milk achieved an exceptionally high level – it increased by 0.6% as compared with 2012 up to the level of 9921.7 thousand tons. The growth in production of dairy products concerned first of all varieties of cheese, of which 731.8 thousand tons was produced in 2013. by 1.5 % more than in 2012. and milk – by 7%, to the level of 1 616.1 thousand tons. In 2013 the production of yoghurts decreased by 3.2%, to the level of 526.7 thousand tons and the production of butter and other dairy products made of fat milk in equivalent 82% of butter was lower by 2.1 and amounted to 161.2 thousand tons. In the case of milk powders the production full powdered milk (PMP) increased by 8.7 up to 30.8 thousand tons as well as – a 6.6 % decrease in production skim powder milk (OMP) to the level of 98.1 thousand tons was recorded – owing to the deficiency in the raw material milk as compared to the increased demand.

At the same time, the increase in purchase of milk from the second half of 2013 allowed Poland to exceed the national delivery quota in the quota year 2013/2014. According to the preliminary data of the Agricultural Market Agency, in the quota year 2013/2014 the amount of bought milk amounted to 10.076 billion kg (per milk with reference fat content), while the domestic amount of deliveries (9 909 800 752 kg) was exceeded by 1.68% (ca. 166 million kg). The amount of the unit fee fixed in relation to a producer that exceeded their limit amounts to ca. 29 grosz for each kilogram of milk launched to the market more than the amount of assigned to an individual producer. On the other hand, the fee that Poland will have to pay because of its overproduction will be ca. 46.4 million euros, which is 193.8 million PLN.

The milk production quota system will expire as of 1 April 2015. In order to adjust the milk market to functioning after the abolishment of the diary quotas, the national milk quota between 2009/2010 and 2013/2014 was increased on the annual basis by 1%. In view of this , in the last quota year 2014/2015 the domestic amount remains at the level from the previous year and is approx. 10.1 million tons, including the domestic delivery quota reaching the level of ca. 9.9 million tons and the domestic quota of direct sales of almost 146 million kg.

In 2013 entrepreneurs both in Poland and in other EU member states did not use the possibility to sell butter and OMP supplies for intervention purchases from 1 March until 31 August. The average EU prices of butter and OMP in 2013 exceeded the level of intervention prices designated for these products by more than 70%. In 2013 Polish entrepreneurs used the mechanism of subsidies intended for private storage of butter implemented from 1 March to 15 August to a minimum extent. In the EU private storage covered 89391 tons of butter in 12 member states – most in the Netherlands, Germany as well as in France.

As a consequence of improvement in the economic situation on the world markets as well as high prices of sale of dairy products reached in foreign trade in dairy products, the year 2013 was also characterised by a regular growth in the purchase prices of milk and the dynamics of growth was significantly accelerated in the second half of the year.

According to the quotations of the Integrated Agricultural Market Information of the Ministry of Agriculture and Rural Development, the price of purchase of milk reaching an exceptionally high level of 155.26 PLN/100 kg in December 2013 was higher in the annual relation by 26%.

At the same time 2013 saw a significant growth in prices of sale of dairy products, which were growing systematically following the second quarter of 2013. In December of 2013 the average price of skimmed powdered milk was 13.2 PLN/kg, and full powdered milk 15.5 PLN/kg, i.e. 23.4% and nearly 28% more than the year before respectively. In December of 2013 extra butter in blocks cost on average 17.6 PLN/kg, i.e. by 26.6% more in relation to December of 2012. The price of maturing cheeses – Gouda and Edam – went up by almost 20%. In December of 2013 the aforementioned varieties cost ca. 17.0 PLN/kg.

The average annual buying-in price of milk in 2013 amounted to 133.25 PLN/100 kg and was nearly 11% higher with respect to 2012. In 2013 the average price of skimmed powdered milk was 12.3 PLN/kg, full powdered milk cost 14.0 PLN/kg, butter in blocks 15.1 PLN/kg and the price of maturing cheeses was ca. 15.0 PLN/kg. In 2013, in respect of 2012, the prices of basic dairy products were higher by ca. 32% in the case of skimmed powdered milk (OMP) and ca. 24% with regard to full powdered milk (PMP) as well as butter in blocks. The price of maturing cheeses went up by an annual average of ca. 11%.

BIOFUELS AND AGRICULTURAL BIOGAS

BIOFUELS

The basic biocomponents used for production of biofuels are bioethanol as well as rapeseed oil esters. Increasing amounts of biocomponents produced in Poland are used to pursue the National Index Target (NCW). This market has been gradually developing, although this has not proceeded at the rate expected by the circles of agricultural producers and manufacturers of biocomponents. Furthermore, the use of the so-called 2dn generation biofuels is mentioned more and more often. They are made of waste, residues, non-food fiber material as well as lignocellulose material. Despite the two times higher contribution of these fuels in the implementation of the NCW, their production has not developed on the industrial scale, ensuring price competitiveness against biofuels made on the basis of bioethanol and esters.

The use of biofuels in transport is one of the elements of the climate policy of the European Union. The member states, including Poland, have been obliged to introduce regulations which will result in the fact that in 2020 10% of power consumed in transport will come from renewable sources. Implementation of policies in this respect lies within the responsibility of the Minister of Economy, but to achieve the EU goal close cooperation the agricultural industry is necessary. This is because Agriculture has a raw material base necessary for production of biocomponents and biofuels.

Bioethanol as well as rapeseed oil esters (biocomponents) used in biofuels must meet the criteria of sustainable development the defined in Directive of the European Parliament and the Council of 23 April 2009 on the promotion of the use of energy from renewable sources amending and subsequently repealing Directive 2001/77/EC as well as 2003/30/EC.

One of the stages of implementation of the Directive was identification of areas in which emissions of greenhouse gases associated with cultivation of agricultural raw materials are smaller than the level of standard emissions specified in Appendix V to the Directive. On the basis of the evaluation of the conditions of cultivation in Poland carried out by the Institute of Soil Science and Cultivation the (IUNG), areas (provinces) where standard values of emissions for agricultural cultivations may be used have been identified. Such a solution reduces the costs of determination of actual values of emissions that farmers would have to perform individually for each farm and cultivation as well as simplifies the principles of verification of the sustainable development criteria in the entire chain of production of biofuels. The areas where the level of emissions from cultivations of wheat, corn as well as rapeseed is lower than the values specified in Directive 2009/28/EC have been published on the website of the European Commission as well as announced to the public in the proclamation of the Minister of Agriculture and Rural Development of 4 June 2014 published in the Official Journal of the Minister of Agriculture and Rural Development. The journal is available on the website of the Ministry of Agriculture and Rural Development – www.minrol.gov.pl.

In Poland the market of biofuels and biocomponents is regulated by the regulations of the Act of 25 August 2006. on biocomponents and liquid biofuels. As a result of the amendment made by the Act of 21 March 2014 on changing the Act on biocomponents and liquid biofuels and other acts the domestic legislation has implemented the regulations of Directive 2009/28/EC related to verification of the criteria of sustainable development. The Act of 21 March 2014 also introduced legal grounds for functioning of voluntary certification systems, as part of which verification of the criteria of sustainable development will take place. The requirement of certification applies to the whole chain of production of biofuels, starting from entities that constitute the first link, buying raw materials from farmers (i.e. purchasing entities, groups of agricultural producers, biomass processors, manufacturers of biocomponents). It results from the principles binding under voluntary certification systems approved by the European Commission. It is as-

sociated with the need to ensure continuity of control of agricultural raw materials in terms of fulfillment of the criteria of sustainable development throughout the whole cycle of production of biofuels – "from the field to the fuel tank"

The currently valid regulations encumber fuel manufacturers with the obligation to use biocomponents in liquid fuels and liquid biofuels in the amount resulting from the NCW, which for 2013-2016 amounts to 7.10%, in 2017 – 7.10%, and 2018 – 8.50%. It is accepted to reduce the NCW by 15%, provided that the entities implementing the NCW document the used less than 70% of biocomponents manufactured by the manufacturers from the following raw materials in a given year:

- agricultural raw materials obtained from a farm located within the area of at least one of the EU member states or an EFTA member state – based on a contract concluded between the agricultural producer running this farm and the manufacturer or their agent, or
- biomass obtained under a delivery contract concluded between an agent and the manufacturer, or
- agricultural raw materials acquired from manufacturers' own production.

Therefore, the quantitative demand for biocomponents results from the NCW index for a given year and the amount of fuel used in transport. Approximately 240 thousand tons of bioethanol is consumed annually for petrols produced in Poland (tab. 21). In the recent years the amount of consumed bioethanol has remained at a stable level. The share of domestic production of bioethanol in the total amount of bioethanol used in fuels in 2013 amounted to 77%. The held production bioethanol capacities amounted to 585 thousand tons. (ca. 740 million litres) of bioethanol. From 70% to 84% of agricultural spirit used for production of bioethanol is made of cereals, 10-20% from molasses, 1-3% from potatoes as well as 3-8% from fruit and other raw materials.

In the case of the diesel market in 2013 ca. 740 thousand tons of esters was used. The share of domestic production of esters in the total consumption for biofuel purposes amounted to approximately 85%. The held manufacturing capacities of esters at the end of 2013 amounted to 1164 million l, (ca. 1024 thousand tons) Manufacturing esters mainly involves rapeseed oil. In 2013 manufactured 94% of esters was made of it.

Table 21. Amounts of liquid fuels and biocomponents, launched to the market in Poland in the period 2009-2013

Year	Consumption of fuels and biocomponents [in thousand tons]				Implementation of NCW in %
	Gasolines	ON	Bioethanol	Esters	
2009	4 124,6	10 386,9	232,2	632,5	4,61
2010	3 885,0	10 902,8	238,0	886,1	5,91
2011	3 578,5	11 618,2	238,3	945,8	6,06
2012	3 459,1	10 752,3	241,0	737,1	5,32
2013	3 309,6	10 058,2	241,3	742,1	5,67

Source: Corrected Summary Quarterly Reports of the President of the URE (Power Industry Regulation Office) as well as own calculations of the Ministry of Agriculture and Rural Development (assuming the following density: gasoline – 748 kg/m^3; bioethanol – 791 kg/m^3; Diesel fuel – 833/m^3; ester – 880 kg/m^3).

A decreasing number of manufacturers of biocomponents with a simultaneous increase in production capacities have been observed, which proves the industry is under consolidation. Since January 2009 the number of entrepreneurs manufacturing bioethanol has remained virtually unchanged and at the end of 2013 amounted to 14 entities. In the same period the capacity manufacturing has increased by about 127 thousand tons (160 million litres), whereas, in the case of esters the number of manufacturing plants has decreased by 14 and the production capacities have increased by ca. 345 thousand tons (392 million litres).

Since 2012 the consumption of engine fuels on the domestic market has been decreasing. Additionally, in the 2012-2013 period a NCW reduction coefficient in the amount of 15% was applied, which is reflected in a reduction in consumption – mostly esters. Assuming that in 2013 100% biocomponents introduced on

the market would come from domestic production, the following should be respectively used to manufacture them: for bioethanol – ca. 700 thousand tons of corn and for ester production – ca. 1850 thousand tons of rapeseed.

Taking account of the domestic production of cereals estimated at the level of 28 million tons as well as the domestic consumption for fodder and food purposes, the coverage of the domestic demand for raw materials for production of bioethanol would not be a problem. In the case of rapeseed, whose production in 2013 amounted to ca. 2.6 million tons as well as the demand for rapeseed for consumption purposes (ca. 1 million t), it should be requires covered from a part of the domestic demand for esters from other sources than domestic deliveries of rapeseed. In a further perspective, the development of cultivations for biofuel purposes will depend on the competitiveness of domestic production, both in terms of prices and fulfilment of the criteria of sustainable development.

AGRICULTURAL BIOGAS

Agricultural production may constitute a significant source of raw materials for support for production of renewable energy. Bearing in mind the basic goal of the agriculture, which is securing food needs, the Minister of Agriculture and Rural Development has been attaching particular importance on using primarily side products and residues produced in production of food for energy purposes (side products and residues from agriculture; the agricultural-food industry, liquid and solid animal faeces, energy plants) From the agricultural point of view, the most effective ways of utilisation of biomass of agricultural origin is subjecting it to the process of methane fermentation in agricultural biogas plants. Production of energy from agricultural biogas may bring a lot of benefits for rural areas, including, among others:

- improvement in power security by basing a significant part of electric power, heat or gas supply on local biogas plants;
- execution of any obligations resulting from the climate-energy policy of the European Union, on the basis of locally available raw materials;
- production of energy from raw materials non competitive with production of food, such as by-products of agriculture and residues from the agricultural and food industry;
- increase in agricultural revenues as a result of using products which previously have not been commodities as well as selling surpluses of produced power;
- acquisition of environmentally-friendly post-fermentation substances, possible for agricultural use;
- using residues and organic waste, which – being subjected to uncontrolled decay processes, emit gases greenhouse to the environment, as an energy source.

The expert's report concerning the economic conditions of development of different types of renewable energy sources in rural areas as well as their effect on improvement in the profitability of agricultural production in Poland in the context of CAP prepared by the Institute of Agricultural and Food Economics – National Research Institute (IERiGŻ-PIB) estimates that the technical potential of biogas from agricultural production in Poland makes it possible to generate ca. 7.8 billion m^3.

With regard to substrates for production of biogas the most widely used raw material is animal faeces. It is estimated that Polish farms generate ca. 35-38 million m^3 of liquid manure a year, from which at least 20% can be used to produce biogas. Manure is also a valuable substrate. An important source of raw materials for production of biogas may be permanent grassland (PG). The Institute of Technology and Life Sciences (ITP) estimates that, when used for energy purposes, it may provide at least 2.3 million tons of biomass a year in the form of grass. These estimates assume that these are non-fertilised cultivations, based on natural soil fertility and the biomass acquired for energy purposes is used without any harm to fodder production.

In order to support the development of agricultural biogas the Act of 10 April 1997 Power Law (Journal of Laws Dz.U. of 2012, item 1059, as amended.) introduced support for agricultural biogas in the form of certificates of origin of agricultural biogas purified up to the quality of natural gas and introduced to the distribution grid, defined the conditions for connection of agricultural biogas plants to the power network as well as exempted the producers of agricultural biogas from the need to have a license for generation of electric energy from biogas – the need to in the register agricultural biogas producers has been introduced in its place.

As part of subsequent simplifications related to the implementation of the investment process from the group of projects that may potentially significantly affect the environment, agricultural biogas installations

with power up to 500 kW have been excluded. Therefore, this type of projects have been exempted from the obligation of preparation of an environmental impact report. The above exclusion is included in the Regulation of the Council of Ministers of 9 November 2010 on investment projects that may significantly affect the environment.

Table 22. Approximate demand for substrates in agricultural biogas plant depending on the installed power of electric installation

Installed power [kW]]	Demand for biogas [m³]	Liquid manure is 70% of the substrate, the remaining 30% consists of silage			
		Demand for silage		Demand for liquid manure	
		[t/year]	[ha]	[t/year]	[SD]
1000	3 650 000	14 700	308	40 556	1 763
500	1 825 000	7 350	154	20 278	882
100	365 000	1 470	30	4 056	176
40	147 500	593	12	1 639	71
10	36 500	147	3	406	18

Source: calculations of the Ministry of Agriculture and Rural Development on the basis of operating data (L. Ciurzyński) and ITP.

Facilitations regarding fertilising management of post-fermentation products from production of agricultural biogas have also been introduced. Facilitations consisting in enabling fertilising use of these substances on similar terms which are applicable for natural fertilisers (without the need to fulfill additional formalities) have been introduced in its place for substances produced in the process of anaerobic decay of manure, liquid manure, plant waste originating from agriculture and agricultural and food processing industry. Such a solution was introduced by the regulation of the Minister of Environment of 5 April 2011 on R10 recovery process.

In order to facilitate investments in agricultural biogas plants in 2013, changes were also introduced in the Regulation of the Minister of Agriculture and Food Economy dated 7 October 1997 on technical conditions for agricultural structures and their location; the amendments include among others:

- regulation of the issues related to technical requirements and location of tanks for after-fermentation products in the liquid form;
- abolishing the requirement of maintenance of the distance of 15 meters between fermentation chambers and agricultural biogas tanks within one installation;
- cancellation of the requirement of location of biogas tanks and fermentation chambers with the capacity greater than 100 m³ on plots meant only for biogas plants;
- the distances of security zones were referred to the entire capacity of the system used to generate agricultural biogas, rather than particular biogas tanks and fermentation chambers.

At the end of 2013 42 agricultural biogas plants, which were producing a total of 112.43 million m³ of agricultural biogas, subsequently used to generate electricity and heat, were entered in the register of the Chairman of the Agricultural Market Agency. In total in 2013 227.98 GWh of electric energy was produced from agricultural biogas – 176.18 GWh was introduced to the power network, and the rest used for the needs of production or manufacturers' own needs. At the same time, as a result of combustion of agricultural biogas in co-generative units, was generated 249.08 GWh of heat in 2013, which was used mainly for the needs of technological processes of agricultural biogas plants or projects directly related to them, e.g. heating livestock buildings.

TRY FINE FOOD PROGRAMME

The Try Fine Food Programme (TFF) is a programme promoting food quality. Its aim is to create a positive image of agri-food products of a high quality among domestic and foreign consumers. The logo of Try Fine Food placed on the packaging should facilitate the consumer with the selection of products among those similar ones available on the shop shelves. The consumer receives information about the fact that the product selected by them was manufactured from verified raw materials, that it contains few additives, and that it is labelled correctly. Marking the product with the TFF is also an opportunity to promote products and companies both in Poland and abroad, by strengthening the companies' prestige and the reputation of products.

PROCEDURE OF THE TRY FINE FOOD PROGRAMME

The Try Fine Food sign may be awarded to producers and processors of agricultural and food products, regardless of the size of their enterprises and property form. One of requirements for the participation in the Programme is that the business is operated within the European Union. At any time, a manufacturer interested in distinguishing their product with the TFF logo may apply to the Minister of Agriculture and Rural Development for initiation of the proceedings resulting in awarding the TFF sign. Any number of products can be chosen to be distinguished. The TFF logo is granted only to the products that will fulfill the particular criteria of the TFF Programme and will receive a positive recommendation from the Scientific Committee for Quality Food Products of the Try Fine Food Programme, appointed by the Minister of Agriculture and Rural Development. The Committee consists of specialists in the field of food processing, nutrition, medicine, plants cultivation and animal breeding as well as law and economics. The Minister of Agriculture and Rural Development awards a product with Try Fine Food sign for 3 years. The TFF logo of the Try Fine Food Programme is granted to the following groups of products:

1. meat and meat products;
2. milk and milk products;
3. fish, seafood and their products;
4. eggs and egg products;
5. honey;
6. food fats;
7. cereal products, leguminous and root plants;
8. fruit, vegetables, mushrooms and their products;
9. confectionery and pastry;
10. herbs and spices;
11. food products for special dietary purposes;
12. mixed products and products processed based on the aforementioned products;
13. water and non-alcoholic beverages;
14. alcoholic beverages;
15. other.

The Try Fine Food Programme is also about the information and promotional activities. These actions popularise the Try Fine Food sign among consumers, manufacturers, food processors as well as merchandisers and distributors. They are used to provide reliable and credible information about agricultural and food products as well as disseminate knowledge about the benefits resulting from the participation in the TFF Programme. Promotional activities are also about informing the consumers about the conditions for obtaining raw materials, production engineering and monitoring systems of food quality and safety as well as the standards of proper marking. The Ministry of Agriculture and Rural Development takes an active part in numerous exhibition and market events (domestic and foreign) within the promotional activities of the TFF Programme. The activities of the TFF Programme include the following forms of promotion used to increase popularisation of the products marked with the logo and recognisability of the logo itself: promotions in sales networks, advertising in magazines as well as television and radio programs as well as mass and local open air events.

The application forms used for registering the agri-food products with the TFF Programme, as well as a list of appendices needed for evaluation, are available on the website of the Ministry of Agriculture and Rural Development in the Try Fine Food tab, whereas the detailed information is available at:

Ministry of Agriculture and Rural Development
The TRY FINE FOOD Programme
ulica Wspólna 30
00-930 Warsaw
phone: 22 623 18 10; 22 623 16 30,
22 623 24 39
fax: 22 623 16 08
e-mail: pdz@minrol.gov.pl
Internet: www.minrol.gov.pl

POLISH REGIONAL AND TRADITIONAL PRODUCTS

Many farmers feared competition from more developed countries when Poland accessed the European Union in 2004. It very quickly turned out, however, that what initially raised concerns and complexes, became and advantage. Fragmentation and low degree chemicalisation of the Polish agriculture causes that it has natural predispositions for production of high-quality, ecological and natural food – sought on European tables. Thanks to special knowledge and skills transferred among farmers from generation to generation our producers learn environmentally-friendly management already at their family home. In this way, the produced raw material is then processed in a traditional, unique manner – becoming thereby a premium product as well as the pride and recommendation of the area which it comes from.

LIST OF TRADITIONAL PRODUCTS

In order to identify such products the Minister of Agriculture and Rural Development keeps the List of Traditional Products. It was created in 2004 and is a treasury of knowledge about traditional Polish products. The list includes products whose quality or exceptional characteristics and properties result from using traditional methods of production, constitute an element of cultural heritage of the region where they are made as well as an element of identity of the local community. The importance of the List and its popularity is proved by the fact that until 31 December 2013 1206 products were entered in it.

PRODUCTS PROTECTED IN THE EUROPEAN UNION

The food quality policy implemented in the EU has become a great opportunity, so far successfully used by Polish farmers. This is proven by, among others, the gradually increasing number of products reported for registration under the Protected Designation of Origin, Protected Geographical Indication and Traditional Specialty Guaranteed designations. The segment of regional and traditional food in Poland has been developing dynamically and an increasing number of producers wants to produce high-quality food. Bearing them in mind special support measures were included in the Rural Development Programme for the years 2007-2013. This interest results also from the fact that production, protection and promotion of high-quality food play an important role in the European Union.

The main objectives the EU food quality policy are: promotion of diverse agricultural production, protection of names of products against abuse and imitation as well as helping consumers understand the specific nature of registered products. It is nothing else but they introduce our traditional flavours and high quality to the European culinary heritage. So far,37 names of Polish products have been registered in the EU system of protected designations of origin, protected geographic indications and guaranteed traditional specialties – 9 as Protected Designations of Origin, 19 as Protected Geographical Indications and 9 as Traditional Specialties Guaranteed.

REGIONAL AND TRADITIONAL PRODUCTS

Protected Designation of Origin (PDO) – the quality of a product or its characteristic features should be chiefly or solely related to a specific geographical environment as well as natural and human factors relevant to it, such as climate, the quality of soil or local know-how. Owing to the requirements concerning production, processing and preparation, any product applying for PDO must have a very strong connection with the region. The entire production process should proceed at the designated geographic area, along with acquisition of raw materials. Polish products registered by the European Commission as PDO: bryndza podhalańska, oscypek, redykołka, wiśnia nadwiślanka, podkarpacki miód spadziowy, karp zatorski, fasola Piękny Jaś z Doliny Dunajca/fasola z Doliny Dunajca, fasola wrzawska, miód z Sejneńszczyzny/Łoździejszczyzny.

Protected Geographical Indication (PGI) means the name of a product whose quality, reputation or other characteristics are the result of a given geographical origin. At least one of the production stages of a given product must take place within the area to which its name refers. Polish products registered by the European Commission as PGI: miód wrzosowy z Borów Dolnośląskich, rogal świętomarciński, wielkopolski ser smażony, andruty kaliskie, truskawka kaszubska lub kaszëbskô malëna, fasola korczyńska, miód kurpiowski, kiełbasa lisiecka, suska sechlońska, obwarzanek krakowski, jabłka łąckie, śliwka szydłowska, chleb prądnicki, miód drahimski, jabłka grójeckie, kołocz śląski/kołacz śląski, ser koryciński swojski, jagnięcina podhalańska.

Traditional Specialty Guaranteed (TSG) means a traditional agricultural product or food article made using a traditional method of production, processing or composition, or produced from traditionally used raw materials or ingredients. Only a product in use for at least 30 years may be deemed traditional. Polish products registered by the European Commission as TSG: staropolskie miody pitne (półtorak, dwójniak, trójniak and czwórniak), olej rydzowy, pierekaczewnik, kiełbasa jałowcowa, kiełbasa myśliwska, kabanos.

BENEFITS FROM USING PDO, PGI AND TSG

Registration of a product name as a geographical indication, designation of origin or guaranteed traditional specialty guarantees that nobody throughout the whole European Union may unlawfully use the registered name in trade. Only producers originating from the registered territory, making the product in accordance with the specification in a given geographical area have the right to use the graphic sign as well as the registered name. Therefore, awarding the indication protects producers against unauthorised use of their product's name and allows them to emphasise the uniqueness of their product's, while providing consumers with reliable knowledge on the origin of the products and their characteristics as well as traditional methods of production.

CONTROL AND CERTIFICATION

A very important element of the PDO, PGI and TSG system is ensuring a high-quality product, which is confirmed by controlling them. The control of the processes of production, processing and preparation of any products registered as PDO, PGI GTS is made on request of the producers themselves, provincial inspectors of quality control of agricultural and food products or authorised certifying units. Our producers select the inspecting body as well as bear the costs of inspection. The scope and the frequency of inspection depend on the specific nature of the production process of a particular product. The current list authorised certifying units is available on the following website: www.minrol.gov.pl.

Producers making their products in accordance with the registered specification receive a certificate of compliance or a quality certificate. This is, at the same time, a confirmation for the consumers that the receive a product of high, guaranteed quality. According to the report of the Chief Inspectorate of Com-

mercial Quality of Agricultural and Food Products 288 certificates confirming the compliance of production processes with the specifications were issued in 2013, while as of 31 Dec 2013 357 producers were authorised to introduce PDO, PGI and TSG products to the market.

”THREE SIGNS OF FLAVOUR” CAMPAIGN

In February 2013, on the initiative of the Ministry of Agriculture and Rural Development as well as the Agricultural Market Agency, a three-year campaign entitled "Three signs of flavour” co-financed from funds of the European Union was launched. The primary purpose of the campaign focused, among others, on farmers, food processors, organisations associating producers, distributors, cooks, restaurant owners, culinary school students as well as consumers is promotion of Polish food products registered as Protected Designations of Origin, Protected Geographical Indications and Traditional Specialties Guaranteed. The campaign involved arrangement of press conferences, fairs, training courses, advertisements in the mass media as well as promotional campaigns in retail outlets, restaurants and agritourist farms.

ORGANIC AGRICULTURE

The idea of organic production is to adjust its principles to the sanitary condition, regional climatic differences and conditions local, the degree of development and particular breeding practices. The pursuit of maintenance and improvement in the stability and biodiversity of the soil, prevention and combating erosion as well as nutrition of plants mostly through their ecosystem is also important. Production in an organic agricultural farm is conducted according to the principles of sustainable development. In particular, this production consists in using proper crop rotation and other natural methods of maintenance or increasing biological activity as well as selection of species and varieties of plants as well as species and races of animals, taking into consideration their natural resistance to diseases and adaptation to the climate and local conditions. Therefore, organic farms mean not only tidy agricultural farms taking care of environmental protection and welfare of animals, producing a diversified assortment of vegetables, fruit and high quality products, but also farms requiring substantial financial outlays as well as constant, systematic control and a plethora of own work aimed at maintenance of their development. Management using organic methods is thus a very difficult endeavour, requiring absolute commitment and high financial expenses, which in the days of the today's globalisation is a task not everyone wants to decide to undertake.

After the great fascination of the world with food production in industrial conditions – the consumer more and more often claims that only food made under conditions that are the most similar to the natural ones will fulfill his or her expectations. Structural, environmental, social and historical conditions result in the fact that Polish agriculture is predestined to use organic methods of production of food. Poland is a country in which the consumption of chemical means of production in agriculture has always been lower than in most European countries, which resulted in the fact that the ecological quality of the production space in agriculture and its biodiversity are the best in Europe. This results in the fact that it is considerably easier for Polish farmers to decide to launch food production using organic methods.

Organic agriculture is one of the most rapidly developing branches of agriculture in the world, especially in the European Union. In the late 90s the interest in this field of agriculture has been on the rise in Poland. However, initially organic agriculture was developing as a social movement. Recent years in Poland have been characterised by a constant growth in used area and the number of organic farms. The development of the sector of organic agriculture is also reflected in the number of processing plants and the assortment of organic products available on the market. According to the data as at 31 December 2013 the control of certifying units in Poland covered 27 thousand organic producers, including 26.6 thousand farms run across nearly 670 thousand ha. This means a roughly 1% increase the area and an approximately 3% increase in the number of such farms as compared to 2012. In 2013 there were also more than 400 processors of organic food.

In the years 2003-2013 the number of organic farms in Poland increased by more than 11 times from 2286 in 2003 to almost 26.6 thousand in 2013. In 2013 the number of organic farms amounted to 26 598- the most organic agricultural farms were found in the following provinces: Warmińsko-Mazurskie (4 235), Western Pomorskie (3 640) and Podlaskie (3 407). The largest the area used by an organic farm in 2013 was located in the Western Pomerania (143.6 thousand ha), the Warmińsko-Mazurskie (140.8 thousand ha) as well as the Podlaskie Province (63.6 thousand ha). The area used in accordance with the regulations on organic agriculture in 2013 amounted altogether to nearly 675 thousand ha. This means a 2% increase with regard to 2012 and constitutes currently ca. 4% of the whole agriculturally used area in Poland.

Organic production in Poland focuses mainly on crop production. The main organic product in this sector of production is permanent grassland, then green lands intended for fodder, cereals, long-term crops, vegetables, and leguminous plants. In the case of animal production the first place is held by laying poultry, then slaughter poultry, dairy as well as meat-dairy cattle and swine. In the case of products of animal origin the majority of production is cow milk. It is worth paying attention to the processing industry of Polish organic products. The main processing product are organic cured meats, dairy products as well as juices from organic fruit and vegetables.

CONTROL AND CERTIFICATION

The control and certification system established in Poland for organic agriculture gives the consumers confidence that organic products are produced in accordance with the requirements defined in the regulations concerning organic agriculture. This system makes it possible to track each product at all stages of production, preparation and distribution – from the primary production of organic products through storage, processing, transport, sale as well as supply of the final consumer. An important element of the production system utilising organic methods is guaranteeing that products labeled as organic have been produced in accordance with valid requirements. Each organic producers must be placed under control of the system formed by:

- The Minister of Agriculture and Rural Development who authorises the certifying units accredited in the matters of organic agriculture according to standard PN-EN 45011 to perform inspections, issue and revoke certificates of compliance for running production whilst utilising organic methods;
- The Inspectorate of Quality Control of Agricultural and Food Products, which performs state supervision over authorised certifying units in organic agriculture.

In order to exercise effective supervision over the certifying units and the organic agriculture market the Veterinary Inspection, the State Plant Health and Seed Inspection Service as well as the Trade Inspection are obliged to cooperate with the Inspectorate of Quality Control of Agricultural and Food Products:

- Polish Accreditation Centre (PCA) – an authority granting accreditation and responsible for accreditation of certifying units in organic agriculture;
- Certifying units authorised by the Minister of Agriculture and Rural Development to perform inspections, issue and revoke certificates of compliance. 10 certifying units are authorised to perform control and certification. All those units have received accreditation certificates issued by the Polish Accreditation Centre.

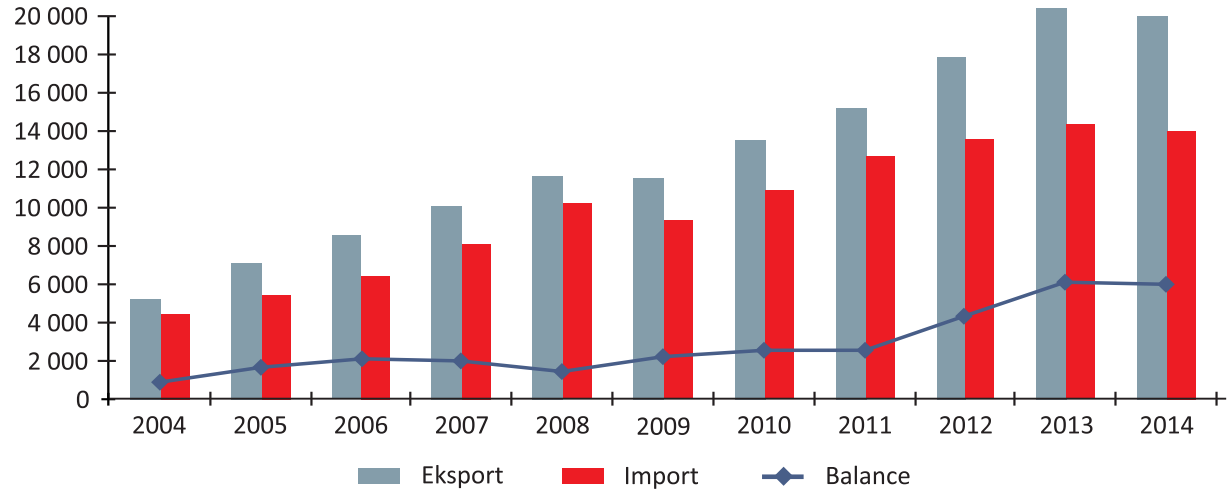
The term *organic, bio, organic, organic product* or *product of organic agriculture* means that the product labelled in this way has been made according to organic methods of production by an entity which is covered by the system of control and has been awarded with a certificate confirming it issued by an authorised certifying unit. Any products and food produced in the conversion period are still not recognised as organic and may not be labelled with the EU logo. Since 1 July 2010 a new logo of organic agriculture is in force – it must be placed on all packaging of organic products produced by the member states of the European Union in accordance with the requirements of control of organic production in the EU. Since 1 July 2012 using this logo is mandatory.

FOREIGN TRADE

GENERAL EVALUATION

Foreign trade in agricultural and food products has been an important part of Polish foreign trade for years. It remains under an intensive influence of the economic situation in Europe and in the world. In the conditions of weakening of the economic situation on foreign markets Polish agricultural and food sector has fared much better in foreign trade than the other sectors of the national economy. This fact is proved by, among others, very good results of foreign trade in agricultural and food products. In 2013 the income from the export of agricultural and food products amounted to 20.4 billion EUR and was higher than the year before by 14.2%, on the other hand, the expenses import increased to 14.3 billion EUR, i.e. by 5.6% (Fig. 15). As a result, the surplus of export over the import reached the value of 6.1 billion euros. In 2013 this surplus covered more than 70% of the deficit in the trade in products of other sectors and had a significant effect on the direction of changes in the overall balance of commercial exchange of Poland (the deficit decreased by over 3/4).

Figure 15. Polish foreign trade in agricultural and food products in the 2004-2014 period (in million EUR)

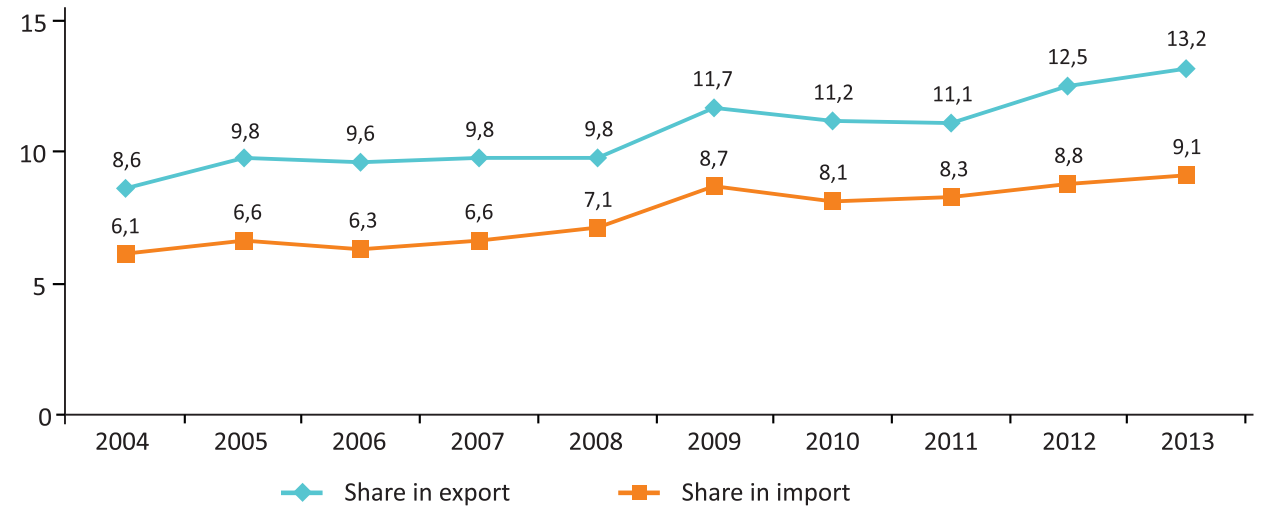


S - estimate of IERiGŻ-PIB Source: prepared by the author on the basis of: Handel zagraniczny produktami rolno-spożywczymi. Stan i perspektywy, nr 21-39, Analizy Rynkowe 2005-2014, IERIGŻ-PIB, ARR, MRiRW, Warszawa.

The period of membership of Poland in the European Union has seen a regular growth and improvement in the results of foreign trade in agricultural and food products. Positive changes were visible as early as in 2003 when, among others, as a result of implementation of agricultural agreements from 2000 and 2002 as well as adaptation processes of Polish companies to the EU requirements Poland for the first time became a net exporter of agricultural and food products, reaching a positive balance at the level of 0.5 billion EUR and recording a two-digit growth in rate of export and import. Within ten years of our EU membership the export of Polish agricultural and food products has increased five times (from 4.0 to 20.4 billion euros), while the import has risen four times (from 3.5 to 14.3 billion euros). The balance of commercial turnover has increased by almost fourteen times, up to 6.1 billion EUR. The growth in export has been determined mostly by high supply of agricultural and food products in our country, the continuing high demand for Polish food products in the EU countries as well as countries outside the EU as well as favourable prices and good quality of offered products.

In 2013 the importance of the agricultural and food sector in the national trade balance increased even more. The share of agricultural and food export in the export and import of Poland increased respectively to 13.2 and 9.1% as compared to 12.5% and 8.8% in 2012. Since 2009 this share has exhibited an increasing tendency, but in the 2004-2008 period it amounted only to ca. 8-10% (Fig. 16). On the other hand, the share of agricultural and food import in the total import is lower and since 2009 is has amounted to ca. 8-9%, while in the 2004-2008 period it fluctuated within the range of 6-7%.

Figure 16. Share of agricultural and food products total Polish foreign trade (in %)



Source: prepared by the author on the basis of: Handel zagraniczny produktami rolno-spożywczymi. Stan i perspektywy, nr 21-39, Analizy Rynkowe 2005-2014, IERIGŻ-PIB, ARR, MRiRW, Warszawa.

Export of agricultural and food products is a very important channel of management of production surpluses. Therefore, it constitutes a very important source of income for the domestic food industry. A considerable part of the growth in the domestic production is sold abroad, which favourably affects the economic situation in many branches of the food industry. In the 2009-2010 period slightly more than one fourth of production of the food industry was sent for export as compared to 13.7% before Poland's accession. In 2013 it was 33.9% as compared to 30.8% the year before. The highest export orientation is demonstrated by the following trades of the food industry: tobacco, coffee and tea processing, fruit and vegetable processing, production of confectionery bread with extended expiry dates, fish and seafood processing, potato processing, production of juices and beverages from fruit and vegetables as well as poultry processing. The share of highly processed items, both in export and import, has been systematically growing, while the share of agricultural raw materials has been on decline, which proves the growth in modernity and innovativeness of our agricultural and food products and, as a result, high competitiveness of Polish food producers on the world markets.

GEOGRAPHICAL STRUCTURE OF FOREIGN TRADE IN AGRICULTURAL AND FOOD PRODUCTS

Foreign trade in agricultural and food products in 2013 was still under the effect of the economic situation in Europe and in the world. The first signs of economic stabilisation found their reflection in the changing directions and dynamics of trade. In 2013 the economic crisis was still noticeable in most EU member countries, including the Eurozone. However, in the second half of the year the economic situation in most of those countries slowly stabilised and improved, in particular in the large countries of the EU-15 (the UK, Sweden, Germany, France). The economic situation improved to a larger extent in the new member states of the EU-13. Other big global economies (the USA, Japan) were in a better condition, but in the second half of the year their economies were developing less dynamically. A high growth rate remained in China, but in other Asian countries it was significantly lower. In connection with the economic problems and the unstable political situation at our eastern neighbours (CIS states), the demand for Polish food in those countries became stagnant. As a result, the importance of the EU and developed countries increased in the Polish foreign trade in agricultural and food products.

For many years Poland's most important trade partners in agricultural and food trade have been the member states of the European Union (Fig. 17). In 2013 the value of agricultural and food export to the EU-28 countries amounted to 16.0 billion EUR and was by 15.7% (by 2.2 billion euros) higher than in 2012. The share of the EU in the Polish export of agricultural and food products therefore increased to 78.4%. The value of export to the EU-15 increased by 16.1%, and to the EU-13 by 14.4%. The share of the EU-15 increased by 1.0 percentage point to 58.5% and the share of the EU-13 remained at the same level as the year before i.e. 20%. In 2013 the balance of commercial exchange in agricultural and food products with the EU-28 countries improved again and amounted to 6.06 billion EUR as compared to 4.55 billion Euro in 2012. The improvement in the overall balance of trade was a result of a faster increase in the export of agricultural and food products than the import of those products.

The second group where Polish products agricultural and food end up are the countries of the Community of Independent States (CIS) In 2013 the export to this group amounted to 10.7% of the total food export from Poland and amounted to 2.19 billion EUR. The dynamics of export in this direction has recently been significantly weakened. Further important importers of agricultural and food products from Poland include: the EFTA countries (Iceland, Liechtenstein, Norway, Switzerland), other developed countries, the Balkan Countries as well as developing countries.

The revenues from food export to the EFTA countries in 2013 amounted only to 170 million euros (which comprised 0.8% of the overall Polish agricultural and food export). The most important recipient of Polish agricultural and food products from among this group was Norway, which spent 91 million euros on Polish food (its share in the export of agricultural and food products reached 0.5%).

Stagnation occurred in the export of agricultural and food products to other developed countries (the USA, Canada, South Africa, Israel, Japan, Australia, New Zealand) in 2013. The value of the export decreased by 0.3% to 560 million and the share of this group in the Polish export of agricultural and food products slightly decreased (to 2.7%). The greatest share (74%) among those countries had the United States, which spent 250 million euros to purchase food in Poland, i.e. 1% less than in 2012.

The value of the export to the Balkan countries (Albania and former Yugoslav countries) decreased in 2013 to 133 million euros, i.e. by nearly 30%. Just like the year before, it amounted to 0.7% of the value of our national agricultural and food export. The decrease in the value of export in this group resulted from the fact that Croatia throughout the 2013 was classified into the EU, although it became a member of the EU no sooner than on 1 July 2013.

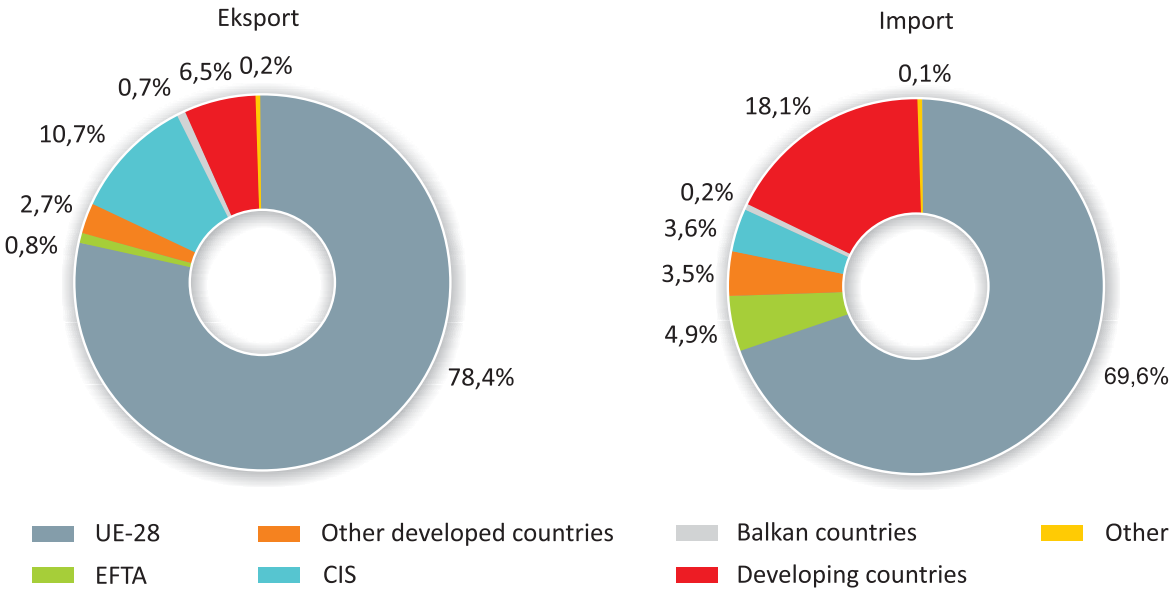
In 2013 the sales of food products to developing countries was dynamically growing. Its value amounted to 1.31 billion EUR and was by 10% higher than in 2012. The share of those countries in the Polish export of agricultural and food products slightly decreased – to 6.5%. Among the more important commercial partners the largest increase in the value of export was recorded in trade with China, which increased to 158 million euros, more than twice. This growth resulted from the increased sales of pork in 2013.

In 2013 the income from the export of agricultural and food products to the EU-28 countries amounted to 16.02 billion – the most important export products included: confectionery – 1.80 billion EUR, which is 11.2% of the value of total agricultural and food export to the UE countries, red meat and offal – 1.59 billion EUR (9.9% share), tobacco products – 1.39 billion EUR (8.6%), milk and dairy products – 1.19 billion EUR (7.4%), fruit processing products – 1.09 billion EUR (6%), poultry meat and giblets – 1.0 billion EUR, fish and crustaceans – 0.90 billion EUR, meat products – 0.61 billion EUR as well as cereals – 0.60 billion EUR.

For years the most important recipient of Polish agricultural and food products on the EU market has traditionally been Germany. In 2013 its share in Polish export of agricultural and food products amounted to 23%. The revenues from food export to the German market amounted to 4.71 billion EUR (increase by 20%), and were related mainly to the sales of: fish and fish products, including mainly smoked fish (14% of the value of export), poultry meat and giblets (6%), fruit juices, mainly apple juice (6%), rapeseed (5%), bread, confectionery bread and cakes (4%), cigarettes (4%) as well as milk and sour cream, frozen fruit, (mostly strawberries and raspberries), chocolate and chocolate products (ca. 3% each).

The second recipient of Polish food, with a 7.6% share in the country's total agricultural and food export from Poland is the UK, where in 2013 we sold products for 1.54 billion EUR. The income from the export to this country increased as compared to the level from the year before by 16%. Britons mostly buy the following goods in Poland: chocolate products (16% of the value of agricultural and food export to the UK), meat products (15.8%), poultry meat and edible giblets (9.6%), fruit juices, mainly apple juice (4.8%), bread, confectionery bread and cakes (4.3%) as well as fresh vegetables (3%).

Figure 17. Geographical structure of Polish foreign trade in agricultural and food products in 2013.



Source: prepared by the author on the basis of: Handel zagraniczny produktami rolno-spożywczymi. Stan i perspektywy, nr 21-39, Analizy Rynkowe 2005-2014, IERIGŻ-PIB, ARR, MRiRW, Warszawa.

The following countries also managed to place in the first six of recipients of Polish agricultural and food products among the European Union member states: The Czech Republic (1.24 billion euros), with a 6% share in the Polish export of agricultural and food products, France (1.19 billion euros), – 5.8% as well as, almost ex aequo, Italy (1.06 billion euros), – 5.2% and the Netherlands (1.06 billion euros), – 5.2%. The export to the Czech Republic increased as compared to the previous year by 11%, and the highest income was earned from selling: rapeseed oil (8.7% of the value of export to this country), poultry meat and giblets (8.2%), cheese and cottage cheese (6.8%), bread, confectionery bread and cakes (5.9%), pork (5.7%), coffee (4.5%), tobacco and tobacco products (4.4%) and chocolate products (3.4%).

The most popular items bought by the French in Poland include tobacco and tobacco products (27% of the value of Polish export to this country) and, subsequently: fish and fish products (9.5%,), poultry meat and giblets (7.4%), alcohol (5.5%), the so-called processed food (5.3%) and bread pastries (3.5%). On the other hand, the export to Italy is dominated by: beef (21% of the value of export to this country), tobacco products (17.5%), pork (7.7%), cheese and cottage cheese (5.4%) as well as shelled birds' eggs and chocolate products (4% each). The export of Polish food to Italy increased in the previous year by 21%. The Dutch supply themselves in Poland mostly in: beef (in 2013 11.2% of the value of Polish export to this country), tobacco products (10%), poultry meat (6.7%), fruit juices (6.5%) and shelled birds' eggs (5%). However, in the exchange of goods with this country in 2013 we recorded a deficit in food trade which amounted to 112 million euros.

The most popular goods we exported to the countries of the Community of Independent States in 2013 were fresh fruit (mostly apples), red meat and offal, vegetables and preserves as well as confectionery. The major recipients of Polish agricultural and food products from this group were: Russia (in 2013 57% of the value of export to the CIS markets), Ukraine (21%) as well as Belarus (13%). In 2013 Russia increased its purchases of agricultural and food products in Poland by 19%, i.e. to 1.25 billion EUR, becoming thereby the third recipient of Polish food (with a 6% share in the total Polish export of agricultural and food products). Our main products supplied to the Russian market included: fresh fruit (25% of the value of Polish export to this country), including mainly apples (21.7%), cheese and cottage cheese (8.5%), pork (7.9%) and also fresh vegetables and their preserves (3.9%). In 2013 Ukraine spent 457.5 million EUR to purchase agricultural and food products in Poland – 8% less than the year before. The structure of deliveries to the Ukrainian market was dominated by: fresh fruit (29% of the value of Polish export to this country), confectionery and pastries (12%), animal fodder (8%), pork (7.2%) and preserves made of fruit and vegetables (7%). In 2013 our export to Belarus also decreased to 293.2 million euros (by 4%).

The structure of export to this country was dominated by pork, fatback, fresh fruit and vegetables as well as processed vegetables. The trade in agricultural and food products with the CIS countries (Russia, Ukraine, Belarus) is still significant, despite various kinds of administrative constraints introduced by veterinary and phytosanitary authorities of those countries[1].

In 2013 the dynamics of import of agricultural and food products from within the EU-28 virtually did not change. In comparison with 2012 its value increased to 9.94 billion EUR, i.e. o 7,0%. Goods worth 8.47 billion EUR (increase by 8.6%) were purchased from the EU-15, while in the case of the EU-13 this value reached 1.46 billion EUR (decrease by 1.1%). During this period the share of the EU-28 in the Polish import of agricultural and food products increased by 1 percentage point. – to 69.6%. The value of import from developing countries has decreased to 2.6 billion euros, i.e. o 0,7%. The share of this group of countries in the Polish import of agricultural and food products decreased to 18.1%. From within the EU-28 countries we mostly import vegetable products, including processed ones (4.93 billion euros). In 2013 their share in the import from the EU amounted to ca. 50%. The most popular among those products were: confectionery (9%), oils and vegetable fats (8%) as well as fresh fruit (6%). In 2013 1.42 billion EUR was spent to purchase meat and offal in the EU (14.3% share in the import from the EU). The following goods were also quite important in our import: coffee, cocoa, tea and spices as well as fish and alcohol.

Just like in the case of export, agricultural and food imported to Poland products came mostly from Germany and their value increased up to 3.2 billion euros (by 3.2%), being thereby 22% of the total Polish import agricultural and food export. In terms of value the most popular items bought in Germany were: pork, chocolate and chocolate products, pork livestock, animal fodder, bakery products, cakes and waffles, coffee, cheese as well as sugar syrups. Countries which ranked on further places from which agricultural and food products were imported to Poland included: he Netherlands (1.17 billion euros), Spain (0.77 billion euros), Denmark (0.67 billion euros), Norway (0.63 billion euros), Italy (0.57 billion euros), as well as Argentina (0.50 billion euros).

In 2013 the agricultural and food import from the economically developed countries, both from the EFTA countries and from other developed countries was still dynamically growing (699 and 551 million euros respectively, i.e. by 24 and 48% as compared to 2012). Hence, the shares of those groups increased to 4.9 and 3.9% respectively. (by 0.8 and 1.1 percentage points). In contrast to previous years 2013 saw a significant drop in the import from the CIS countries. Goods worth 520 million euros were brought from this direction, i.e. worth less by 21% than in 2012. In the general structure of agricultural and food import the import from the CIS was 3.6%, while the year before – 4.9%. This was caused by restrictions imposed in 2013 on import of food from Ukraine – to 350 million euros. o 32%. The import from Russia increased in this period by 26%, and the import from Belarus was similar.

In 2013 the overall balances of turnover of the Polish foreign trade in agricultural and food products with the most important groups in this trade (the EU, the CIS and developing countries) improved significantly As a result, the surplus in total trade turnover grew to a record level. The trade with other groups recorded a deterioration in the results, especially with economically developed countries. The highest improvement was recorded in the overall balance of exchange in foreign trade with the EU-28, which increased to 6.07 billion EUR, i.e. by 1.5 billion EUR. The surplus in trade with the EU-15 increased to 3.48 billion EUR, i.e. by 40%, and in trade with the EU-13 – to 2.59 billion EUR, i.e. o 25%. The results in trade with the majority of the EU member states also improved, but the highest increases were recorded in the overall balance in trade with large partners, i.e. with: Germany (by 634 million EUR), the United Kingdom (by 179 million EUR), Italy (by 171 million EUR) and the Czech Republic (by 163 million EUR).

The surplus of export over the import in trade with the countries of the CIS group increased to 1.7 billion EUR, i.e. by 316 million euros, including trade with Russia – to 1.2 billion euros, i.e. by 188 million and in trade with Ukraine – to 107 million euros, i.e. by 120 million euros.

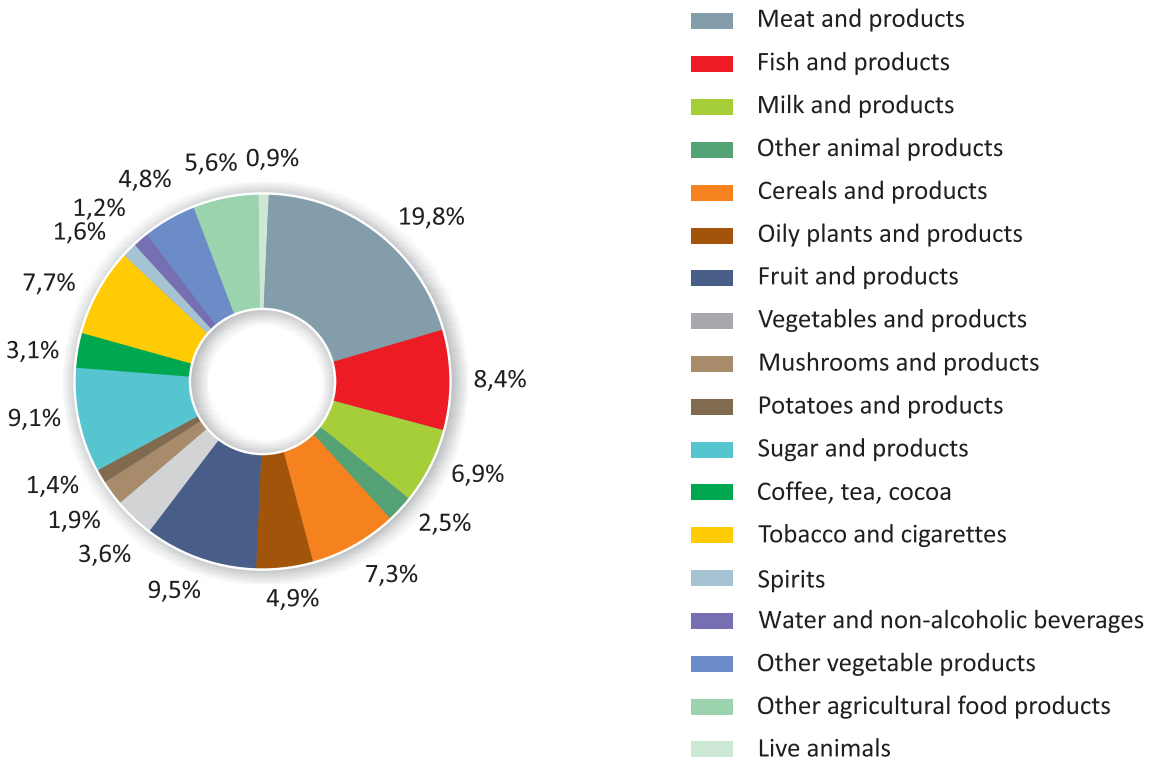
The deficit in food trade with the developing countries decreased to 1.3 billion EUR, i.e. by 138 million euros. The balances of trade with other developed and the EFTA countries deteriorated by 180 and 106 respectively million euros, which means that they amounted to 9 and minus 529 million euros.

1 Russia introduced on 10 November 2005 the ban on meat import from Poland that was binding until 19 December 2007., on vegetable products from 14 November 2005 until 20 January 2008. The embargo on meat import from Poland through Ukraine was binding from 25 March 2006 until 14 February 2007. Belarus introduced the ban on meat import from Poland on 17 March 2007 and it was binding until 17 March 2008. Another ban on import of pork meat Russia introduced on 27 January 2014 in connection with the occurrence of some cases of African swine fever (ASF) in wild boars in Lithuania and in Poland. A similar ban was also introduced by Ukraine and it was binding from 17 February to 17 June 2014.Belarus introduced the embargo on Polish pork on 20 February 2014. From 1 August 2014 Russia introduced the embargo on Polish fruit and vegetables.

COMMODITY STRUCTURE OF FOREIGN TRADE IN AGRICULTURAL AND FOOD PRODUCTS

The commodity structure of Polish foreign trade agricultural and food products (in the value perspective) is dominated by the products of the food industry. Thus the value of surplus in trade in agricultural and food products depends on the results of trade in these products. In 2013 the income from their export constituted 82% of the value of the whole agricultural and food export. The share of the food industry products in agricultural and food import was also relatively large and amounted to 67%.
The value of food industry products export in 2013 increased by 10 and amounted to 16.3 billion EUR. Their import increased to much smaller degree (by 2%) and its value reached 9.6 billion euros. The surplus in the trade in these goods increased by 1.3 billion EUR and amounted to 6.7 billion EUR. The export of agricultural products increased by 18% and amounted to 3.6 billion, while their import increased by 11 and reached 4.6 billion euros. The deficit of commercial exchange in agricultural products decreased to 971 million euros as compared to 1.07 billion euros in 2012.

Figure 18. Commodity structure of the export of agricultural and food products from Poland in 2013 (according to the value)



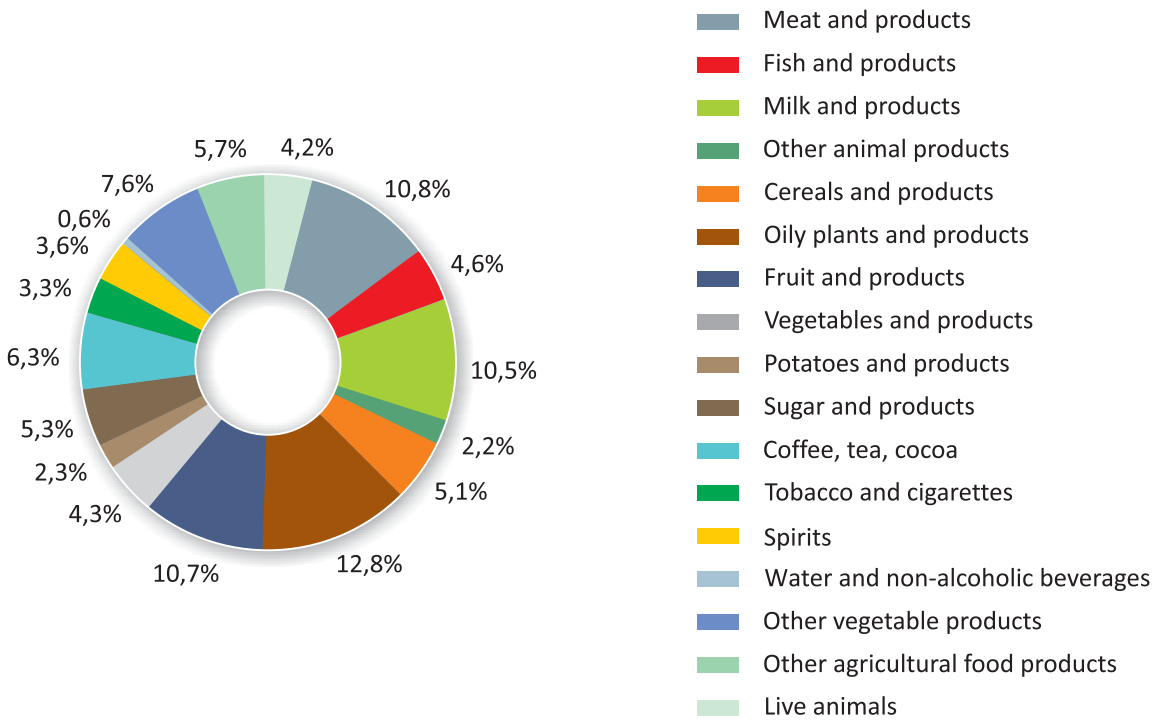
Source: prepared by the author on the basis of: Handel zagraniczny produktami rolno-spożywczymi. Stan i perspektywy, nr 21-39, Analizy Rynkowe 2005-2014, IERIGŻ-PIB, ARR, MRiRW, Warszawa.

In contrast to the previous year, 2013 saw a significantly greater improvement in the results of foreign trade in products of the food industry than the results of trade in agricultural products, which resulted from a decrease in the prices of the latter. Nonetheless, a decrease in the deficit in the trade in agricultural products has been recorded for several years. For years Poland has been importing products of agriculture not produced domestically (e.g. fish, citruses and other tropical fruit, coffee, tea, cocoa, spices), including raw materials for further processing (which, upon processing, are often the object of reexport) and high--protein raw materials used for fodder production. For this reason, foreign trade in agricultural products generates a deficit and its size depends to a larger extent on the domestic export of agricultural raw materials than on the volume of import, which is relatively constant.
The commodity structure of Polish agricultural and food export is dominated by products of plant origin (Fig. 18). In 2013 they constituted nearly 56% of the value of agricultural and food export. The biggest

share in this the group had: fruit, vegetables and fruit and vegetable preserves (13,1%), sugar and its products (9.1%) and mixed products (7.7%). Products of animal origin constituted 38.5% of Polish export. The main item within the structure of export of animal is meat and its products (19.8%). Such products of animal origin as dairy products (8.4%) and fish and fish products (6.9%) are also very important. The import structure is also dominated by products of plant origin, including mainly products from other climate zones (Fig. 19). The share of crop products in 2013 accounted for almost 62% of the value of the Polish agricultural and food import. Among them, the most important were fruit, vegetables and fruit and vegetable preserves (15.0%) and oil plants and their products (12.8%) An important role in our import was also played by: coffee and tea (6.3%), cereals and their products (5.1%), and also cane sugar for refining and confectionery (5.3%) In the case of import of animal products the most important items were meat and its products (10.8%) as well as fish and its products (10.5%) The import of live animals (4.2%), first of all, of swine also increased. Dairy products had a small share in our food import – only 4.6%. The demand for these products is satisfied mainly from the domestic production, while the import is only a supplement of the supply.

In 2013 the value of export of animal products amounted to 7,7 billion EUR and was 13.4% higher than in 2012. The increase in this export resulted from the growing demand of the biggest recipients of Polish products (mostly on the EU market), which was additionally supported by lasting price competitive advantages. The export of most product animal groups increased, mostly dairy products (by 17.5%) as well as meat and its products (by 15%) The only exports which decreased included some species of live animals, mostly cattle (by 32%) and swine (by 17%), but this was almost entirely compensated by the growth in the export of poultry (by 29%) As a result, the value of export of live animals decreased as compared to the previous year only by about 6%.

Figure 19. Commodity structure of import of agricultural and food products imported to Poland in 2013 (according to the value)



Source: prepared by the author on the basis of: Handel zagraniczny produktami rolno-spożywczymi. Stan i perspektywy, nr 21-39, Analizy Rynkowe 2005-2014, IERIGŻ-PIB, ARR, MRiRW, Warszawa.

The dynamics of growth of crop export was significantly lower than in the case of import of animal products. As compared with the previous year the value of export in 2013 increased by 14% and amounted to 11.6 billion euros. The dynamics of their export in the first half 2013 was relatively high (increase by 18%%, as compared to the same period of 2012). However, it significantly decreased in the second half of

the year (increase only by about 3%). The revenue from export of most crop products increased in 2013. The greatest was the increase in the value of export of oilseeds (by 147%), vegetable oils (by 36%) and potatoes (by 60%). The growth in the export of the following goods was also high: cereal grains (by 22%), water and non-alcoholic beverages (by 21%), confectionery products (by 16%), fresh fruit (by 15%), alcohol (by 16%) as well as cereal products (by 14%).
Unlike the year before, 2013 saw a decrease in the import of crop products and an increase in the dynamics of import of animal products. The value on import of the latter amounted to 4.7 billion EUR and was by 19% higher than in 2012. The import of crop products was at a similar level as the year before i.e. ca. 9.0 billion EUR. The share of crop products decreased by 3.7 percentage points. to 62.2%, and in the case of import of animal products it increased by 3.4 percentage points to 32% (Fig. 19).
The value of import of all groups animal-origin products increased, mostly of live animals (by 37%) as well as dairy products (by 36%) The growth of import of livestock was also a result of an increased import of swine (by 88%) and cattle (by 41%) In the group of crop products the imports increased with regard to the products of horticulture and the fruit and vegetable industry (by 9-12%), alcohol (by 10%), sugar and confectionery (4%), potatoes and potato products (by 2%), tobacco products (by 2%), which was compensated by the limitation of import of cereals and cereal products (by 12%), oils and their derivatives (by 11%), water and non-alcoholic beverages (by 15%) as well as coffee, tea and cocoa (by 9%).
In 2013 the largest surplus of trade was recorded in trade in meat and offal (2.30 billion euros, increase by 290 million EUR), fruit preserves (1.20 billion euros, increase by 0.5 million EUR), tobacco and cigarettes (1.06 billion EUR, increase by 64 million EUR), dairy products (1.03 billion EUR, increase by 70 million EUR), as well as confectionery products (849 million euros, increase by 143 million EUR). The largest deficit appeared in trade in meals and cakes (762 million euros, improvement by 62 million EUR), live animals (429 million euros deterioration by 178 million EUR), as well as coffee, tea and cocoa (261 million euros, improvement by 80 million EUR) as well as fresh vegetables (273 million euros, improvement by 5 million EUR). It should be pointed out that both in the group of live animals and meat and its products the biggest and deepening deficit appeared in the trade in swine and pork.

FOREIGN TRADE IN SELECTED AGRICULTURAL AND FOOD PRODUCTS

CEREALS AND THEIR PRODUCTS

In comparison with 2012 in 2013 in Polish trade in cereals and cereal processing products a clear improvement in balance was observed- increase from 413 to 742 million euros. This was related, first of all, to a larger export of cereal grains as well as highly processed cereal products. A decrease in import of cereal grains and primary cereal processing products also appeared. Like the year before, the export of cereals and cereal products grew very significantly. The growth took place mostly in the second half of 2013. Its value, despite a decrease in transaction prices, grew to 1.46 billion EUR, i.e. o 18%. This resulted, first of all, from the growing export of grain after the harvests- 4.1 million tons of it was exported, i.e. by 41% more than in 2012. This included: 1.7 million tons of wheat (1.1 million tons in 2012), 0.9 million tons of corn (1.0 million tons), 0.9 million tons of rye (312 thousand tons), 293 thousand tons of barley (321 thousand tons) and small amounts of other cereals.
The export of primary processing products (flour, groats and flakes, malt, bran) also dynamically grew- its volume increased by 49 and amounted to 429 thousand tons. Its value amounted to 126 million and was 37% higher than in 2012. The export of most products from this group considerably increased, mostly bran as well as groats and flakes (by 120 and 55% respectively). Only the export of malt decreased (by 38%).
The volume of export of processed products in 2013 amounted to 289 thousand tons and was by 7% higher than in 2012. The export of bread (by 12% to 175 thousand tons) products received by swelling and roasting grain (by 6% to 87 thousand tons) and noodles (by 13% to 27 thousand tons) also increased. The value of sale of these goods abroad amounted to 510 million and was 9% higher than in 2012.
Within the structure of value of export the share of grain (from 55 to 56%) and primary processing products (from 7 to 9%) increased, while the share of secondary processing products decreased (from 38 to 35%). 2013 saw some shifts in the geographic structure of foreign trade in cereals and cereal products. The importance of the EU as the target market decreased both in export and in import. In quantitative

terms 78% of those products went to the EU markets as compared to 89% in the previous year. The importance that diminished the most was that of the EU-15 market (to 72%, by 8 percentage points) as well as, to a smaller extent, the new member states (to 6% by 3 percentage points) This place was taken over by the developing countries, the share of which increased by almost 11 percentage points. – to 20%. There were no considerable changes in the shares of other groups. In the value perspective the share of the EU decreased slightly less, i.e. from 87 to 80%.

2013 saw a significant drop in the import of cereals and cereal products, 1,72 million tons of which were imported as compared to 2.28 million tons in 2012. The import that decreased the most was the grain import (by 28% to 1.2 million t). Purchases were dominated by: wheat (581 as compared to 735 thousand tons in 2012), corn (287 as compared to 495 thousand tons) and barley (160 as compared to 197 thousand tons). Average transaction prices increased by nearly 10%, but in spite of that the value of delivered grain decreased by 21% to 331 million euros.

The import of primary cereal processing products decreased by 27% to 353 thousand tons. The decreases in the import of malt (by 42% to 123 thousand tons) and bran (by 26 to 100 thousand tons) were significant. The import of the majority of other products from this group slightly decreased. Only the import of groats and flakes increased. The value of import in primary processing products of cereals decreased by 22% to 131 million euros.

The import of processed products increased by 12% to 183 thousand tons. Like in the previous year the import of bread and pasta dough increased (by 21% and 6% respectively) and the import of products received by swelling and roasting of grain decreased by 2%. The expenses for the import of processed products increased by 13% to 267 million euros.

In the value structure of import the share of grain decreased (amounted to 46% as compared to 51% in

2012) as well as the primary processing products (18% as compared to 20%), and the share of the import of secondary processing products increased to 37% (28%). The value of cereals and cereal products imported to Poland in 2013 amounted to 727 million and was 12% lower than the year before. However, it should be emphasised the that recorded decrease in the value of import would have been greater, but it was partially balanced by the growth of transaction prices.
The geographic structure of import of cereals and cereal products was dominated by the EU-28 countries (in quantitative terms their share amounted to 85%, and in the value perspective – 90%) A high decrease in importance of the EU-15 countries (by 50 percentage points) was almost entirely compensated by the growth in importance of the new member states. The share of the CIS increased, while the share of developing countries decreased.

POULTRY

In 2013 Polish trade in foreign poultry (livestock, meat and giblets as well as products) still experienced an upward trend, its dynamics was, however, lower than the year before. The export increased by 9.4 and amounted to 668 thousand tons in weight of the product accompanied by a growth in sales revenue by 8% (to 1.35 billion euros). The import increased by 14% and reached 121 thousand tons accompanied by a growth in purchase expenses by almost 22% (to 189 million EUR). The positive trade balance improved further – quantitatively to 547 thousand tons in weight of the product, i.e. by 8%, while in terms of value to 1.15 billion EUR, i.e. o 11%.
There were no significant changes in the commodity structure of the export of poultry meat. The dominant position was maintained by poultry meat and giblets (ca. 88% in the export volume) A smaller share in the export was held by poultry products and live poultry the share of which in the export volume amounted accordingly to ca. 9 and 3%. The main ready market for the import of poultry meat remained the EU member countries whose share in the export volume amounted to 82%. Poultry produced in Poland still remained highly competitive in terms of price.
In 2013 the export of poultry meat (along with giblets) increased to 587 thousand tons in weight of the product, i.e. o 11%. The income from the export increased 1.1 billion euros, namely by 9%. 285 thousand tons of poultry meat was exported to the EU-15, i.e. 12 thousand tons more as compared to the previous year and in the case of the EU-13 – it was 178 thousand tons, i.e. ca. 13 thousand tons more. The largest recipient of this meat (like the year before) was Germany – 105 thousand tons, (which comprised 18% of the Polish export of this meat) for 285 million euros. The Czech Republic placed second (10%), followed by the UK (9%), the Netherlands (8%) and France (6%). It is also worth paying attention to the increase of export of poultry meat to such countries as: Hong Kong where ca. 22 thousand tons of this meat was sold (3.8% of the Polish export) or Benin – 22 thousand tons (3.8% of the Polish export, increase in quantitative terms by 29%) The export of poultry meat to China was also growing. In 2013 the export amounted to 5.5 thousand tons and its value 9 million EUR , (while in 2012- 2.3 thousand tons and 4 million and in 2011 - only 0.5 thousand tons and 0.5 million EUR). The surplus of export over the import of poultry meat and giblets in 2013 was further improved by approx. 10% to 547 thousand tons in weight of the product, while in terms of value by 6% to 1.05 billion EUR.
The export of poultry products amounted to 57 thousand tons and was ca. 20% higher than in the previous year. The main recipient of these products was the EU-28, the share of which in the export of those products amounted to 95%. Ca. 35 thousand tons of poultry products was exported to the EU-15 (as compared to the previous year- more by about 35%), while to the EU-13 – 19 thousand tons. The import of poultry products in 2013 amounted to 10 thousand tons and was ca. 16% higher than the year before. It came mostly from the EU-28.
The export of live poultry in 2013 in terms of quantity increased by 17% to ca. 85 million pieces, while in terms of value by 37% to 67 million euros. The main recipient of nestlings, just like the year before, were the CIS countries. The share of those countries in the value of export of live poultry exceeded 53%, but was by more than 2% lower than in the previous year. On the other hand, the export of live poultry to the EU, due to the price rises of almost 30%, went up to 7.2 million pieces as compared to 7.1 million pieces the year before. The import of live poultry to Poland in 2013 was higher than the year before by 30% (amounted to 47.8 thousand tons). Its main supplier were the EU countries, including: Slovakia (28% of the volume of import), the Netherlands (25%), the Czech Republic (18%) and Germany (15%) The balance of commercial exchange involving live nestlings in 2013 deteriorated by- 40.6 million euros (as compared to-35 million euros in 2012).

In 2013, similarly as in previous years, the most important commodity in the structure of the import volume of poultry was live poultry, whose share in the import value amounted to more than 56%. The share of meat and giblets in the volume of import was ca. 33% and the share of poultry products ca. 8%. In the years 2010-2013 ca. 99% of the value of imported poultry products came from within the EU.

PORK

In 2013 the export of pork (livestock, meat, products and fats) increased by 15%, i.e. to 685 thousand tons in weight of the product accompanied by a growth in sales revenue by 16% (to 1.45 billion euros). The import in terms of quantity increased by 9% to more than 854 thousand tons and in terms of value by 11% to 1.81 billion EUR. The value deficit in pork trade reached 354 million euros as compared to 324 million euros in 2012 and the quantitative surplus of import over export amounted to 169 thousand tons in weight of the product and was 6.4 thousand tons greater than the year before. The progressing growth in export accompanied by the decreasing domestic stock of swine forced a significant growth in the import of pork. The structure of export of pork, just like before, was dominated by fresh (cooled) and frozen pork, which accounted for 64% of the total export volume. The share of processed products (sausages, canned meat, hams, smoked and salted meat) was 22%, fats – 12%, and swine in meat equivalent – 2%.

In 2013 the export of pork (fresh, cooled, frozen) increased to 444 thousand tons in weight of the product, i.e. o 20%. The income from its sales increased by the same amount and amounted to 925 million euros. Changes in the geographic structure of pork export continued. Among the major recipients of pork from Poland the largest share had the CIS countries (Russia and Belarus), although their share in the value perspective decreased by almost 7 percentage points – (to 28%), and in quantitative terms – by 10 percentage points (to 24%) in favour of the EU-28 (50% both in terms of volume and value) and other countries (22 and 26% respectively). Among the remaining recipients the largest share had the Asian countries, mainly China, Japan, South Korea and Hong Kong. In 2013 the export of our of pork to China amounted to ca. 53 thousand tons and 70 million euros, which means – as compared to the previous year – almost a four times increase in sales revenue. Therefore, China took the seventh place in terms of value of export of this meat (7,5%), and the first with respect to its volume (12%).

Poland earned the highest income from the export of pork in 2013 from trade with Russia (ca. 99 million EUR), with a 11% share in the value of export (seventh place in 2012 with a 5.6% share) The second place with a 10.7% share in the value of export was taken by Belarus (first place in 2012 with a 20% share) They were followed by: Italy (9%), Japan (8.4%), Slovakia (7.7%), the Czech Republic (7.7%), China (7,5%), Hungary (6.4%), Germany (4.6%) and Ukraine (3.9%). In 2013 a twofold slump in exports of pork to Ukraine was recorded (in 2012 it held the third place with a 7.6% share) It is also worth paying attention to a more than twofold growth in the export of pork to the United States (3.8 thousand tons and 15 million EUR).

In 2013 there was an insignificant increase in import of pork to Poland - quantitatively to 605 thousand tons (by about 1.3%) in terms of value to 1.3 billion EUR (by ca. 4.4%) Imported pork, just like in 2012, originated mostly from within the EU-15 and the largest suppliers included: Germany (32% share in the value of import), Belgium (19.6%), Denmark (19%), the Netherlands (9.6%) and Spain (7.3%). The import was dominated by fresh and cooled pork intended for further processing. The trade in pork meat still experiences a deficit, which in 2013 decreased quantitatively to 161 thousand tons in weight of the product, i.e. by 27% and in terms of value – to 379 million euros, i.e. o 18%.

In 2013 the balance of foreign trade in swine deteriorated further down to- 423.3 million EUR as compared to-296.3 million euros in 2012. The export of swine in meat equivalent decreased as compared to in the previous year by almost 14% to 12.6 thousand tons, which was ca. 110 000 pieces of live animals (in 2012 14.6 thousand tons and 139 thousand pieces). There was a rapid increase in the import of swine, which in 2013 increased by 34% up to 5.1 million pieces. Poland imports mostly piglets and boar cubs (almost 80% of swine import) Their greatest supplier, just like the year before, was Denmark, where 50% of the import came from, followed by: Germany (25.5%), the Netherlands (10.6%) and Lithuania (6.4%) The main recipient of swine from Poland is still Hungary, the share of which in the value of its export amounted to 62% (although the export of pork livestock to this country decreased as compared to the previous year by almost 10% to 7.7 thousand tons). The second place was taken by Slovakia with a 10% share in the Polish export (which also reduced the quantity of pigs purchased in Poland) The balance of commercial exchange involving live animals in 2013 deteriorated further and more suddenly – quantitatively to- 5.03 million pieces (as compared to- 3.66 million pieces in 2012), while in terms of value down to- 424.9 million EUR (in 2012-296.3 million EUR).

The export of pork products (sausages, canned meat, hams, smoked and salted meat) amounted to 153 thousand tons and was 10% higher than the year before. These products were exported mainly to the EU, including: The UK, Denmark, Germany and the Czech Republic as well as Lithuania, Ukraine Russia and the United States. For years the import of pork products has remained at a similar level and amounts to ca. 15 thousand tons and their main suppliers are the EU countries.

BEEF

In 2013 the turnover of foreign trade in beef (livestock, meat and products) amounted to 1.18 billion euros and was higher by 1.7% than the year before. The export reached the level of the previous year, while the import increased to 100 million euros, i.e. o 23%. The positive trade balance slightly deteriorated and went down to 984 million euros (by ca. 2%) as compared to 1001.6 million euros in the previous year. The assortment structure of the beef export was dominated by fresh beef (71% of the export volume) The share of frozen meat was 18%, beef products 6% and livestock (in meat equivalent) 5%. Beef import is small, and abroad we buy mostly cattle livestock (49% of the volume of import in 2013) as well as beef (44%) It is worth paying attention to a strong growth in the import of cattle livestock (in the 2012/2013 by 73%)
In 2013 the competitive prices of Polish beef contributed to the increase in sales thereof abroad. The export of beef (cooled and frozen) amounted to 290 thousand tons in weight of the product and was by 6% higher than the year before. Export mostly covered cooled beef (ca. 232 thousand tons) and its main recipient were the EU-15 countries (whose share in the export of this meat amounted to 87%), including: Italy (26%), the Netherlands (19%) and Germany (17%). On the other hand, the share of Turkey in the export of Polish beef decreased (only 60 tons in 2013 was exported to this country), which in 2012 was the third recipient of our beef and had a 16% share in its export. This was influenced, among others, by changes in the trade policy of the Turkish government (raising customs duties) and suspension of export subsidies for beef by the European Commission.
The export of frozen beef in 2013 amounted to ca. 57 thousand tons and was by 14% higher than the year before, and its main recipient was France (13% of the export volume), which increased its purchases of this kind of meat in Poland by 10%. The second place was taken by Russia (10% of the export volume, increase by 17%). The third place with a 10% share was taken by the Netherlands, followed by Germany (8.2%) and Sweden (7.5%).
The import of beef (fresh, cooled, frozen) was small and amounted to ca. 12 thousand tons (it decreased as compared to the previous year by 12%) Expenses on the purchase of beef also went down to 38.6 million euros ((by 4%). The import structure was dominated by fresh meat (65%), frozen beef accounted for 35%. Fresh, cooled beef originated mostly from Slovakia, Ireland, the Czech Republic and Lithuania, while frozen beef from the Czech Republic, Ireland, the Netherlands and the UK. The balance of trade in beef (fresh, cooled, frozen) in 2013 in terms of quantity reached the level of the previous year and amounted to 278 thousand tons in weight of the product, while in terms of value it increased by 3% and amounted to 908 million euros.
The export in beef livestock in meat equivalent amounted to 14.5 thousand tons and was by 25% lower than the year before. The income from the export went down to 67 million euros. o 29%. The main recipients of live animals from Poland in 2013 (like the year before) included: Italy (30%), the Netherlands (20%), Greece (13%) and Spain (8%). The import of beef livestock increased by 76% to 12.9 thousand tons (in meat equivalent) accompanied by a growth in expenses for its purchase by 57% (to 48 million EUR). Imported animals came mostly from Slovakia, Germany, Denmark and Lithuania. The balance of trade in beef livestock deteriorated in the value perspective by 49.4 million euros and went down to 19 million euros, while in quantitative terms – by 87% to 1.6 thousand tons in meat equivalent.
The export beef products decreased to 18.8 thousand tons. by 5% and its main recipient were the EU countries. The import of beef products was small – its volume amounted to 1.7 thousand tons and the value to 6.8 million EUR.

MILK AND ITS PRODUCTS

Polish dairy sector is a net exporter, since its raw milk production is 10-12% higher than the domestic consumption. The surplus in supply is exported, which in 2013 increased by 17% to a record level of 1.63 billion EUR. In the same period the import increased by 37% to 633 million euros. The positive trade commercial balance amounted to 1.0 billion EUR and was 7% higher than in the previous year. The increase

in commercial turnover was, first of all, the result of very high prices on international exchanges, which resulted in the growth in the prices obtained by exporters.

In 2013 the growth rate of the export of dairy was substantially higher than those of the whole agricultural and food export (increase by 17.5% and 11.5% respectively), and therefore the role of dairy products in the export of agricultural and food products increased (this share amounted to 8.4% as compared to 7.9% in 2012). Cheese and cottage cheese traditionally remained the most important item in the export of dairy products and their value increased by more than 23% to 692 million euros at the increase in volume by 15% to 207 thousand tons). Their share in the commodity structure of the whole of export of dairy products increased from 39% to 41%. The main sales market of cheese and cottage cheese was the EU-28 (137 thousand tons). The largest recipients included: The Czech Republic (27 thousand tons), Germany (23 thousand tons), Italy (15 thousand tons) and Slovakia (14 thousand tons) The second place was held by powder milk, mainly skim milk (OMP), the export of which, despite more than a 17% decrease in the volume (to 94 thousand tons) accounted for revenues 6% higher than the year before (263 million EUR). Powder milk was exported mostly to the EU markets (ca. 63 thousand tons), including Germany, the Netherlands and Bulgaria (11-13 thousand tons). The amount of liquid milk and sour cream sent abroad was similar as the year before (ca. 300 000 tons) and the revenue from sales of these products increased by 19% (to 228 million EUR). Liquid milk and sour cream were sold mostly to the German and the Dutch markets. Important recipients of those products were also Hungary and the Czech Republic. The value of the export of yoghurts, kefirs and other milk beverages increased by ca. 2% to 119 million euros (the volume decreased by 3%% to 107 thousand tons). These products were sold mostly on the EU market and their most important recipients included: Italy, the UK, the Czech Republic and Hungary. In addition, one should emphasise a 16% increase in export of whey, which amounted to 249 thousand tons (203 million EUR). The volume of export of butter went up only by 1% (to 32 thousand tons) and its value – by 29% (to 122 million EUR).

There were no considerable changes in the geographic structure of export of dairy products. The main sales market is still the EU-28, the total of which share in the value of export of those products in 2013 amounted to 73%. Significant amounts of dairy products were also sold in the developing countries (13%) and the CIS countries (11%). The main recipients of Polish dairy products included: Germany (319 million EUR), the Czech Republic (142 million EUR), Russia (141 million EUR), the Netherlands (116 million EUR), as well as Italy (113 million EUR). The group countries being the main recipients of Polish dairy products has remained unchanged for many years.

In 2013 the imports increased with regard to the majority of the dairy products, except for yoghurts and milk beverages, ice cream as well as casein. The value of import amounted to 633 million and was 40% higher than the year before. There were no significant changes in the commodity structure of the import. Like in the case of export, also the most important product dairy product in our import from abroad was cheese, purchased by 221 million euros (by 29% more than in 2012) and which constituted 33% of the total import of dairy products. Powder milk came second, with a 23% share - its import increased to 84 thousand tons, i.e. by 67%, accompanied by a growth of purchase expenses up to 155 million euros, i.e. o 57%. Other dairy products, like in the previous period, had smaller importance in the import of the dairy sector. It is worth paying attention to only an almost twofold growth in expenses for purchase of whey, which was imported in the amount of 88 thousand tons (23 thousand tons in 2012) for 48 million euros (against 25 million euros in the previous year). It was used by the industry in secondary processing.

For years the geographical structure of import of dairy products has been dominated by the EU-28 countries, whose share amounted to 95% (661 million EUR). 18 million euros was spent on purchases in the CIS countries, which was 3% of the value of import of dairy products. The major partners are still: Germany (43% of the import), Lithuania (12%), the Netherlands (8%), Ireland (7.7%) and France (7%).

FRUIT AND ITS PRODUCTS

The value of export of fresh fruit and its products in 2013 was 5% higher than in the previous year and amounted to 1.89 billion EUR. The import increased by 9% up to 1.52 billion EUR. The positive trade balance amounted to 0.37 billion EUR and was by 8% lower than in 2012.The deterioration in the balance resulted mostly from higher imports of bananas, dried fruit and canned fruit as well as the slump in the reexport of southern fruit.

The value structure of export fruit and fruit products (without reexport of southern fruit) is dominated by concentrated and standard juices (33.4% of export), apples (25%), frozen fruit (23.6%), other products

(9.7%) and other fruit (8.3%). The export of fresh fruit was by 18% higher than in 2012 and amounted to 1.49 million tons and the value of their sales grew up to 715 million euros, i.e. o 15%. The export of apples increased by 28% to a record level of 1.27 million tons. They were exported mostly to the CIS markets, but the share of those countries in the export volume dropped from 85 to 77% (the share of Russia decreased from 59 down to 56%, Belarus from 13 to 12% and Ukraine from 9% to 4%). The share of the EU countries in the export of apples increased from 15 to 22%. The export of pears, strawberries, cherries, sweet cherries, plums as well as berries and bilberries increased. The export of raspberries, black, red and white currants as well as gooseberries decreased. As a result of a growth in prices and a lower demand on the CIS markets, reexport of southern fruit decreased to 152 thousand tons, i.e. o 18%. Reexport of bananas (by 31% to 13 thousand tons), tangerines (by 15% to 46 thousand tons) and lemons (by 32 to 8% thousand tons) was lower. Reexport of nuts, oranges, grapefruit and watermelons increased.

In 2013 the volume of export of fruit products increased to 828 thousand tons, i.e. by 7% as compared to the previous year and its value remained at the level of 1.2 billion EUR. Foreign sales of most of fruit preserves were higher. The export of the apple juice concentrate (along with reexport of the juice imported from Ukraine and Moldova) increased by 8% to 264 thousand tons and its value did not change and amounted to 364 million euros. The main recipients of the apple juice concentrate was Germany (ca. 60% of export) as well as the UK, the Netherlands, Austria and France. Sales of other apple juices increased by 52% to 62 thousand tons. The export of frozen fruit did not change and amounted to 308 thousand tons. Sales of frozen strawberries, raspberries, currants, berries and bilberries increased, while sales of frozen cherries and sweet cherries decreased. The export of jams, preserves and purees shaped at a similar level as in the previous year. The export of dried fruit (mainly dried apples) remained at the level of 6.6 thousand tons and the value of its sales increased by 24% to 16 million euros.

The value of export of fruit and its products to the EU-28 countries increased by 7 up to 1.22 billion EUR. The share of the EU in the total value of sales of fruit and its products increased from 64% to 65%. Germany, the UK and the Netherlands remained the main recipients of these products. In the export to the EU-28 countries the most crucial role is played by fruit preserves, although their share in the total value of export to this market dropped from 88 down to 84%. The export the CIS countries increased by 6% to 594 million euros (the share of this group increased from 31 to 32%). The value of sales to Russia was 14% higher and amounted to 385 million euros. In the case of the Russian market Poland exported mostly apples (67% of the total value of export of fruit and preserves), pears, strawberries, cherries, sweet cherries, plums, frozen fruit as well as southern fruit (reexport). The value of export of fruit and its products to Ukraine decreased by 19% down to 113 million euros. The slump in the sales value was caused chiefly by lower reexport of southern fruit as well as lower export of apples. Pears, blueberries as well as frozen and canned fruit also played an important role in the export to Ukraine.

The import of fresh fruit in 2013 increased in terms of quantity up to 1.27 million tons, i.e. by 2%, and in terms of value – up to 988 million euros, i.e. o 10%. The volume of import of southern fruit increased by 4% up to 1.16 million tons and its value increased by 11% to 884 million euros. Imports of bananas, oranges, grapefruit, watermelons, grapes, avocado fruit, nectarines and peaches were higher. We imported less tangerines, lemons, kiwi fruit, apricots and pineapples. As compared to the previous year the import of apples was lower – the volume by 18% (amounted to 42 thousand tons) and the value by 25% (17 million EUR). The size of import of fruit preserves increased by 19 and amounted to 376 thousand tons and its value increased by 8% to 536 million euros.

The import of juice concentrates and standard juices increased in terms of quantity by 37% to 179 thousand tons and its value remained at the level of 177 million euros. The import of the apple juice concentrate amounted to 92 thousand tons and was by 76% higher than the year before. Apple juice concentrate was imported chiefly from Ukraine (68% of import in 2013 as compared to 55% in 2012) as well as Moldova and Hungary.

The size and the value of import of frozen fruit were close to the previous year and amounted to 44 thousand tons and 74 million euros. The value of import of fresh fruit and its products from within the EU-28 countries increased by 5% to 808 million euros. On the other hand, the share of those countries in the import dropped from 55 to 53%. The main suppliers of those products were Spain, Italy and Germany. The value of the import from the CIS countries increased from 55 to 64 million and the share of this group remained at the level of 4%.

The positive balance of trade in fruit and its preserves with the EU-28 countries increased from 372 million

euros in 2012 to 416 million euros in 2013 and with the CIS countries accordingly from 504 up to 530 million euros The balance of trade with other countries was negative and in 2013 it was minus 585 million euros as compared to minus 483 million euros in 2012.

VEGETABLES AND THEIR PRODUCTS

The value of export of vegetables and their preserves in 2013 amounted to 710 million and was 11% higher than in 2012. The value of import of these products increased by 12% to 615 million euros. The positive trade balance amounted to 95 million euros as compared to 91 million euros in 2012. The improvement in the balance resulted mostly from a higher value of the export the majority of fresh vegetables as well as frozen vegetables.

The value of export of champignons and their preserves increased by 6% to a record level of 368 million euros. The value of import decreased by 6% to 6 million euros, while the positive balance of trade in this group of products amounted to 362 million and was 20 million EUR higher than the year before. Champignons intended for export were mostly fresh (more than 75% of total sales) and went chiefly to the EU-15 (66% of the Polish export) as well as the CIS (25%). The largest recipients of Polish champignons included: Germany, Russia, the UK and France.

In 2013 the volume of export of fresh vegetables and their products was 3% higher than the year before and amounted to 1.15 million tons and its value increased by 11% to 710 million euros. The central position in the Polish export of fresh vegetables is occupied by tomatoes. The revenue from their export amounted to 84 million euros (increase by 6%) and constituted 32% of the total value of export of fresh vegetables. They were sold mostly to: Russia, Belarus, Ukraine, the UK and the Czech Republic. The revenues from the export of cabbage amounted to 50 million euros (increase by 44%) and their share in the value of export of the vegetable sector increased from 15 to 16%. The revenue from export of carrots, peppers, lettuce, asparagus, celeries and leeks was also higher. The export of onions, cucumbers, cauliflowers and Brussels sprouts decreased.

The export of vegetables preserves is dominated by frozen vegetables and their share in the total value of sales of processed vegetables in the years 2012-2013 increased from 53 up to 54%. The volume of export of frozen vegetable products increased by 3% to 444 thousand tons, while canned vegetables - by 8% to 53 thousand tons. The export of frozen ready-made dishes, temporarily preserved vegetables (mainly onion and peppers) as well as dried vegetables was also higher. The value of export of the majority of vegetables preserves was higher than in the previous year and in 2013 amounted to 451 million euros. The highest increases were seen in the revenue from sales of temporarily preserved vegetables and frozen ready-made dishes.

The value of export of vegetable products to the EU-28 countries increased by 9% to 468 million euros. The share of the EU countries in the total value of export of these products dropped from 67 to 66%. The main recipients of Polish vegetables and their products were still: Germany, the UK, the Czech Republic, France and the Netherlands.

The export to the EU-28 countries was dominated by processed vegetables (more than 70% of the value of sales to this market). The share of the CIS countries in the total value of export of vegetables and their products increased from 27 up to 29%. Sales to Russia increased by 17% to 148 million euros, while to Ukraine – by 13% up to 30 million euros (the share of Russia increased from 20 to 21% and Ukraine remained at the level of 4%). In the case of the Russian market Poland was selling mostly cabbage, tomatoes, carrots, onions and frozen vegetables, Ukraine – tomatoes, peppers, frozen and canned vegetables. Among other countries the largest recipient of Polish vegetables and their products was the United States.

The import of fresh vegetables was 15% higher than in 2012 and amounted to 448 thousand tons. The import of preserves fell by 5% to 203 thousand tons. The value of import of fresh vegetables, as a result of price rises, increased by 19% down to 406 million euros, while of other vegetable preserves remained at a similar level as in the previous year and amounted to 208 million euros.

In 2013 the import of the majority of fresh vegetables increased (apart from garlic, cauliflowers, leeks and horseradish). The highest increases were in the import of white and red cabbage (by 55% to 9 thousand tons), lettuce (by 38% to 27 thousand tons) and cucumbers (by 28% to 43 thousand tons). Tomato import increased by 17% to 135 thousand tons. Tomatoes were imported mostly from Spain, the Netherlands and Morocco (deliveries from those three countries constituted 80% of the volume of tomato import). The import of carrots, peppers, aubergines, celeries and spinach was also higher.

Despite the slump in the overall import the import of vegetable preserves is dominated by tomato preserves. The total share of these preserves in the value of import dropped from 36 to 32%. The import of tomato paste fell by 20% to 60 thousand tons, including the import from China, which decreased by 30% to 27 thousand tons and Italy – by 24% to 15 thousand tons. The import of tomato paste from Spain, Germany and Hungary increased. The import of frozen vegetables increased by 11% to 39 thousand tons. The import dried vegetables decreased by 15% to 16 thousand tons.

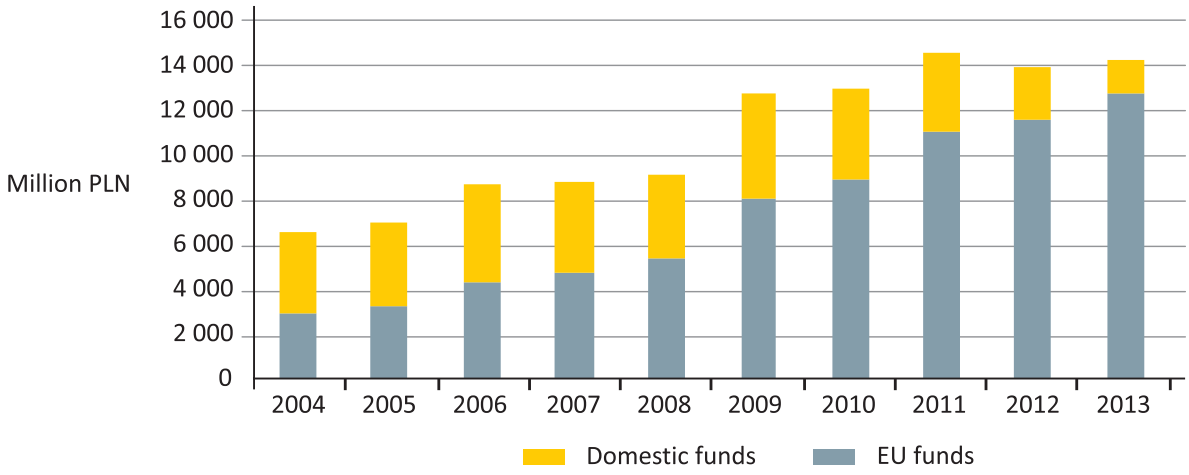
The value of import of vegetable products from within the EU-28 countries increased by 15% to 532 million euros, while the share of those countries in the total import of these products increased to 87%. The share of import of vegetable products from Spain, Germany and the Netherlands increased. The importance of deliveries from Italy and Hungary did not change.

FARMING SUPPORT POLICY

DIRECT SUPPORT FOR AGRICULTURAL INCOME IN THE 2004-2013 PERIOD

Poland, just like most new member states of the EU, uses a single area payment scheme (SAPS), under which a uniform area payment as well as domestic support (Transitonal National Aid – TNA) are paid, which was implemented in 2013 in the form of a supplementary basic payment, an unrelated payment for hops, an unrelated payment for starch, an unrelated payment for tobacco as well as payments for cultivation of plant intended for fodder, grown on fixed green lands.
Furthermore, Polish farmers can count on other payments, i.e.: a separate sugar payment, a separate payment for tomatoes, a separate payment for soft fruit, since 2010 for special support in the form of:

Figure 20. Direct payments paid to farmers in the 2004-2013 period (million PLN)



Source: Ministry of Agriculture and Rural Development.

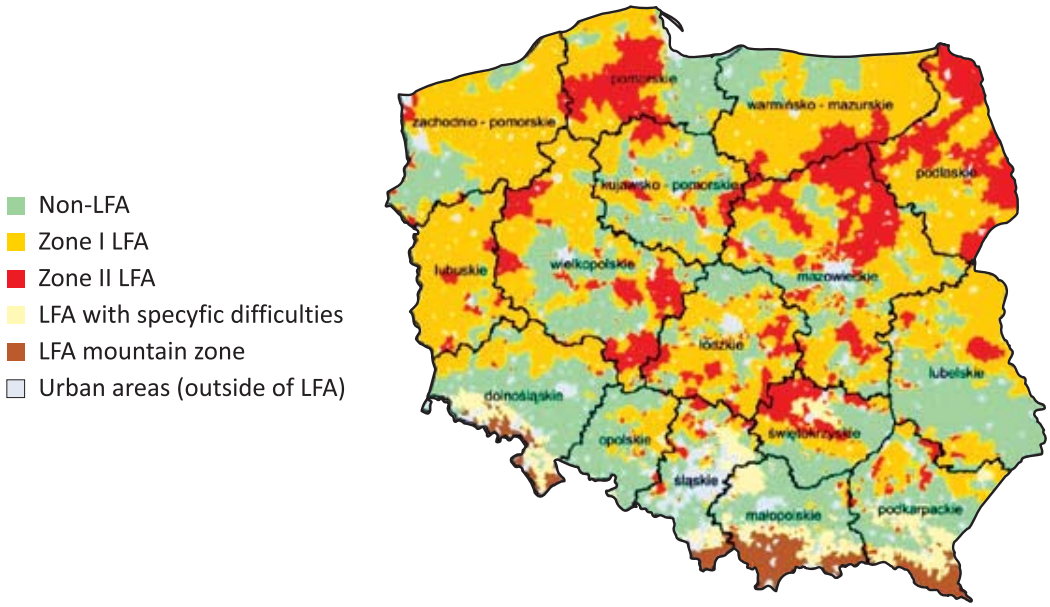
payments for cows, payments for sheep, special payments for leguminous and small-seeded fabaceae plants and since 2012- also for support for high-quality raw tobacco material.
During the campaign of 2013 applied 1.36 million farmers for direct payments. The total amount provided for payment amounted to 14.2 billion PLN. In total in the 2004-2013 period ca. 107 billion PLN was paid as part of direct payments (as at 27 Jun 2014).
”The agricultural and environmental programme” has been implemented since 2004 The second edition of this programme proceeds under RDP 2007-2013. The primary purpose of this action is to improve the natural environment of rural areas, in particular: keeping valuable habitats used for agriculture in a suitable, non-deteriorated condition or restoring their qualities; promotion of a sustainable management system; appropriate use of soils and protection of waters; shaping the landscape structure; protection of local varieties of plants and local races of farm animals.

As part of the campaign of submission of applications for the abovementioned action, in 2013 a total of 120 060 applications for the amount of 1 643 million PLN was submitted under RDP 2007-2013, including:

- 26 195 new applications for the amount of 369.7 million PLN,
- 93 865 continuation applications for the amount of 1 275.3 million PLN.

Since 2004, the activity entitled "Support for management in mountain areas and other areas with unfavourable management conditions" has also been implemented. Its purpose is ensuring continuity of agricultural land use of soil and, at the same time, keeping the viability of rural areas, namely prevention of depopulation of those areas as well as preservation of the landscape qualities of rural areas and promotion of environmentally friendly agriculture. Presently in Poland, there are three types of areas with unfavourable management conditions (the so-called ONW): lowland, with specific difficulties and mountainous. The areas have been qualified the each of the mentioned types on the basis of various criteria (map 2).

Map 2. Areas with different management conditions



Source: Ministry of Agriculture and Rural Development.

As part of RDP 2007-2013 seven calls for applications for granting ONW payment, were held until 31 December 2013, as part of which a total of ca. 5.2 million applications was submitted, for which the amount of 9.2 billion PLN was paid. According to the issued decisions, the support covered a total of 890 thousand agricultural farms, with total area of 8.36 million ha of arable land.

Since 2004, "Forestation of agricultural land" has also been implemented As part of RDP 2007-2013 assistance is granted for forestation of not only arable land, but also non-agricultural grounds. Forestation of such grounds raises their economic value, favourably affects the natural environment and increases the amount of forests in the global CO2 balance. Furthermore, an appropriate method of setting up forest cultivations, shaping their species composition and using the existing self-seeding plants positively affects the preservation of biodiversity and the condition of established forest cultivations.

In total until 31 December 2013 32.2 thousand ha arable lands and other than agricultural areas were afforested and payments were completed in the amount of 448.2 million for 9 thousand beneficiaries. In addition, within the obligations of RDP 2004-2006, which passed into the budget of RDP 2007-2013, payments were completed for the amount of 346.7 million for 8 thousand beneficiaries whose surface afforestations amounted to 40.2 thousand ha.

DIRECT SUPPORT FOR AGRICULTURAL INCOME AFTER 2013

According to the regulation of the European Parliament and the European Council (EU) No. 1307/2013 of 17 December 2013 establishing regulations concerning direct payments to farmers under support schemes of the Common Agricultural Policy and repealing the Regulation of the Council (EC) no. 637/2008 and the Regulation of the Council (EC) no. 73/2009 (EU Official Journal L 30 31.01.2009, page 16, as amended), the new payment system will be composed of the following elements:

- basic payment or single area payment (in the case of Poland, it was decided to introduce a single area payment),
- payments for agricultural activities beneficial for the climate and the environment ("planting greenery"),
- payments for small farms,
- payments for young farmers,
- payments related to production,
- additional payment and
- payments for areas with natural limitations.

Furthermore, there is a possibility to continue temporary national support.

The above regulation envisages focusing the support on the so-called professionally active farmers, by excluding owners of these lands for whom conducting activities is not the main objective from the system. In accordance with the provisions of the regulation support will not be received by natural or legal persons who administer airports, water supply pipelines, fixed sports areas and leisure as well as provide railway transport services or services with regard to the real estate market. However, the exclusion does not apply to farmers for whom the annual amount of direct payments does not exceed 5 000 euros (a member state may reduce this amount).

A total amount of 21.15 billion EUR has been planned to be used in the 1st pillar as part of the CAP for the years 2014-2020 in the EU budget. In addition, Poland has taken advantage of the possibility to shift 25% of the envelope of the 2nd pillar for the period 2015-2020 to the 1st pillar. This means an increase in the direct payment envelope by 2.34 billion EUR to ca. 23.5 billion EUR.

Planting greenery. As part of the new direct payment system a requirement of execution of agricultural practices favourable for the climate and the environment from 2015 has been introduced. "Planting greenery" is to be implemented through three mandatory practices: diversification of cultivations, keeping permanent grasslands (TUZ), keeping environmentally friendly areas (the so-called EFA) or equivalent practices (bringing the same or higher level of benefits for the environment and the climate as the mandatory practices). Equivalent practices may include elements of an agricultural and environmental as well as and agricultural-environmentally-climate programme. The list of equivalent practices is specified in the appendix to Regulation no. 1307/2013. Farms having up to 15 ha of arable land will be excluded from the requirement to keep environmentally friendly areas, the percentage of which in 2015 is supposed to be 5% and may be raised up to 7% at a later date, in 2017. The list of categories of lands treated as environmentally-friendly includes, among others, nitrogen-binding cultivations (fabaceae) and intercrops, fallowed lands, landscape elements, including elements located within the area adjacent to an arable land, buffer zones, including buffer zones for permanent grasslands differing from the adjacent agricultural land, green cover, areas under groves with short rotation where plant pesticides are not used and a limited use of mineral fertilisers is accepted, strips of a plot adjacent to the edge of the forest. To determine the percentage area which of the EFA the countries will be able to use appropriate weighing and transformation coefficients taking account of the importance of particular areas for the environment. At the same time, common fulfillment of EFA practices was allowed to farmers whose farms are located at a close distance.

Farms below 10 ha area of arable land will be excluded from the requirement to introduce crop diversification. For farms between 10 and 30 ha at least 2 different cultivations will be required on arable grounds; the main cultivation must not cover more than 75% of the arable lands. On the other hand, farms with above 30 ha of arable lands will have to have minimum 3 different cultivations on their arable grounds, and the main cultivation must not cover more than 75% of the arable lands, while two main cultivations must not jointly cover more than 95% of the arable lands.

The obligation to maintain permanent grasslands at the level of farms has been restricted to the permanent grasslands designated by the member states, naturally valuable in the Natura 2000 areas covering peat and waterlogged soils. Furthermore, if the share of permanent grasslands in the total area of AL in a given country or region did not decrease by more than 5%, a possibility of controlling the maintenance of permanent grasslands on a national or a regional level has been introduced.

The sanctions for non-compliance with the requirements of planting greenery after the transitional period (2015-2016) in which the penalty will be 100% of the sum intended for planting greenery, will be 120% and a year later 125% of the amount of the "green" payment.

Support for young farmers. It is a mandatory action for a member state. Up to 2% of the national envelope can be spent for this type of support. Farmers who establish a farm for the first time as the person managing the farm or who have already founded such a farm within five years before the first submission of the application under the single area payment system as well as whose age in the year of submission of the application does not exceed 40 years will qualify for the payment. It will also be possible to recognise legal persons as young farmers, provided that at least one natural person meeting the criteria of a young farmer performs effective and a long-term control over the legal person (alone or with other persons).

Production-related support. As a principle the countries will be able to allocate to allocate up to 10% of the envelope for direct payments for this kind of support (8% + 2% for leguminous plants), while some countries (among others, those that applied SAPS, including Poland) up to 15% of the envelope (13% + 2% for leguminous plants). Payments can be used in the following sectors: cereals, oilseeds, high protein plants, leguminous plants, flax, hemp, rice, nuts, starch potatoes, milk and dairy products, seeds, lamb and goat meat, beef and veal, olive oil, silkworms, dried feed, hops, sugar beet, sugarcane and chicory, fruit and vegetables as well as groves with short rotation.

Support for small farms. Farmers will be able to join the small farms support system only in the first year of its application, i.e. in 2015. Any farmer will be allowed to leave this system, given that this will involve not being allowed to reenter it in the future years. Community regulations do not define a small farm, but only define the maximum amount of support (1250 euros/farm) awarded as part of payments for small farms. By participating in this system farmers will be exempt from control of standards and cross-compliance requirements as well as the obligation to apply practices associated with planting greenery.

Additional support. A member state may use up to 30% of the annual national financial envelope for the additional areal payment. The payment may be granted up to the area of qualifying hectares in all farms set by a member state, but in the quantity not greater than 30 ha. The additional payment allows for focusing parts of the national level funds on small and medium farms. The rate of additional payments may not be higher than 65% of the average national payments per hectare.

In accordance with the regulations the temporary domestic support is degressive, i.e. every year the acceptable percentage threshold shrinks by 5 percentage points. Application of temporary national support in the tobacco sector is under consideration. If it was possible to launch such a mechanism, continuation of application of support unrelated to production in this sector in the period 2015-2020 would be possible.

Furthermore, works concerning devising the Rural Development Programme for the years 2014-2020 regarding the "Agri-environmental and climatic activities" and the "Ecological agriculture" activity were conducted. The result of the conducted was the establishment of a detailed proposal of the shape of those actions as well as their transfer to the European Commission for evaluation in April 2014.

7 packages were suggested as part of the agriculture-environment-climate action, i.e.:

- Balanced agriculture,
- Protection of soils and waters,
- Preservation of orchards with traditional varieties of fruit trees,
- Valuable habitats and endangered species of birds in the Natura 2000 areas,
- Valuable habitats outside the Natura 2000 areas,
- Preservation of endangered genetic resources of plants in agriculture,
- Preservation of endangered genetic resources of animals in agriculture.

Support for farms undergoing conversion to production using organic methods or those already after the period of conversion holding valid certificates issued by authorised certifying units was planned as part of the Organic Agriculture.

6 packages were suggested as part of the organic agriculture activity, i.e.:

- Agricultural cultivations,
- Vegetable cultivations,
- Herbal cultivations,
- Orcharding cultivations,
- Fodder cultivations on arable lands,
- Permanent grasslands.

The draft RDP for the years 2014-2020 is available on the website of the Ministry of Agriculture and Rural Development at: http://www.minrol.gov.pl/pol/Wsparcie-rolnictwa-i-rybolowstwa/PROW-2014-2020.

IMPLEMENTATION OF THE RURAL DEVELOPMENT PROGRAMME IN THE YEARS 2007-2013

Since 2007 the Rural Areas Development Programme for the years 2007-2013 has been implemented in Poland. It has made the processes modernisation and development of agriculture, food economy as well as sustainable and multi-purpose development of rural areas easier. This program is the continuation of support of the EU for rural areas and agriculture, which took place as part of the pre-accession SAPARD programme, the Sectoral Operating Programme "Restructuring and Modernisation of the Food Sector as well as Development of Rural Areas 2004-2006" and the Rural Areas Development Plan for the years 2004-2006. An amount of more than **17.2 billion EUR** has been planned for implementation of RDP 2007-2013, of which over 13.2 billion EUR comes from the funds from the EU budget (European Agricultural Fund for Development of Rural Areas). As a result of the review of the Common Agricultural Policy made in 2010 the total allocation of for the Programme was increased by almost **170 million euros**. In the case of Poland, the funds are allocated for implementation of projects within the scope of restructuring milk production, water management and biodiversity.

In Poland RDP 2007-2013 is conducted by implementing 22 actions grouped in four thematic axes:

Axis 1 – ***Improvement in competitiveness of the agricultural and forest sector,***

Axis 2 – ***Improving the natural environment and rural areas,***

Axis 3 – ***Quality of living in rural areas and diversifying of rural economy,***

Axis 4 – ***Leader.***

Axis 1 RDP 2007-2013 ***Improvement in competitiveness of the agricultural and forest sector***, known as the economic axis covers 11 activities. One of the main goals of actions implemented within the axis of economic activities is acceleration of structural transformations by ensuring support for young farmers and livelihood for people at the pre-retirement age resigning from agricultural activities. The actions of Axis 1 pursue objectives associated with strengthening of the competitiveness of the agricultural sector and the agricultural and food industry. Due to a low degree of specialisation of agricultural farms, underinvestment with regard to infrastructure of agricultural production and fragmentation of the area structure, which is reflected in a lower production effectiveness, as part of activities of Axis 1 appropriate instruments of support for covering the costs of adaptation of agricultural farms to the growing community requirements (including related to environmental protection) as well as more intense competitive pressure on the part of producers from other countries of the EU and third countries have been provided. For this purpose actions supporting the process of restructuring farms, strengthening their tangible capital and support for competitiveness were launched. The support instruments under Axis 1 have been focused also on improvement in the competitiveness of the food industry, in particular with regard to micro and small enterprises and support for creation of added value of basic agricultural production. Improvement in competitiveness of the agricultural sector is also implemented by ensuring support with regard to improvement in the quality of production and establishment of groups associating agricultural manufacturers. In order to improve competitiveness of management actions supporting the improvement the level of education and qualifications are also important; as is professional training and support for taking advantage of advisory services.

As part of Axis 1 more than 185 thousand contracts for the amount of more than 28.6 billion PLN have been concluded. More than 23.4 billion PLN has been paid, including 17.6 billion from the EAFRD funds, which is more than 75% of allocation of the EAFRD funds meant for Axis 1.

The material effects of Axis 1 of RDP 2007-2013 are impressive. As part of the three investment activities of Axis 1 (facilitating the start for young farmers, modernisation of agricultural farms, restoring potential

agricultural production damaged as a result of natural disasters and introduction of appropriate preventive actions) farmers have purchased more than 250 thousand production machines and devices, including more than 39 thousand agricultural tractors as well as built and modernised over 3.3 million m^2 household buildings. In order to facilitate taking over or establishment agricultural farms by young people holding required professional qualifications assistance has been granted to more than 23 thousand young farmers and payments for their benefit have been made for the amount of almost 1.6 billion PLN. The support has also covered 906 entities of the agricultural and food sector – for implementation of projects upgrading processing plants. The financial assistance in this respect amounted to more than 2.1 billion PLN. RDP 2007-2013 also supported farms which were damaged as a result of natural disasters – until the end of 2013 3902 operations were completed as part of restoration of production. Furthermore, construction of more than 170 km anti-flooding embankments and regulation of rivers and river basins at the length of more than 270 km was completed. The support for structural changes was also carried out by consolidation of lands; until the end of 2013 consolidation operations were conducted on a total of 88.4 thousand ha of arable and forest lands. Participation of farmers and persons employed in forestry in training and using advisory services was also supported. In total until the end of 2013 more than 170 000 people benefited from training support and more than 140 thousand from advisory services.

Axis 2 RDP 2007-2013 ***Improving the natural environment and rural areas*** is conducted by implementing 4 actions. The action entities Agri-environmental programme, carried out in agricultural farms, contributes to protection and improvement in the condition of the natural environment of rural areas. Support for maintenance of agricultural activity on areas with unfavourable management conditions prevents social exclusion and cessation of agricultural activities on agricultural lands of weaker quality. Actions supporting forestation of agricultural land and other structures, as well as investments with regard to protection and restoration of forest potential damaged by natural disasters make it possible to improve the condition of forests in Poland. The most beneficiaries benefited from Axis 2 of RDP 2007-2013.

Until the end of 2013 in total within this axis ca. 17.5 billion PLN was paid for the benefit of 946.6 thousand beneficiaries, including 14 billion PLN from EAFRD funds, which is almost 83% of the allocation of the EAFRD funds meant for Axis 2.

Under the obligations taken in RDP 2007-2013 agri-environmental payments covered a physical area equal to more than 2.6 million ha. More than 889 thousand agricultural farms in the mountain areas and other areas with unfavourable for management received financial support in the amount of more than 9.2 billion PLN. As part of RDP 2007-2013 the area of above 32 thousand ha was afforested, additionally as part of RDP 2004-2006 the areas of more than 40 thousand ha were afforested. More than 31 thousand ha of forests destroyed by disasters were restored and preventive actions related to counteracting the fire threat in forests were carried out across the area covering more than 203 thousand ha.

Axis 3 RDP 2007-2013 ***Quality of living in rural areas and diversifying rural economy*** includes 4 actions. The support covers diversification of economic activities and creation of non-agricultural income sources, development of entrepreneurship, construction of technical infrastructure and protection of cultural heritage. The actions implemented within this axis make it possible to improve the quality of life in rural areas and develop employment. They are changing Polish villages, stimulate business operations and counteract depopulation of rural areas, stimulate rural inhabitants and form a stronger sense of attachment to the place of residence as well as the region. As part of Axis 3 until the end of 2013 more than 38 thousand contracts for the amount of almost 13.6 billion PLN were concluded. More than 8.9 billion PLN, including 6.1 billion from the EAFRD funds, which is more than 54% of the limit of the EAFRD funds meant for Axis 3, has already been paid. Thanks to the operations carried out as part of Axis 3 more than 12.2 thousand farmers or members of their families have undertaken non-agricultural activities, mostly in the service sector. Microentrepreneurs have created 13.8 thousand new jobs. As part of the support for technical infrastructure 15.41 thousand km water supply and sewerage were built, more than 33 thousand farmstead drains were completed, 420 sewage treatment plants were built, a system of collection, segregation and disposal of waste that permits management of more than 245 thousand tons rubbish was established. In addition, the possibility of production of almost 210 MW of energy from renewable sources was provided. As part of the activity "Renovation and development of villages" more than 3.5 thousand community centres, culture centres, leisure and sport buildings used by rural inhabitants were built, modernised or equipped. 2.2 thousand sports facilities, playgrounds and places intended for recreation as well as more than 100 km of bicycle paths and tourist routes were built. The support in RDP 2007-2013 also covered nearly 900 small architecture structures. 475 historic buildings with sacral architecture and cemeteries as well as 72

buildings entered in the register of monuments or covered by the provincial records of monuments were renovated. 20 historical monuments and places of commemoration were renovated along with adapting nearly 90 tanks and watercourses for recreational purposes and shaping 1554 village centres.
Axis 4 ***Leader*** RDP 2007-2013 includes 3 actions. The primary purpose of the Leader axis is stimulation of rural inhabitants as a result of building social potential in rural areas, increasing the possibility to acquire funds and use them as well as improve the management of local resources and optimise it. Axis 4 Leader affects the shaping of positive attitudes of people living in the countryside. The experiences with the implementation of the Leader axis show that this is the axis addressed particularly to those country inhabitants who want to consciously and methodically influence the development of their place of residence as well as shape the spatial order in a sustainable manner, according to their expectations and needs.
Until the end of 2013 almost 28.4 thousand contracts for the amount of nearly 2.6 billion PLN were concluded as part of the implementation of Axis 4 Leader activities. Nearly 1.6 billion PLN has already been paid, which constitutes the use of nearly 42% of the limit of the EAFRD funds. Through the Leader axis 335 of local action groups (LAGs) perform local development strategies within the total area of 291.3 thousand km^2 inhabited by more than 18 million people.
Almost 3.5 thousand cultural events and sport were organised as part of the implementation of local development strategies prepared by the LAGs. More than 2 thousand community centres, culture centres, leisure and sport buildings, 1.7 thousand sports facilities, playgrounds and places intended for recreation, 749 small architecture structures were built, modernised or equipped. 164 green areas, parks and other places of rest were established or revitalised. Nearly 150 historic buildings with sacral architecture and cemeteries were renovated. 70 tanks and watercourses were managed and nearly 850 village centres shaped. 580 jobs were created as part of the support for the development of enterpreneurship.
The course of the implementation of the programme is being monitored on the current basis. 91% of the Programme funds were contracted until the end of 2013. Payments were completed for the amount of nearly 52 billion PLN, including 39.28 billion from the EAFRD funds, which is more than 71% of the allocation of the EAFRD funds.
Implementation of RDP 2007-2013 shall end in 2015. The summary of the effects of the Programme will be the object of assessment, which will be carried out in 2016.

RURAL AREAS DEVELOPMENT PROGRAMME FOR THE YEARS 2014-2020

Works connected with preparation of the project **The Rural Development Programme for the years 2014-2020** (RDP 2014-2020) lasting since 2012 have been finished in the Ministry of Agriculture and Rural Development. On 15 April 2014 the draft Programme was adopted by the Council of Ministers and transferred to the European Commission for acceptance.
RDP 2014-2020 is one of the instruments of implementation of **The strategy of the sustainable development of rural areas, agriculture and fishing for the period of 2012-2020** and at the same time is one of the tools implementation of the EU **Strategy for intelligent and sustainable and inclusive growth Europe 2020**. As one of the programs covered by the Partnership Contract, formulated on the basis of the provisions Of the EU regulations RDP 2014-2020 determines the strategy and the rules of use of EU funds of the European Agricultural Fund for Development of the Rural Areas for development of Polish of agriculture and rural areas. The main goal of RDP 2014-2020 is to improve the competitiveness of agriculture, sustainable natural resources management and actions in the field of climate and sustainable territorial development of rural areas. The Programme will implement 6 priorities of the EU with regard to areas rural specified in Article 5 of the Regulation of the European Parliament and the European Council (EU) No. 1305/2013 of 17 December 2013 on support for rural development provided by the European Agricultural Fund for Rural Development (EAFRD):

Priority 1 Facilitating transfer of knowledge and innovations in agriculture, forestry and in rural areas – will be implemented by the following actions:

- Transfer of knowledge and innovative activities,
- Advisory services,
- Cooperation.

The planned budget amounts to ca. 151 million euros.

Priority 2 Improvement in competitiveness of all kinds of agricultural economy and increase in profitability of agricultural farms – will be implemented by the following actions:

- Modernisation of agricultural farms,
- Restructuring small farms,
- Development of agricultural services,
- Payments for farmers transferring small farms,
- Bonuses for young farmers.

The planned budget amounts to ca. 4 346 million euros.

Priority 3 Improvement in organisation of the food chain and promotion of risk management in agriculture – will be implemented by the following actions:

- Processing and marketing of agricultural products,
- Quality systems for agricultural products,
- Producer groups,
- Basic marketplace services,
- Restoring agricultural potential destroyed as a result of natural disasters.

The planned budget amounts to about 1 569 million euros.

Priority 4 Restoration, protection and strengthening ecosystems dependent on agriculture and forestry – will be implemented by the following actions:

- Agri-climatic action,
- Organic agriculture,
- Payments for areas with natural limitations,
- Integration of lands

The planned budget amounts to ca. 4 229 million euros.

Priorytet 5 Priority 5 Support for effective resource management and the shift to low-emission economy resistant to climate change in the following sectors: agricultural, food and forest – will be implemented by the following action:

- Forestation and creation of forested land.

The planned budget amounts to ca. 301 million euros.

Priority 6 Increasing social incorporation, limiting poverty and promotion of economic development in rural areas – will be implemented by the following actions:

- Bonuses for development of non-agricultural operations,
- Basic services in rural areas and restoration of rural areas,
- Leader.

The planned budget is ca. 2 148 million euros.
Total public funds allocated for implementation of the Rural Development Programme for the years 2014-2020 will amount to more than 13.5 billion euros (including funds from the EU- 8.6 billion PLN, national public funds-4.9 billion PLN).
The future beneficiaries of the Rural Development Programme for the years 2014-2020 and all other interested parties may become familiar with the draft Programme adopted by the Council of Ministers published on the website of the Ministry of Agriculture and Rural Development at www.minrol.gov.pl under tab RDP 2014-2020.

PREPARATION FOR IMPLEMENTATION OF COHESION POLICY IN THE YEARS 2014-2020

An important stage of preparation to introducing support that will be financed from the EU budget in the years 2014-2020 was preparing the so-called **partnership agreement**. According to the new EU regulations this document determines the strategy use of funds from the European Structural and Investment Funds by Poland, i.e. as part of the Cohesion Policy, the Common Agricultural Policy and the Common Fisheries Policy.

In the works on the Partnership Agreement many efforts were made to provide due consideration to development challenges faced by rural areas not only as part of the Rural Development Programme, but also operational programmes of the Cohesion Policy. As a result the Partnership Agreement assumes that an important area of support under the EU funds will be rural areas and areas dependent on fishery where actions will be conducted with emphasis on the provisions of the Strategy of Sustainable Development of Rural Areas, Agriculture and Fisheries for the period of 2012-2020. Among the strategic intervention areas distinguished in the Agreement (AXIS), there are also **"rural areas, in particular those with the lowest level of inhabitants' access to goods and services which determine develop**mental capabilities".

Apart from indicating the main directions of support for rural areas and agriculture within the European Agricultural Fund for Rural Areas Development (EAFRD) in the Partnership Agreement this document envisages that under the Cohesion Policy **ca. 5.2 billion EUR will be allocated for actions for the development of rural areas** in the form of dedicated instruments in relevant national and regional programmes. The abovementioned support will be focused on the development of entrepreneurship and a better use of human resources, including the professional reorientation of farmers (ca. 1.5 billion euros), social and infrastructural revitalisation (ca 2 billion EUR) as well as water and sewerage as well as anti-flood infrastructure (about 1.7 billion).

Apart from the dedicated instruments the plan assumes support for rural areas as part of other domains being the subject matter of horizontal activities of the Cohesion Policy implemented without differentiation between particular types of areas. In this context one should indicate such exemplary issues as: separation and support for smart specialisations related to agriculture, fishing as well as the agricultural and food industry; actions concerning communication and information technologies; support for renewable energy sources as well as thermal modernisation of buildings; horizontal actions regarding support for entrepreneurship; Support for investments associated with waste management, support for kindergartens in rural areas, and also other actions focused on educational institutions; support for social services and social economy etc.

Following intensive works lasting throughout 2013 and at the beginning of 2014, the European Commission approved the Polish Partnership Agreement on 23 April 2014. Poland is one of the first UE countries which have finished negotiations on this strategic document. The European Commission's approval of the Partnership Agreement opened the way for agreements on regional and national operational programmes of the Cohesion Policy as well as RDP 2014-2020[2].

2 On 16 December 2013, after more than two years of intensive works, the ministers of EU agriculture formally acknowledged the legal framework of the Common Agricultural Policy for the years 2014-2020 The texts of the regulations were signed a day later by the chairperson of the Council and Parliament and were published in the Official Journal of the European Union number L 347 z 20 grudnia 2013 roku. The publication of the legal acts enables finalizing works on preparing the regulations at the EU and domestic level necessary to implement the changes of CAP.

MARITIME FISHERY

BALTIC AND DEEP SEA FISHING

Polish maritime internal waters occupy the area of 2005 km^2 and the territorial sea 8682 km^2. The coastal zone of the Baltic Sea covers 36 communes within the area of 18 counties in the Pomeranian, the Western Pomeranian and the Warmian-Masurian Province. The Baltic sea is a body of water with relatively low salinity where the average salinity decreases along with going away from the Danish straits. Polish maritime areas are considered rich in fish resources. Polish maritime fishery is divided into fishery Baltic (involving the definitely prevailing part of the fleet) as well as deep-sea fishery.

Polish fishery is subject to the rules valid in the EU – fishing quotas determined on the annual basis by the Council of the European Union are applicable. With regard to the Baltic Sea fishing possibilities for 2013 were defined in the Regulation of the Council (EU) No. 1088/2012 of 20 November 2012 determining the rights to fish for the year 2013 with regard to some schools of fish and groups of schools of fish in the Baltic Sea.

For Polish fishermen fishing in the Baltic Sea the most important in economic terms is the deep-sea fishing of cods which are subject to numerous limitations resulting, among others, from the plan of reconstruction resources of this species (restriction of growth of catch limits, protection periods, restrictions in the use of some fishing tools). The income of Polish fishermen has been increasingly affected by deep-sea fishing of pelagic fish (sprats and herrings). Gladly caught and equally economically valuable fish are also reophylic salmonidae fish (salmon, salmon trouts) and flat fish. The amount of fish caught on the Baltic Sea throughout 2013 was 134 thousand tons.

The fishing quota of Baltic sprats available for Poland in 2013 amounted to 73.4 thousand tones[3] and was over 10% higher than in the previous year. A significant growth in prices of sprats, good fishing efficiency as well as unfavourable situation in cod fishery caused a growing interest in catches of this fish, and, as a consequence, a rapid depletion of this limit as well as the need for prior closure of catches of pelagic fish (herrings and sprats).

On the other hand, total deep-sea fishing obtained in 2013 from deep-sea fisheries amounted to 61.4 thousand tons, given that most of this amount was accounted for by deep-sea fishing within the area of the waters of West Africa. The main areas where fishing was conducted deep-sea by vessels in 2013 were the waters being under the jurisdiction of the Islamic Republic of Mauretania and the Republic of Guinea managed by the North and Eastern Atlantic Fishery Commission (NEAFC) as well as the area of the North Sea and Norwegian waters. The main species captured by Polish deep-sea ships include: in the fishing areas on the northern hemisphere – cod, haddock, pollock, rose fish, halibut, and in the fishing areas of the north-west part of Africa the main species found are: mackerel, horse mackerel, sardine, sardinella and cutlass fish.

THE FISH MARKET

The fish supply, fish products and seafood in the domestic market, according to the preliminary data, amounted to 479.2 thousand tons in 2013 (in the equivalent of live weight) and was 6.9% higher than the year before. The factors responsible for this number are the increase in own fishery (both marine, production and inland fishery) as well as the increase in the net import. It is estimated that in 2014 there will be a slight deterioration in the supply and demand situation on the domestic market where the anticipated increases in prices of fish and seafood on world markets will have their effect as well as the decrease in domestic fishery. In consequence, the fish supply on the market in 2014 may decrease by ca. 2.7% to 466 thousand tons (tab. 23).

3 Total amount of sprat capture was ca 81 thousand tons

Table 23. The balance of fish and seafood in Poland (in thousand tons of live mass of fish)[4]

Specification	2010	2011	2012	2013[a]	2014 P
Sea fishery	170,8	179,9	179,7	195,4	183,0
including: the Baltic fishery	110,1	110,8	120,6	134,0	123,0
deep-sea fishery	60,7	69,1	59,1	61,4	60,0
Freshwater fishery and aquaculture	45,1	48,3	50,4	51,7	53,1
Domestic fishery in total	215,9	228,2	230,1	247,1	236,1
Import	778,3	774,0	770,6	836,2	805,0
Export	492,1	520,7	552,5	604,1	575,0
The consumable fish supply on the domestic marke[b]	500,9	472,7	448,2	479,2	466,1

[a] the preliminary data, [b] in the fish supply on the market the deep-sea fishery which was processed into fish flour and was not intended for consumption has not been included (in 2010 - 1.2 thousand tons, in 2011 - 8.8 000 tons), P – forecast
Source: the data from MIR-PIB as well as an estimate of IERiGŻ-PIB on the basis of the data from IRŚ.

The improvement in price relations and the reduction in prices of many species of fish in 2013 resulted in impeding a strong decreasing tendency in fish consumption in the country (by 20% in the period of 4 years) and the growth in demand to 12.6 kg per person (by 7.7%). The consumption of both sea fish (by 8.5%) and freshwater fish (by 5.1%) increased, and the demand for seafood was slightly limited (by 3.6%). Within the fish and seafood consumption structure the following species dominate: pollocks, herrings, mackerels and salmon (51% share). It is estimated that in 2014 the consumption of fish in Poland may be reduced due to the acceleration in the dynamics of prices growth. In 2013 the increase in the volume of foreign trade of fish, seafood, and their products was recorded, along with the deteriorating exchange balance. The export volume (increase by 9.3% in the equivalent of live weight) was affected, first of all, by the growth in own fishing, and, as a consequence, the sales of fish directly from the ships sides in foreign ports.

The growing domestic demand decided on the higher import of the sector (increase by 8.5%). The value of the volume of fish trade was determined in 2013 mainly by sustaining high transaction prices dominant within the salmon structure. Relatively small increases of the prices in export in respect to the prices paid for raw material in import caused a negative balance in the volume of the trade which was 95 million euros in 2013, whereas a small surplus was noted the year before. The foreign trade of the fish sector constitutes an important part in the exchange of agricultural and food products and it included 7.0% of its total export in 2013 (1 391 million EUR) and 10.5% of import (1 486 million EUR). It is estimated that in 2014 the volume of fish and seafood trade may decrease (decrease in fishing and domestic demand) but keeping the observed in the first months of this year significant growth in the prices obtained in export will enable the improvement in the exchange balance.

In 2013 fish production, fish and seafood products increased in large fish processing plants by 9.6% to 388.7 thousand tons. It was affected mainly by the production growth in frozen fish and, in consequence, the culmination of the brisling deliveries in the first half of the year and the need to secure the raw material for further processing in the subsequent months. The processing volume of other product groups was also higher except for frozen filets and preserves. The decrease in the profitability of salmon processing caused the deterioration in economic-financial indicators of the industry. In spite of increasing the revenue obtained from the sale of products (by 15.3% to 8.3 billion PLN), the net profit decreased by 20% to 84 million PLN. Especially large processing companies had problems with profitability because in comparison with 2012 the number of profitable companies almost has not changed (decrease by 1 percent to 84.1%) but their share in the revenues of the industry fell significantly down (from 83.6 to 70.2%)[5]. The share of direct export in the revenues of the sector decreased by 0,8 percent to 62.9%.

In 2013 the fish market was one of the more stable food markets in Poland in terms of changes in prices. It was influenced mostly by lower purchase prices of many species of fish on world markets and the stabilization of the low prices of meat articles that are the main substitute for fish. The growth in fish and seafood

4 Relative numbers (indicators, interest) throughout the report were calculated on the basis of the absolute data expressed with a greater accuracy than specified in the publication. Due to rounding up of the data in some cases the sums of components may be different from the amounts stated in total. .

5 Data on the basis of RRW-20.

prices on the sales level (by 1.8%) was slightly higher than in retail trade (increase by 1.1%). The growth in the fish product prices was mainly observed in the first three quarters of 2013 and their absolute decrease was noted in the last months of the year. The first sale prices of the domestic freshwater fish as well as the Baltic fish were generally lower than in the previous year.

Table 24. The size and production structure of fish processing (tons)[a]

Specification	2012	2013	Structure (%)		Dynamics indicators 2013/2012
			2012	2013	
1. Frozen fish	34 602	54 670	9,8	14,1	158,0
2. Frozen fish meat	9 790	13 282	2,7	3,4	135,7
3. Fresh fillets	7 607	8 370	2,2	2,2	110,0
4. Frozen fillets	25 254	25 129	7,1	6,5	99,5
5. Salted fish	11 382	13 777	3,2	3,5	121,0
6. Smoked fish	74 526	78 563	21,0	20,2	105,4
7. Canned food	47 828	49 906	13,5	12,8	104,3
8. Preserves	17 435	17 301	4,9	4,5	99,2
9. Marinades	83 543	83 709	23,6	21,5	100,2
10. Other goody[b]	42 540	43 964	12,0	11,3	103,3
Production in total	354 507	388 671	100,0	100,0	109,6

[a] consumer goods, [b] culinary goods and ready-to-cook food, salads, canned fish in rice stew, pastes and fish pâtés. Source: MIR-PIB calculations on the basis of materials from the National Statistical Office (GUS) concerning the production of business entities where the number of the employed people was 50 and more.

FISHERY SUPPORT POLICY

The "Sustainable development of the fishery sector and the coastal fishing areas 2007-2013" operational program has been implemented since 2007 (PO RYBY 2007-2013). This program presents goals and presumptions of Poland that aim at supporting the fishing sector as well as adjusting it to the EU law standards in the period of 2007-2013. The primary objective of the operational program was to create, by a balanced resources exploitation, a competitive, modern and dynamic fishing sector in accordance with the principle of sustainable development of the Polish fishing sector. This principle assumed supporting the Common Fisheries Policy in order to optimize the production potential of the living sea resources to provide their exploitation for future generations as well as to obtain a sustainable balance between resources and fishing capacity.

The program is implemented by actions grouped in four axis:

Axis 1 – ***Actions for the adaptation of the fishing fleets***,

Axis 2 – ***Aquaculture, inland fishery, processing and fish market***,

Axis 3 – ***The measures used for common interest***,

Axis 4 – ***Sustainable development of the areas that depend on fishing***,

Axis 5 – ***Technical assistance***.

Axis 1 – ***The actions for the adaptation of the fishing fleets*** includes 5 actions (measures) related to the public aid under the permanent or temporary cessation of fishing activities, investments on vessels, coastal fishery as well as socio-economic compensations to manage the national fishery fleet. The budget for these actions was 681,5 million PLN and the submitted applications were for 914,8 million PLN. Contracts for 676.7 million PLN have been made. 634.7 million PLN was paid to the applicants by the end of February 2014.

Axis 2 – ***Aquaculture, inland fishery, processing and fish market*** includes 5 actions (measures) concerning the investment in the raising of fish, water and environmental actions, measures for animal health, inland fishery as well as the investment in processing and trade. The funds for the execution of it amounted to 1 165.8 million PLN. The demand arising from the submitted applications was 2850. Contracts for 1060 million PLN have been made. The applicants have been paid 990.3 million PLN.

Axis 3 – ***The measures used for common interest*** includes: common actions, the protection and development of fauna and flora, investments in fishing ports, discharge spots and harbours, the development of new markets and promotional campaigns, pilot projects, fishing ships modifications to change their

intended use. Actions. The funds for the execution of the actions amounted to 985.7 million PLN. The applications were submitted for 2 365.1 million PLN, contracts for 975.9 million PLN have been made. So far the applicants have been paid 824.1 million PLN.

Axis 4 – ***Sustainable development of the areas that depend on fishing*** is directed directly at the regions where the fishery economy both marine and inland had and still has an important economic significance. The idea was to create the possibility to develop those areas which are especially exposed to the migration of the inhabitant groups that are professionally active that would result in inhibiting the development of the specific areas as well as ruining the heritage of the previous generations that have given a unique character to those areas. Until recently there was no special program that would enable the inhabitants of the areas that depend on fishing to obtain money from EU funds for the implementation of their own investments. Owing to the priority axis 4 PO RYBY 2007-2013 this state of affairs has changed, and the inhabitants of the areas where fishery plays an important role may use a program dedicated specifically for them. 1070.2 million PLN has been designated to implement the tasks. The applications were submitted for 1 715.7 million PLN and contracts for 803.1 million PLN have been made. So far the total of 657.7 million PLN has been paid.

The funds within the technical assistance have enjoyed the least popularity. They amounted to 207.8 million PLN and applications were submitted for 111.9 million PLN. Contracts for 105.8 million PLN have been made. So far the total of 50.9 million PLN has been paid.

On 16 April of this year on the plenary assembly of the European Parliament there was a voting authorizing the European Maritime and Fisheries Fund (EFMR). A new program for the fishing and maritime sector is supposed to implement the goals of EFMR in the period of 2014-2020 – Operational Program "Fishing and the Sea". The areas of support of the new program will be, among others,: balanced, competitive and innovative fishery and aquaculture; implementation of the common fishery policy; support for the integrated local development; introduction to trade and processing as well as Integrated Maritime Policy. As it results from the above, the financial aid will not only include the traditionally understood support of the fishing sector, like in the case of the financial perspective of 2007-2013, but also new components such as: fish market, control and the enforcement of regulations, gathering data and integrated maritime policy.

RURAL AREAS

INFRASTRUCTURE IN THE COUNTRYSIDE

The state of the technical infrastructure development of the countryside is one of the most serious barriers in the development of rural areas affecting both the quality of life of the inhabitants and the possibilities for investments in these areas. The most visible problems are insufficiently developed collective sewerage system and sewage works, bad condition of power infrastructure and insufficient access to the Internet. Rural areas are strongly spatially diverse in terms of technical infrastructure equipment. The best developed infrastructure in rural areas is found in the vicinity of the areas close to the cities.

Table 25. The length of the water systems and sewerage systems in Provinces

Item	Province	Water supply system		Sewerage network	
		Made in 2013.	The total as of 31.12.2013	Made in 2013.	The total as of 31.12.2013
		km	km	km	km
	POLAND	3 646,05	234 338,77	5 241,64	79 945,00
1	Dolnośląskie	192,96	11 677,31	311,14	5 489,40
2	Kujawsko-pomorskie	358,37	20 417,75	223,81	4 447,21
3	Lubelskie	235,37	18 200,14	248,05	3 239,44
4	Lubuskie	52,95	5 166,37	81,74	1 804,07
5	Łódzkie	132,31	18 567,30	183,01	2 604,67
6	Małopolskie	417,43	15 157,95	679,94	8 014,86
7	Mazowieckie	528,99	34 323,23	628,85	6 139,69
8	Opolskie	60,64	6 328,57	339,69	2 701,95
9	Podkarpackie	350,97	12 322,82	417,64	12 331,15
10	Podlaskie	191,96	11 171,30	104,67	1 540,45
11	Pomorskie	238,20	11 127,90	428,10	6 242,78
12	Śląskie	83,95	10 434,10	360,68	4 914,59
13	Świętokrzyskie	152,52	11 467,57	353,53	3 698,18
14	Warmińsko-mazurskie	211,03	13 778,12	359,48	4 430,06
15	Wielkopolskie	315,43	25 954,06	432,82	7 414,11
16	Zachodniopomorskie	122,97	8 244,28	88,49	4 932,39

Source: Ministry of Agriculture and Rural Development.

The disproportion in the development of water-sewerage systems between rural and urban areas results, among others, from the dispersion of rural settlement network, layout of the protected areas, land ownership structure. These factors cause the investments in water-sewerage systems in rural areas to be more expensive.

At the end of 2013 in Poland there were:

- 234 338.77 km of water supply systems of which 3 646.05 km were produced in 2013,
- 79 945 km, 5 241.64 km were produced in 2013 km (tab. 25).

The longest water system is in the mazowieckie province – 34 323.23 km, while the shortest one is in the lubuskie province – 5166.37 km. On the other hand, podkarpackie province has the longest sewerage system equal to 12 331.15 km, whereas in podlaskie province there are only 1 540.45 km of the network.

Table 26. The degree of the coverage with water and sewerage systems in the rural areas in the provinces (as of 31.12.2013)

No.	Province	Number of households according to the National Statistical Office (GUS)*	Water pipes		Sewage system	
			Number of will con--nect	Percentage their houses to the	Number of sewerage	Percentage systems
		pcs.	pcs.	%	pcs.	%
	POLAND	4 372 577	3 419 316	78,2	1 292 46	29,6
1	Dolnośląskie	262 846	197 458	75,1	84 377	32,1
2	Kujawsko-pomorskie	229 743	182 950	79,6	59 952	26,1
3	Lubelskie	370 162	276 584	74,7	55 966	15,1
4	Lubuskie	109 799	78 654	71,6	25 873	23,6
5	Łódzkie	294 744	280 878	95,3	56 802	19,3
6	Małopolskie	438 690	301 490	68,7	134 309	30,6
7	Mazowieckie	574 100	472 162	82,2	129 610	22,6
8	Opolskie	159 774	121 078	75,8	53 467	33,5
9	Podkarpackie	330 928	220 229	66,5	169 746	51,3
10	Podlaskie	149 646	115 085	76,9	26 103	17,4
11	Pomorskie	197 858	159 233	80,5	91 981	46,5
12	Śląskie	320 627	250 992	78,3	103 745	32,4
13	Świętokrzyskie	213 637	176 653	82,7	53 301	24,9
14	Warmińsko-mazurskie	172 156	114 342	66,4	41 839	24,3
15	Wielkopolskie	388 386	366 232	94,3	149 298	38,4
16	Zachodniopomorskie	159 481	105 296	66,0	56 094	35,2

**households according to the National Statistical Office (GUS) Demographic Yearbook 2007 (tab. 46. Households according to the number of people and provinces in 2002 - countryside).*

Considering different sizes of the provinces in Poland as well as regional environmental conditions, the length of the water or sewerage systems does not make it possible to determine clearly the extent to which the existing infrastructure satisfies the needs of the population in rural areas. A definitely better picture of the existing situation can be obtained by using the indicators (levels) of the coverage with water and sewerage systems of rural areas.

The indicator of the coverage with water and sewerage systems of rural areas calculated as the relation of the number of water pipes to the number of households in total, expressed in %, was 78.2%, while sewerage system expressed as the ratio of the number of sewerage connections to the number of households was 29.6% (tab. 26).

In five provinces (łódzkie, mazowieckie, pomorskie, świętokrzyskie, wielkopolskie) the indicator of the coverage with water system exceeds 80%, while in four provinces (podkarpackie,małopolskie, warmińsko--mazurskie, zachodniopomorskie) the percentage of the coverage with water system does not exceed 70%. The situation is definitely worse as far as the access to sewerage system infrastructure is concerned. The highest achieved indicator of the coverage with sewerage system is 51.3% (podkarpackie), while in some provinces the indicator of the coverage with sewerage system does not exceed 20%, and in the lubelskie province it is only 15.1%.

Table 27. The equipment of the village councils in water and sewerage systems infrastructure in the provinces (as of 31.12.2013)

No.	Province	The number of village councils	The village councils that have a collective sewerage		The village councils that have a collective sewerage	
			a water supply station	system	a water supply station	system
		pcs.	pcs.	pcs.	%	%
	POLAND	40 847	37 722	10 152	92,35	24,85
1	Dolnośląskie	2 355	2 136	744	90,70	31,59
2	Kujawsko-pomorskie	2 295	2 272	732	99,00	31,90
3	Lubelskie	3 704	3 236	548	87,37	14,79
4	Lubuskie	1 024	936	268	91,41	26,17
5	Łódzkie	3 553	3 487	488	98,14	13,73
6	Małopolskie	1 902	1 539	657	80,91	34,54
7	Mazowieckie	7 418	6 688	992	90,16	13,37
8	Opolskie	1 033	1 026	400	99,32	38,72
9	Podkarpackie	1 549	1 141	773	73,66	49,90
10	Podlaskie	3 277	3 039	306	92,74	9,34
11	Pomorskie	1 636	1 564	805	95,60	49,21
12	Śląskie	1 064	1 020	360	95,86	33,83
13	Świętokrzyskie	2 128	1 994	477	93,70	22,42
14	Warmińsko-mazurskie	2 294	2 150	693	93,72	30,21
15	Wielkopolskie	3 914	3 844	1 120	98,21	28,62
16	Zachodniopomorskie	1 701	1 650	789	97,00	46,38

Source: Ministry of Agriculture and Rural Development.

Another indicator illustrating the equipment of rural areas with communal infrastructure is the number of village councils that have water system and sewerage system as compared to the total number of village councils. On average, in Poland 92.35% of village councils have a water system, while approximately 25% have a sewerage system (tab. 27). However, it should be noted that a village council that have a water system or sewerage system is also the one that has a partial water system or sewerage system. From the data it can be concluded that in half of the provinces more than 90% of village councils have a water system, the most village councils (99%) that have a water system are located in kujawsko-pomorskie province. The smallest number of them is in podkarpackie province where the percentage of the village councils equipped with a water system is almost 74%. The podkarpackie province is distinguished however, by the largest percentage of the village councils having a sewerage system (49.90%) against 9.34% of the village councils equipped with a sewerage system in podlaskie province.

Table 28. The expenses on the individual sewage works in rural areas in 2013 and the material effects (as of 31.12.2013)

No.	Province	Expenditures	The number of individual sewage works	
		thousand PLN	That started to function in 2013.	Total pcs.
	POLAND	232 215,4	23 628	124 960
1	Dolnośląskie	7 291,2	830	6 232
2	Kujawsko-pomorskie	21 697,6	2 306	17 274
3	Lubelskie	9 044,4	1 334	17 919
4	Lubuskie	4 815,4	484	2 220

5	Łódzkie	19 611,4	2 913	11 097
6	Małopolskie	18 220,4	1 800	7 898
7	Mazowieckie	51 755,2	4 315	18 691
8	Opolskie	4 705,8	369	2 282
9	Podkarpackie	4 012,0	377	1 016
10	Podlaskie	26 628,1	2 164	9 804
11	Pomorskie	4 150,0	473	2 820
12	Śląskie	21 815,2	1 511	4 461
13	Świętokrzyskie	15 433,3	1 312	5 138
14	Warmińsko-mazurskie	4 813,8	483	3 015
15	Wielkopolskie	15 931,0	2 565	12 855
16	Zachodniopomorskie	2 290,6	392	2 238

Source: Ministry of Agriculture and Rural Development (MRiRW)

It should be emphasized that the low accessibility to the communal devices in rural areas is caused by many factors. Each region of Poland should be treated individually by adapting the water and sewerage systems projects to regional conditions. The application of the system infrastructure is not possible everywhere, in addition, it is not always the best solution both due to technical and economic factors.
Presenting the sewage system infrastructure we should also mention the collective sewage works. At the end of 2013 in rural areas there were 2827 sewage works of the total flow capacity of more than 1.85 million m^3 per day. This effect is a result of the investment implemented in recent years. For comparison in 2008 there were 2649 collective sewage works.
From the data given in table 27 we can see a considerable disproportion between the level of access to collective water supply systems and to the sewage system. This state comes, among others, from the fact that the development of water supply systems is significantly more important as far as the needs of the rural population are concerned. In addition, the investments in sewerage systems and sewage works require greater financial expenses and they are perceived as an additional financial burden by some part of the local communities, and not as an element raising the standard of living and limiting the degradation of the natural environment.
The application of network devices is not always possible or recommended. In recent years we may notice a growing interest in individual sewage treatment. This situation is observed both in rural areas and in the suburbs without the network of a sewerage system.
The highest number of individual rural sewage works was produced in mazowieckie province and in łódzkie province. The smallest number in podkarpackie province, however, as it has been already mentioned, podkarpackie province is characterized by the highest indicator of the coverage with sewerage systems in the rural areas. The individual sewage works are in many cases, in particular in the presence of the dispersed development, a very good solution and they should be promoted and, if possible, subsidized by the local authorities. However, it should be remembered that for the proper operation of individual sewage works it is necessary to follow several rules, among others:

- the use of biopreparations in order to intensify and focus the cleaning process;
- temporary emptying of the septic sediment catch basin and of the secondary one from the accumulated solid parts i.e. deposits and skin;
- cleaning the filters;
- flushing the installations inside sewage works;
- refraining from introducing the substances which may upset the biological processes in the settling tank.

Bearing the above in mind, the promotion of individual sewage works should proceed simultaneously with education to ensure the proper functioning of the systems. Undoubtedly the possibilities to perform the investments related to water and sewage management are decided by the pool of funds available for this purpose. In the years of 2010-2013 the investments in the water systems and sanitation of the countryside amounted to 17.5 billion PLN (tab. 29). The highest level of funding came from the EU programs as well as from local governments own funds.

Table 29. Investment outlays for water systems and the sanitation of the countryside in the years 2010-2013 (in thousand PLN)

Source of financing	2010	2011	2012	2013
State budget	61 243	73 830	19 173	29 747
The local government of the commune	1 689 440	2 505 517	1 373 803	1 043 790
The inhabitants	123 799	140 217	142 028	147 845
European Union	1 998 024	2 082 748	1 330 225	1 078 475
Environmental protection funds	624 625	778 082	651 141	570 671
Other	256 961	293 868	232 514	240 172
Total	4 754 094	5 874 266	3 748 887	3 110 702

Source: Ministry of Agriculture and Rural Development.

ENTREPRENEURSHIP IN RURAL AREAS

Contemporary transformation in rural areas is characterized by the growth in social and economic activities of the inhabitants. One of the most significant trend is the growing number of business entities that are not related to agriculture. The support for micro, small and medium companies in the countryside after Poland's accession to the European Union created the conditions for the development and economic diversification of rural areas. Also agricultural farms change their character by introducing new forms of economic activities, mainly related to the services and trade, and the significance of the non agricultural activities increases in their income.

The number of business entities in rural areas is characterized by an increasing trend. In 2013 more than 4 million national business entities were in the domestic register REGON of which more than a million (26.6%) registered their own business in rural areas (tab. 30).

Table 30. National business entities registered in REGON

Specification	Year	Total
POLAND	2003	3 581 593
	2008	3 757 093
	2013	4 070 259
	Dynamics (2003 = 100)	113,64
Urban areas	2003	2 732 248
	2008	2 828 613
	2013	2 988 831
	Dynamics (2003 = 100)	109,39
Rural areas	2003	849 345
	2008	928 480
	2013	1 081 428
	Dynamics (2003 = 100)	127,32

Source: own study on the basis of the publication by the National Statistical Office (GUS) The characteristics of rural areas in 2008 and data obtained from local databases the National Statistical Office (GUS) for the years 2003-2013.

In 2013 more than 97% of the national business entities running business activities in rural areas belonged to the private sector. The remaining 3% were the entities of the public sector. In the structure of the private sector, according to the legal forms in rural areas, the largest percentage constituted natural legal persons running business activities (83.29%). Next, in terms of the strength, were the companies (4.89%), and associations and social organizations (3.68%). According to the criterion of the number of employed

persons, the most of the national business entities in rural areas constituted natural persons employing up to 9 people (95.92%).
In 2013, more than 100 000 new entities were entered in the REGON register which as compared to the previous year was a 33% increase in newly registered business entities in rural areas. A positive fact is also that in 2013 in rural areas the number of entities deregistered from REGON was 32 000 less than the registered ones, thereby, a positive balance was noted.
In the structure of the business entities in rural areas the diverse nature of activities is still dominant. At the end of 2013 only 6% of entities operated in the field of agriculture, hunting, forestry and fishing (tab. 31). Nearly 30% operated in the field of industry and construction, and the most numerous group belonged to other areas of activities. Among them the wholesale and retail sales were dominant (i.e. the sales not requiring processing) of all kinds of goods and providing services related to the sale of goods and the repair of automotive vehicles and motorcycles (26.1%).

Table 31. The structure of the national business entities registered in the REGON base according to the type of conducted activities in 2013.

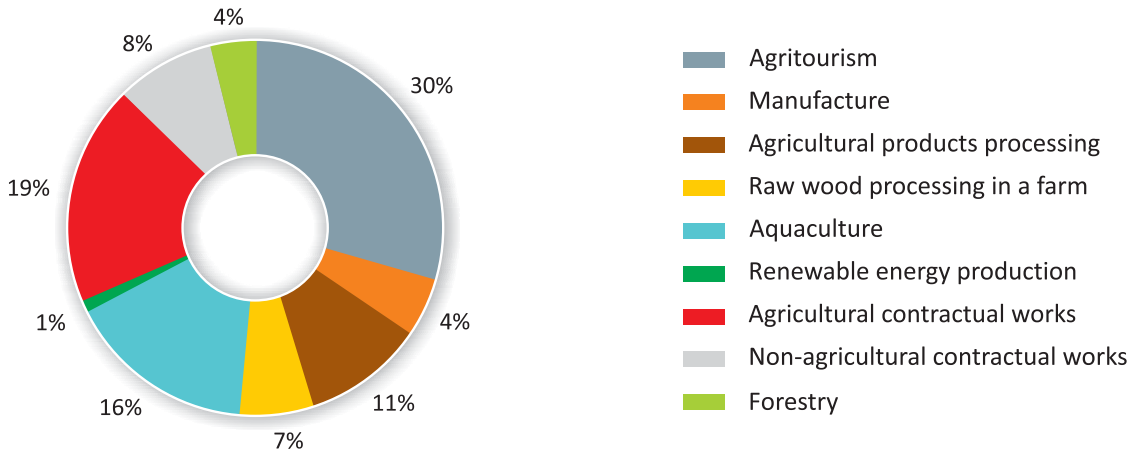
Specification	Total	Including:		
		agriculture, hunting, forestry and fishing	industry and construction	other activities
POLAND	4 070 259	90 350	870 917	3 108 992
Urban areas	2 988 831	24 136	566 234	2 398 461
Rural areas	1 081 428	66 214	304 683	710 531
		6,1%	28,2%	65,7%

Source: prepared by the author on the basis of the data obtained from local databases of the National Statistical Office (GUS).

Based on the data from the Agricultural Census (2010) it is seen that 54.7 000 agricultural farms were running business activities other than agricultural, directly connected with a farm. It was 2,9% of all the farms running agricultural activities. As compared to 2007 the number of the farms in question decreased by more than a half, nevertheless some of them abandoned agricultural activities for the development of non agricultural activities. The activity other than agricultural, directly connected with a farm, was conducted on 3.2% farms producing mostly for the market and 2.3% – mainly for the needs of the household (including only 1.7%- only for their own needs). The farms producing mainly to cater for their own needs conducted more often than those producing for the market the activities within the scope of: agritourism, handicraft, processing agricultural products, processing raw wood on a farm and agricultural contract works. Among the farms producing mainly for sale more popular forms of activities were observed such as aquaculture, production of the renewable energy and other activities (e.g. running a shop selling the agricultural products produced on a farm). It should also be noticed that the share of the sales revenues of the products and services from the activities other than agricultural directly related to a farm in the overall sales from an agricultural farm:
- was more than 50% in the case of 34.4% of farms running the activity other than agricultural,
- for 26.9% of the concerned farms was within the range of 11-50%,
- did not exceed 10% in the case of 38.7% of all the farms running the activity other than agricultural.

In the field of the policy for the development of rural areas numerous actions are taken that are oriented on the entrepreneurship development, for instance, in terms of qualification improvement, facilitating the access to the labour market as well as the possibilities for financial support. Under the Rural Development Program for 2007-2013 (RDP 2007-2013), three activities are directed at the development of entrepreneurship: *Increasing the added value of basic agricultural and forest production, Diversification of the direction of non-agricultural activities as well as the Creation and development of microenterprises.* The total value of funds for the support of entrepreneurship under RDP 2007-2013 was more than 2.46 billion Euro.

Figure 21. The structure of the activities other than agricultural conducted on the agricultural farms



Source: own study on the basis of The characteristics of the agricultural farms in 2010, series presenting the results of the Agricultural Census 2010, Central Statistical Office (GUS), Warsaw 2012.

From the research conducted by the Agency for Restructuring and Modernization of Agriculture in 2012 more than 87% of the supported companies are persons conducting individual businesses. Only 23% of the companies were created in connection with the aid from Diversification of the direction of non-agricultural activities. Almost 77% of the supported entities are the companies that were created earlier. A dominant group is constituted by the companies functioning on the market for 9-15 years.
The most popular kinds of conducted activities are services for people (22.8%), construction and installation works, (20.1%), wholesale and retail sales (16.6%) as well as the services for farms and forestry (15.7%). In the new financial perspective it is planned to support the actions from the area of entrepreneurship development in rural areas, non agricultural jobs and business environment institutions under the operational programs financed not only from the funds of the Common Agricultural Policy but also under the Cohesion Policy.

RURAL TOURISM AND AGRITOURISM

The tourist services are the most popular among the inhabitants of rural areas from all different activities undertaken by them. Rural tourism, including agritourism, is compatible with the II pier of the Common Agricultural Policy with regard to the improvement in life quality and economic diversification in rural areas. It has a particular importance for individual agricultural farms. It influences the comprehensive growth in demand in touristic places, sustains the folklore, forces investments.
It is a form of the activities contributing to the development of entrepreneurship, competitiveness as well as the economic stimulation of rural areas. In consequence, it positively affects the improvement in the quality of living of the inhabitants. It also enables the stimulation of the activity and cooperation of local environments by using the values associated with the specific social, cultural and natural character of the countryside under the activities performed by the National Network of Rural Areas.The offer of the rural tourism and agritourism in Poland is, apart from ca. 8 000 agritourist farms and unique landscapes, also: hospitality, cultural and culinary richness of the regions, the multiplicity of traditional products (tab. 32). The holiday offer of the agritourist farms includes various kinds of additional services as well as recreational and cultural activities. It is characterized by complexity and diversity thanks to which the tourists may experience numerous attractions. Polish agritourist farms mainly offer (in 70-80%) accommodation in guest rooms (lodgings) and to a much smaller degree in independent flats and houses and on campsites. On average, one agritourist facility has 5 rooms with 10 accommodation places (5 double rooms). Polish agritourist farms mainly offer (in 70-80%) accommodation in guest rooms (lodgings) and to a much smaller degree in independent flats and houses and on campsites.

Table 32. Agritourist lodgings in the provinces in 2013 on the basis of the Touristic Places Records carried out by communal offices

Province	Agritourist lodgings	Accommodation
Dolnośląskie	608	6 993
Kujawsko-pomorskie	239	2 873
Lubelskie	429	3 618
Lubuskie	102	1 053
Łódzkie	162	1 611
Małopolskie	1 330	16 033
Mazowieckie	343	3 335
Opolskie	118	1 209
Podkarpackie	956	8 331
Podlaskie	603	5 704
Pomorskie	665	7 982
Śląskie	411	5 236
Świętokrzyskie	290	2 665
Warmińsko-mazurskie	744	7 276
Wielkopolskie	418	7 827
Dolnośląskie	608	6 993
POLAND	7 802	82 976

Source: the data from the National Statistical Office (GUS) according to the state as of 31 December 2013.

On average, one agritourist facility has 5 rooms with 10 accommodation places (5 double rooms). The standard and the quality of the services provided are different. Maintaining an adequate level of the services in Poland is provided by a voluntary System for Categorization of the Rural Accommodation Base kept by the Polish Federation of Rural Tourism "Hospitable Farms". The suns are the certificate of the verified quality of the rural apartments. Particular categories stand out by the number of the suns – the more suns there are the higher the category. Since 2013 there has been a new category of the facility Leisure at a farmer's which, apart from the requirements of categorization, has to meet additional criteria specific for a typical rural farm. Detailed information can be found on the website http://pftw.pl/.

The sales of the products of rural tourism and agritourism is implemented by single contractors and with the commitment of various institutions i.e.: local and regional tourist organizations, local action groups (LAG) or agricultural advising. Both the former and the latter use the promotion tools differently: advertisement, personal sales or public relations. However, in the days of civilization and digitization, the omnipresent Internet has become the main source of information about rural tourism products. A symptom of the use of modern technologies is the creation of websites and the use of community portals. The biggest agritourist service is located on the following website: www.agroturystyka.pl that presents the recommended offers from the farms from all over Poland. Apart from the Internet folders and leaflets are prepared and issued as well as other informational-promotional publications that are available in regional and local tourist information spots or popularized at numerous outdoor events (fairs, festivals or tourist products retail parks). The most important event of this type is the International Fairs of Rural Tourism and Agritourism AGROTRAVEL organized in Poland since 2009. This is a specialized event, an opportunity to promote offers and attractions of rural tourism. Individual customers have, on the other hand, an opportunity to find many inspirations for a successful holiday at one place and time.

A particular role in the development of tourism in rural areas is performed by agricultural advising. The actions of the advisory centres consist, first of all, of training, current consultancy as well as the publication by promotional materials and intermediation in the information.

An important element in the shaping of the development of rural tourism and agritourism is the fact that since the school year 2008/2009 in Poland the training in the new profession was started – rural tourism specialist and it is provided in 12 agricultural schools subject to the Minister of Agriculture and Rural Development. Currently 246 students are being educated in this profession in post-secondary schools and in technical colleges.

Under RDP 2007-2013 until 31 December 2013 in the development of tourist services and those related to sports, leisure and recreation more than 23,3 thousand projects concerning rural tourism and agritourism as well as the infrastructure related to tourism have been executed. The amount of granted assistance was over 3.28 billion PLN, and the total value of the completed investment projects (the sum of public funds and beneficiaries own funds) was 4.3 billion PLN. The funds from RDP 2007-2013 made it possible for those conducting agritourist activities to invest in the improvement in the quality of provided services. These are both the procurement of equipment for the rural apartments and recreational devices, e.g. bikes or canoes. More and more often, using EU funds, rooms are adapted to be the guest rooms for agritourist use or to be the classrooms where various kinds of educational classes are conducted. Innovative activities associated with environmental protection appear on the farms e.g. the use of "clean" power or revitalization of water reservoirs along with the land development.

In addition, bicycle pathways, hiking trails, playgrounds, recreational areas as well as sport facilities are created in rural areas. Using modern IT technologies supported by tourist information spots, tourist information base as well as the websites thematically related to the touristic offer of the area covered by the local development strategy. Folders are prepared and issued as well as other informational and promotional publications concerning the area covered by the local development strategy.

WOMEN IN THE COUNTRYSIDE

Polish countryside is inhabited by 7.5 million women (12.2 million women live in the cities) including 4.4 million in the working age. Women in the countryside constitute 50.2% of the whole population but there is a insignificant surplus of the number of men over the number of women in the group of up to 55 years of age, while above this age we are dealing with a substantial dominance of the number of women over men. In comparison with the cities, rural areas in Poland are characterized by lower feminization rate – there are one hundred and one women per one hundred men. This parameter is 111.2 in the cities, while on a scale of the whole country it is 107.1. According to the research, women who are professionally

active constitute 56.5% of all women living in the countryside. A woman doing a farmer's job is usually a partner to a man in the agricultural farming or in conducting non-agricultural business activities. The domain of the women is still the work in a household as well as raising children. From the statistical data it results, however, that every fifth farm in Poland is managed by a woman.

The role of women in agriculture results from the specific functions performed by an agricultural family that is a consumption community and a production team at the same time, and from a specific link between households and agricultural working practices. A characteristic feature of women in agriculture is the diversity in performed tasks both related to the family and to the professional life. Among the latter it is often the combining of the work in the agricultural farming with an additional professional work or non-agricultural activities, as well as the work for the benefit of their own environment. For women to stay in agriculture it is important to have a functioning relevant social security system for the farmers. In Poland such a system of social security of the farmers was implemented. It defines the spouse of a farmer in the same way as a farmer, unless this spouse does not work on a agricultural farm or in a household directly related to a farm. This type of systemic approach allows for a relevant protection in the event of the inability to work as a result of an illness or old age by women who work only in a household related to a farm.

Since the 90s of the previous century the activity of women in public operations. The share of women in the number of rural communes councillors increased from 9.2% in 1990 to 25.4% in 2010 (in the same period in municipal communes it increased from 16.5% to 26.6%). There is growing tendency in the increase of the participation of women at the level of village councils. Approximately 30% of village administrators are women. Women in the countryside in Poland actively participate in transforming their own environment. The socio-civil activity of women is very diverse. It is a formal membership in different organizations as well as informal activity. The main feminine organization in rural areas is the Country Housewives' Association but there is an increasing share of women acting for the benefit of the local communities in associations, foundations and agricultural local governments.

The diversity in the roles performed by women in rural areas significantly predisposes them to contribute to the progress and innovation and the quality of life in rural areas. Women in rural areas show higher educational aspirations, they act for local environment with a great commitment, and the difficulties on the local job market motivate them more often than men to look for the employment outside agriculture or to establish their own companies. The above characteristics predispose women in the countryside to acquire the role of the catalyst of the socio- cultural changes and economic changes in rural areas. The examples of women's activities are multiple: handicraft, craft, agritourism, processing and selling of agricultural products. Such character of work is for them particularly attractive because it makes it possible to connect professional responsibilities with working at home and the education of children. The combining of work in agriculture with the non agricultural activities allows running less profitable farms and prevents the desolation of some regions, and hence their economic and social degradation.

AGRICULTURAL INSTITUTIONS

THE AGRICULTURAL MARKET AGENCY

The Agricultural Market Agency (AMA) as the accredited payment agency is one of the institutions performing common agricultural policy (CAP).The AMA's activities has accompanied the evolution of the domestic agri-food sector since 1990 i.e. the moment of the transition to market economy until today when Polish food manufacturers successfully act within the boundaries of the uniform EU market regulated by the principles of CAP.

With time the AMA's directions of activities change. As a payment agency it administers CAP mechanisms and domestic mechanisms. The source of financing of the mechanisms is the EU funds and domestic budget. The agency also supports the funds for agricultural and food products promotion. The AMA's activities are directed at agricultural producers, processors, exporters as well as consumers in the increasingly broader range. It contributes to the stabilization on the agri and food market as well as to the improvement of the competitiveness of agricultural and food products.

Since Poland's accession to the EU until the end of 2013:

- AMA has paid 11.3 billion PLN to the beneficiaries operating in the agricultural and food sector,
- under the execution of the food aid program the poorest people received ready-made food products worth 2.4 billion PLN,
- the agricultural and food products promotion funds paid 235 million PLN[6]

In 2013 AMA paid in total 667.3 million PLN. Under prefinancing of the CAP mechanisms it paid 435.7 million PLN and for the implementation of the mechanisms financed by the state budget. – 231.6 million PLN. In addition, the agricultural and food products promotion funds paid 51.4 million PLN. Under the execution of the food aid program the poorest population received ready-made food products worth 309.5 million PLN. In addition, the agency transferred 190.5 million PLN for the state budget income. Apart from the activities resulting in payments AMA administers a number of the non-financial mechanisms: production quoting, foreign trade mechanisms (e.g. it issues and accounts for the permits to import the agricultural and food products from third countries and export outside the EU, issues certificates at the export of pasta to the USA) as well as mechanisms of monitoring and control of the production and processing process on the markets: of wine, sugar, tobacco, milk and dairy products as well as with regard to renewable energy sources.

Since Poland's accession to the EU until the end of 2013 in the Central Register of Entrepreneurs (CRP) kept by AMA 612.6 000 entities have been registered. In recent years AMA has issued more than 300 000 administrative decisions annually on average.

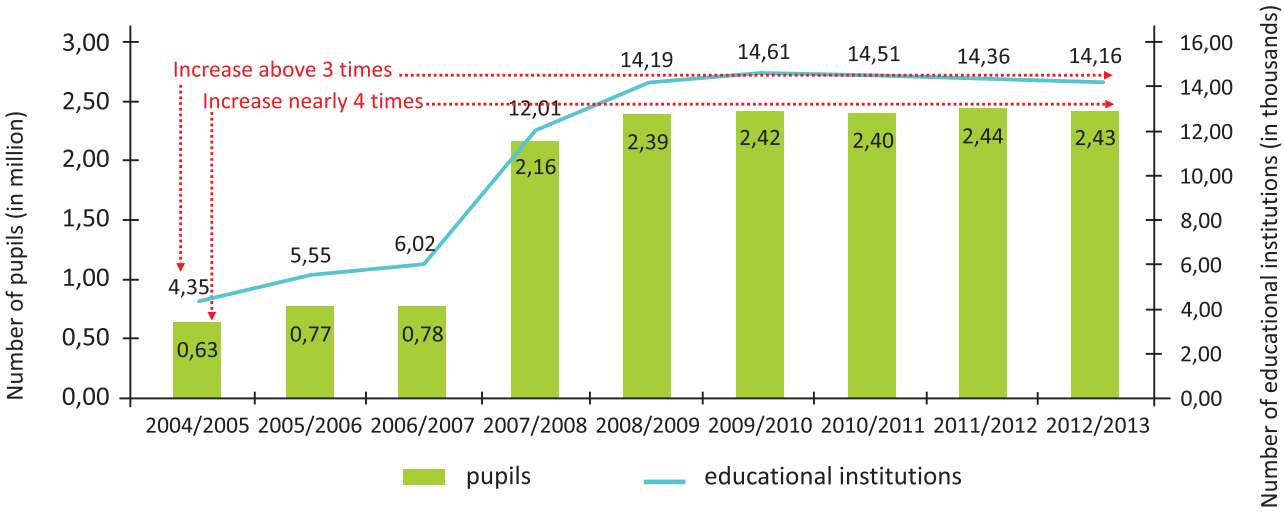
SUPPORT FOR CONSUMPTION

Since the school year 2004/2005 AMA administers a program **Milk at school** intended to increase milk and its products consumption among children and teenagers as well as to shape the proper consumption model.

2.43 million children and pupils used the "Milk at school" program in the school year 2012/2013 in Poland (3.9 times more than in the school year 2004/2005, i.e. in the year of its start-up). They constituted 41% of all children attending educational institutions in the country. Children and pupils using the program in the school year 2012/2013 attended 14.16 thousand educational institutions (Fig. 22).

6 From 2004 until 30 June 2009 ARR (Agency for Agricultural Market) was servicing the Milk Promotion Fund, and from July 2009- nine funds of agricultural and food products promotion.

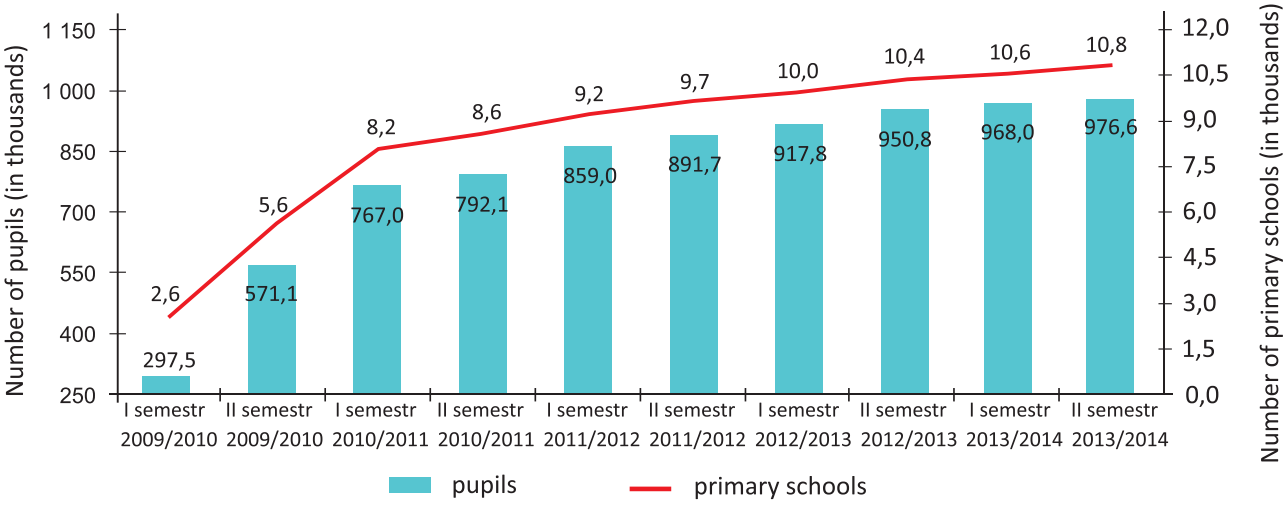
Figure 22. Educational institutions and pupils in the ”Milk at school” program.



Source: The data from AMA.

Since Poland’s accession to the EU until the end of 2013, under "Milk at school” program children and pupils consumed ca 390 thousand tons of milk and its products (which corresponds to about 1.9 billion of "milk glasses”). AMA paid for its realization the sum of 996.3 million PLN of which 688.6 million PLN from the EU budget, 280.8 million PLN from the state budget and 26.9 million PLN from the Milk Promotion Fund. A similar action by AMA is the one implemented since the school year 2009/2010 called **Fruit and vegetables at school** program[7]. Its aim is a long-term change in dietary habits among children by increasing the consumption of fruit and vegetables in their daily diet as well as the popularization of healthy nutrition. The program is supposed to counteract obesity and related diseases among children. The beneficiaries’ interest in the program in the 2nd semester of the school year 2013/2014 was greater than in the particular semesters of the last school years. 10.8 thousand primary schools signed the contract with 110 approved suppliers, and 8 approved schools obtained and shared fruit and vegetables on their own. 976.6 thousand children used the program which constituted 84% of the target group of the pupils covered by the program (Fig. 23).

Figure 23. The pupils and primary schools using the "Fruit and vegetables at school”[8]



Source: the data from AMA.

7 Until 31 December 2013 the program was called "Fruits at school”.

8 Under the contracts signed by educational institutions with the approved suppliers of fruit and vegetables to primary schools. From the 1st semester of the school year 2010/2011 in each subsequent semester also the primary schools were included which obtain fruit and vegetables on their own and then facilitate them to children, as well as the pupils covered by the program from these schools.

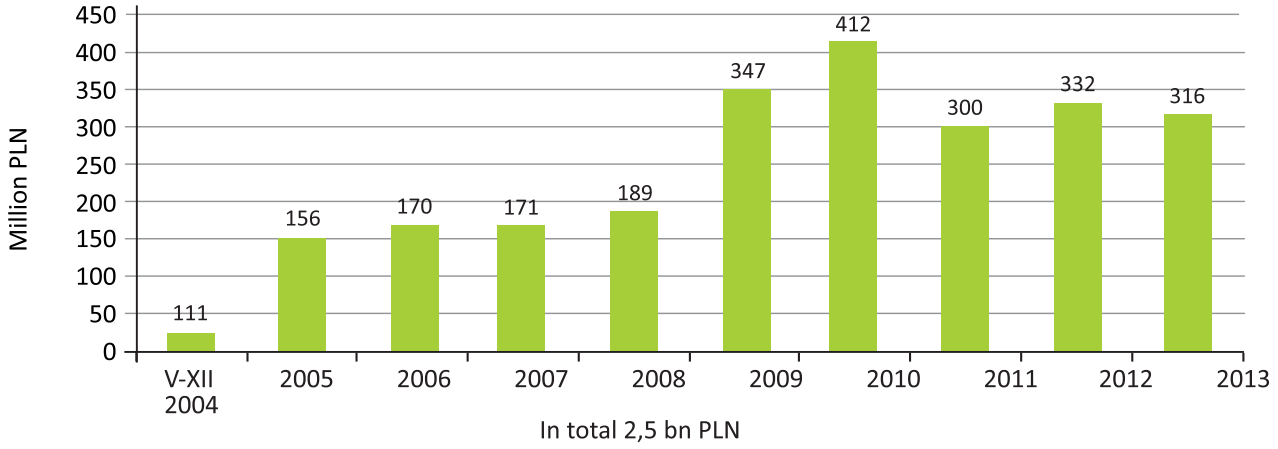
Since the school year 2014/2015 children from "Year 0" and Years 1-3 in the primary schools have the following goods available for free: fresh fruit (apples, pears, strawberries, blueberries), fresh vegetables (carrots, radish, sweet pepper, kohlrabi, cocktail tomatoes), fruit, vegetable or fruit and vegetable juices Since the "Fruit and vegetables at school" program started in the school year 2009/2010 until the end of 2013 AMA paid 162.4 million PLN of which 75% (121.8 million PLN) from the EU budget and 25% (40.6 million PLN) from the state budget. Until the end of the 2nd semester of the school year 2013/2014 children from primary schools had more than 204 million portions of fruit, vegetables and juices for free.

FOOD ASSISTANCE

For the implementation of the programs under the EU mechanism of "Delivering food surpluses to the poorest population of the European Union" the EU Commission awarded Poland with 2,5 billion PLN in 2004-2013 (Fig. 24). This assistance also covered more than 1.3 million tons of food products (paddy rice, cereals, butter, sugar, powdered skim milk) taken from the intervention supplies of the EU. The food aid under the mechanism administered by AMA has gone to ca 3.5 million people in need annually on average.

Since Poland's accession to the EU until the end of 2013 the poorest people received 297 million litres of UHT milk, 6 million litres of rape oil and 623 thousand tons of other groceries including, among others, pasta, wheat flour, groats, white rice, white sugar, cheddar rennet cheese, processed cheese, corn flakes, jams and ready-to-cook dishes. During this period AMA spent 1.2 billion PLN on the purchase of groceries as well as on covering the costs of transport, administration and storage.

Figure 24. The financial means and the value of the goods from the intervention supplies granted by the EC for the programs realization in Poland



Source: the data from AMA.

SUPPORTING FOOD PROMOTION

AMA's commitment systematically increases in the area of the actions concerning agricultural and food products promotion and the dissemination of information about these products. Since Poland's accession to the EU until the end of 2013 the agency participated in the implementation of 25 trade promotional programs and/or informational executed in Poland and abroad, out of which 11[9] were conducted in 2013. Since Poland's accession to the EU until the end of 2013 AMA, for the implementation of the promotional and/or informational campaigns, paid the sum of 142.3 million PLN to trade organizations out of which 86.3 million PLN came from the EU budget and 56 million PLN from the domestic budget. An-other form of AMA's activities that support the food promotion is the promotional and infor-mational activities under RDP 2007-2013 (the agency signed 25 contracts since 2007 for the amount of 14.1 million PLN) as well as financing the actions designed to promote the prod-ucts of ecological agriculture, regional and traditional products, methods of their production and food quality systems from the domestic budget. In the years 2012-2013 for the implemen-tation of the 739 projects AMA paid 4.3 million PLN. The agency also parti-

9 "The information campaign about fresh pork meat, chilled or frozen produced according to the national quality system Pork Quality System – PQS", "Tradition, quality and the European taste", "Love rapeseed oil", "5 portions of vegetables, fruit or juice", "New quality in poultry farming", "The Pastas of Europe", "Apples every day", "I am crazy about milk", "QMP – beef is always good", "Three signs of the taste", "European meat – tradition, quality and taste".

cipates in the process of creation of new, strong brands related to the agricultural and food sector which will be recognizable in the world and associated with Poland by taking part in the implementation of the program for the promotion of Polish culinary specialties under the system project "Promotion of the Polish Economy on International Markets"(Innovative Economy Opera-tional Program).

SUPPORTING THE AGRICULTURAL AND FOOD PRODUCTS PROMOTION FUNDS

AMA supports nine agricultural and food products promotion funds, i.e.: milk, pork meat, beef meat, horse meat, sheep meat, cereal grains and cereal products, fruit and vegetables, poultry meat and fish. From 2009 to the end of 2013 the funds accounts collected 188.6 million PLN in total. In 2013 the payments to the bank accounts of the particular funds were made by ca. 12 thousand business entities. The amount designated and paid for funding tasks was 159.5 million PLN. The collected means are managed by governing commissions separately appointed for each fund that consist of the representatives of food processors, manufacturers as well as Agricultural Chambers. The role of the Agency consists in ensuring the administrative service of the funds.

SUPPORT FOR PRODUCERS AND THE STABILIZATION OF AGRICULTURAL MARKETS

After Poland's accession to the European Union AMA purchased, under the intervention programs, more than 2.1 million tons of cereals (in the period 2004-2006 and 2009-2010), 213 thousand tons of sugar (in the period 2005-2006), 20.5 thousand tons of powdered skim milk (in 2009) and 6.5 thousand tons of butter (in the years 2005-2006 and 2009). Total expenses incurred by the Agency for the purchase, storage and transport of the products amounted to 1.9 billion PLN.

The group of the CAP mechanisms of the character comparable to the intervention purchases is the subsidies to the private storage of agricultural and food products. The mecha-nism of subsidies to the private storage of pork was started twice after Poland's accession to the EU (in 2007 to 5.9 thousand tons and in 2011 to 9 thousand tons of pork). AMA paid the sum of 24.2 million PLN in total on this account. The subsidies mechanism to the private storage also covered: 1.1 thousand tons of butter (spending the total of 338 thousand PLN in 2006 and in the years 2012-2013) and 526 tons of cheese (170 thousand PLN in the years 2004-2007). In addition, AMA issued 1 600 certificates for 38.7 thousand tons of butter and 96 certificates for 2.7 tons of OMP meant for the private storage and the intervention pur-chases in other EU member countries (mainly in Germany and in the Netherlands).

Under domestic supplementary direct payments for the producers of raw tobacco and planters of starch potatoes in the years 2005-2012 AMA spent 2.2 billion PLN of which nearly 2 billion PLN (89% of payouts) was constituted by the expenses for the producers of raw tobacco and almost 242 million PLN (11%) for planters of starch potatoes.

Under the implementation of the "Subsidies to the seeding material" mechanism AMA has been compensating agricultural producers partially with the costs of purchase of seeds of the elite or qualified category of the following arable plant species since 2007: wheat (spring and spring durum), rye, barley, triticale, oats (hulless, coarse and spring), lupin (yellow, blue-bonnet and white), peas (agricultural plant varieties), field bean, common vetch, potatoes and soya bean. Subsidies to the seeding material are of the *de minimis* character in agriculture[10]. From the activation of the mechanism until the end of 2013 the manufacturers of cereals, potatoes and leguminous plants submitted to AMA 366.8 thousand applications for subsidies and the agency paid the farmers the sum of 499.4 million PLN from the domestic budget.

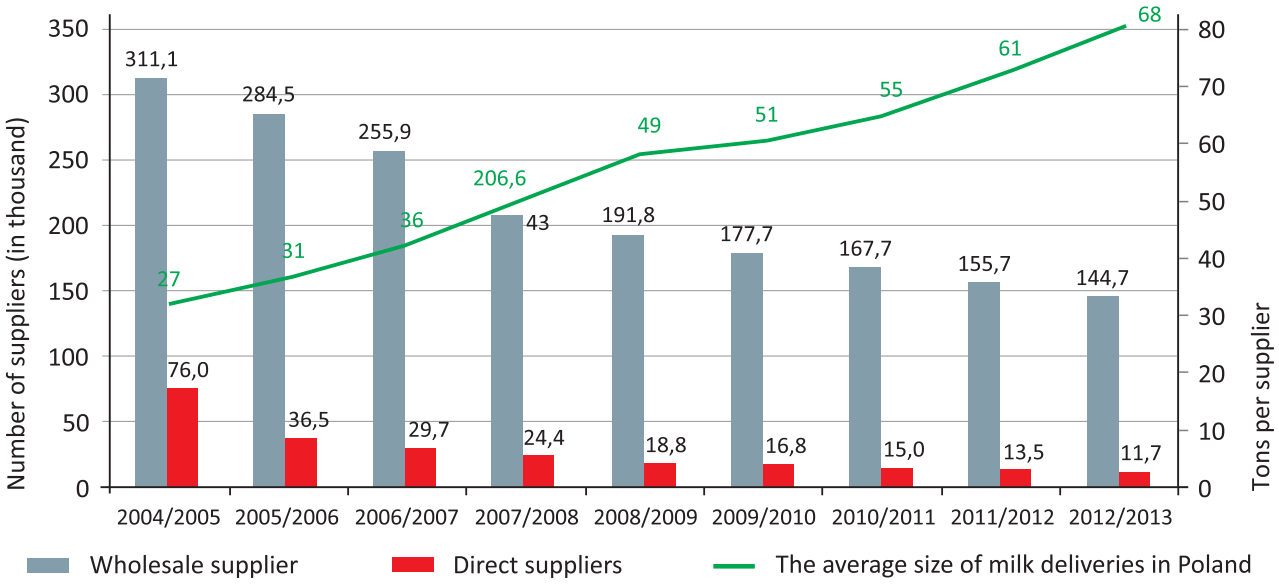
AMA refunds the costs incurred by the entitled entities on the market of apian products[11] for the implementation of the three year national programs to support apiculture in Po-land approved by EC. Since Poland's accession to the EU until the end of 2013 AMA, under the implementation of "The support of the apian products market", paid the sum of 144.4 mil-lion PLN (net) mainly for the purchase of medicinesagainst Varroa disease and the purchase of bees. The support also concerned technical assistance (the purchase of apian equipment and training), the purchase of car carriers for the transportation of beehives and conducting the physical-chemical analyses of honey properties. The incurred expenses were financed fifty-fifty from and the EU and domestic budgets.

10 From 1 January 2014 the total amount of subsidies of *de minimis* assistance in agriculture for one agricultural producer cannot exceed 15 000 EUR within three tax years (this amount doubled – from 7.5 thousand).

11 Unions, associations, co-operatives and apiarian groups of agricultural producers and research and development units involved in apiarism.

AMA administers the quoting of milk production under which at the end of the year 2013/2014 it supported 137.5 thousand wholesale and 10.8 thousand direct suppliers of milk (Fig. 25). In 2013 it issued 191.4

Figure 25. The number of milk suppliers (at the end of a given quota year) and the average size of milk deliveries in Poland



Source: the data from AMA.

thousand administrative decisions while executing the tasks in this scope.

During the ten year period of the mechanism of milk production quotation in Poland, the national amount awarded to Poland increased by 12% (from 8.96 billion kg in the quota year 2004/2005 up to 10.06 billion kg in the quota year 2013/2014). In this period the number of the wholesale[12] milk suppliers was reduced by 56% and direct suppliers – by 86%. It was reflected in the increase of the mid-size milk deliveries corresponding to a wholesale milk producer (from 27 tons in the quota year 2004/2005 to 73 tons in the quota year 2013/2014). The national quota awarded to Poland in the quota year 2013/2014 was the sixth largest quota of milk production in EU[13]. In connection with the ongoing restructurisation in the field of milk production AMA, in the period of 2007-2009, paid the sum of 154.1 million PLN in compensations to 21.5 thousand milk producers for the renouncement of their milk quotas. The milk quotas were given to the farms developing milk production.

Within restructuring of the sugar industry in Poland the agency, in the years 2009-2012, paid financial aid for the restructuring for sugar producers, planters and contractors in the total amount of 1.3 billion PLN. In addition, in the years 2010-2012, it completed pay-ments under the National Program for Restructurisation related to the process of diversifica-tion of agricultural production in the communes where there was a reduction in the area of sugar beet cultivation. For the implementation of the National Program for Restructurisation Poland was awarded 34.4 million Euros which was allocated into two activities, i.e.: "Modernization of agricultural farms" and "Increasing the added value of basic agricultural and forest production". AMA paid 2 904 beneficiaries the sum of 127.5 million PLN for their im-plementation.

After Poland's accession to the EU the agency also executed: subsidies to the quotation of potato starch production (76.3 million PLN to more than 860 thousand tons of potato starch), subsidies to the fodder production (5.9 million), subsidies to sugar used in chemical industry (4.5 million PLN.), subsidies to processing flax and hemp straw into fiber (3.2 million PLN up to 7.7 thousand tons of flax and hemp fibre), subsidies to the purchase of butter by the institutions and non profit organizations (1.1 million PLN to 528 tons of butter), subsidies to processing butter, concentrated butter and cream (0.4 million PLN) and subsidies to starch used for non-food purposes (84 000 PLN).

12 Comparing the number of milk suppliers according to data as at the end (i.e. as on 31 March) of a given quota year.

13 The largest amounts of production quotas in the EU were allocated to: Germany, France, the UK, the Netherlands and Italy.

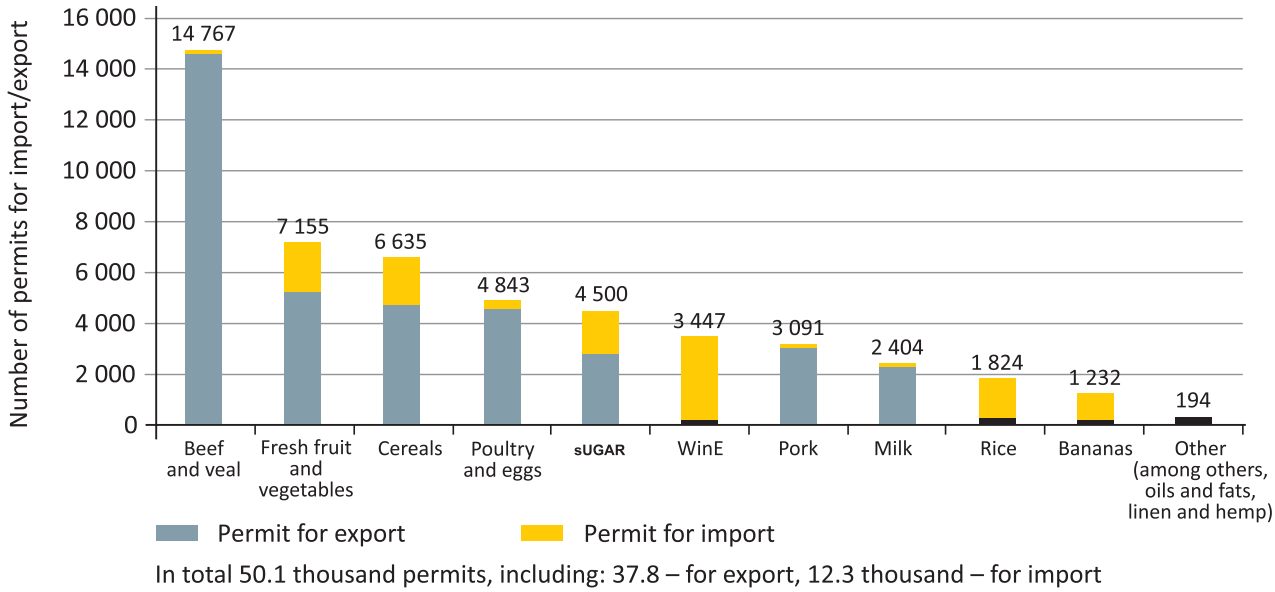
ACTIVITIES IN THE EVENT OF CRISIS AND EXTRAORDINARY SITUATIONS

AMA has an extensive experience in the administration of this type of activities. After Poland's accession to the EU agricultural producers have been given financial support in ex-traordinary and crisis situations in the amount of 298 million PLN of which: in the period of 2005-2006 – 15.8 million PLN to poultry breeders (compensating them for the losses resulted from the occurrence of avian flu); in the period of 2007-2009 and in 2011- 13 million PLN under the payments for seeds material (for farmers affected by drought and flood); in 2010 ca. 83 million PLN compensating milk producers for the losses sustained as a result of the crisis on the milk market; in 2011- 179.4 million PLN to vegetables producers who sustained losses as a result of the crisis on the fruit and vegetables market caused by the bacteria *Escherichia coli*. In 2014 EC started an extraordinary support granted to pork producers from the areas covered by the restrictions due to the detection of African swine fever (ASF) in wild boars. AMA paid 6.9 million PLN for 49.1 thousand heads of pigs (of the total classified carcass mass amounting to 4.6 thousand tons). In connection with the Russian embargo on the import of selected products from the EU to Russia, EC launched in 2014 tempora-ry extraordinary grants for the producers of some fruit and vegetables and subsidies to the private storage of butter, powdered skim milk and cheese.

THE ADMINISTRATION OF THE GOODS TRADE WITH FOREIGN COUNTRIES

AMA administers the commercial mechanisms of the common agricultural policy. From Poland's acces-sion to the European Union until 31 December 2013, it issued, in total, 50.1 thousand permits for export/ import of agricultural and food goods to/from third countries which 75% related to export (Fig. 26). The largest number of permits has been issued on the following markets: red meat (179 thousand), fresh fruit and vegetables (7.2 thousand), cereals (6.6 thousand), poultry and eggs (4.8 thousand). In total the agency issued 37.8 thousand permits for export (including 29.6 thousand permits for export with reimbur-sement) and 12.3 thousand permits for import. In addition, in the scope of the processed products non--annex I, it issued 1.8 thousand certificates for the export of pasta to the USA.10.6 thousand applications for recipes have been registered and the prolongation of the validity of 6.9 thousand recipes for processed products have been made.

Figure 26. The structure of the permits issued by AMA in the period of V 2004-XII 2013 for the export/import of goods from /to Poland



In total 50.1 thousand permits, including: 37.8 – for export, 12.3 thousand – for import

Source: the data from AMA.

From Poland's accession to the EU until the end of 2013 AMA paid the beneficiaries the sum of 2.1 billion PLN in export refunds mostly to sugar (1.2 billion PLN), red meat (392.4 million PLN) and dairy products (334.2 million PLN). Under servicing the import of agricultural and food goods from third countries AMA, among others, administered the tariff contingents on the following markets: cereals, rice, sugar, fresh fruit and vegetables, milk and dairy products, beef, pork, poultry and eggs.

The information obtained by the Agency about the possibilities of the development of commercial cooperation and investment with the entities from other countries, in the scope of the preferential conditions for export, is made available on a current basis to Polish entrepreneurs via the Internet service by AMA www.arr.gov.pl (in section The foreign trade/Commercial information) as well as distributed to producers and processors unions, organizations and associations by e-mail (eksporter@arr.gov.pl).

ORGANIZATION AND THE MONITORING OF THE MARKETS

AMA carries out tasks stated in the EU and domestic regulations related to the imple-mentation and execution of the principles defining the organization of some agricultural and food markets. The activities in this scope include:

- the monitoring of the quota and non quota production of sugar and isoglucose and check-ing how the non quota production is used. AMA, in 2013, charged sugar and isoglucose producers with production fees (off the production quota) for the economic year 2012/2013 in the amount of 70.3 million PLN;
- the approval of the first raw tobacco processors and keeping the register of the first proc-essors, approval of the points for collection of raw tobacco and the confirmation that the quality requirements of raw tobacco are met. On 31 December 2013 there were 13 first processors of raw tobacco and 38 points for collection of raw tobacco approved, and 14 first processors were entered in the register;
- running the records of the entities producing grape wine by the President of the Agricul-tural Market Agency (intended to be introduced to the market) made of grapes acquired from grapevine cultivations located in Poland. In economic year 2013/2014 (according to the state as at 31 December 2013) in the aforementioned records there were 49 such pro-ducers or entrepreneurs that were not producers. Vineyards found in the records occupied the surface of 99.5 ha;
- the monitoring of the biocomponents and liquid biofuels market. On 31 December 2013 there were 31 entities conducting business activity with regard to biocomponents produc-ing, storing and introducing to the market in the register of the producers kept by the Agency. In 2013, from among the registered, 7 entrepreneurs produced 653.6 thousand tons of methyl esters and 5 entrepreneurs produced 185.9 thousand tons of bioethanol;
- the monitoring of the production of agricultural biogas. On 31 December 2013 42 biogas plants were registered with the total power of 49.28 MW of the electric power and 50.80 MW of heat;
- the control of the use of energy plants. Until 31 December 2013 the aforementioned plants were used to produce 1.48 million litres of bioethanol, 49.24 million litres of methyl esters, 7.90 kWh of electric energy as well as 72.57 TJ of heat.

According to the act on the Agricultural Market Agency and the organization of some ag-ricultural markets, AMA gathers analyzes, processes and makes public the information re-garding the agricultural and food markets. The agency prepares cyclical reports (placed on the website www.arr.gov.pl, in the section Analysis and market forecasts) that relate to supply, demand as well as the prices on the basic markets both domestic and foreign, and foreign trade of agri-food goods.

AGENCY FOR RESTRUCTURING AND MODERNIZATION OF AGRICULTURE

Agency for Restructuring and Modernization of Agriculture (ARiMR) has supported the actions aimed at development of agriculture and rural areas for 20 years. In the first period of its existence it granted support mainly from domestic funds in the form of contributions to interest rates of investment and rotary loans. After Poland's accession to the EU both the scale of the assistance and the number of available instruments of support increased. A key task for ARiMR is the payment of funds under the direct payments and the EU programs intended for development of Polish rural areas.

Currently ARiMR is an implementing entity and a payment agency for instruments of the financial aid from the EU funds as stipulated for 2007-2013:

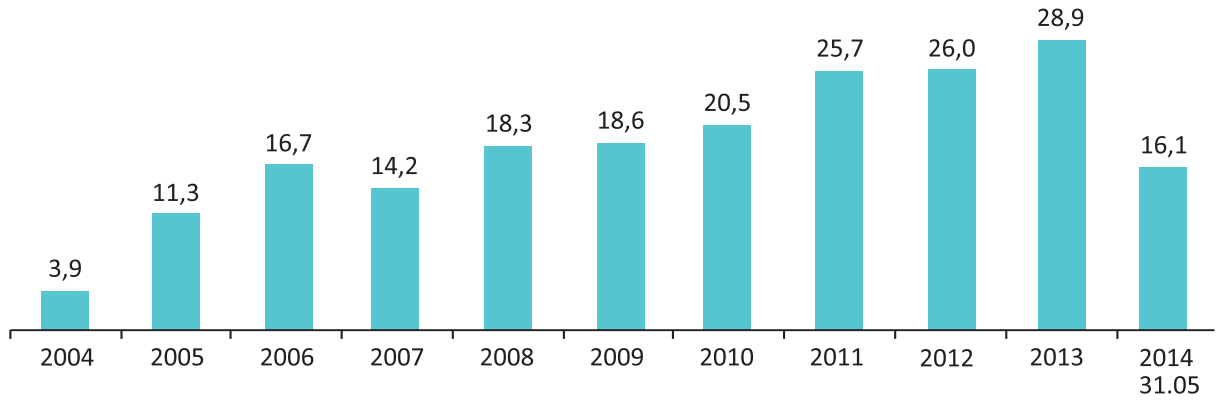
- EAFRD under which all activities relating to the development of rural areas under the Rural Development Program for 2007-2013 will be financed (RDP 2007-2013);
- EAGF under which the implementation of the instruments of the first aid pillar of the CAP is continued (direct payments, common organization of fruit and vegetables markets, common organization of fishing market);

- EDF under which the activities as part of the Operational Program "Sustainable development of the fishery sector and the coastal fishing areas for 2007-2013" (PO RYBY 2007-2013).

In addition, ARiMR is an institution:

- implementing the instruments of national assistance (in particular subsidies to preferential, investment and disaster loans);
- running the register of labeled farm animals (IRZ System);
- running and updating the land parcel information systems (LPIS).

Figure 27. Annual payment of funds by ARiMR within the programs co-financed from the EU and from national assistance in 2004-2014, in billions PLN (as of 31.05.2014).



Source: the data from ARiMR.

The main beneficiaries of ARiMR are farmers, agricultural and food sector entrepreneurs, countryside dwellers, agricultural producers groups and the representatives of the fishing sector. The projects co-financed by the Agency are beneficiary to wide social groups and their effects can be noted and measured both in the local and national economy. From the beginning of its operations until 31 May 2014 the agency paid the beneficiaries, under the assistance for agriculture and rural areas programs, 212.6 billion PLN out of which 94% in the period of Polish membership in the EU, as part of:

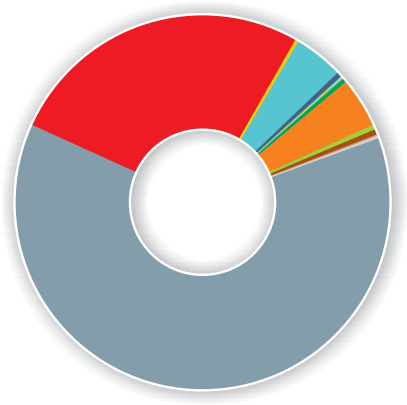
- currently implemented programs:
  - direct support systems 104.6 billion PLN (since 2004);
  - RDP 2007-2013 55.6 billion PLN (since 2007);
  - PO RYBY 2007-2013 3.4 billion PLN (since 2007);
  - the common organization of the fruit and vegetables markets (WOROiW) 6.2 billion PLN (since 2004);
  - national assistance 19.8 billion PLN (since 1994);
  - common fishery policy 2.0 million PLN (since 2004).
- completed programs:
  - the SAPARD Program 4.5 billion PLN (2002-2006);
  - RDP 2004-2006 10.9 billion PLN (2004-2008);
  - SPO "Restructuring...2004-2006" 6.6 billion PLN(2004-2009);
  - SPO "Fishery... 2004-2006" 1.0 billion PLN (2004-2009);

The payments dynamics for beneficiaries is growing systematically as part of the implemented programs, and in 2013 it reached the record level of 28.9 billion PLN. In the period of 10 years of the EU membership, ARiMR paid the beneficiaries more than 200 billion PLN.

DIRECT SUPPORT SYSTEMS

The most important instrument of the common agricultural policy implemented by ARiMR is the payments within direct support systems which covered about 1.4 million farmers. Until 31.05.2014 under the Campaign 2013 ARiMR paid the beneficiaries 13.9 billion PLN. The structure of the executed payments by ARiMR within direct support systems since the beginning of its functioning in Poland is presented in Fig. 28.

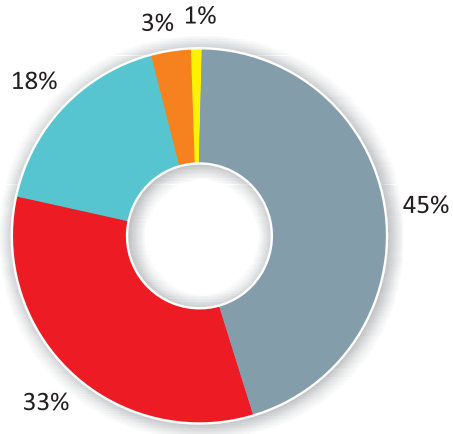
Figure 28. The structure of the payments within direct support systems in the Campaigns 2004-2013 in million PLN (as of 31.05.2014.)[14]



- JPO – 65 155,5
- UPO other plants Supplementary basic payment** – 27 918,7
- UPO hop – 24,8
- UPO animal payment – 4 700,6
- UPO energy payment* – 30,2
- UP for tobacco raw material producers – 363,3
- Payment to starch – 74,6
- Separate payment for fruit and vegetables – 161,6
- Separate payment for soft fruit – 399,0
- Sugar payment – 4 633,1
- Payment to legumes and fabaceae – 365,5
- Payment to cows – 559,5
- Payment to sheep – 30,2
- Payment to tobacco – 237,9

**The payments for energy contain subsidies to the willow or multiflora rose plantations used for energy purposes (years 2005 -2006 financed from the domestic budget). * * Since the Campaign 2011 Supplementary basic payment.*

Figure 29. The payments amount executed under RDP 2007-2013 with the division into axes, in billions PLN and in % (as of 31.05.2014)



- Axis 1 Improvement in competitiveness of the agricultural and the forest sector – 24,9
- Axis 2 Improvement in the natural environment and rural areas – 18,5
- Axis 3 Quality of life in rural areas and diversification of rural economy – 9,7
- Axis 4 LEADER – 1,8
- Technical assistance – 0,7

Source: ARiMR. .

RURAL DEVELOPMENT PROGRAM FOR 2007-2013

ARiMR, as an accredited payment agency, processes payments for all actions under RDP 2007-2013. Until 31.05.2014 more than 1.1 million beneficiaries received 55.6 billion PLN (tab. 33) including 12.7 billion PLN under the obligations from the previous years. The payments under RDP 2007-2013 will continue until 2015.

14 The figure shows the amounts paid by ARiMR. Until March 2012 some payments were also realized by ARR (Agency for Agricultural Market). These were the Agreements for the avoidance of double taxation regarding starch (related and not related) which the Agency paid in the total sum of 242 million PLN. and the Agreements for the avoidance of double taxation for the producers of tobacco raw material (related and not related) that amounted to 1 954 million PLN.

Table 33. Supporting the applications submitted as part of RDP 2007-2013 (as of 31.05.2014)

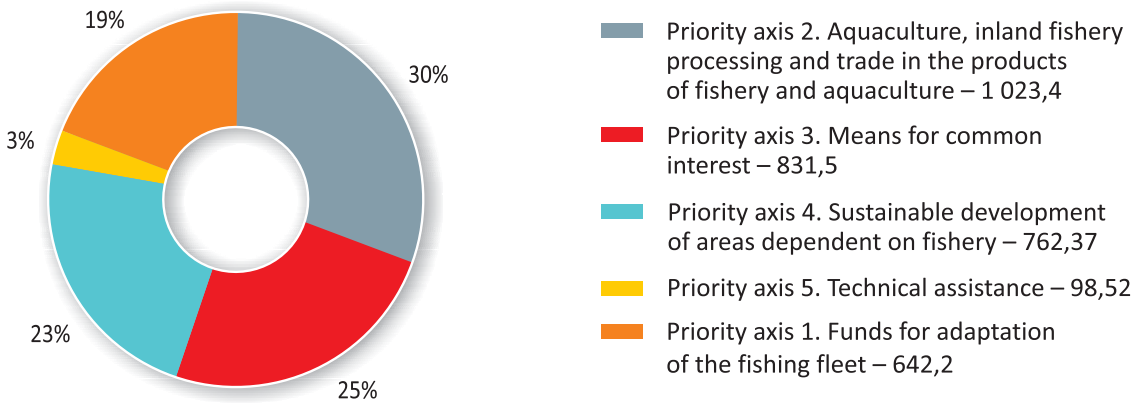
Specification	Number of submitted applications	The number of concluded con--tracts/issued decisions	Completed payments in million PLN
Professional training for the people employed in agri-culture and forestry	496	106	78,2
Facilitating start for young farmers	33 221	23 160	1 595,0
Structural pensions	28 534	19 946	9 034,5
Using advisory services by farmers and forests holders	65 035	49 092	129,4
Farm modernization	96 259	64 070	7 791,6
Increase in added value of basic agricultural and forest production	3 518	1 496	2 158,3
Improving and upgrading development- and agricultu-re and forestry adaptation-related infrastructure	900	706	996,3
Restoring agricultural production potential damaged by the occurrence of natural disasters and introduc-tion of appropriate preventive actions	9 513	6 466	397,1
Participation of farmers in food quality systems	29 882	24 675	32,2
Information and promotional actions	82	29	6,1
Support for semi-subsistence farms- obligations from 2004-2006	-	-	2 130,2
Agricultural producer groups	1 420	1 320	541,7
Support for agriculture in the mountain areas and other areas with unfavourable agricultural conditions (campaigns 2007-2013)	5 918 207	5 126 198	9 496,4
Agri-environmental program	833 227	699 147	7 857,6
The forestation of agricultural land and the forestation of lands other than agricultural	20 095	14 352	815,0
The restoration of the potential of forest production damaged by disasters as well as introducing preventi-ve instruments	549	409	322,7
Diversification towards non-agricultural activities	28 999	15 765	1 175,0
Creation and development of micro enterprises	45 454	14 962	1 453,8
Basic services for economy and rural population	5 926	4 156	4 924,7
Rural revival and development	8 546	6 473	2 192,8
Implementation of local development strategies	69 337	31 579	1 463,5
Implementation of cooperation projects	557	386	19,0
Functioning of a local activity group	1 170	995	360,6
Technical assistance	3 084	2 760	656,4
TOTAL	7 204 011	6 108 248	55 628,1

Source: ARiMR.

OPERATIONAL PROGRAM "SUSTAINABLE DEVELOPMENT OF THE FISHERY SECTOR AND COASTAL FISHING AREAS 2007-2013"

Under OP "Sustainable development of the fishery sector and the coastal fishing areas 2007-2013" the supported projects are concerned with obtaining a permanent balance between maritime resources and the fishing capacity of the Polish fishing fleet, and the establishment of a modern and competitive fishing sector in Poland. Until 31.05.2014 ARiMR transferred 3.4 billion PLN for the representatives of fishing sector.

Figure 30. The payments amount executed within PO RYBY 2007-2013 with the division into axes in million PLN and in % (as of 31.05.2014)



Source: ARiMR.

Map 3. The assistance granted by ARiMR within the programs co-financed from EU funds (in million PLN), by the provinces (as of 31.05.2014*).

**Without the division into the provinces – 3.0 billion PLN.*

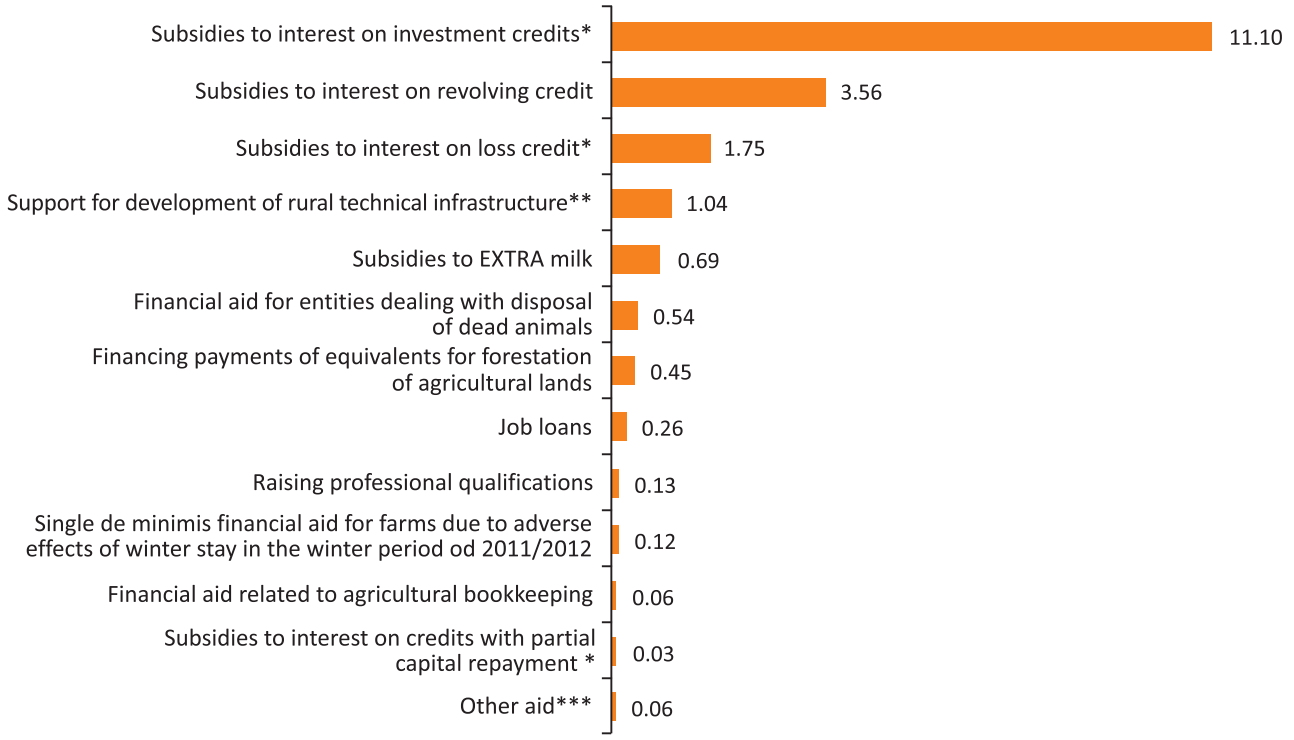
THE REGIONAL DIVERSITY OF GRANTED ASSISTANCE

Within the programs co-financed from EU funds (along with the SAPARD program) the beneficiaries were paid 192.8 billion PLN. The largest support from ARiMR was received by the provinces: mazowieckie (27.2 billion PLN), wielkopolskie (23.2 billion PLN), and lubelskie (18.1 billion PLN) and the smallest support: śląskie (4.9 billion PLN), lubuskie (5.0 billion PLN) and opolskie (5.7 billion PLN) (map 3).

THE DOMESTIC ASSISTANCE

The domestic assistance is currently granted by ARiMR in the form of subsidies to interest of different types of loans, guarantees and sureties of the repayment of preferential, investment and disaster loans, sureties of the repayment of student loans, subsidies to the costs incurred by agricultural producers while utilizing dead animals, subsidies to the costs incurred while preparing an application for the registration of geographical names and symbols of the primary agricultural products (Fig. 31). Since the beginning of its operations ARiMR has paid the sum of 19.8 billion PLN within this form of support.

Figure 31. The amount of the assistance granted within national assistance instruments in the years 1994-2014 in billions PLN (as of 31.05.2014)



**Data valid on 30.04.2014.*
***The assistance was being implemented by funding from: "ASAL-300"loan granted to the Polish government by the European Bank for Reconstruction and Development, loans from the European Investment Bank (EIB – first tranche of the loan, EIB-BIS – subsequent loan tranches) Development of the Rural Areas Program (PAOW) under the component "C – Infrastructure", financed from a World Bank loan.*
****Other assistance: for farmers who in 2008 or 2009 received supplementary payment to the area of hops cultivations, for creating groups of agricultural producers, support for agricultural producers affected by the natural disasters in 2013, for fodder producers, loan sureties and guarantees as well as registering the names and geographical symbols.*

THE SYSTEM OF ANIMAL IDENTIFICATION AND REGISTRATION

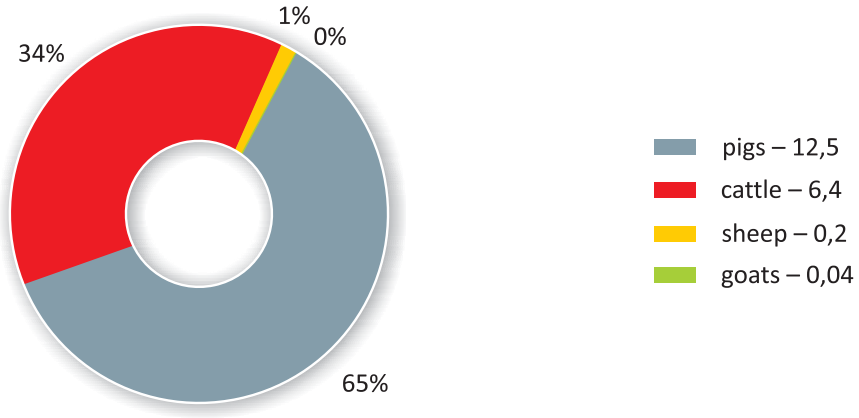
Agency for Restructuring and Modernization of Agriculture is also an institution responsible for running the system of animal identification and registration in Poland. It is supposed to ensure the safety of food in accordance with the EU requirements, and by doing so, to obtain a complete access to the market of animal products of other EU member states. ARiMR keeps the register of labeled farm animals, i.e.. cattle, sheep, goats and pigs in the IT system. In the database of this system there is the information on

animals owners (the register of the producers), animals and their places of presence (the register of the herds residence) as well as animals movements (registering the notifications about the events concerning the animals). On the basis of the information from the farmers ARiMR updates the animal register with the changes that took place in herds of cattle, swine, sheep or goats. Currently the register contains the information about ca 19 million animals.

MANAGING THE LAND PARCEL INFORMATION SYSTEMS

ARiMR executes also other tasks related to the presence of Poland in the EU. One of them is to run and update the land parcel information systems (LPIS) which enables a clear identification of an agricultural parcel location in the space, and the control of the declared area in terms of eligibility (i.e. the area entitled to subsidies with respect to a particular assistance scheme) as well as a control with regard to overlapping declarations for particular parcels reported by one beneficiary. The basis for the LPIS operation is the database of reference parcels that enables to establish the location of agricultural parcels reported by farmers to direct payments system.

Figure 32. The number of animals (millions heads. and in %) registered in the system of animal identification and registration (IRZ) (as of 31.05.2014)



Source: ARiMR..

THE AGRICULTURAL PROPERTY AGENCY

The Agricultural Property Agency is an institution representing the State Treasury in relation to the state property in agriculture. Until the middle of July 2003 it functioned under the name of Agricultural Property Agency of the State Treasury which was established in October 1991.The properties acquired by the Agency consisted mainly of the defunct agricultural farms owned by the state, and of the State Land Fund, and they create now the Resource of the Agricultural Property of the State Treasury (ZWRSP).

The agency operates on the principles of self-financing, namely it does not receive state budget subsidies for its maintenance and functioning. The costs of taking over to the Resource of the State Treasury properties, their restructuring, preparation for disposal (e.g. geodetic works, setting up land and mortgage registers, advertizing tenders), protection of the historic buildings, maintenance of the non-production property (e.g. large part of flats) etc. as well as its own maintenance are fully covered from the income received from the statutory activity of the Agency. Furthermore, starting from 2005, the Agency transfers to the state budget the amount resulting from the difference between the income obtained from the management of the Resource property in a given financial year and the expended funds for the implementation of statutory tasks. From 2005 to the end of 2013 the Agency paid more than 10.8 billion PLN to the state budget in total on this account. In addition, ANR is obliged to give some part of the real estate sale revenues to the Compensation Fund under which the compensations for the people who left their property beyond river Bug, outside the current frontiers of the Republic of Poland is implemented. From 2006 to the end of 2013 ANR paid to the Compensation Fund more than 3 billion PLN. In total, the payments to the state budget and the Compensation Fund as well as restructuring bonds amounted to 14.6 billion PLN from 2005 to June 2014.

By executing the statutory provisions and the tasks resulting from other provisions the Agency executes the objectives in the following scope:

1. creating and improving the area structure of family farms;
2. creating conditions favourable for the rational use of the production potential of the Resource of the Agricultural Property of the State Treasury;
3. restructuring and privatising of the State Treasury property used for agricultural purposes;
4. managing properties and other components of the property of the State Treasury used for agricultural purposes;
5. administering the properties of the State Treasury used for agricultural purposes;
6. protecting the property of the State Treasury;
7. initiating preparatory and agricultural works on the State Treasury lands and supporting the organization of the private agricultural farms on the State Treasury lands.

The Agency took over 4.7 million ha of land to the Resource. Apart from the land the Resource took over other property (mostly from former state owned farms) with the net book value of 8.6 billion PLN and the obligations of former state owned farms in relation to approximately 30 000 entities in the total amount of nearly 2 billion PLN. These obligations have been completely regulated from the income from privatisation. From the data available at the end of 2013 it can be concluded that the Resource of the WRSP had approximately 1.6 million ha of land.

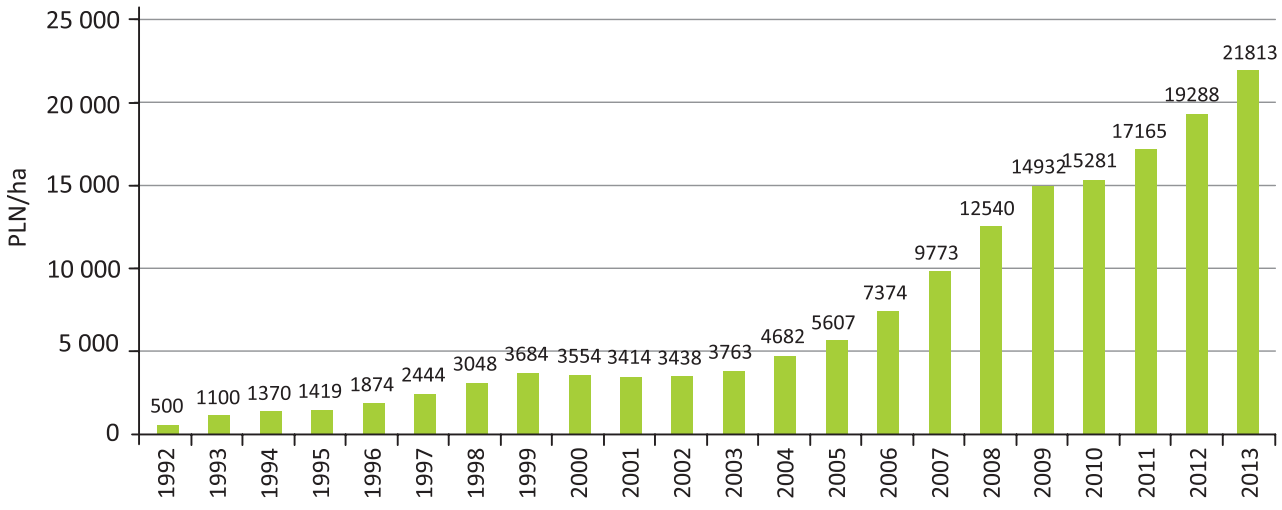
In the material structure of the fixed assets taken over by the Agency one has to mention: 337 thousand flats along with the accompanying infrastructure (boiler rooms, hydrophore halls, sewage treatment works, etc.) agricultural and processing industry facilities, commercial and service facilities including, among others, 849 distilleries, 6 wineries and 3 breweries, 269 butcheries and slaughterhouses, 898 cereal and green forage drying rooms, 717 fodder mixing stations, 31 mills and groat mills, 75 cold storage chambers as well as 415 stores, 147 hotels, inns and bars, 672 properties of a social, cultural and sports character.

The basic directions to allocate the State Treasury properties taken over to the Resource of the WRSP is the sale and lease. They are implemented mostly in the form of unlimited or limited tender procedures. In total, from the beginning of its operations until the end of 2013 more than 1 180 thousand tenders for sale of land were conducted. During this period the Agency sold 2.49 million ha, mainly in the following provinces: warminsko-mazurskie, zachodniopomorskie pomorskie, dolnośląskie and lubuskie which results from the territorial distribution of the properties in the Resource of the WRSP.

The land being sold is purchased in the form of tenders (unlimited and limited tenders) and non tenders (mainly by current lessees). Recently the agency has significantly increased the offer of land directed to limited tenders for individual farmers that increase family farms (to 300 ha of arable land). The area sold during limited tenders was 67% of land sold in all tenders in 2013.

It should be noted that after Poland's accession to the European Union in 2004 there was a quick growth in the prices in the transactions of the arable land sales organized by the Agency (Fig. 33). The biggest growth in prices was noted in 2007 (by 33% in the r/r relation). In the period of 2007-2009 the dynamics of growth in the prices of arable land in the Resource decreased, in 2010 the prices stabilized, and in 2012-2013 the growth in prices was at the level of 12-13%. Irrespective of the sales the agency, until the end of 2013, permanently allocated more than 622 thousand ha including, among others: 153.2 thousand ha – to the State Forests,

Figure 33. The average prices of arable land in the years 1992-2013 (PLN/ha)

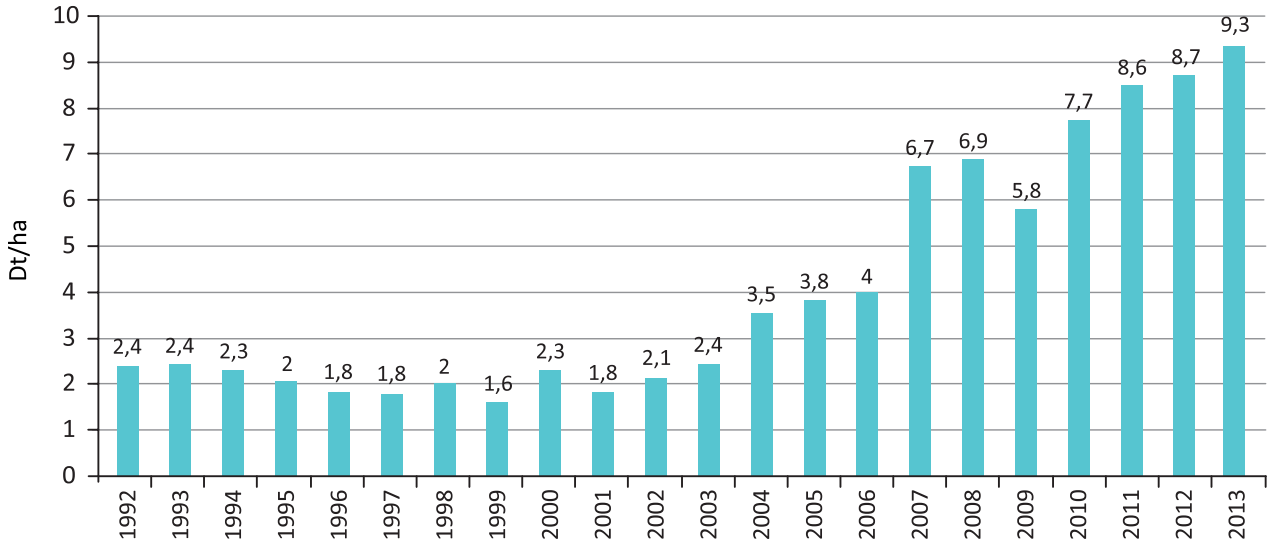


Source: the data from ANR.

54.8 thousand ha- to local government units, ca. 87.2 thousand ha- to the legal persons of different denominations of the Church, 210.8 thousand ha- to the regional water management boards (lands under the lakes with flowing waters), 23.8 thousand ha- to the companies by contributions in kind. To other authorized entities and in other forms (the transformation of the right of perpetual usufruct into the ownership right, integration and replacement of lands, the elimination of co-ownership etc.) 35 thousand ha have been allocated in total.

Another form of allocating the properties from the Resource is the lease. 1.2 million ha is leased now which is 72% of the Resource area. The largest number of the leased lands is located in the area of activities of ANR field branches in Wrocław, Szczecin, Warszawa, Poznań and Olsztyn. 29.7 thousand ha were leased throughout the whole previous year. In most lease agreements the rent is expressed is quintals (dt) of wheat per hectare. In 2013 the average lease rent achieved the level of 9.3 dt/ha for newly concluded contracts. In 2012 the average lease rent amounted to 8.7 dt of wheat per 1 ha, in 2011 8.5 dt per 1 ha, and in 2010 7.7 dt per ha. In the years 2007, 2008 and 2009 the lease rent was significantly lower and was accordingly – 6.7 dt/ha,6.9 dt/ha and 5.8 dt/ha. For comparison: the rent obtained from the same contracts in 2006 amounted to 4.0 dt/ha, and in 2005 and 2004 accordingly – 3.8 dt/ha and 3.5 dt/ha. The average lease rent for all current contracts is ca. 3.5 dt of wheat per ha.

Figure 34. The average lease rent in the years 1992-2013 (dt/ha)



Source: the data from ANR.

The Agricultural Property Agency, apart from arable land, also has in its offer ca. 100 thousand ha of non arable land. These are the plots intended in the plans or spatial development studies for industrial, shopping and services, residential, sports and recreational development. These real estates are characterized by appealing location, regulated legal condition and clear purchase procedures. At the moment some of them are used agriculturally and require works related to the change in spatial development plans. In 2013 the Agency sold more than 1.2 thousand ha of such lands for the amount of more than 189 million PLN.

ANR supervises 43 companies that breed plants and animals and are of particular importance for the national economy. Those companies run creative and preservative breeding as well as gather the most valuable genetic material of plants and animals that is decisive for biological progress. Those companies play a leading role in plant breeding because they have 48.5% of shares in the number of agricultural plant varieties and 60.3% among vegetable plant varieties originating from domestic breeding and entered to the Register of Varieties. The animal breeding companies run mainly cattle breeding and, in a smaller extent, swine and sheep. Studs and Stallion Herds Farms, outside their main activity, namely horse breeding, are involved in cattle breeding and milk production. As a result, they keep economic safety and have financial means for breeding. ANR copartnerships have also the genetic resource in the form of domestic animal races adapted to the local soil and climatic conditions.

The agency, as it has been already mentioned, is a task institution. Its primary task is the privatization of the state property in agriculture and, until the time of completion of this process, the rational management of its assets. In spite of the fact that the agency permanently allocated more than 66% of the land taken over to the Resource it still performs an important role in the area of agricultural policy of the state, especially in shaping agricultural system.

THE AGRICULTURAL SOCIAL INSURANCE FUND

The Agricultural Social Insurance Fund (KRUS) is a social security institution carrying out, separately from the common social security system, a social security system for farmers on the basis of the Act of 20 December 1990 on social insurance of the farmers (Journal of Laws of 2013, item 1403 with later. amended). The president of KRUS is a central government administration authority subordinate to the minister competent for rural development. The tasks of KRUS include:

- supporting farmers and persons cooperating with them in the conduct of agricultural operations (spouse and other household members) in cases concerning covering with insurance and paying premiums for this insurance,
- granting and paying monetary benefits from retirement-disability allowance insurances as well as accident, sick and maternity,
- medical rulings to determine the rights of the insured to the benefits dependent on total inability to work on the farm or the evaluation of health condition,
- conducting preventive activities to prevent accidents at agricultural work and occupational diseases as well as health promotion,
- running medical rehabilitation of the persons entitled to the benefits from KRUS that show a total inability to work on the farm but presaging its recovery due to the treatment and rehabilitation, or people at the risk of the total inability to work on the farm.

According to the state as at the end of 2013 social insurance for farmers was available to 1.46 million people and 1.24 million people received the retirement-disability allowance benefits from this insurance. In addition, KRUS executes a number of other tasks that are gradually commissioned by the state on the basis of separate regulations. These tasks include, among others:

- supporting health insurance of the persons subject to social insurance for farmers consisting in, among others, registering, calculating, collecting and transferring to the National Health Fund of the health insurance premiums for farmers and other household members (both these paid independently by the insured and those financed from the state budget) as well as retired persons and agricultural annuitants;
- payment of the civil monetary benefits granted to the agricultural beneficiaries, i.e.. , among others,: veteran allowances, energy lump sums, monetary benefits for former soldiers of the alternative military service, deported people, the blind civil victims of war, compensatory allowances.

Since 2004 KRUS has participated in the implementation of tasks concerning the coordination of social security systems in the member states of the European Union (EOG and Switzerland) resulting currently from the rules of the Regulations 883/2004 and 987/2009 of the European Parliament and the European Council (EEC).

The system of social security of the farmers is financed on the basis of 3 state target funds: The Retirement-Disability Allowances Fund, Prevention And Rehabilitation Fund, The Administrative Fund as well as a non budgetary The Contribution Fund of Social Security of the Farmers (further called Contribution Fund). The retirement-annuity fund is responsible for financing the retirement-disability allowance benefits as well as the health insurance premiums for the farmers. The retirement - disability allowance fund is created from the farmers' retirement - disability allowance insurance contributions as well as budget subsidy. In 2014 this subsidy will reach approximately 16.10 billion PLN, including about 1.75 billion PLN for the coverage of the health premiums of the farmers. The Prevention and Rehabilitation Fund is intended for financing the operations of KRUS with regard to accident prevention and medical rehabilitation. This fund is created from the deduction from the contribution fund as well as budget subsidy. In 2014 this subsidy will be only 283 thousand PLN, and the deduction from the Contribution Fund will be almost 32.92 million PLN. Contribution Fund is a non budgetary target fund that has a legal personality. This fund finances the benefits under the accident, sick and maternity insurance. The fund is self-financing which means that the benefits financed from this fund associated with the risk of an accident at agricultural work, sickness and maternity are completely covered with the premiums of the insured farmers.

Social insurance of the farmers is executed by KRUS in the organizational structure where there are: Central office, regional offices covering particular provinces with a range of their operations as well as local offices covering several communes with a range of their operations. In total, KRUS has ca 270 organizational units nationwide.

KRUS is a member of the largest international associations that gather the social security institutions in the world including: since 1992 the member of ISSA (International Social Security Association that gathers social insurance institutions from more than 130 countries) as well as IAAMRH (International Association of Agricultural Medicine and Rural Health) involved in rural medicine.

Social insurance of the farmers after the change in provisions from 1 January 2013 and from 1 September 2013.

From 1 January and from 1 September 2013 in the Act of 20 December 1990 on social insurance of the farmers (Journal of Laws of 2013, item 1403 with later. amendments) a number of significant changes is in force that relate to, among others, granting and paying retirement-disability allowance benefits, allowance benefits, payments from the state budget to the persons who personally look after a child.

New, higher retirement age for women and men.

As a result of changes introduced by the Act of 11 May 2012 amending the Act on pensions and disability allowances from the Social Security Fund and other acts (Journal of Laws of 2012, item 637), from 1 January 2013 the agricultural retirement was available in the previous retirement age (60 years – a woman, 65 years – a man) for only those women who were born until 31 December 1952 and men born until 31 December 1947.The retirement age is gradually increased for the other persons. The retirement age grows by 1 month in each quarter- 3 months each year, e.g.:

– the retirement age for a woman born in September 1953 was at least 60 years and 3 months – she reached it in December 2013, and for a woman born in October 1953 it was at least 60 years and 4 months – she reached in February 2014,
– the retirement age for a woman born in June 1954 is at least 60 years and 6 months – she will reach it in December 2014, and for a woman born in July 1954 it is at least 60 years and 7 months – she will reach it in February 2015.

The full retirement age of 67 years will need to be demonstrated by those women who were born after the 30 September 1973 and men born after the 30 September 1953. The target 67 years will be achieved in the case of men in 2020, and in the case of women in 2040.

Successive quenching of agricultural pensions granted to the farmers before achieving the retirement age.

From 1 January 2013 the possibility of obtaining an agricultural retirement, on the basis of Article 19, passage 2 of the Act on social insurance of farmers, will be available to the farmers who until 31 December 2017 fulfill the following conditions:

– complete the age: 55 years – a woman, or 60 years – a man,
– will demonstrate at least 30-year long period of retirement-disability allowance insurance,
– will cease agricultural activities.

These pensions may be used only by men born before 1 January 1958 and by women born before 1 January 1963.

Partial agricultural retirement

This is a new benefit available to the insured (farmer, farmer's spouse and a household member) before reaching the retirement age. Obtaining partial agricultural retirement is associated with meeting the following conditions:

– in the case of women – the completion of 62 years of age with at least 35 year period of being in the insurance pension scheme,
– in the case of men – the completion of 65 years of age with at least 40 year period of being in the insurance pension scheme.

Partial agricultural retirement amounts to 50% of agricultural retirement agreed on general terms and it is not subject to being increased up to the amount of basic retirement. It will not be suspended or reduced if a retiree continues to conduct agricultural activities or achieves revenues from non agricultural activities subject to the obligation of social security. Along with this benefit, other benefits can be paid to the pensioners who reached the retirement age that are granted on the basis of separate regulations. Partial agricultural retirement will be replaced ex officio with agricultural retirement upon reaching the common retirement age by an authorized person; then the supplementary part of agricultural retirement can be

suspended if a retiree has not ceased agricultural activities. This benefit is available for men from 2013 (concerning men born after 1947) and will be available to women from 2021 (concerning women born after 1958).

Periodical agricultural retirement

The benefit introduced from 1 January 2013 on the basis of Article 15 of the act on amending the act on pensions and disability allowances from the Social Security Fund and other acts. Periodical agricultural retirement is available to a person whose period of structural pension granted by the Agency of Restructuring and Modernization of Agriculture finished, and who has not reached the retirement age. Periodical agricultural retirement can be obtained:

– after the period of receiving structural pension – until achieving the retirement age,

– in the amount of basic retirement – regardless of the period of being in the insurance pension scheme.

Periodical agricultural retirement will be suspended or reduced if a retiree conducts agricultural activities or achieves revenues from a non agricultural activity that is subject to the obligation of social security in the amount causing the reduction in the benefit. Along with the aforementioned benefit, other benefits can be paid that are granted on the basis of separate regulations to the pensioners who reached the retirement age. After reaching the retirement age the agricultural retirement will be granted if a person eligible for the periodical retirement is able to demonstrate at least 25 year long period of being in the insurance pension scheme.

Solutions with regard to the payment of pensions and agricultural benefits

From 1 January 2013 persons authorized to receive periodical agricultural disability pension due to the inability to work can undertake activities other than agricultural during this benefit that are subject to the obligation of social security (e.g. being employed or other gainful work) without the consequences of the loss of the right to this disability pension. The revenues gained by a pensioner from performing such activities may result in the reduction (suspension) in the periodical pension (supplementary part of the pension) on the terms resulting from the regulations binding in the common system. If the revenues gained by a pensioner exceed 70% of the average monthly pay and they do not exceed the amount equal to 130% of the average monthly pay, then the supplementary part of the pension will be reduced by the amount that exceeds the above revenue, but no more than the maximum reduction amount. In the event of the revenue exceeding the amount of 130% of the average monthly pay, the supplementary part of the periodical agricultural disability pension due to the inability to work shall be suspended. And the revenues not exceeding the amount of 70% of the average monthly pay do not result in the reduction (suspension) in the supplementary part of the periodical agricultural disability pension due to the inability to work. This benefit is, in such a case, still paid in the previous amount. From 1 January 2013 the pensioners in full retirement age who conduct agricultural activities with a spouse subject to insurance pension scheme by the act have the right to the full payment of the supplementary part of the agricultural retirement pension or disability pension.

Changes in the maternity benefit from 1 September 2013.

From 1 September 2013 the number of the persons entitled to maternity benefit from the accident, sick and maternity insurance of the farmers has grown. These changes relate to the farmers and their household members who accepted a child of more than 1 year old to raise and who accepted a child to raise while being a foster family, except for professional foster families.

Maternity benefit is available to the insured person (to a farmer or a household members) under:

1. giving birth to a child;
2. acceptance of the child aged up to 7 years of age for raising, and in the case of a child towards whom the decision was made to postpone the school obligation – up to 10 years of age, if at that time an application for adoption was submitted;
3. acceptance of the child aged up to 7 years of age to raise while being a foster family, except for a professional foster family, and in the case of a child towards whom the decision was made to postpone the school obligation – up to 10 years of age.

If both parents are subject to the insurance in KRUS they are entitled to the maternity benefit together. In the case of the farmers insured in KRUS at the request (voluntarily) this benefit is available if the period of being insured is continuous for at least one year immediately before the occurrence of an event justifying the acquisition of the right to this benefit (before the birth). The required one year period of insurance does not include periods of being in another social insurance, even if the insured has not acquired the right to the same benefit from this insurance. In relation to the introduced changes the right to maternity

benefit under accepting a child for raising is available if:

– an application for adoption/accepting a child under a foster family aged up to 7 years old will be submitted to before the child is 7 years old,
– In the case of a child towards whom the decision was made to postpone the school obligation an application for adoption/acceptance under a foster family will be submitted up to 10 years of age of the child.

The basis for the examination of the rights to maternity benefit is the application submitted to an organizational unit of KRUS along with an abridged birth certificate of a child, and in the case of acceptance of a child for raising it is required to have a certificate from a court about the submitted application for the adoption of a child/the application for establishing a foster family. If the child's mother gained the right to maternity benefit from the common system, the father of the child (a farmer or a household member), meeting the requirement of being insured on the day of the child's birth/on the date of submitting a relevant application to the court – is entitled to maternity benefit regardless of the same maternity benefit obtained by the child's mother under employment.

Maternity benefit is paid once in the amount of the fourfold basic retirement valid on the day of the child's birth.

Financing the old-age and disability insurance premiums in the period of personal care over a child

From 01 September 2013 the provisions of the act on social insurance of farmers enable financing the old-age and disability insurance premiums from the state budget in the period of personal care over an own child, a spouse's child or the adoptee for the below listed persons:

- farmer and a household member subject to the pension scheme by the act or at the request,
- farmer and a household member not being subject to social insurance for farmers,
- a person being a farmer's family member (or a household member) which fails to comply with the conditions to be subject to social insurance of farmers.

The entitlement to financing old-age and disability insurance premiums is inseparably associated, among other things, with the age of a child for which personal care is performed and is granted for a period of:

- **up to 3 years** but no longer than until the child reaches 5 years of age,
- **up to 6 years** but no longer than until the completion of 18 years of age, in the case of the care over a disabled child.

The condition for using this entitlement is:

- submitting an application for financing the premiums in KRUS along with a statement about performing personal care over a child and submitting an abridged birth certificate of the child, and in the case of a disabled child submitting a disability certificate or one about the disability degree,
- the lack of another entitlement to being in the common social insurance e.g. under employment, order contract,
- the lack of established entitlement to receive pension or disability pension or the right to benefits from social insurance,
- the cessation or suspension of non-agricultural business operations, in the case of people that conduct them, or the cessation of cooperation in the conduct of such activities by persons who cooperate at its conducting,
- the second parent not using simultaneously the same entitlements in KRUS or in the Social Insurance Office (among others, under receiving maternity benefit or being on parental leave).

The right to finance old-age and disability insurance premiums is available from the date of submitting to a KRUS unit an application for financing along with a certificate about performing personal care over a child. In the period of financing the premiums for a person looking after a child, a farmer is still obliged to pay accident, sickness and maternity insurance premiums for this person as well as health insurance premiums unless a farmer is obliged to pay them individually.

Change in the amount of a one-time compensation under accidents at agricultural work or an agricultural occupational disease

From 1 July 2014 the amount of a one-time compensation for permanent or long-term health impairment caused by an accident at agricultural work or agricultural occupational disease has been increased – from 650 PLN to 700 PLN for each percent of this impairment (Journal of Laws 2014, item 703).

After the change the amount of a one-time compensation under accidents at agricultural work or an agricultural occupational disease corresponds to:

- 700 PLN – for each percent of health impairment suffered in consequence of an accident at agricultural work or an agricultural occupational disease,
- 14 000 zloty – under any ruled inability for independent existence in consequence of an accident at

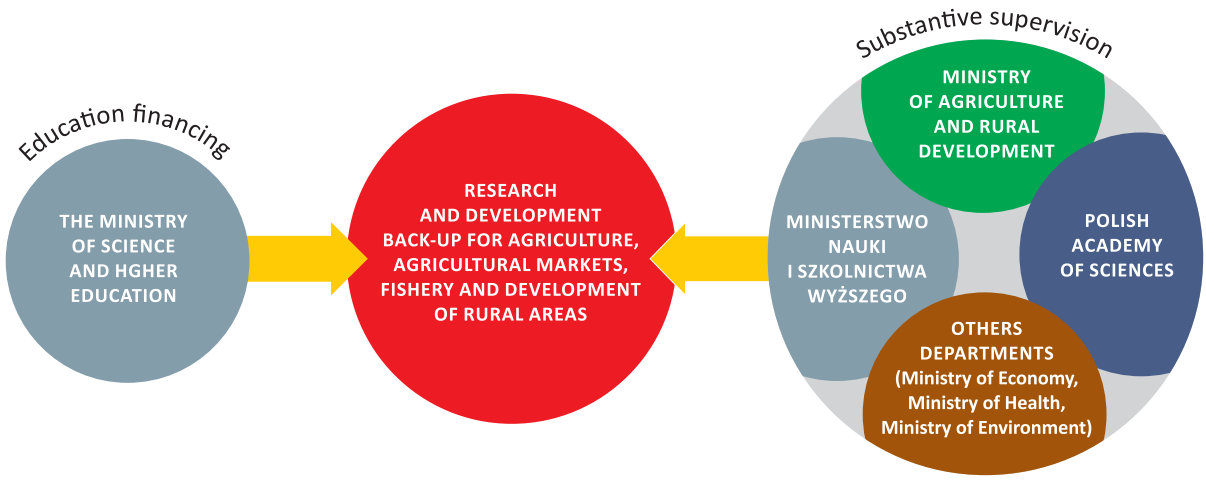
agricultural work or an agricultural occupational disease,
- 700 PLN – for each percent of a permanent or long-term health impairment under the increase in this impairment at least by 10 percent points, for each percent of health impairment going beyond the percentage according to which the compensation was agreed,
- 70 000 PLN under a fatal accident when a spouse or a child of the deceased is entitled to this compensation, increased by the amount of 14 000 PLN for another and each entitled person if the compensation refers to, at the same time, a spouse and the child (children) or only children,
- 35 000 PLN – under a fatal accident when only family members other than a spouse and children of the deceased are entitled to this compensation as well as 14 000 PLN under the increase of the compensation for the second and each next entitled person,
- 14.000 zloty – under a fatal accident when along with a spouse or children of the deceased other family members are entitled to this compensation, this amount is available to each of them regardless of the compensation for the spouse or children.

SCIENTIFIC-RESEARCH FACILITIES IN POLAND

THE STRUCTURE AND SUPERVISION

Research institutes function under the Act of 30 April 2010 on research institutes (Journal of Laws No.96, item 618). These are state organizational units separated in organizational, legal, financial and economic terms which conduct scientific research and development works focused on their implementation and application in practice.

Scheme 1. Organizational structure of the substantive supervision over statutory operations of the scientific-research base units regarding agriculture, agricultural markets, fishery and rural development as well as the source of basic financing



Source: Ministry of Agriculture and Rural Development.

The scientific research for agriculture and agricultural markets, fishery and rural development is conducted by the units listed below.

I. Research institutes (12) supervised by the Minister of Agriculture and Rural Development (7 of them have the status of National Research Institute):

1. The Institute of Agricultural and Food Biotechnology in Warsaw,
2. Institute of Agricultural and Food Economics – NRI in Warsaw,
3. Plant Breeding and Acclimatization Institute– NRI in Radzikowo
4. Institute of Plant Protection – NRI in Poznań,
5. Research Institute of Horticulture in Skierniewice,
6. Instytut Rybactwa Śródlądowego in Olsztyn,
7. Institute of Technology and Life Sciences in Falenty,
8. Institute of Soil Science and Plant Cultivation the – National Research Institute in Puławy,
9. Institute of Natural Fibres and Medicinal Plants in Poznań,

10. Institute of Animal Production – NRI in Balice,
11. Morski Instytut Rybacki – PIB w Gdynia,
12. The National Veterinary Research Institute – NRI in Puławy.

II. Higher schools (9 universities, 47 faculties) supervised by the Minister of Science and Higher Education.
III. Scientific institutes of the Polish Academy of Sciences (9).
IV. Research institutes partially related to agricultural and related subjects subordinate to other departments (to the Ministry of the Environment, the Ministry of Economy and the Ministry of Health).

MISSION

The strategic objective of the development of the Polish science is to use science to increase the civilization level of Poland by, among others, implementing the objectives specified in the National Research Program and fuller implementation of its results under innovative partnerships. A particularly important task of the Polish science is the participation in reducing the civilization gap between Poland and the economically well developed countries and in the improvement in life conditions of the Polish society as well as the implementation of the development aspirations of the present and future generations in accordance with the principle of sustainable development. The basis for the implementation of the so specified goal is, to an equal extent: growth in expenses for research and development activities in Poland as well as the determination of new principles for the use of these expenses that will be better adapted to the present conditions. The new financing conditions must meet the new principles for the organization of the tests as well as the indication of the priority domains in scientific activity. It will lead to increasing the level and effectiveness of science in Poland understood as the delivery of results and products of the scientific research with high cognitive quality and high social, economic and technological usability.
At the same time the actions will be undertaken that constitute an answer to the challenges outlined in the strategy Europe 2020 focused on achieving intelligent, sustainable development favouring social inclusion. In particular, it is important to promote the innovative abilities to support the investment, diversification of the economy and reorientation towards production and services of high added value by strengthening the connections between higher education, research sector and innovations system.
The institutes of the department have a huge scientific potential (personnel, tests areas, devices, etc.) They have a unique character in the scale of Europe and some of the units are one of the most advanced in the world. They execute tests at a high scientific level and their results effectively support the decision making processes in the field of agricultural policy implemented by the Minister of Agriculture and Rural Development.

FINANCING OF SCIENCE

Financial means for scientific-research activities and development activities in agriculture are obtained:

- from state budget subsidies of the Ministry of Science and Higher Education;
- under participation in international cooperation in the scientific and technical programs;
- from the fees for services and scientific and implementation works performed for the benefit of business entities and farmers being implemented under statutory activity;
- from the budget of the Ministry of Agriculture and Rural Development for the realization of objectives in the scope of public services under long-term programs, biological progress, the tests in the field of ecology;
- from other sources such as: popularization and advisory activities, unused property lease, capital interest etc.

INTELLECTUAL POTENTIAL

Scientific-research facilities of the institutes subordinate to the Minister of Agriculture and Rural Development constitute a considerable intellectual potential supporting agricultural sector (agriculture, fishery, agricultural markets, processing, the quality of life of the population and development of rural areas). The state of employment in research institutes according to the state as of 31.12.2013 is shown in the Table 34.
The scientists' work supports both agricultural policy of the state and the Common Agricultural and Fishery Policy of the EU. The scientific environment actively participates in the systemic reforms and in the processes of domestic agricultural modernization – the improvement in its effectiveness, competitiveness and the quality of food products. Scientists implement their mission by conducting scientific, research, innovative, implementation and popularization activities.

Table 34. The employment in the scientific and research institutes with regard to agriculture, agricultural markets, fishery and rural development

No.	The name of a research institute	Job positions in total in 2013	Employees scien Job positions in total in 2013tific in 2013
1.	Institute of Horticulture	567	in 2013
2.	Institute of Plant Breeding and Acclimatization NRI	537	142
3.	The National Veterinary Research Institute NRI	538	104
4.	Institute of Animal Production NRI	515	85
5.	The Institute of Fertilization and Soil Science NRI	429	71
6.	Institute of Technology and Life Sciences	394	94
7.	Institute of Plant Protection NRI	316	100
8.	The Institute of Agricultural and Food Biotechnology	254	72
9.	National Marine Fisheries Research Institute NRI	234	27
10.	The Institute of Inland Fishery	184	53
11.	Institute of Natural Fibres and Medicinal Plants	164	70
12.	Institute of Agricultural and Food Economics – NRI	158	74
	Total	4 290	1 062

Source: Ministry of Agriculture and Rural Development.

INTERNATIONAL COOPERATION

To ensure the proper conditions of cooperation with the partners from the EU countries, in research institutes of the Ministry of Agriculture and Rural Development, Centers of Excellence and Competence Centres were created:

- In the Plant Breeding and Acclimatization Institute– NRI – Crop Improvemet Centre for Sustainable Agriculture [CICSA];
- in the National Marine Fisheries Research Institute – NRI – Centre of Excellence in Marine Fisheries Sciences [POLMARF];
- in the Horticulture Institute – Research Centre of Excellence in Sustainable Pomology [PomoCentre];
- in the Institute of Soil Science and Plant Cultivation – NRI – Protection of Land and Water Quality and Sustainable Development of Rural Areas [PROLAND];
- in the Institute of Technology and-Life Sciences – Renewable Energy Centre of Excellence and Competence in Poland [RECEPOL] and Transfer of Knowledge in Agricultural Engineering [TRAGEN];
- in the Institute of Natural Fibres and Medicinal Plants – Medical plants in nutrition and medicine – a step towards integration engineering with European standards [MEDNAM].

In addition, at the Institute of Horticulture in Skierniewice The Centre of Advanced Technologies is located whose activities are to significantly improve the transfer of research results into practice.

The employees of scientific-research units also started an active international cooperation under the 7th Framework Program of the European Union as well as *ERA – NET and EUROAGRI* Programs. The scientists from Poland execute, among others, the works to coordinate the tasks of the Working Group of the research program entitled: *Sustainable agriculture in the Baltic Sea basin* under the Standing Committee on Scientific Research in Agriculture at the European Commission.

Research works are continued under the newly created Virtual Institute of Sustainable Agriculture (WIRZ) which is a generally accessible, operating in real-time, electronic information-research program with the database continually updated. It is planned to actively involve the scientific environment in the works on

executing the tasks resulting from the Strategy of the European Union prepared by the European Commission *Europe 2020* and *Horizon 2020* program.

INSTITUTE OF AGRICULTURAL AND FOOD ECONOMICS – NATIONAL RESEARCH INSTITUTION

Institute of Agricultural and Food Economics is an independent scientific-research institution with more than 60-year long period of scientific achievements and experience in analyzing economic-production processes of Polish agriculture and food economy. From its establishing in 1950 it operated under the name of Institute of Agricultural Economy and after merging with the Institute of Economics and Organization of Food Industry in 1983 it started to be known under the name of Institute of Agricultural and Food Economics. By the decision of the Council of Ministers from October 2004 it obtained the status of a national research institute and from 1 January 2005 it is called the Institute of Agricultural and Food Economics – National Research Institute (IERiGŻ-PIB).

The academic staff of the institute consists of 13 professors, 8 habilitated doctors (doktor habilitowany), 33 PhDs, 32 assistants and 6 research- technical specialists who work in 9 scientific facilities: general economics, agricultural farms economics, market research, social and regional policy, food industry economics, agricultural finances, horticulture economics, agricultural accounting and the applications of math in agricultural economics.

The scientific research conducted in IERiGŻ-PIB is concentrated on the most important issues concerning economic, production and social situation of Polish rural areas, agriculture and broadly understood food economy. These tests are carried out under statutory activity and under a four year research program started in 2011 entitled. "Competitiveness of the Polish food economy in the conditions of globalization and European integration". 10 research topics were being executed under the statutory operations in 2013, i.e.:

- Unit costs of the selected agricultural products;
- Economic conditions of rural and agricultural development;
- Financial policy towards the rural areas and agriculture in changing domestic, European and global conditions;
- The effects and the effectiveness of the functioning of agricultural farms and their impact on the environment;
- The transformations of the food industry in the light of globalization processes and European integration;
- The research of the agricultural and food markets;
- The processes of social development of rural areas and agriculture;
- The analysis of the production-economic situation in agriculture and food economy;
- Polish horticulture on the uniform European market;
- Analytical and methodological grasp of the management processes in the agricultural-food sector.

The research of the long-term program include 26 tasks focused around 8 major topics, i.e.:

- The analysis of the conditions and development challenges of the agricultural-food sector in Poland against the world's tendencies;
- Monitoring the agricultural and food markets under the conditions of a changing economic situation;
- The analysis of the effects of the selected instruments of the common agricultural policy and rural development policy;
- Competitiveness of sustainable agriculture;
- Budgetary bases to improve competitiveness of Polish agriculture;
- Changes in socio-economic structure of the countryside as a competitiveness factor of rural areas;
- Present competitiveness and the one in a medium-term perspective of Polish agricultural farms and agricultural products;
- Application of economic modeling in the analysis of the premises of competitive development of the agricultural-food sector.

The results of the program analyses are made available free of charge on www.ierigz.waw.pl in the form of subsequent reports of the monthly periodical "Agricultural Market" and annual publication "Agricultural land market. Condition and perspectives".

The third trend in the operations of the Institute is performing since May 2004 the functions of the Liaison Agency of FADN (Farm Accountancy Data Network). It consists in the collection of accounting data

from agricultural farms under the European system. FADN system is a tool supporting programming and implementation of the common agricultural policy in 27 EU member countries. The Liaison Agency's task is to provide accounting data from a representative sample of 12.1 thousand agricultural farms to the FADN network and national decision-making, advisory and scientific-research centres. The collected data is used, among others, to assess the production-economic situation of the farms and multidimensional analyses of the effects of agricultural policy. The data is also transferred to the farmers participating in the system in the form of individual and comparative reports. The results of standard analyses are placed on www.fadn.pl and made available free of charge.

IERiGŻ-PIB is also the coordinator of the International Scientific Network "Rural Development in Central--Eastern Europe" (ERDN) created in 2002. It includes leading institutes and academic centres from the fields of economics, ecology, geography, soil science, hydrology, sociology, technical sciences and cybernetics from Poland, Germany, Austria, Romania, Hungary, Slovakia Lithuania, Finland, and Sweden. The object of the Network operations is:

- establishing cooperation with European research-development institutes involved in the development of rural areas from the point of view of various scientific disciplines;
- programming the common, multidisciplinary research;
- preparation and coordination of common research projects;
- sharing and popularizing research findings.

Detailed information on ERDN Network is available at www.erdn.waw.pl.

In the scientific achievements of the institute an important place is occupied by original and unique collections of empirical data gathered on the basis of field research for many years. In the Agricultural Accounting Office under the Agricultural Accounting System, and from 2003 under the Polish FADN the information about economic-production results of individual agricultural farms is collected. The Social and Regional Policy Institute carries out every 4-5 years in 76 villages all over Poland a questionnaire concerning the production-economic and social situation of agricultural farms. In IERiGŻ-PIB the data of the National Statistical Office (GUS) is also collected that concern the economic-financial situation of the food industry, production and food prices and the data from CIHZ about the situation in foreign trade of agricultural and food articles. The IERiGŻ-PIB research results are used for shaping the policy of the state towards rural areas and agriculture. By order of the most important organs of the state administration (the Sejm, the Senate, Council of Ministers' Office, the Presidential Chancellery, the Ministry of Agriculture and Rural Development, Ministry of Finance, Supreme Audit Office), government agencies (ARR (Agency for Agricultural Market), ARiMR(Agency for Restructuring and Modernization of Agriculture)), courts and statistical offices, as well as companies and producers and processors unions, the expert's reports are prepared concerning the situation of food economy and of rural areas. Research and expert works are published in the own publications of the institute in the series "Messages, Reports, Expert reports", "Studies and Monographs", "Market Analyses" and apart from the series, in publications of other scientific centres and national magazines such as: "The Economist", "Rural Economics Issues", "The Countryside and Agriculture". The current offer of publications of the Institute is available at www.ierigz.waw.pl. The recipients of the IERiGŻ-PIB scientific works are approximately 380 institutions nationwide.

IERiGŻ-PIB international cooperation focuses on the integration of research conducted in the Institute with European and global research space. This integration refers to continuous improvement of scientific personnel and the participation in research teams which take up the issues of development of agriculture and rural areas from the supranational perspective. Under the VI EU Framework Program IERiGŻ-PIB participated in the project "Foresight Analysis for Rural Areas of EU – FARO EU" and under the VII Framework Program it participated in the research "Enlargement Network for Agripolicy Analysis". Currently under CERGE-EI Twelfth Annual Global Development Network Regional Research Competition IERiGŻ-PIB performs a research project "Urban-Rural connections: local policy and livehood strategies?"

MAIN INSPECTORATE OF PLANT HEALTH AND SEED INSPECTION

Main Inspectorate of Plant Health and Seed Inspection (PIORiN) is an official proper service regarding the supervision over the plants protection and manufacturing, assessment and trade in the seed material. The Main Inspectorate of Plant Health and Seed Inspection includes Main Inspectorate as well as 16 provincial inspectorates that have in their structure 19 branches (they perform, at the same time, the function of field branches), 240 field branches and 12 border branches. The employment at the end of 2013 was 2 235 people and the PIORiN's budget for 2013 was ca 121 million PLN.

The detailed tasks of the Main Inspectorate of Plant Health and Seed Inspection.

SUPERVISION OVER AND TRADE AND THE USE OF PLANT PROTECTION CHEMICALS

The scope of actions of the Inspectorate under the supervision over the trade and the use of plant protection chemicals is executed on the basis of the provisions of the Act of 18 December 2003 on protection of plants (uniform text: Journal of Laws Dz.U. of 2014, item 621) and the Act of 8 March 2013 on plant protection agents (Journal of Laws of 2013 item 455) which include in particular the following official activities:

- the control over the entities running the production of plant protection chemicals in the scope of fulfillment of the requirements specified in the regulations of the Act on plant protection agents and in the regulation of the European Parliament and the European Council (EC);
- authorization of the entities to conduct the tests of the operational effectiveness of plant protection chemicals as well as the control with regard to meeting the requirements of good experimental practice as defined by Article 3 item 20 of the Regulation no. 1107/2009;
- performance of the duties of the authority keeping the regulated activities register with regard to introducing into trade or preparing plant protection chemicals including the control over the entities running activities in this filed;
- the control over storage and movements of plant protection chemicals;
- the control over packaging of plant protection chemicals on the market in the scope of fulfillment of the requirements specified in the regulations of the Act on plant protection agents as well as in Regulation no. 1107/2009;
- the control over the composition or physical or chemical properties of the plant protection chemicals that are launched to the market;
- the control over the introduction of plant protection chemicals to the market;
- the control over advertising of plant protection chemicals within the scope specified in Regulation no. 1107/2009;
- the control over the application of plant protection chemicals;
- performance of the duties of the authority keeping the register of the operations with regard to confirming the technical fitness of the equipment intended for the application of plant protection chemicals, including the control over the entities running activities in this filed;
- authorization of the entities to conduct activities related to the certification in the integrated production of plants, control over the compliance of operations of these entities with the regulations related to the integrated production of plants as well as performance of operations with regard to the certification in the integrated production of plants;
- performance of the duties of the authority keeping the register of the operations with regard to the training on plant protection chemicals including the control over the entities running activities in this filed;
- the monitoring of the plant protection chemicals consumption.

The registers of the entrepreneurs authorized to prepare and introduce plant protection chemicals to the market conducted by Provincial Inspectors of Plant Health and Seed Inspection have regulated the market of these products and, first of all, made it possible to control it. At the end of 2013 in the registers of the Main Inspectorate of Plant Health and Seed Inspection there were 5843 recorded entrepreneurs conducting the production or trade of plant protection chemicals. The number of entries to the regulated activity register shows an upward trend which is associated with a growing number of trading spots.

The Inspection also conducts the official control tests of the quality of plant protection chemicals that are admitted to the market. The implementation of this task is intended to check whether the qualitative requirements for plant protection chemicals manufacturers approved in the process of registration are fulfilled. The object of the official control is plant protection chemicals approved for trade by the Minister of Agriculture and Rural Development. In the years 2010-2013 as a result of conducted controls the Inspection withdrew from trading: in 2010- 29 360 kg/l, in 2011- 8 588 kg/l, in 2012- 10 835 kg/l, and in 2013- 36 061,15 kg/l of plant protection chemicals not admitted for trading, forged, overdue, not compliant with the quality requirements or sold in damaged or non-original packages.

Under the supervision performed over the correctness of the application of plant protection chemicals in the years 2010-2013 the PIORiN's inspectors conducted annually 31,5-41 thousand controls. The subject of inspections concerned the verification of execution of the obligations resulting from regulations by those using plant protection chemicals. First of all, the correctness of keeping documentation of the

treatments performed was checked, documents confirming the possession of technical efficiency of the equipment intended for the application of plant protection chemicals, the completion of the training on the use of plant protection chemicals and having up-to-date certificates on the completion of the aforementioned. trainings as well as the performance of plant protection procedures according to the recommendations. As a result of the conducted controls in the years 2010-2013 it was concluded accordingly: 4 239, 3 822, 2 502 and 2 750 irregularities which resulted in issuing accordingly: 408, 1 262, 1 055 and 893 punitive tickets as well as submitting 19 applications to the court together. The detected irregularities were related mainly to: the lack of technical examination of the equipment, the use of a plant protection chemical incorrectly, the lack of training completion and the lack or incorrect documentation keeping regarding the activities performed with plant protection chemicals.

Under the official controls the samples of crops are taken in order to test them in terms of the presence of residues of plant protection chemicals. In 2013 2 905 samples were tested including, among others,1 193 samples of fruit and 1 179 samples of vegetables. Exceeding the highest permitted levels of residues (NDP) has been found in 46 cases (1,6%). Exceeding NDP observed in crops that were launched to the market were under the procedure of notification in the Rapid Alert System for Food and Feed – RASFF. At the same time the presence of the substances prohibited for use in particular cultivations were observed

The statutory obligation to test the technical fitness of spraying machines was introduced in 1999. These tests are performed by the units entered into the registers kept by relevant provincial inspectors of plant health and seed inspection. In Poland there are 375 units authorized to conduct tests of the technical fitness of the equipment intended for the application of plant protection chemicals. During the twelve years until 31 December 2013, 657.5 thousand technical fitness of spraying machines tests were conducted. At the end of 2013 a valid certificate confirming technical fitness was given to 196845 spraying machines. In addition in 2013 in the whole country there were 2105 spraying machines introduced for the first time into use.

Also the activities consisting in conducting trainings in plant protection chemicals require registration in the registers. Until 31 December 2013 the registers kept by provincial inspectors of plant health and seed inspection had 307 units conducting trainings. In the years 2010-2013 10816 trainings in plant protection chemicals were organized. 287400 people were trained during those organized trainings.

One of the tasks of the Main Inspectorate of Plant Health and Seed Inspection is issuing authorizations to conduct the tests of the operational effectiveness of a plant protection chemical. At the end of December 2013 the authorization to conduct such tests was given to 42 entities from the offices in the following provinces: mazowieckie (11 entities), wielkopolskie (10), łódzkie (9), dolnośląskie (4), kujawsko-pomorskie (3), lubelskie (2), zachodniopomorskie (1), opolskie (1) and śląskie (1).

Main Inspectorate of Plant Health and Seed Inspection, to ensure the effective supervision over the trade and the use of plant protection chemicals, monitors the consumption of plant protection chemicals. The collected information relate to the type and quantities of the plant protection chemicals used in particular cultivations (detailed data on the conducted monitoring is presented annually in the information about the situation on the market of the plant protection chemicals).

Since 2004 the Inspection has supervised and conducted the certification of integrated production (IP). In 2013 the provincial inspectors of plant health and seed inspection issued 2898 certificates to agricultural producers out of which 63 were meant for the cultivation carried out in accordance with alternative programs of plant protection provided in terms of the requirements and standards of the Russian Federation. The IP Certification in Poland in 2013 covered 18 316,9 ha of cultivations which produced 583 095,7 tons of crops. The greatest share in production was constituted by apples. Under the supervision over the IP the PIORiN's inspectors carried out 2642 controls in terms of the cultivations compliance with the requirements of the IP and they collected 228 samples of crops in order to examine the residues of plant protection chemicals. Irregularities were present in 7 samples. Also 98 samples of crops have been taken in order to test them for the presence of nitrates, heavy metals and other elements and harmful substances where no irregularities were diagnosed.

PLANT HEALTH - PHYTOSANITARY SUPERVISION

The most important tasks related to phytosanitary supervision are the conducting of official activities concerning the combating and the prevention of spreading of harmful organisms and the supervision over the movements of plant products. All activities undertaken in this respect are to provide safe, in phytosanitary terms, import on the territory of the European Union and trade in the plant material within the member

states as well as to allow export of products to the third states, i.e.. outside the European Union.
In order to fulfill the aforementioned assumptions, the official controls are conducted regarding plant health, plant products or the objects in the places of production, trade, they are also conducted during the transport of plant material within a country. Also the phytosanitary control is performed over plants, plant products and objects introduced to the member states of the EU through Polish borders, being an external border of the European Union. The control includes visual evaluation and in certain cases laboratory analyses. At the same time the entities involved in production, distribution or import of the plant materials that carry a risk of the introduction and spreading of highly harmful organisms (the so-called quarantine organisms) are covered by an obligation to obtain a registration in the official registry conducted by the Main Inspectorate of Plant Health and Seed Inspection.
The positive results of official controls constitute the basis for issuing special documents by the Inspection – the so-called plant passports given to the plant material moved within the European Union or other documents used for, among others, the certification of plant material exported beyond the borders of the European Union such as phytosanitary certificates or certificates.
In the case of observing or suspecting the occurrence of quarantine organisms, the Inspection undertakes a number of activities to combat and prevent the spread of these organisms, among others, it determines the source and the range of their operation, determines and supervises the actions that should be taken by the owner of the infected plant material (e.g. use of appropriate cultivation methods, destruction of plant material, a ban on trading plants or moving them beyond a specific place).
The detailed tasks implemented under the supervision over plant health are as follows:

- the phytosanitary control over plants, plant products or the objects, substratum, soil and the means of transport in the places where these are brought into the territory of Poland including the sampling of plants and plant products to laboratory tests,
- issuing decisions on the proceedings with plants, plant products or objects subject to the border physiosanitary control,
- evaluation of the hazard level of plants by harmful organisms as well as conducting the records of these organisms,
- issuing decisions concerning the combating of harmful organisms,
- determination and improvement of the methods and terms of combating harmful organisms as well as preventing their spread,
- running the register of entrepreneurs,
- issuing phytosanitary certificates, passports and certificates,
- control over the methods of cleaning, disinfection and processing of plants, plant products or the objects,
- notifying the organization of plant protection of the country where the plants, plant products or objects come from and about their detainment,
- supervision over the scientific-research works with the use of quarantine organisms, plants, plant products or the objects infected by quarantine organisms or not meeting the health requirements forbidden to be introduced to the territory of Poland.

Under the phytosanitary controls regarding the export of goods of plant origin to the third states in 2013 the PIORiN's organizational units issued ca 89 thousand phytosanitary certificates that have been directed to 102 states, nevertheless most documents (i.e.. 88%) were addressed to the services: Of the Russian Federation, Ukraine and Belarus. Under the phytosanitary border control (control of plants, plant products and objects introduced to the member states of the EU through Polish borders) ca 13.9 thousand shipments were controlled.
The number of entities registered for phytosanitary reasons in the register of entrepreneurs conducted by the Main Inspectorate of Plant Health and Seed Inspection in 2013 amounted to ca 64 thousand.
Under the implementation of the tasks related to the supervision over the trade in plant material in the EU in 2013 nearly 2.8 million plant passports were issued- documents to be attached to the plants, plant products or the objects certifying that these materials were produced by an entity registered in the register of entrepreneurs and that they meet all phytosanitary requirements or during introducing to the territory of the European Union they were subjected to the phytosanitary border control in terms of the requirements concerning plant health. Thanks to the data contained in a plant passport it is possible to quickly identify the place of origin of the plant material that is on the market. Therefore, the plant passport enables the identification of possible sources of the infection of plants, plant products and objects

by quarantine organisms, nevertheless this is dependent on the production scale of the materials covered by the obligatory passport system and the method of its realization by the producers (e.g. single plants or collective packaging).

In 2013 Main Inspectorate of Plant Health and Seed Inspection issued in total 143 certificates confirming the lack of the presence of bacteria *Clavibacter michiganensis* ssp. *sepedonicus* in potato tubers. The tonnage of potatoes moved to the European Union member states amounted to ca 3.1 thousand tons. In accordance with the valid regulations in this respect the shipment of potatoes moved from Poland to other member states of the European Union must be equipped with a certificate issued by the provincial inspector of plant health and seed inspection service confirming the lack of presence in the batch of potato tubers of bacteria *Clavibacter michiganensis ssp. s epedonicus* (cause for ring rot bacteriosis).

As a result of control activities undertaken by the Inspection within the territory of Poland in terms of health assessment of plant materials in 2013 nearly 118 thousand controls for the presence of harmful organisms were conducted. During those controls the presence of 14 quarantine organisms was detected (that may create significant economic losses and as a result being mandatorily subject to counteracting on the basis of respective legal provisions) in the 1098 places of production. In all cases of the detection of the quarantine organism, according to the requirements of the European Union and international standards, a number of activities to combat such organisms was undertaken thanks to which it was possible to prevent their further spread. A particular attention should be paid to the results of the activities restricting the presence of bacteria *Clavibacter michiganensis ssp. sepedonicus* cause for a dangerous quarantine disease in the cultivation of potatoes. In connection with the discoveries of quarantine organisms in 2013 1773 administrative decisions on the combating of these organisms were issued. Owing to the duties specified in administrative decisions concerning combating quarantine organisms in 2013 the employees of the Inspectorate carried out 1442 entities controls regarding the execution of the obligations specified in the decisions.

As part of the activities supporting the entities, in connection with executing actions to combat quarantine organisms, specific subsidies are granted from the state budget by the Main Inspector of Plant Health and Seed Inspection. In 2013 the subsidies amounted to nearly 2.3 million PLN.

In accordance with the provisions of the Treaty of Accession the planting of potatoes on the territory of Poland for the period of 10 years from the date of the accession to the EU is possible for only those types of potatoes registered in the domestic register of varieties or European community catalogue with the full field and laboratory resistance to fungus *Synchytrium endobioticum*. In 2013 94 applications were submitted to the Main Inspectorate of Plant Health and Seed Inspection concerning the obtaining of permit for the cultivation of potatoes of varieties not resistant to or of unspecified resistance to fungus *Synchytrium endobioticum*. The potatoes not resistant to or of unspecified resistance to fungus *Synchytrium endobioticum* were cultivated by 99 producers in 9 provinces. The health control during the vegetation covered all plantations where the potatoes not resistant to or of unspecified resistance to fungus *Synchytrium endobioticum* were cultivated. In no case the cause for potatoe wart disease was observed.

In 2013 6 applications were submitted to the Chief Inspector concerning the obtaining of permits to conduct works with the use of quarantine organisms as well as infected plant materials or not meeting the agreed health standards or such plant materials that cannot be introduced and moved within the European Union. In addition in 2013 the Main Inspector of Plant Health and Seed Inspection issued 133 transport documents required at moving/import of quarantine organisms or plant materials not meeting specified health standards requirements.

SEED PRODUCTION

The scope of actions of PIORiN, according to the act on seed production, the act on plant protection, the act on ecological agriculture as well as the act on the production and bottling of wine products, the trade of these products and wine market organization, includes the following official activities:

- field, laboratory and external characteristics assessment of seeds as well as the official sampling of seeds;
- the control over the compliance with principles and binding requirements with regard to production, assessment, storing, trading and using the seeds including those genetically modified;
- issuing accreditations with regard to sampling and the evaluation of seeds as well as controlling the conditions of their observance;
- issuing official labels and seals as well as supervision over the units authorized to fill in labels;

- issuing permits on the use of devices for automatic sampling of seeds as well as supervision over the correctness of functioning of this device;
- the control over the seeds brought in from third states;
- running the records of the entrepreneurs and farmers trading in the seed material as well as the suppliers involved in nursery plant material and propagating and planting material of vegetable or decorative plants;
- supervision over the sampling system and the assessment of seeds by accredited entities;
- issuing official labels and official seals;
- participation in the comparative tests of the EU;
- keeping a database about ecological materials and running affairs related to issuing permits for the use of conventional material;
- the control over grapevine cultivations, the fruit of which can be used to produce wine.

In 2013 as a part of the task related to the field assessment 14 639 agricultural seed plantations were evaluated officially and by accredited units with the total area of 120 301.6 ha out of which 13 937 agricultural seed plantations of total area of 115 381.5 ha were qualified. As compared to the previous year, the qualified area of agricultural seed plantations increased by 2.9%. This growth was caused, first of all, by increasing the seeding areas of the fabaceae by more than 83%. A dominant area in the number of agricultural seed plantations in the group of cereals was occupied by winter wheat, winter triticale and spring barley, while in the whole group of pasture plants there was a 2.2% growth in cultivation areas. The area of potato seed plantations was 4 859.4 ha out of which 4 758.9 ha were qualified. In the seed production in 2013 there were 178 varieties of potato. In the group of vegetables plants in the vast majority the evaluation of seed material in order to qualify it in the standard category was performed by those keeping the variety. In 2013 the Inspection officially evaluated only 36 plantations with the total area of 42.1 ha. Also the evaluation of 723.48 ha of cultivations of nursery material of fruit plants was executed. It was a year with a small growth trend in the qualified areas of nursery material cultivations. The greatest area among the assessed kinds of nursery material is occupied by fruit trees nurseries- 310.89 ha which is 43% of the whole qualified nursery cultivation area. In 2013 nearly 185 million strawberry seedlings were produced of cat. CAC – this is a large, 70%, increase as compared to 2012. In the production of strawberry seedlings a clear growth was observed in the production of the CAC category material at the expense of reduction in the production of the qualified material.

With regard to the laboratory evaluation in 2013 the laboratories and workrooms of the seed evaluation of the provincial inspectorates for plant health and seed inspection (official laboratories) performed the laboratory evaluation of 38 735 samples of seed material. In total 8 969 batches of seed material were evaluated with the mass of 204.5 thousand tons. The important change was in the participation of accredited laboratories in the assessment of the seed material of agricultural plants. The accreditation for laboratory evaluation was given to 28 laboratories that belonged to the seed entrepreneurs which evaluated 6 839 batches of seed material with the mass of 145 5 thousand tons.

Under the supervision over the entrepreneurs that have the authorization to fill in official labels the PIORiN conducted 72 controls at 55 entrepreneurs having authorization to print out official labels.

At the end of 2013 there were 4683 entrepreneurs conducting the trade of seed material entered in the records as well as 304 farmers. The PIORiN conducted 7 077 controls at 5 008 of those running the trade of seed material.

Under a new task the control over *the ban on using corn seeds of the varieties MON810* controls were conducted on 9 164 farms that cultivate corn which is 5% of the number of farms of total area of 134 3 thousand ha as well as 19.4% of the total area of corn cultivations. Under the controls 579 samples of plant material were collected and sent to the Central Laboratory from the controlled plantations.

The PIORiN as one of the bodies in the system of supervision, inspection and certification in the field of plant production in ecological agriculture keeps a list of seed material, seeds and vegetative planting material produced by using ecological methods as well as the list of the suppliers of ecological seed material. In 2013 the list contained 59 suppliers. The Main Inspector of Plant Health and Seed Inspection issued 69 decisions concerning registration in the ”List of seed material, seeds and vegetative planting material produced by ecological methods” and 3 decisions of a second instance authority on granting permits for the application of seed material in ecological agriculture which was not produced by using ecological methods. In the "List of seed material, seeds and vegetative planting material produced by using ecological methods” the seed material was available as well as seeds for 100 arable plant species.

In comparison with the previous year 2013 brought a decrease in the interest in obtaining permits for the application of seed material in ecological agriculture which was not produced by using ecological methods. The provincial inspectors issued in total 3 910 decisions in this case giving 8 299 permits for 85 agricultural plant species, 51 vegetable species, 21 fruit plants species. In 1087 cases the permit was not given.

In 2013 the control of the grapevine cultivations took place on 54 farms with the total area of cultivations amounting to 120.94 ha, this is a growth in the area of vineyards by almost 35%.

THE LABORATORY ACTIVITIES OF THE INSPECTORATE

The laboratory diagnostics is an inseparable element of supervision over plant health. The results of laboratory analyses constitute, among others, the basis for undertaking administrative decisions with regard to combating harmful organisms subject to the obligation to be combated and the disqualification of seed material.

In the structure of the diagnostic network of PIORiN there are:

- Central Laboratory of the Main Inspectorate of Plant and Seed Protection covering:
- The Phytosanitary Diagnostics Laboratory,
- GMO Research Laboratory,
- Pesticide Residue Research Laboratory,
- Provincial Laboratories (phytosanitary and seed evaluation).

In the phytosanitary laboratories of PIORiN the examinations of the samples of plants, plant products, objects and cultivation substratum are conducted for the presence of harmful organisms originating from the batches of imported material intended for internal trading and for export, including the assessment of seed-potatoes and the nursery material of fruit trees. In the Inspectorate's laboratories ca 150 thousand samples of plants undergo analyses annually, ca 180 thousand laboratory analyses for the presence of harmful organisms are performed. Among the completed studies the dominant number is composed of the tests of soil for the presence of yellow potato cyst nematode of the type *Globodera* (ca 40 thousand samples), presence of powdery scab of potato In the phytosanitary laboratories of PIORiN the examinations of the samples of plants, plant products, objects and cultivation substratum are conducted for the presence of harmful organisms originating from the batches of imported material intended for internal trading and for export, including the assessment of seed-potatoes and the nursery material of fruit trees. In the Inspectorate's laboratories ca 150 thousand samples of plants undergo analyses annually, ca 180 thousand laboratory analyses for the presence of harmful organisms are performed. Among the completed studies the dominant number is composed of the tests of soil for the presence of yellow potato cyst nematode of the type *Globodera* (ca 40 thousand samples), presence of powdery scab of potato *Synchytrium endobioticum* (ca 40 thousand samples) and the analysis of potato tubers in terms of the presence of the bacteria: *Clavibacter michiganensis ssp. sepedonicus* (ca 17 thousand samples) and *Ralstonia solanacearum* (ca 17 thousand samples). In addition, there are numerous tests of orchard propagating material in terms of *Plum pox virus, PPV* (ca 15 thousand samples) as well as *Apple proliferation phytoplasm*, ApMLO (ca. 2.5 thousand samples).

The research is conducted on the basis of internationally recognized procedures consistent with the guidelines of the European Union as well as the recommendations of the European and Mediterranean Plant Protection Organization (EPPO) and International Seed Testing Association (ISTA). The laboratories have a qualified staff of specialists, and with the progress of diagnostic techniques, new research methods are included with a particular focus on molecular biology techniques. It ensures a continuous improvement in research procedures, and hence, high standard of the services provided.

To ensure the relevant level of diagnostics, the activities of provincial laboratories are coordinated and supervised by Central Laboratory of GIORiN that serves as the reference unit. Central Laboratory, within the supervisory function, is responsible for:

(ca 40 thousand samples) and the analysis of potato tubers in terms of the presence of the bacteria: *Clavibacter michiganensis* ssp. *sepedonicus* (ca 17 thousand samples) and *Ralstonia solanacearum* (ca 17 thousand samples). In addition, there are numerous tests of orchard propagating material in terms of *Plum pox virus, PPV* (ca 15 thousand samples) as well as *Apple proliferation phytoplasm*, ApMLO (ca. 2.5 thousand samples).

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- developing and implementing uniform diagnostic protocols intended for the application in the laboratories of the diagnostic network of PIORiN as well as supervising their correct functioning,
- preparing other guidelines, instructions and recommendations for subordinate units,
- verifying the test results obtained in the laboratories at the provincial level including the cases of appeals and returns of the exported plant material,
- granting consultations and current briefing to the employees of the laboratories of the Inspectorate diagnostic network,
- organizing and conducting trainings for the employees of the Inspectorate,
- conducting periodical checks of the activities of provincial laboratories,
- organizing and running interlaboratory comparisons in order to assess the proficiency of the laboratories as well as the validation of testing methods.

Apart from internal monitoring of competences the laboratories also participate in the international surveys on the effectiveness such as FAPAS – Food Analysis Performance Assessment Scheme.

An important element of phytosanitary laboratories activities is the implementing of the laboratory management system and undertaking intensive activities focused on obtaining the accreditation for compliance with the international standard PN-EN ISO/IEC 17025: 2005 "General requirements for the competence of testing and calibration laboratories". Currently 10 provincial laboratories have the accreditation certificate issued by the Polish Accreditation Center (PCA): in Poznań, Koszalin, Rzeszów Katowice, Warszawa, Olsztyn, Bydgoszcz, Białystok, Lublin, Krakow as well as the Central Laboratory of GIORiN in Toruń. The scope of accreditation of laboratories consists of widely used testing in association with statutory activities of PIORiN and is gradually extended.

One of the tasks of the GMO Research Laboratory of the Central Laboratory includes the performance of analyses of plant material with regard to detection and identifying genetically modified organisms (GMO) as well as marking the percentage content of the transformation event in the sample. The analyses are conducted on the basis of standardized methods or recommended by Joint Research Center on genetically modified food and fodder (Joint Research Centre, Ispra, Italy) and ISTA. With regard to qualitative and quantitative marking of genetic modifications the following molecular techniques apply – Polymerase Chain Reaction (PCR) as well as Real-Time PCR.

The Pesticide Residue Research laboratory deals with examining the residues of plant protection chemicals mainly in plant material. The subject of testing is, first of all, Polish fruit and vegetables. The examinations are intended to test the correctness of the pesticides application. The laboratory also performs service testing for the presence of the pesticides residues with regard to fruit and vegetables certification. PBPŚOR conducts marking of active substances residues of plant protection chemicals at the trace level with such techniques as: gas chromatography (MSPD-GC-ECD/NPD), liquid chromatography (HPLC) spectrophotometry (UV-VIS). Multi-residue methods of marking the pesticides residues based on the modern techniques of sample preparation for analysis and cleaning extracts are used in the testing.

CONSULTING FOR THE REALIZATION OF AGRICULTURAL POLICY

The units of agricultural extension function by virtue of the Act of 22 October 2004 about agricultural advisory bodies (Journal of Laws No.251, item 2507 with later. amended). According to this Act the structures of public agricultural advisory form the following units:

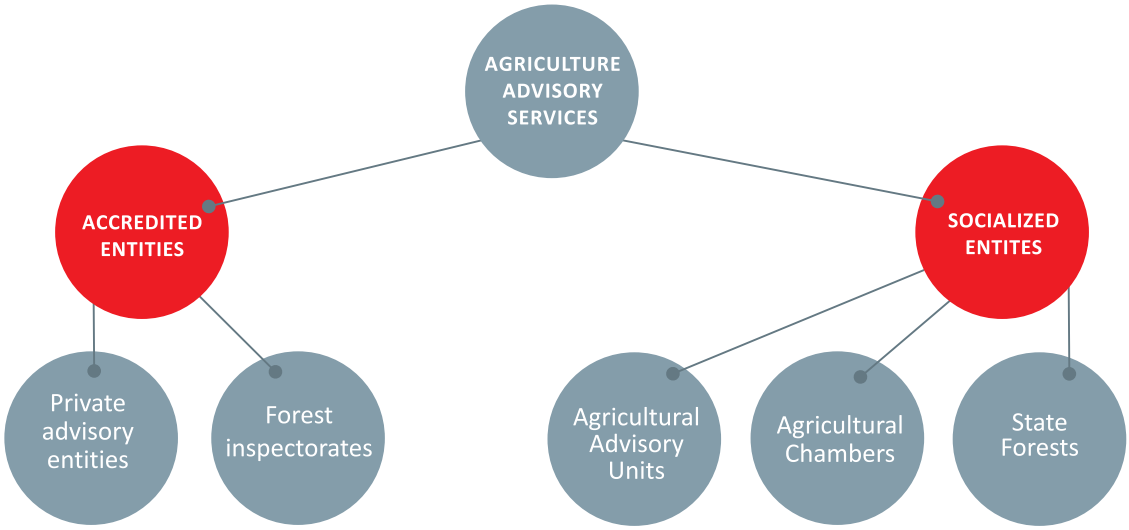
- Agricultural Advisory Centre in Brwinów (CDR) has 3 branches (in Kraków, Poznań and Radom);
- 16 provincial agricultural advisory centres (ODR).

The Agricultural Advisory Centre operates as a state legal person and reports directly to the Minister of Agriculture and Rural Development. Provincial Agricultural Advisory Centres, due to the Act of 23.01.2009 *about changes in some acts in connection with changes in the organization and the distribution of tasks of public administration in the province* (Journal of Laws No.92, item 753) became self-government legal persons subordinate to the locally competent parliament of the province. The amendment of the Act on agricultural advisory bodies from 2012 introduced the subordination of agricultural advisory units to the

administrations of the provinces.

Issues related to the functioning of agricultural advisory system after 2013 in the European Union are regulated by: Regulation of the European Parliament and of the Council (EU) No. 1306/2013 of 17 December 2013 on the financing, management and monitoring of the common agricultural policy – the so-called horizontal regulation – and the regulation of the European Parliament and of the Council (EU) No. 1305/2013 of. 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) – the so-called regulation on the development of rural areas.

Scheme 2. Organizational structure of agricultural advisory units



Source: Chyłek E.K. 2012; "The determinants of innovative development of the agricultural-food sector and rural areas within the agricultural policy".

The implementation of agricultural policy in Poland is supported by the activities of the advisory institutions operating in the structures of socialized and accredited entities. Minister of Agriculture and Rural Development, in accordance with the recommendation of the European Commission in order to properly prepare the tasks of agricultural advisory units and effectively use the funds available under CAP, appointed in 2012 a team for preparation of the concept of functioning of agricultural advisory system in the new programming period. The team's tasks are:

- the analysis of the functioning of agricultural advisory system and the execution of the objectives under the Rural Development Program for 2007-2013,
- the analysis of the regulations and other legal documents of the European Union with regard to the tasks and principles of functioning of the agricultural advisory system after 2014,
- the preparation of proposals for systemic solutions supporting the development of agricultural advisory system after 2013 in accordance with the guidelines of the European Union,
- the preparation of proposals for legal solutions necessary to provide the effective support of farmers by agricultural advisory system in accordance with the regulations of the EU.

Minister of Agriculture and Rural Development concluded that the works of a team working in order to improve the effectiveness of the structures of agricultural advisory units, among others, to use the funds available under CAP, should be continued and appointed by way of an regulation no. 7 of 21 March 2014 a team for the functioning of agricultural advisory system under the Common Agricultural Policy 2014-2020. Minister of Agriculture and Rural Development has supported agricultural advisory system in the implementation of tasks for entrepreneurship development by arranging the process of professional training of the advisory personnel in this scope. In the subordinate institution supervised by the Minister of Agriculture and Rural Development the Agricultural Advisory Centre branch in Radom in 2008. Practical Training Centre in the field of Food Processing on a small scale (at the level of an agricultural farm). It is a training-didactic base used in the trainings of agricultural advisors, farmers, entrepreneurs, teachers and teenagers from agricultural schools. The trainings conducted there also include practical classes. The Centre consists of: a mill for processing cereals, a hall with technological lines for fruit and vegetable processing, a hall with technological lines for processing meat and a hall with technological lines for processing milk.

CDR branch in Radom has the decisions issued by veterinary and sanitary authorities necessary for the start-up of a small food processing unit and for the introduction of the processed food to the market. In addition, "the Demonstration Farm in Chwałowice", being included in the resources of this unit, has an ecological farm certificate. The trainings organized in CDR in Radom include issues of the technology of fruit and vegetable, cereals and meat processing that take account of the principles of HACCP, good production practice (GMP) and hygienic (GHP) as well as regional and local product marketing and the principles of direct sales. The trainings also deal with the principles of agricultural products marketing, food production quality systems, formal requirements for processing ecological, agricultural raw materials and the possibility of financing the activities related to processing at the level of a farm. In total, in 4 modules (cereals, fruit and vegetables, meat and milk) more than 4 thousand people have been trained including both agricultural advisors and farmers. The trainings, also including milk processing, will be continued in 2014.

To ensure the relevant level of trainings and the popularization of the issues related to processing and development of entrepreneurship, 21 620 copies of booklets and guidebooks have been prepared and published about the implementation of GMP and GHP and of HACCP system in the meat, fruit-vegetable, cereal and milk processing at the level of a farm.

Every year, under the auspices of the Ministry of Agriculture and Rural Development, an all-Polish contest called "The way to success" is organized by Agricultural Advisory Centre in Brwinów. Its aim is to identify and promote the best examples of the companies located in rural areas with a particular focus on the creation of new workplaces. In 2014, its XIV edition was held. Also every year, in cooperation between the Agricultural Advisory Centre, branch in Poznań, with the German Agricultural Society, the Days of Agricultural Entrepreneurs are organized – a conference during which there is an exchange of views about good practices in the broadly understood agricultural and non agricultural activities. The Agricultural Advisory Centre, branch in Kraków, is a specialized institution involved in the popularization of knowledge about non agricultural development of rural areas. It has some particular achievements in rural tourism development including agritourism. Currently in cooperation with the Ministry of Agriculture and Rural Development the works to establish a network of educational farms have been started. Agricultural advisors and educational farms owners included in the network have been trained. The Internet educational farms database has been set up and the brochures on this topic have been prepared. It is a new direction in agritourism so it requires appropriate promotional-informational actions. At the same time, the trainings are continued in the development of touristic and agritouristic activities and the improvement in the quality of tourist services. Apart from agricultural advisors, the trainings involve the participation of representatives of local governments and local action groups (LAGs). Every second year agritourist symposiums with the representatives of the world of science are organized.

Currently in the light of the reforms of the Common Agricultural Policy and the challenges resulting from globalization it is planned to professionally train the agricultural advisors about renewable energy sources, counteracting unfavorable climate changes, undertaking the team forms of running business operations, rural inhabitants activation and environmental protection. These issues are also raised in a quarterly "Agricultural Advisory Issues", a magazine being on the list of scientific magazines classified by the Ministry of Science and Higher Education. They are published by CDR branch in Poznań.

In connection with the need to match the competition on global markets the activities are taken for marketing and direct sales. This will enable the popularization of knowledge about the principles of marketing in agriculture and direct sales that guarantees the obtaining by agricultural producers the added values improving the results of business activities in agriculture.

The discussed directions of support for entrepreneurship in rural areas and in particular professional training and qualification improvement will be continued in the years to come. The resort of agriculture will focus its attention on the activities related to the improvement of the advisory personnel employed in agricultural advisory centers because it determines the level of educational activities organized for rural inhabitants. Next trainings for the advisory personnel are planned as well as for Local Activity Groups, teachers of agricultural schools, members of production groups and the representatives of local administration institutions.

It is planned to improve the transfer of knowledge aimed at the improvement in the effects of the exchange and transfer of knowledge from learning into practice. It is also planned to include agricultural advisory units in active participation in the activities within the implementation of RDP 2014-2020 and domestic

and foreign projects aiming at supporting the development of agricultural and food processing, entrepreneurship and the organization of production groups.

AGRICULTURAL SCHOOLS

Public agricultural schools are supported by local government authorities (mainly of a district) as well as by the Minister of Agriculture and Rural Development. Minister of Agriculture and Rural Development currently supports 45 agricultural school complexes where 11 thousand students are educated and ca 1455 teachers are employed. The didactic base for teaching practical education is constituted by school workshops and didactic workrooms and school agricultural farms as well as individual farmers farms, processing units, gastronomic-hotel establishments. Resort schools educate in 25 professions involving such areas as: agricultural production, gardening, agricultural technology, food processing, gastronomic services, agritourism and rural tourism. The largest number of students receive education in the following professions: technician for mechanization of agriculture – 1858, technician-farmer – 1561, technician for nutrition and gastronomic services – 1279, landscaping technician – 1081. Additionally, in the existing structures of the aforementioned school complexes there are 35 recurrent education centers which offer, first of all, qualifying occupational courses being a significant supplement to the system of education and obtaining qualifications by adult persons.

Minister of Agriculture and Rural Development by supporting agricultural schools has the opportunity to directly impact on the quality and agricultural education effectiveness, and hence, to create the staffing policy for the agricultural and food sector. Agricultural schools are supposed to equip their graduates with the knowledge and professional skills allowing them to undertake work in agricultural-service sector and to properly compete in the conditions of free market economy as well as to prepare them for constant improvement of professional qualifications. Therefore, Ministry of Agriculture and Rural Development undertakes activities to make the subordinate schools modern centres of education – agricultural education centres with good didactic equipment and adequately prepared staff of teachers, teaching different professions as necessary in the agricultural and food sector, widely influencing the environment, through the organization of various forms of education aimed at the young and adult inhabitants of rural areas. In order to completely implement the adopted goals Ministry of Agriculture and Rural Development (MRiRW) undertakes actions with regard to: the modification of the directions and content of education regarding the adjustment to the changing conditions of production and life in the countryside, popularization of modular education, preparation and improvement of vocational teachers (the major role here goes to the subsidiary of the Central Ministry of Agriculture and Rural Development (MRiRW) the facility of teachers' development – National Centre for Agricultural Education in Brwinów) as well as providing agricultural schools with the appropriate base for practical education.

Additionally, in 2013 the school complexes of the Agricultural Education Centre subordinate to the Minister of Agriculture and Rural Development implemented 44 projects under the following EU programs:

- Human Capital Operational Program (PO KL),
- Leonardo da Vinci (LdV),
- Comenius (COM).

The schools promoting an innovative approach to education and professional training under Leonardo da Vinci and Comenius programs have undertaken the implementation of 20 projects with total value of 900727 Euro. As a result, a cooperation with partners from 12 EU member states has been established mainly with the partners from Germany and France. As part of the implemented projects, the students had the possibility to participate in numerous internships, practices, courses and trainings thanks to which they could establish their knowledge in specific domains so that their chances of success on the demanding market of the EU were increased.

In 2013 the schools also implemented 24 projects under PO KL for the total amount of 18088778 PLN which contributed to the increasing of education quality and the modernization of the didactic base. The result of the implementation of these projects include, among others, the enlargement of the educational offer, development of professional didactic workrooms and classrooms for practical profession teaching, equipping with machines and devices, construction of sports halls and school workshops, organization of numerous professional and language courses and trainings, general subject classes as well as establishment of the cooperation with the entrepreneurs permitting to undergo practices and professional internships.

THE ADDRESSES OF THE UNITS RELATED TO AGRICULTURE

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT (MRiRW))
00-930 Warsaw, ul. Wspólna 30
phone+ 48 22 623 10 00;
fax+ 48 22 623 27 50
http://www.minrol.gov.pl
e-mail: kancelaria@minrol.gov.pl

THE AGRICULTURAL MARKET AGENCY (AMA)
00-400 Warsaw, ul. Nowy Świat 6/12
phone/fax+ 48 22 661 72 72/ + 48 22 628 93 53
http://www.arr.gov.pl
e-mail: tpi@arr.gov.pl

AGENCY FOR RESTRUCTURING AND MODERNIZATION OF AGRICULTURE (ARiMR)
00-175 Warszawa, Al. Jana Pawła II 70
phone/fax+ 48 22 318 53 30/ + 48 22 318 42 20
http://www.arimr.gov.pl
e-mail: info@arimr.gov.pl

THE AGRICULTURAL PROPERTY AGENCY (ANR)
00-215 Warsaw, ul. Dolańskiego 2
phone/fax+ 48 22 635 80 09/ + 48 22 635 00 60
http://www.anr.gov.pl
e-mail: anr@anr.gov.pl

FOUNDATION OF ASSISTANCE PROGRAMMES FOR AGRICULTURE (FAPA)
00-930 Warsaw, ul. Wspólna 30
phone/fax+ 48 22 623 16 03/+ 48 22 623 19 09
http://www.fapa.com.pl
e-mail: fapa@fapa.com.pl

THE AGRICULTURAL SOCIAL INSURANCE FUND (KRUS)
00-608 Warsaw, Al. Niepodległości 190
phone/fax+ 48 22 592 65 90/ + 48 22 825 95 97
http://www.krus.gov.pl
e-mail: centrala@krus.gov.pl

MAIN INSPECTORATE FOR THE QUALITY OF AGRICULTURAL AND FOOD PRODUCTS (GIJHARS)
00-930 Warsaw, ul. Wspólna 30
phone/fax+ 48 22 623 29 00/ + 48 22 623 29 98
http://www.ijhar-s.gov.pl
e-mail: sekretariat@ijhar-s.gov.pl

VETERINARY INSPECTION – MAIN VETERINARY INSPECTORATE (GIW)
00-930 Warsaw, ul. Wspólna 30
phone/fax+ 48 22 623 20 88/ + 48 22 623 14 08
http://www.wetgiw.gov.pl
e-mail: wet@wetgiw.gov.pl

MAIN INSPECTORATE OF PLANT HEALTH AND SEED INSPECTION (PIORiN)

00-930 Warsaw, ul. Wspólna 30
phone/fax+ 48 22 623 23 02/ + 48 22 623 23 04
http://www.piorin.gov.pl
e-mail: gi@piorin.gov.pl

AGRICULTURAL ADVISORY CENTRE IN BRWINÓW

05-840 Brwinów, ul. Pszczelińska 99
phone/fax+ 48 22 729 66 34 (38)/ + 48 22 729 72 91
http://www.cdr.gov.pl
e-mail: brwinow_sekretariat@cdr.gov.pl

THE NATIONAL COUNCIL OF AGRICULTURAL CHAMBERS

00-930 Warsaw ul. Wspólna 30
phone: + 48 22 623 21 65, fax: + 48 22 623 11 55
http://www.krir.pl
e-mail: sekretariat@krir.pl

THE NATIONAL FARMERS, FARMERS' GROUPS AND ORGANISATIONS ASSOCIATION

00-410 Warsaw, ul. Solec 18/20
phone: + 48 22 827 75 55, fax: + 48 22 827 30 01
http://www.kolkarolnicze.eu
e-mail: biuro@kolkarolnicze.pl

THE TENTH YEAR OF POLAND'S FUNCTIONING IN THE EUROPEAN UNION

In 2013 the tenth year of the membership of Poland in the European Union started. Accession to the EU meant an important change for Polish agriculture and fishery in the economic conditions of production. As a result of it Poland implemented EU policies including the common agricultural policy, common fishery policy and trade policy. The instruments of support applied so far in agriculture have been adjusted to the principles of functioning on the uniform market as well as to the rules concerning the assistance of the state.

Before the accession there were many concerns that Polish agriculture and food sector would not be able to meet the EU competition. These fears were not true. Polish membership in the EU, on the one hand, meant access to significant funds for development from the EU budget, on the other hand, however, it required meeting numerous standards, requirements and norms imposed on national institutions, farmers or agricultural processors. The adjustments to the EU regulations has not come to be without the expenses. It was important that the pre-accession funds would be well used (PHARE, SAPARD).

The effects of the functioning of Poland in the EU are various. They include economic and social effects. The economic ones are related to financial transfers, economic development, changes in foreign trade, economic situation etc. and the social ones with the improvement in life quality.

Despite the fragmented structure in terms of the area as well as the worse, when compared to other member states, agricultural quality of the production space, Poland is a significant producer in the world and in Europe of agricultural and horticultural raw material which possesses large workforce resources. The support of agriculture from the EU and domestic budgets allowed the modernization of the production technology which contributed to the improvement in efficiency. Along with the decreasing resources of agricultural land the improvement in efficiency stimulates the growth in production that exceeds the national demand. The use of market surpluses happens on foreign markets.

AGRICULTURAL AND FOOD SECTOR AS THE LEADER OF POLISH FOREIGN TRADE

Since the accession Polish agricultural and food sector has had a very strong position in the balance of foreign trade – its share in the trade is growing systematically. In the years 2004-2013 agricultural and food export was increasing yearly on average by 1525 million Euros (by 13.5%), and import by 1100 million Euros (by 12.7%). Faster growth in export than in import resulted in the improvement in the balance of commercial turnover which increased in 2004-2013 7.3 times (from 836.5 mln Euro in 2004 to 6115 mln Euro in 2013).

Such a high dynamics of development led to the growth in the participation of the agricultural-food products trade in the trade turnover in total, for export from 8.6% in 2004 to 13.2% in 2013. and for import accordingly: from 6.1% to 9.1%. The positive trade balance of agricultural and food products reduces the deficit in trade of other sectors of the economy.

The basic factors for actuating the trade turnover include:

- opening the market permitting free trade with EU member states,
- the competitiveness in terms of prices and expenses due to lower prices of many raw materials, lower fees for work and production costs,
- the development and preparation of agricultural and food industry to the EU standards,
- growth in direct investments decreasing the technological gap,
- involvement in the turnover of international commercial networks that have a strong brand and own distribution channels,
- the growing and modern potential of the processing industry,
- support for export outside the EU from the funds of CAP,
- the liquid currency exchange rate.

THE FINANCIAL BALANCE OF MEMBERSHIP

Starting from Poland's accession to the European Union an important factor strengthening the development processes in the Polish economy is the transfers from the EU budget which, in the period from 1 May 2004 to 31 July 2014, amounted to 104.3 billion Euro. At that time, Poland paid to the EU budget a sum of ca 33.8 billion Euro as a membership fee as well as 143.2 million Euros as a refund. To sum up, the balance of financial transfers from the EU budget after 123 months of membership reached the level of 70.3 billion Euro.

In the transfers from the EU to Poland the dominant number of the funds comes within the execution of cohesion policy (almost 61%) and common agricultural policy (32.1%) (tab. 35).

FINANCIAL MEANS FOR THE COMMON AGRICULTURAL POLICY AND FISHERY

The first years of the functioning of Poland in the European Union showed that farmers became a social group which could most rapidly benefit from the EU support. Covering Polish farmers with the mechanisms of the common agricultural policy and starting different programs under structural funds caused the rural areas to receive greater financial means than ever before. An important consequence of the introduction of the common agricultural policy, apart from the support from the EU budget, is a simultaneous growth in expenses on agriculture from domestic funds. In consequence, from the moment of Poland's accession to the EU total expenses on agriculture (the EU and domestic funds) have been systematically growing from 30.2 billion PLN in 2005 to 52.5 billion PLN in 2013.

Table 35. Financial transfers from the EU to Poland (million EUR)

	Transfers	2013 r.	Growing from 1.05.2004 to July 2014
I.	Transfers from the EU to Poland in total	15 635,6	104 295,3
		including:	
	Cohesion policy	3 482,7	66 517,3
	CAP	4 991,1	33 480,5
		including:	
	Direct payments (ARiMR)	3 066,0	17 944,5
	Market interventions	96,8	1 421,1
	RDP	1 696,0	13 491,9
II	The payments to the EU budget	4 439,0	33 823,7
III	Refunds to the EU budget	1,5	143,2
IV	The balance	11 195,1	70 328,4

Source: financial data specified after MF "Financial transfers Poland – the European Union" (access 1.09.2014).

The support from the public funds has influenced the improvement in the income situation of farmers and other rural inhabitants. On the basis of Economic Accounts for Agriculture the share of subsidies and subventions in the income of agricultural entrepreneurs amounted to 44.6% in 2012 and 38% as an estimate for 2013.

THE EFFECTS OF RURAL DEVELOPMENT POLICY

Since 2004 the activities in rural areas under the Common Agricultural Policy resulted from the introduction of RDP 2004-2006. It had the biggest budget among all programs implemented from the EU funds in rural areas in 2004-2008 (almost 3.6 billion Euro including nearly 2.9 billion Euro from the European funds). During this period for agriculture and for the development of rural areas it was possible to obtain the means under the Cohesion Policy (the Sectoral Operational Program "Restructuring and modernization of food sector and rural areas development" which included in its scope most actions performed by SAPARD before as well as supplementing these activities by Integrated Operational Regional Program – IROP).

Under RDP 2004-2006 more than half of the means (60%) was spent on actions involving the environmental protection and support for the areas of unfavourable management conditions, a smaller part was constituted by actions of the investment character (36%). From among the particular activities of the plan the largest part (27%) was allocated to the support for agricultural activity on the areas with unfavourable management conditions. A substantial part of the budget (19%) was constituted by the national supplementary area payments. In order to adjust to the EU standards, 18% of the sum was spent, and 15% of the budget was constituted by the structural pensions[15].

For the implementation of Polish Rural Development Program for 2007-2013,13.4 billion Euro was allocated in the budget (current prices). Among all member states Poland is the biggest beneficiary of this policy with a 15% share. Together with the required domestic co-financing the value of the public support under this program reaches more than 17 billion Euro. 40% of the sum was given for the competitiveness of agricultural sector. 34% of the sum was reserved for environmental protection. 19% was allocated for the differentiation of management in rural areas.

The other expenses form the LEADER axis serving the development of rural communities which organize local action groups and execute projects financed from local development strategies funds. In respect of individual activities most funds from the EU budget were allocated to the payments for the areas of unfavourable management conditions (almost 2 billion Euro), agroenvironmental activities (1.8 billion Euro), structural pensions (1.6 billion Euro) (earlier retirement) as well as modernization of farms (1.3 billion Euro).

Under RDP for the period 2007–2013 the following effects were obtained (the state as at 31 December 2013)[16]:

- nearly 43 thousand agricultural farms were modernized,
- more than 23 thousand young farmers[17] received a single bonus in the amount of 75 000 PLN (in the beginning of the program implementation it was 50 000 PLN) due to the start of individual agricultural activities on a farm,
- support covered 1210 groups of agricultural producers,
- 8.2 thousand trainings were conducted for farmers and forests owners[18],
- annually the assistance was given to approximately 730 thousand agricultural farms in the mountain areas and other areas with unfavourable agricultural conditions,
- agri environmenta rolnośrodowiskowym[19] covered the area of more than 2.6 million ha,

15 More information about the implementation of RDP for the years 2004-2006 is available on the web site of the Ministry of Agriculture and Rural Development in the publication "Results of the implementation the Plan for Rural Areas Development for the years 2004-2006":http://www.minrol.gov.pl/pol/content/download/862/4666/file/ocena+ex-post+PROW+2004-2006.pdf.

16 The unpublished information of the Ministry of Agriculture and Rural Development from the monitoring of the implementation of the Rural Development Program 2007-2013.

17 The age criterion was 40 years at the time of submitting the application. The assistance was granted to several percent of farmers that met the criteria.

18 The trainings related to the minimum requirements of mutual conformity for farms, the use of microcomputers and computer software in improving the management of a farm and forest farm, the economics and management of a farm or forest production, dissemination of quality standards in agricultural and forest production, undertaking new market-oriented directions of agricultural production, dissemination of the principles of environmentally friendly methods of agricultural production, in particular the integrated agricultural production and ecological agriculture, the improvement in quality and hygiene of production, popularization of the modern technologies in agriculture and forestry.

19 This support consists in a compensation to a farmer for the loss of income in connection with application of more environmental solutions than required by law.

- 32 thousand ha were afforested,
- 7.8 thousand ha of forests were reconstructed or managed, 823 km of emergency fire roads were built or modernized,
- more than 15 000 km of the water systems and sewerage systems were built, more than 33 thousand farm sewer systems were made, 420 sewage works, the system of collection, segregation and disposal of municipal waste was created that permits the management of nearly 246 thousand tons of rubbish, the possibility was created for the production of 210 MW of energy from renewable sources,
- more than 12 000 people – farmers or members of their families – undertook a non agricultural activity, mostly in the sphere of services.

Fishery is also an element of food economy. In Poland in this area one of the most urgent and difficult tasks after Poland's accession to the EU were: adjustment of the fleet size to available resources, modernization of port and harbours infrastructure, development of fish processing as well as (recently) the improvement in life quality of the communities that depend on fishing. For these activities the EU Commission awarded Poland with significant funds. An important element of the Polish fishery policy was to make these funds help to the possibly greatest extent the modernization of Polish fishery and ensure its economic functioning in the future.

The level of the EU assistance for the Polish fishing sector in 2004-2013 was shaped as follows:

- Financial Instrument for Fisheries Guidance (FIFG) 2004-2006 – about 1 billion PLN,
- European Fisheries Fund (EFF) 2007-2013 – ca 4 billion PLN.

In total it gives ca 5 billion PLN (75% of this sum was a EU contribution, the remaining 25% was a contribution of the Polish side).

We cannot speak about economically profitable fishery when its fishing potential significantly exceeds the sizes of the available fishing quotas. Such was the case at the time of entering of Poland to the European Union. Therefore, one of the tasks of the Polish fishery policy in the period 2004-2006 was the reduction in the size of the fishing fleets to allow their economic functioning. In the period 2004-2006 the number of units of the Baltic fleet was reduced by ca 31%.

The money from the EU funds leveled to a significant extent the adverse economic effects of this process (retirements as well as a compensation for fishermen quitting their profession were available). Altogether, the socio-economic activities as well as financial compensations associated with the reduction in fishing expenditure of the fleet consumed only in the period 2004-2006 the sum of 452 million PLN, i.e.. ca 50% of the available allocation in the SPO Fishery and Fish Processing 2004-2006. In addition, in the period 2004-2006 27% (270 million PLN) of the funds were allocated to fish processing, while 14% (148 million PLN) to the investments in fishing ports infrastructure.

In the programming period (years 2007-2013) more than a half of the available funds was allocated to the investment activities including fish processing (ca 560 million PLN), investments in fishing ports (ca 650 million PLN), and the sum of ca 580 million PLN was given to the aquaculture sector. Almost 300 million PLN was disbursed so far to the compensations under temporary suspension of fishing activity in connection with the need to protect the resources. The amount of more than 1 billion PLN was provided for supporting the activities related to fishing (Local Fishery Groups – LGR). In connection with the above, we have currently in Poland modernized ports, fish farms as well as fishing vessels, and Polish fish processing companies boldly compete with western companies.

An important element of the fishery policy is the support for the development of not only fishery or fish processing but also the improvement in the conditions of the quality of life of the communities that depend on fishing. This is especially important in connection with the fleet reduction, and hence, the reduction in employment and the need for searching for alternatives for people quitting the fishery. This purpose is served (and will be served in the future) by the activities of Local Fishery Groups (LGR). Altogether there are 48 LGRs which are financed from axis IV of the OP "Sustainable development of the fishery sector and the coastal fishing areas 2007-2013" (PO RYBY 2007-2013).

The activities of Local Fishery Groups should provide a significant contribution to the stimulation of a community in the areas depending on fishing, implementation of local initiatives that will permit the development of those areas as well as the improvement in the quality of life of these communities. The area occupied by LGRs is ca 25% of the territory of Poland and the number of people living in these areas is almost 10% of the population of Poland.

THE ASSESSMENT OF THE CHANGES IN THE OPINIONS OF COUNTRY INHABITANTS

Rural areas are increasingly appreciated by their inhabitants (they are presently inhabited by almost 40% of Polish society, i.e. 15.211 million people in 2013 according to the National Statistical Office (GUS). Constantly from 2005 the vast majority (90%) of country inhabitants is satisfied with the fact that they live in the countryside, only 7% of the respondents is of the opposite opinion. The percent of country inhabitants who assess negatively the material conditions of their household systematically decreases, (Fig. 35).
The inhabitants of rural areas in Poland are most happy with the safety in the town, access to the water systems and Internet access. The most common reason for complaining is the difficulties with access to technical infrastructure – to the gas grid and sewerage systems, small possibilities for professional qualification and the level of education improvement as well as the lack of free access to culture, art and other entertainments.

Figure 35. The assessment of material conditions in a rural household

Source: "The countryside in Poland – twenty years of changes", CBOS, November 2013.

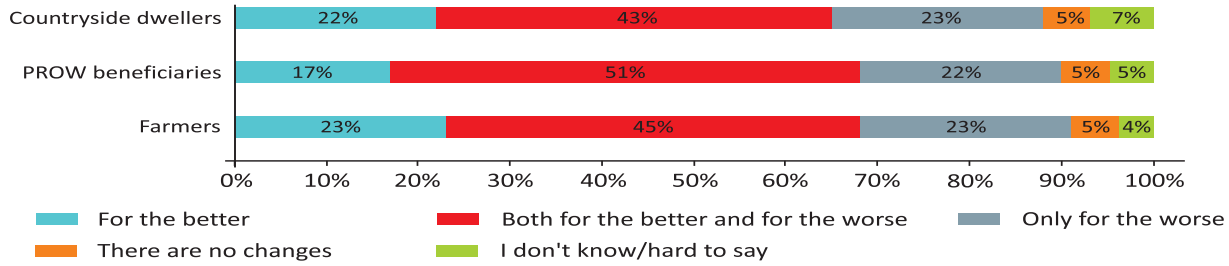
In 2013 another edition of the survey was completed entitled Polish Countryside and Agriculture. This test is conducted periodically from 2003 and it is supposed to (i) supplement the information gathered by various institutions about the rural areas and agriculture, (ii) monitor and assess the changes taking place in the countryside, (iii) assess the efficiency of public policies directed to the countryside. The scope of tests includes the assessment of attitudes and opinions of rural inhabitants towards the changes in social and economic transformations of the country, the activities of the state and institutions working for rural area[20].
The most important conclusions arising from test results are as follow[21]:

1. Both farmers and countryside dwellers that do not work in agriculture are satisfied with the fact that they live in the countryside (accordingly: 92% and 91% of non farmers). The vast majority (80%) of country inhabitants is satisfied with the fact that they live in the countryside and not in a city.
2. Countryside dwellers most often indicated that the production of food, environmental protection and touristic functions are the most important for the rural areas.
3. More and more of its inhabitants claim that the Polish countryside is going in a good direction. Test results indicate, in addition, that greater optimism characterizes farmers rather than countryside dwellers who are not farmers.

20 Invariably from 2003 the test has been executed by direct interviews on the basis of the interview questionnaire. The survey was nationwide and it was conducted on a representative sample of country inhabitants (1500 respondents in total) including: a representative quota- target sample of "non farmers" – N = 633 and a representative quota- target sample of "farmers" – N = 867.

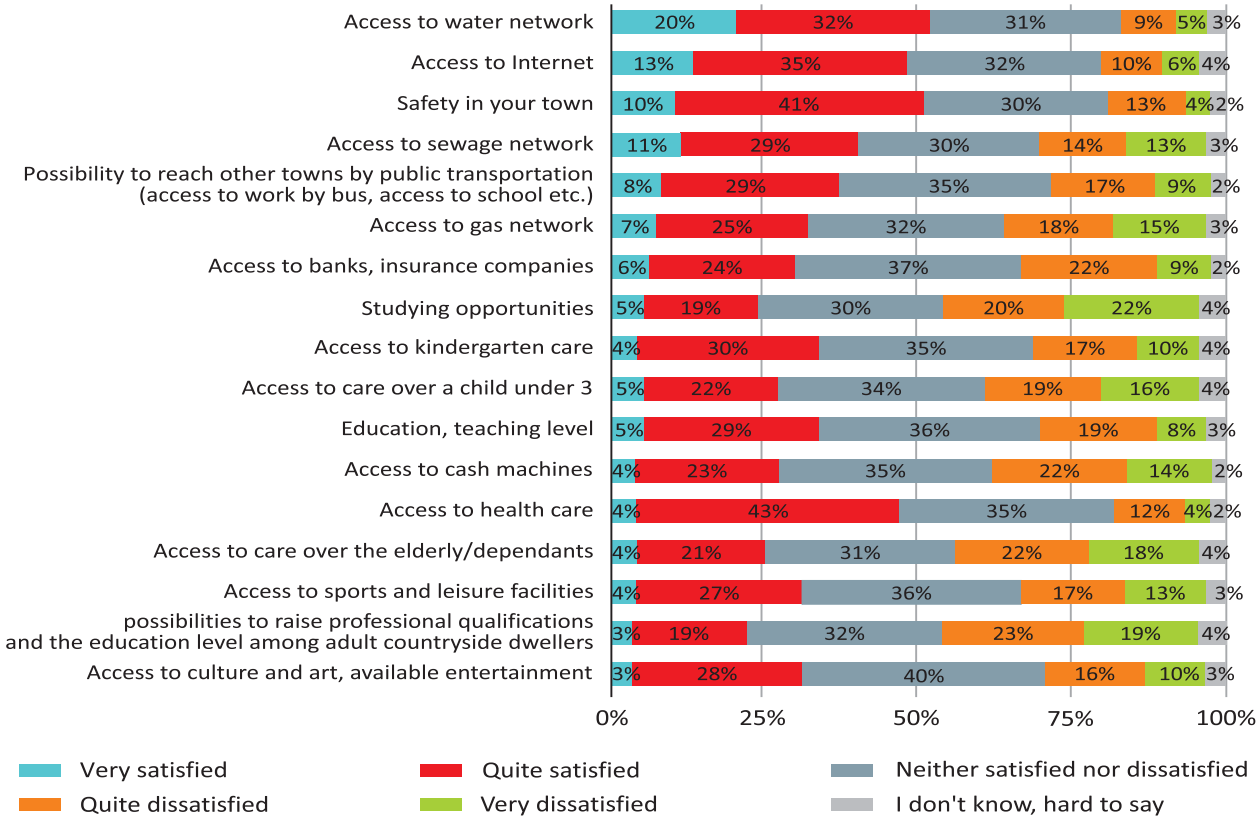
21 The full report has been uploaded on the website of the Ministry, tab Trade information/studies and publications/studies and publications of the Ministry of Agriculture and Rural Development and on disc S [S:\Departament Strategii, Analiz i Rozwoju\wydział Analiz\Baza wyników badania PWiR.

In which direction is the Polish countryside going in Your opinion? Do You think that there are changes for the better or worse or both better and worse?



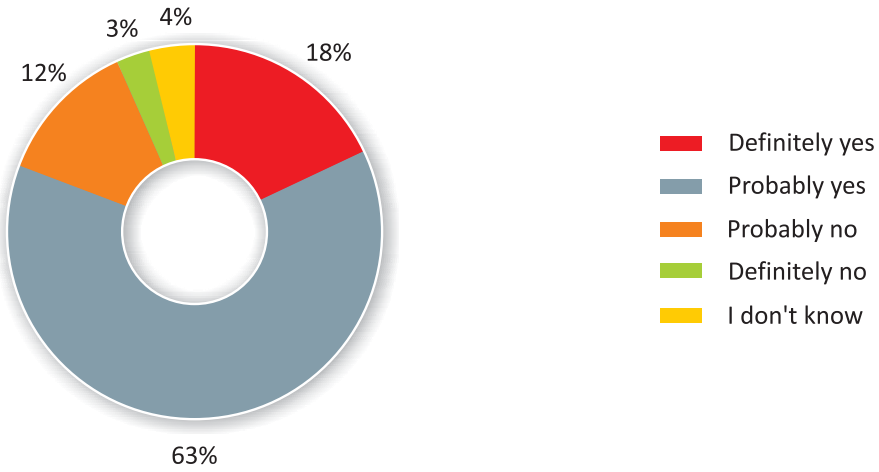
1. Countryside dwellers are most happy with the access to the water supply network, access to the Internet as well as safety in the town. The most common reason for complaining is the lack of access to services over the elderly people, access to culture, art and other entertainments or the possibility of studying, lack of the possibility of professional qualification improvement and the level of education improvement for adults.
2. Polish countryside is permanently and inextricably bound with agriculture which is the main workplace of a given part of rural population. When examining the attitude of farmers towards their profession it has been stated that the vast majority of farmers (81%) likes working on an agricultural farm.

Could You tell us, by following this list, the extent to which You are satisfied or dissatisfied?



The balance of Polish membership in the EU in the agricultural-food sector is definitely positive. Since the accession to the EU Poland has become an important agricultural producer in the EU. The balance of foreign trade in the agricultural-food products is positive and the share of the agricultural and food sector in the trade is growing systematically. In the years 2003-2013 the agricultural and food export increased five times. The income situation of farmers and communities that depend on fishing has got better and the consumers have access to food products of high quality for the prices that are one of the lowest in the EU. The modernization of agriculture, fishery and processing has taken place.

Taking into consideration all aspects of agricultural activities, please tell us whether You like or dislike working on an agricultural farm?



MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT
00-930 Warszawa, ul. Wspólna 30
phone +48 22 623 10 00
fax+ 48 22 623 27 50
email: kancelaria@minrol.gov.pl
www.minrol.gov.pl