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THE POSSIBILITIES OF DEVELOPING ORGANIC FARMING AFTER THE ACCESSION OF POLAND TO THE EU

The paper deals with the problem of development of ecologically sound agriculture in Poland in the first decade of XXI century. The chances and barriers of the development of green production in the context of present situation of Polish agriculture are presented along with the methods and levels of its support. A rapid growth of organic production is possible, provided that there is a steady rise in purchasing power of consumers and an increase in government spending on this sort of production.

1. THE PROSPECTS OF DEVELOPMENT OF TRADITIONAL AND ORGANIC AGRICULTURE

Poland is rich in arable land. Country's arable area equals 20% of agricultural area of the EU and 59% of Poland's area [5]. Hence there is a good chance of increasing the agricultural production. The expansion, however, could be limited especially because of: a) relatively poor soil, b) small purchasing power of Polish society, c) decreasing profitability in agriculture, d) insufficient support from the state budget, e) quotas which result from implementation of Common Agricultural Policy (CAP) after accession to EU.

Ad a) Only 3.3% of arable land belong to the first and second classes, however the poorest soil (classes V and VI) constitutes 34% of the land [7]. The share of particular classes in the year 2000 amount to [7]: 0.4% in class I, 2.9% in class II, 22.7% in class III, 39.9% in class IV, 22.6% in class V and 11.4% in class VI.

Ad b) A reduction of GDP growth to only 1% annually in 2001–2002 substantially decreased the dynamics of growth of disposable income in households. In the years 1999–2003, the dynamics was 2, 1.4, 0, 0.8 and 2.8%, respectively [8].

Ad c) In recent years, there was a fall of real, gross disposable income in farm households. Assuming 100 as a level in 1997 the income in 1998–2000 was 91, 75.8,

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87.4, respectively. In comparison with the year 1995, the income fell by half (if 1995 = 100 then the level in 2000 equals 50.3) [4].

Ad d) The years 1999–2002 are characterized by steady fall of budget spending on agriculture. The biggest crisis was in 2002 when the expenditure totalled only to 1.976% of the budget spending (a considerable decrease in comparison with 2.566% in 1999). There is a chance to reverse the adverse trend in 2003 (budget in this year shows that).

Nominal sums of money should be corrected by the inflation which was relatively high in 1999–2001 (from May 2000 to May 2001 inflation measured by CPI (Consumer Price Index) reached 6.9%). This means that there was a real fall in 1999–2000, stabilization in 2000–2001 and real decrease of spending in 2002.

The index PSE (Producer Support Estimate) is most commonly used for measuring the level of support to agriculture. It is often calculated in percentages (% PSE). In such a form, assistance is expressed as a percentage of gross agricultural revenue. The level of index gives another proof that support from the budget was relatively low. According to OECD calculations % PSE fell from 19 in 1999 to only 10 in 2001. It is the result of difficult situation of the Polish economy. The level of the index in 2001 was much higher in EU where it totalled 35 (in the Czech Republic and Hungary it was also higher and reached 17 and 12, respectively).

CAP requires the implementation of quotas imposed on some agricultural products. In some cases, unfortunately, it would be necessary to reduce the present production, i.e. flax, tobacco, or it appears impossible to increase the production with rising demand to an average EU level, i.e. milk. Not all the barriers discussed before have the same effect on the development of organic farming. The factors which limit the development of organic production the most are:

1. Difficult economic situation in Poland (refer to point b) which considerably limits demand for usually more expensive organic produce.

2. Unsatisfactory support of agriculture (including "green" production) from state budget (refer to point c).

Ad 2) In percentage terms, the increase of spending on organic agriculture is considerable, but the nominal number is still very small. In 2002 budget, only 4 706 thousand zlotys was spent on it and 7 305 thousand zlotys the year later. According to the preliminary budget 7.5 million zlotys was assigned to this type of production. The amount shows that organic farming is not perceived as a chance to develop the whole sector by the government. It seems that the situation in Polish agriculture, its natural attributes and tendencies observed in the EU countries should prompt the policy-makers to increase substantially the support to ecological agriculture. The sale of this type of food will undoubtedly rise along with an increase of income in Poland and other countries.

2. OPPORTUNITIES FOR THE DEVELOPMENT OF ORGANIC FARMING

Paradoxically some factors that limit the development of traditional (intensive) agriculture may support the organic production.

1. Limiting the possibilities of expanding Polish agriculture as a result of introduction of quotas may indirectly increase the popularity of organic farming. There is a good chance that future profits will be higher than those from traditional farming. Such scenario is very likely in the event of rapid increase of standard of living in Poland. Low limits of production will force some farmers to quit traditional production and start organic.

2. Low consumption of fertilizers and pesticide favours an increase of organic production. According to PLEWA [3] the consumption of chemical fertilizers in Poland is three times lower and pesticides ten times lower than in the EU.

3. Abundance of workforce in the rural areas leads both to high registered and hidden unemployment rate. On the one hand this is no good for mechanization and development of mass production, but on the other one this enables an increase of labour-intensive organic production. At the end of 1999 there were 1.971 mln people without work in rural areas. 35% of that number were unemployed for more than two years. But there is another serious problem with a hidden unemployment. Instytut Rozwoju Wsi i Rolnictwa Polskiej Akademii Nauk estimated that about 738 thousand people living in the farms of over one ha (688 thousand of that number lived in villages) were unemployed. Redundant (idle) accounted for about 20% of employed in farms [6]. Since that time the problem of massive overpopulation in villages has escalated. Other data show that hidden unemployment may reach 1.4 million. The average working day in a farm was only 6.5 h in 1996 according to the Agricultural Census. For this reason about 70% of employed in agriculture work part-time.

4. The present structure of farms may have the positive effect on organic production. An average size of a farm was 6.59 ha in 2002 according to the latest Agricultural Census (6.49 ha in 1996) and was lower than in other candidate countries in Central Europe. An average farm occupied 37.6 ha in the Czech Republic (in 1995); 21.2 ha in Estonia (in 1999); 10.1 ha in Slovenia (in 1997); and as much as 170 ha in Hungary [9].

5. Low intensity of Polish agriculture was further reduced in the 90-ties. In 2000, in comparison with an average in 1989–1991, both plant and meat production substantially decreased (by about 15–18% in the fixed prices). The obvious consequence of this trend is a small intensity of production (1 pig per ha; 0.35 cattle per ha) [3]. In addition, according to Plewa, 40% of farms are not specialized which enables their faster transition to organic production.

6. On 16th March 2001 the Polish Parliament passed the most important regulation (Dz. U. 2001, Nr 38, poz. 452) concerning organic production that enabled faster expansion of this kind of production. Moreover, II National Environmental Policy and

the so-called executive program more precisely described the methods of reaching the goals set by II National Environmental Policy and provided specification of costs [1].

7. Another move in a right direction was the introduction (in 1999) of support to every hectare of organic production and subsidy to the cost of inspections. In 2002, the former ranged from 80–100 zls/ha for meadows and pastures to 500–600 zls/ha for orchards. In turn the latter ranged from 400 for a farm with up to 5 ha of arable land to 800 zlotys for a farm with arable land exceeding 100 ha. Both support schemes are regulated by the Ministry of Agriculture and Rural Development (Dz.U. No. 65, pos. 595).

Due to these measures the number of "green" farms increased from 300 in 1997 to 555 in 1999 covering 11 thousand ha. In 2001, in turn it reached 1778 covering 38.7 thousand ha. These numbers are already surpassed as 223 farms (with an area of 7.45 thousand ha) were in the second year of transition and 886 farms (with an area of 18.4 thousand ha) in the first year of transition at that time [2]. The data show that organic production gains momentum.

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SZANSE ROZWOJU ROLNICTWA EKOLOGICZNEGO PO AKCESJI POLSKI DO UE

Przedstawiono szanse oraz bariery rozwoju rolnictwa ekologicznego w Polsce w pierwszej dekadzie XXI w. Szybkiemu rozwojowi tego typu produkcji sprzyja m.in.: uchwalenie ustawy o rolnictwie ekologicznym w 2001 r., wprowadzenie dopłat do produkcji, niskie zużycie nawozów sztucznych i środków ochrony roślin oraz duże zasoby siły roboczej na wsi. Z kolei za najważniejsze bariery uznano: niski poziom i wolne tempo wzrostu dochodów społeczeństwa oraz niewystarczające wsparcie z budżetu państwa.