The state of organic farming in Poland

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Organic area, number and size of organic farms

According data collected by IJHAR-S (Agricultural and Food Quality Inspection Service), authority institution in certification system in Poland, there were 3760 farms leading organic production on the 82730 ha of UAA in Poland in 2004. The number and the area of organic farming during 4 years increased more than 2 times (see figure 1 and figure 2). There were 1683 farms which finished conversion period in 2004 in Poland and organic production was leaded on 37724 ha of UAA in 2004. Data collected by IJHAR-S let us foreseen that fully converted organic area between 2004 and 2006 will double. The figures form 2005 (**7138** organic farms registered **167 740 ha**) and latest data from 23rd June 2006 (**9279** farmers applied for subsidies for organic farming scheme in agro-environmental programs of Rural Development Plan) show trend of fast growth of organic farming in Poland. It's optimistic however increasing supply of organic products can exceed the demand from the market due to low consumers' consciousness and small undeveloped domestic organic food market.

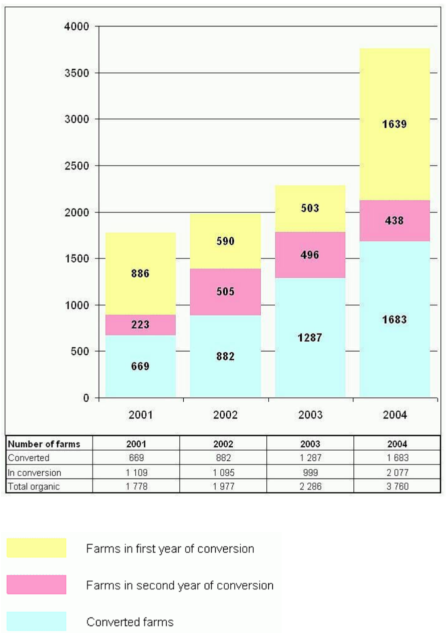

Figure 1. Organic farms numbers in Poland in 2001-2004. Source: IJHR-S.

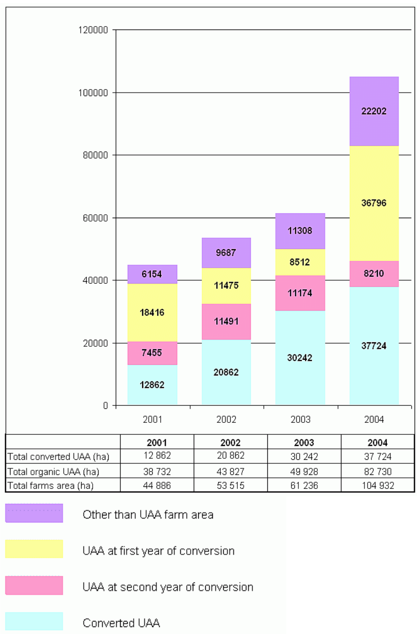

Figure 2. Organic farms area in Poland in 2001-2004. Source: IJHR-S

During 6 years change in structure of farm size can be noticed in Poland. (see figure 3). The share of farms up to 5 ha of UAA decreased from 33% to 19% within 6 years and the share of farms over 20 ha of UAA increased from 18-19% in 1999-2001 to 29% in 2004. More farmers leading big farms see new possibilities in producing organically and started to convert their farms. The introduction of new scheme of subsidies in 2004 has strong influence on this process.

The development of organic farming is uneven in Poland (See figure 4). Many farms started organic production at the east, especially south-east part of Poland. Due to farm size, spatial distribution of farms numbers is not linked straight to spatial distribution of organic area. Next to huge area of organic farming at the east, are of organic farming is also big at two provinces at north-west and south-west. These could influence the organic market organization. From one hand, higher density of farming can enhance processing, but at the other hand uneven distribution can elevate cost of transport for far markets.

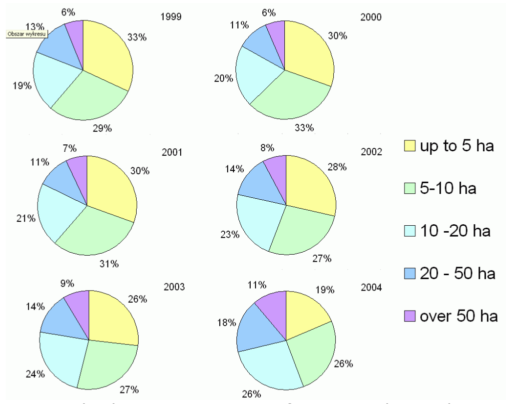

Figure 3. The size of organic farms in Poland in 1999-2004. Data for 1999 and 2000 does not cover all organic farms and represents population of farms which were supported through subsidies. Source: IJHAR-S

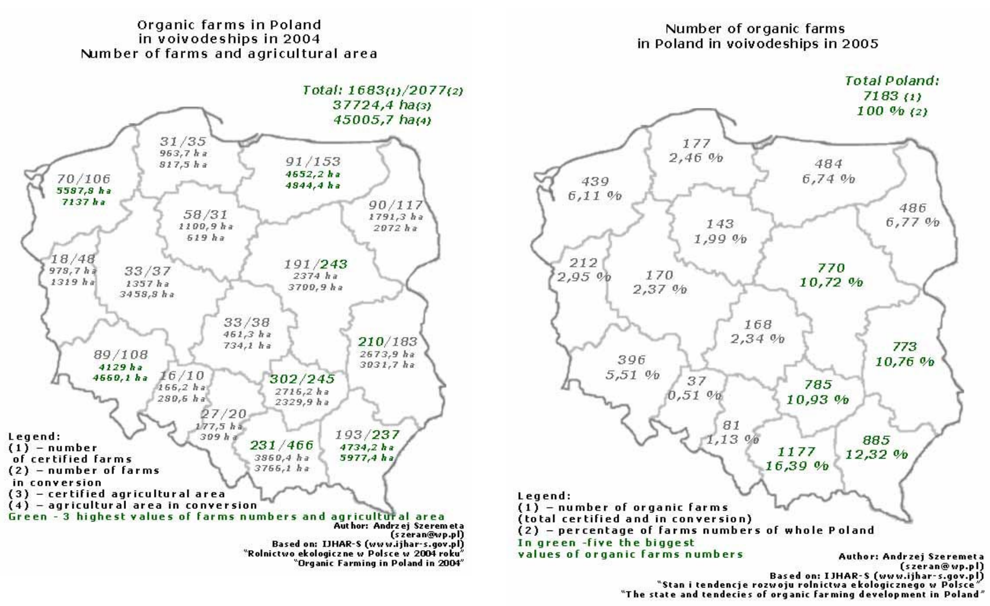

Figure 4 Spatial distribution of organic farming in Poland

Certification, Control and Labelling

Organic food production (farming and processing) in Poland is mainly certificated according European regulation EEC 2092/91. Biodynamic products can be certified by Association Demeter Poland. Additionally, Ekoland, the oldest and one of the biggest organic farming associations certifies according its own standards. For export purpose some farms are certificated according other standards, like American standards of USDA – NOP. There are 7 control bodies registered in Polish control and certification system and additionally some farms are controlled by foreign control bodies.

Recently, two year after EU accession more and more producers, especially processors, are using the logo proposed in EEC 2092/91 (see figure 5). Next to this logo, Polish organic food is labelled by quite well recognizable logo of EKOLAND (see figure 6). Other logos which can be met on organic food are logos of Polish Association of Organic Farming (see figure 7) and logos of control units (see figure 9). Logo of Demeter till now can be found on imported products (see figure 8).

Figure 5 Polish version of EU label of organic products

Figure 6 Logo of EKOLAND

Figure 7 Logo of Polish Association of Organic Farming

Figure 8 Logo of DEMETER

Figure 9 Logos of control bodies in Poland which can be found on the organic food labels.

Subsidies for organic farmers

Area payments for organic farming were introduced in 1999 (See table 1). They caused increased interest of farmers for conversion and were played very important role at the beginning of organic farming development in Poland. Payments for costs of farm control for organic standards compliance were introduced in 1998. The level of subsidies covers almost all control costs paid by farmers (See table 2). Two- and threefold increase of area payment in 2004 is the main factor affecting the huge increase in area of organically managed land in Poland in the years 2004-2006.

Table 1 Level of subsidies to ecological farming in Poland 1999-2006

	Horticultural crop		Arable crop		Orchards		Berries plantation		Pastures and meadows		Herbs***	
	conversion	converted	conversion	converted	conversion	converted	conversion	converted	conversion	converted	conversion	converted
1999	200	150	150	120	220	180	230	200	75	50	200	150
2000	600	450	450	360	660	540	690	600	150	120	600	450
2001	600	450	450	360	660	540	690	600	150	120	600	450
2002	500	400	200	150	550	450	550	500	80	50	500	400
2003	500	400	300	250	600	500	550	500	100	80	500	400
2004-2006	980	940	680	600	1800	1540	1800	1540	330	240	980	940
2007-2013*	1540	1300	800	750	1800 800**	1540 750**	1800 800**	1540 750**	330	260	900	820

Payment agency: until 2003 by Agro-Chemical Stations, from 2004 within RDP - Agency for Restructuring and Modernisation of Agriculture, 1 PLN = 0,22-0,25 €

* Proposal of The Ministry of Agriculture and Rural Development, state on 7th July 2006.

** Proposal of division fruit crops into to groups with different level of payments

*** up to 2006 level of payments the same as for horticultural crops

Table 2 Level of subsidies (in PLN) to costs of farm controls concerning the compliances with ecological agriculture criteria

Farm size (agricultural land)	up to 5 ha	5—10 ha	10—20 ha	20—50 ha	50—100 ha	over 100 ha
1998	75	100	125	150	175	300
1999	100	130	150	180	200	350
2000	300	350	400	450	500	600
2001	300	350	400	450	500	600
2002	300	350	400	450	500	600
2003	400	450	550	650	700	800
2004	600	750	800	900	1000	1100
2005	450	500	550	600	650	700
2006	450	500	550	600	650	700
2007-2013*	600	750	800	900	1000	1100

1 PLN = 0,22-0,25 €, 1998-2006 paid by Agro-Chemical Stations

* Proposal state on 7th July 2006 maximal payment up to 20% sum of organic farming area payment proposed within Rural Development Plan

Table 3 Utilization of organic land in Poland in 2004

	Total organic land area (ha)	Converted land area (ha)
Arable crops	33 357,8	15 909,9
Grassland	38 860,7	15 901,1
Vegetables	829,8	487,3
Berries and Orchards	3 203,8	1553,4

Organic food market

The market of organic food in Poland is in the process of development. It is very poor and weak and its size was estimated in 2004 for 1,58 million €. It's only 0,04 € per capita, in comparison with 0,30 € in Hungary, 0,60 € in Czech Rep., 6 € in Spain, 30 € in Great Britain or 42 € in Italy and Germany.

National market competes with the export of organic food, due to poorly developed national market of organic food, high cost of distribution, unrecognized consumer demand and more profitability of sale on export at farmers' and processors' level. Raw materials, frozen fruit and vegetables are main exported products.

Unlike organic farming in many Central East European countries Polish organic farming characterizes high share of arable land what shows huge potential of organic arable crops production.

Main distribution channels in national market are direct sale, sale in organic shops and sale in specialized healthy, high quality food shops. Few last years there were attempts to introduce organic food into the supermarkets. However these experiments failed. Recently the network of SPOŁEM markets in whole country introduced organic products in few shops with good success. Small scale production, inconsistent supply, low butch of products at farm level are causing low interest of general distribution channels managers and processors in entering organic market. Interest of processors is growing. Processors are trying to find their place and niche in the organic food market. Many polish companies were promoting their products and looking for foreign organic food market at Biofach fair in Nuremberg in 2006, where Poland was the country of the year. On domestic organic market Polish companies also increased their activity. The good example is the preparation by private companies National Programme of Organic Baking Development.

Year	Number of processors
2001	18
2002	15
2003	22
2004	55
2005	99

Table 4 Number of organic processors in Poland

Organic processing in Poland is not yet well developed. Only 18 processors were registered in 2001 and nowadays in 2005 only. (See table 4). Organic processing on farm is hampered due to high standards required and need of many investments in processing facilities on farms. Law range of Polish processed products is causing import. Organic products are imported, mainly from neighbouring countries – mainly Germany and Czech Republic.

The organic food in retail is sold at high prices. Sometimes prices are elevated up to 300% of premia prices and imported products are more expensive than in West European countries. High costs of distribution of small amount of products consist on the high prices. That's way organic products are recognized very often as luxury goods.

Consumers' consciousness according organic food is low. However more and more consumers are looking for the food of high quality, produced in clean environment and regional. These show that there is growing potential in the development of organic food, only society education and organic food promotion campaigns are needed for increase of organic food demand in Polish market. As respond for this need, nationwide promotion campaign of organic food and farming will start in Poland in autumn 2006. At the end of June 2006 European Commission approved budget of these campaign – for three years programme 3 149 193 EURO is proposed (half of budget from EU funds and half from national Polish funds).

Conclusions

The introduction of subsidies influences positively on organic farming development in Poland. The number and area of farms increased significantly from 2001, especially many farms started conversion in 2004 after introduction of higher subsidies within agro-environmental programmes of Rural Development Plan. Organic food market in Poland is poor and weak, however it is developing faster as the potential availability of organic produces is increasing with organic area.