

Organic farming and market in Poland

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Basic information on agriculture

For better understanding of agriculture sector in Poland it's good to remember the basic information about Poland and Polish agriculture. Poland is country in middle Europe with total area 31,269,000 ha / (312 269 km²) and population 38,6 mln habitants. Polish agriculture characterizes:

- large agriculture area 16,3 mln in 2004yr which account for 52 % of total land;
- big number of farms - 1,85 mln in 2004yr;
- small farms size - average around 8 ha;
- huge share of working population employed in agriculture - 28,7% in 2001yr;
- low GDP from agriculture – 2,9% in 2001yr.

In comparison to west European countries conditions for agriculture are less favor. The length of the termic vegetation period and annual sum of rainfall in Poland is lower than west Europe. Combination of conditions for agriculture expressed as net primary productivity according IPCC is presented below in figure 1.

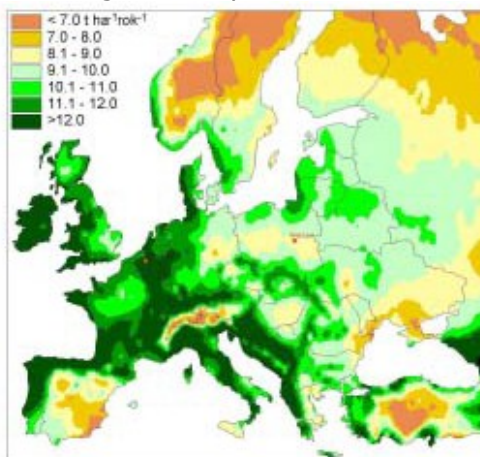


Figure 1 Net primary productivity (acc. To IPCC 2003)

Other possibility to realize the condition for agriculture can be the share of Less Favorite Areas (LFA) according European regulation within Rural Development Plan. LFA is the combination of climate condition, soil state and fertility and population aspects. Over 50% of Poland fits to rules of LFA. See map of LFA in figure 2 below.

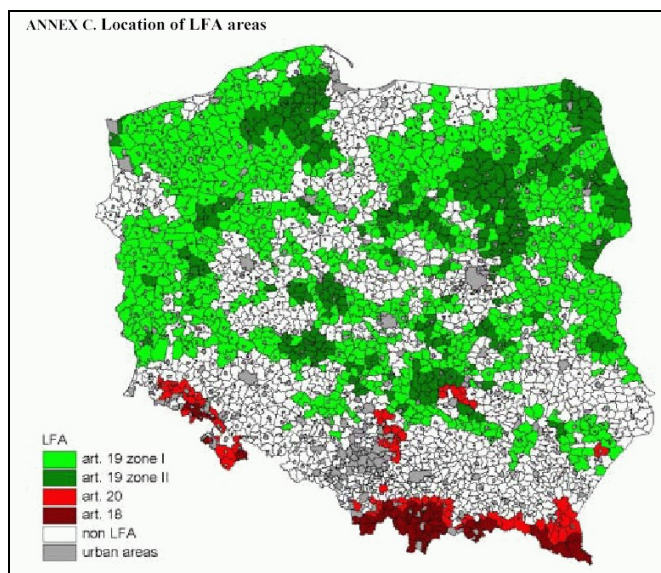


Figure 2 Location of LFA in Poland. Source: Rural Development Plan 2004-2006

Market

The market of organic food in Poland is in the process of development. It is very poor and weak and its size is not known. National market competes with the export of organic food. As the market is poorly developed, cost of distribution are high and demand is unrecognized many producers and companies found the export easier and more profitable than sale on national market.

Main distribution channels in national market are direct sale and sale in specialized healthy, organic, high quality food shops. The last years there were attempts to introduce organic food into the supermarkets. However these experiments failed. Recently one network of markets in Warsaw introduced organic products in three shops with quite good success.

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. Unfortunately, till now there is no national campaign developed. All the load of promotion is the hand of farmers, shop owners, other operators in organic farming and NGO's. The results of their activities can be seen at some regions, where the development of the market is noticeable. There are many expectations of market development laid down in

National Action Plan for Organic Food and Farming preparing by Ministry of Agriculture and Rural Development. At the beginning of the 2006 there are plans for the preparation of three year promotion campagne directed to consumers and farmers with budjet of 12 mln PLN.

According to survey conducted by Sylwia Żakowska-Biemans in 2003 Polish consumer buy organic food because of reason of health, taste of organic food and concern of the environment as well.

Factors hampering development of organic food sale:

- low or unrecognized demand,
- low consumer consciousness, lack of promotion,
- low range of organic products, low range of processed products, small supply of meet and meet process products in the shops (available mainly by direct sale),
- not sufficiently developed organic processing and wholesale, distribution channels; only 50 certified processing company in 2004,
- high prices , sometimes premium price up to 300%, organic products are recognized very often as luxury goods,
- inconsistent supply, low butch of products,
- difficulties in implementing products to supermarkets,
- high level of export: mainly raw materials, frozen fruits, vegetables,
- not recognized share of organically produced food sold as conventional.

System of control and certification

System of control of organic farming and food production consist of the Ministry of Agriculture and Rural Development and Main Inspectorate of Agricultural and Food Quality Inspection Service and control bodies. Ministry legalizes units as control bodies within organic farming. Inspectorate is authority within control system. It controls work of control bodies and collect basic statistical data of organic farming production.

Foreign control organizations as SKAL, Ecocert, Lacon, BCS, INAC were operating in Poland before EU accession.

Basic certification is related to standards of EU regulation EEC 2092/91. However there are other private standards: standards of Association of Ecological Food Producers EKOLAND and standards for biodynamic agriculture of Association Demeter – POLAND. Some foreign control units are operating in Poland, controlling the farms according other private standards as Bio Suisse and National Organic Programme (USA).

Polish control bodies are accredited by Polish Accreditation Centre on conformity for EN 45011:

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Name of control bodies	Code of control bodies
Ekogwarancja PTRE	RE-01/2005/PL
PNG	RE-02/2005/PL
Cobico	RE-03/2005/PL
Bioekspert	RE-04/2005/PL
Biocert	RE-05/2005/PL
PCBC	RE-06/2005/PL
AgroBioTest	RE-07/2005/PL

Other institutions

- The Institute of Soil Science and Plant Cultivation - authority in organic farming for fertilizers
- Institute of Plant Protection in Poznań - authority in organic farming for plant protection means
- State Plant Health and Seed Inspection Service - authority in organic farming for seeds, reproducing materials
- Station for Soil Analysis – payment agency for subsidies of control costs
- Agency of Restructuring and Modernisation of Agriculture – payment agency for subsidies within agro-environment programmes of Rural Development Plan

List of association of organic movement in Poland

- Association of Ecological Food Producers EKOLAND – Stowarzyszenie Producentów Żywności Metodami Ekologicznymi - EKOLAND www.ekoland.org.pl (with 6 brunches)
- Polish Ecological Club, Brunch in Gliwice – Polski Klub Ekologiczny, Oddział w Gliwicach www.pkegliwice.pl
- Radzanów Ecological Association - Radzanowskie Towarzystwo Ekologiczne in Radzanów n/b Radom
- Galician Association of Farmers Applying Ecological Methods "Bio-Gleba" - Galicyjskie Stowarzyszenie Rolników Gospodarujących Metodami Ekologicznymi "Bio-Gleba"
- Polish Association of Organic Farming – Polskie Towarzystwo Rolnictwa Ekologicznego
- Subcarpathian Association of Organic Farming EKO GAL - Podkarpackie Stowarzyszenie Rolnictwa Ekologicznego "Ekogal"
- Association of Organic Farms – Strawberry - Stowarzyszenie Gospodarstw Ekologicznych "Truskawka" www.truskawka.org
- Association of Organic Food Producer EKO-DAR - Stowarzyszenie Producentów Żywności Ekologicznej EKO-DAR
- Association of Organic Farms in Leżajsk - Leżajskie Stowarzyszenie Gospodarstw Ekologicznych w Leżajsku

- The last 4 are gathered within Subcarpathian Chamber of Organic Farming - Podkarpacka Izba Rolnictwa Ekologicznego
- Association of Organic Farming „BioRol” - Stowarzyszenie Rolnictwa Ekologicznego BioRol
- Association Demeter – POLAND – Stowarzyszenie Demeter – Polska
- The Ecological and Cultural Association ZIARNO – Stowarzyszenie Ekologiczno - Kulturalne ZIARNNO www.ziarno.org.pl
- Upon Nida Association of Organic Farming Producers EKONIDA–Nadnidziańskie Stowarzyszenie Producentów Rolnictwa Ekologicznego EKONIDA

Regulation

First regulation was standards of EKOLAND. First national administrative regulation was established in 2001 Law on organic farming of 16th March 2001 (Dz.U. 2001 no 30, item 452).

Recently, European Union regulations related to organic farming get in force within accession of Poland to EU. European regulations EEC 2092/91, EEC 94/92, EC 1788/2001 and EC 1452/2003 were introduced by national Law on organic farming of 20th April 2004 (Dz.U. 2004 no 93, item 898).

History

Early beginnings

First known facts about organic farming in Poland are dated for period between world wars. Between 1931 – 1941 pioneer Stanisław Karłowski was running biodynamic farm (1760 ha) in Silesia. He organized workshops and edited folders for farmers. After his death during II World War the idea of organic farming was put aside. Later, in 1960 Julian Osetek started farming with biodynamic methods in his small 3 ha farm. He was farming quietly till 1981, where he give first lecture about idea of biodynamic agriculture in Warsaw Agricultural University (SGGW) and some students and academic teachers and scientists get interested in this idea. Professor of soil ecology - Mieczysław Górny - found himself interested in biodynamic methods as opportunity of putting his theoretical knowledge into practice. He was the most important motor of development of organic farming idea among polish farmers and scientists. Thanks to all of them biodynamic farming became synonym of ecological alternative in agriculture in Poland. Later after 1984 courses of biodynamic farming by Christian von Wistinghausen from German organization “DEMETER” was held for Polish farmers. The development of organic farming was possible thanks to brake down of communist censorship.

Short brief of organic farming development milestones from 1989

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- 1.09.1989 - establishment of first organic farmers' association "Ekoland"
- 1.09.1989 Warsaw - Meeting of organic farming pioneers from Hungary, East Germany, Czechoslovakia, Lithuania
- 1990 - Ekoland became a full member of IFOAM
- 1993 - PTRE - association of organic farming was established
- 1993-5 - AgroBioTest and Bioekspert (control units) have separated from EKOLAND
- 1998 - financial support to control costs for farmers was established
- 1999 - area payment (not agri-environmental program) were introduced
- 2001 - first law on organic farming introducing national standards of organic farming (due to many dissimilarities between it and EU regulations, Poland was not included in the list of third countries)
- 2002 - rebuilding of certification system
- 2004 - EU enlargement, new law on organic farming came in force, new payment in Rural Development Plan was introduced
- 2005 - New standards of EKOLAND was prepared
- 2005 - Establishment of Association DEMETER Poland, who starts to certificated within Demeter standards for biodynamic farming.

Labelling

Logos of organic farming are not well recognizable by Polish Consumer. During many years (nowadays also) the most important and most known logo appearing on organic products were logo of Ekoland (see figure 4). Producer could use it only when their production systems meet with Ekoland standards.

Next to it, on Polish organic food on the Polish market consumer can recognize organic food with label which consist of logo of Polish Association of Organic Farming (see figure 5) and logos of control units (see figure 6). After accession of Poland to EU, logo proposed by European regulation EEC 2092/91 can be used (see figure 3). Recently after one year after EU accession more and more producer, especially processors, are using this logo. Biodynamic products labeled with Demeter logo are very rare on the Polish organic market. Association Demeter Poland establishment in 2005 and their activities in development of biodynamic farming has not influenced yet the availability of this type of food on the Polish market (see figure 7).



Figure 3 Polish version of EU label of organic products



Figure 4 Logo of EKOLAND



Figure 5 Logo of Polish Association of Organic Farming



Figure 6 Logos of control bodies in Poland which can be found on the organic food labels (compare with list of control bodies)



Figure 7 Logo of DEMETER

Subsidies

Level of area payments were changing during 1999-2003 due to national budget limitation. Introduced in 2004 after Accession of Poland into European Union area payments within Rural Development Plan are more than double (See table 1). Area payments have limitation, due to decrease of payment uptake by huge farms: 1999, 2002, 2003 - for each hectare 100% up to 50 ha, 50% between 50-100 ha and no payment over 100ha; 2000, 2001 - 100% up to 100 ha, 50% between

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100-300 ha and no payment over 300ha; 2004 (in Rural Development Plan) - 100% up to 100 ha, 50% between 100-300 ha and 10% over 300ha.

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

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

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 €

Other financial support is subsidies to costs of analysis of plant protection means residues in organic samples collected during the control by certification bodies.

Additionally the support of research in organic farming and coordination of advisory service in organic farming were introduced in 2004.

Payments for costs of farm control of organic standards compliance were introduced in 1998. The level of subsidies covers almost all control costs paid by farmers (See table 2).

Table 2 Level of subsidies (in PLN) to costs of farm controls concerning the compliances with ecological agriculture criteria paid by Agro-Chemical Stations

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

1 PLN = 0,22-0,25 €

Advisory

National agricultural advisory consist of Agricultural Advisory Centres in Brwinów, which consist of 4 brunches, is financed basically directly by national budget. Its main role is coordination and development of agriculture advisory in Poland. There is network of Agricultural Advisory Centres (the same name in English translation) in Poland which consists of main units in all provinces with offices in all counties. This network is financed basically by budget of Provinces. Within the system of agricultural advisory systems there are advisors who are work as advisors for organic farming and Rural Development Plan, however they are providing advisory not only in these areas. Organic farming advisory is only one part of their specialization. There are around 400 such people in the Polish advisory system in 2005.

National organic farming advisory is located within this national advisory. National Centre for Organic Farming was established in Radom in 2003. After the structural changes it alters into the Brunch of Agricultural Advisory Centres in Brwinów. It coordinates the advisory in organic farming. During 2004-2006 it published 32 publications on animal and plant organic production and organic processing as materials for advisors' and farmers' education.

Next to national advisory private advisory in organic farming exists. It's not fully recognized but some processors, individual organic producers, organic faming association give free of charge or paid advisory in organic farming in different extent.

Development and state

In 1990 organic farming in Poland started with 27 farms. Since then organic farming has been developing slowly as the movement of farmers, other passionate and enthusiastic people. Faster growth of organic farming began after introduction of subsidies to organic farming. As a result number of organic farming increased more than double in 2000. (See figure 8).

Another significant increased is observed in 2004 and 2005 when farmers were encouraged by higher level of payments introduced after EU accession within agro-environmental programmes of Rural Development Plan. According expectations of The Ministry of Agriculture and Rural Development , number of organic farms will increased up to 15 000 and organic area up to 300 000 ha in 2010. This foresees is underestimated as in 2005 in total 7183 certified farms exist in comparison to 6000 estimated (IJHARS 2006).

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

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farming during 4 years increased more than 2 times (See figure 9, 10). In 2004 organic farming area increased significantly due to large number of farmers who started conversion their farms. Farmers were mainly affected by introduced in 2004 higher subsidies within agro-environmental programs of Rural Development Plan. 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. It's optimistic however increasing supply of organic products can exceed the demand due to low consumers' consciousness and small undeveloped domestic organic food market. Newly published data show that there were 7183 farms with 167 740 ha in Poland in 2005.

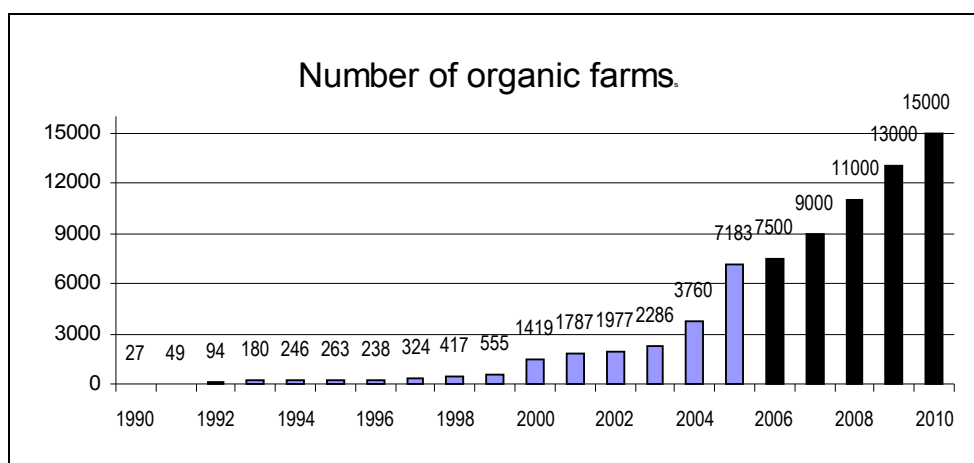
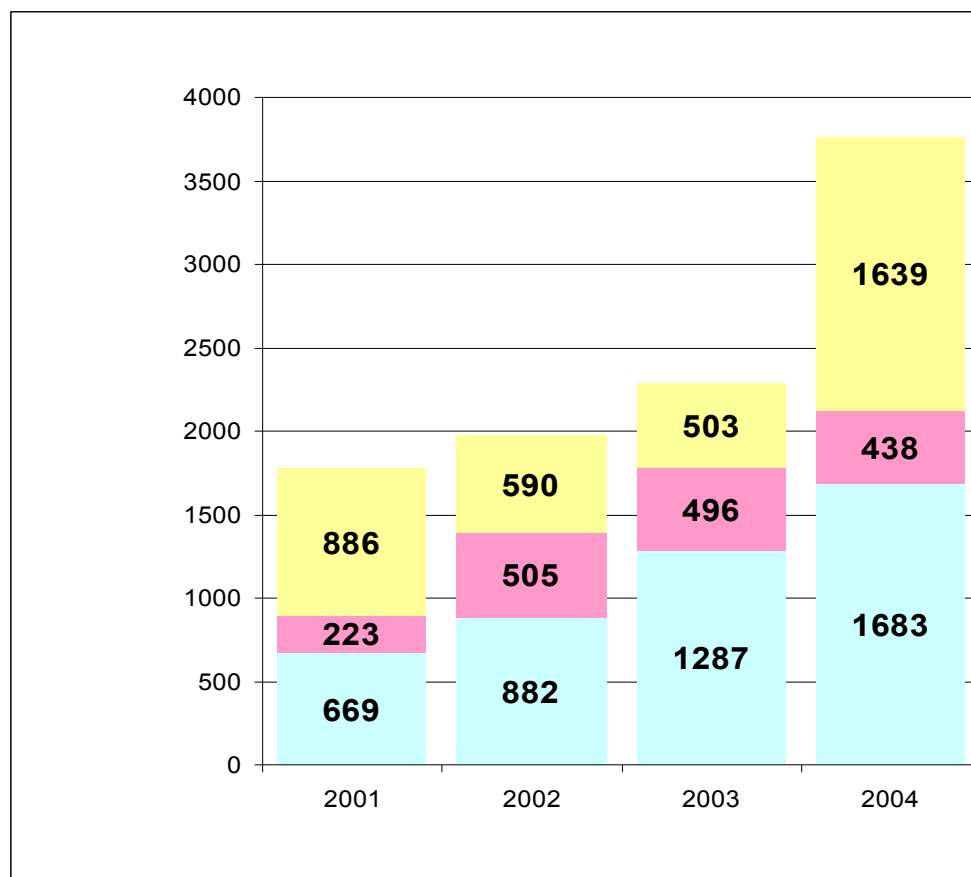


Figure 8 Development of organic farming in Poland

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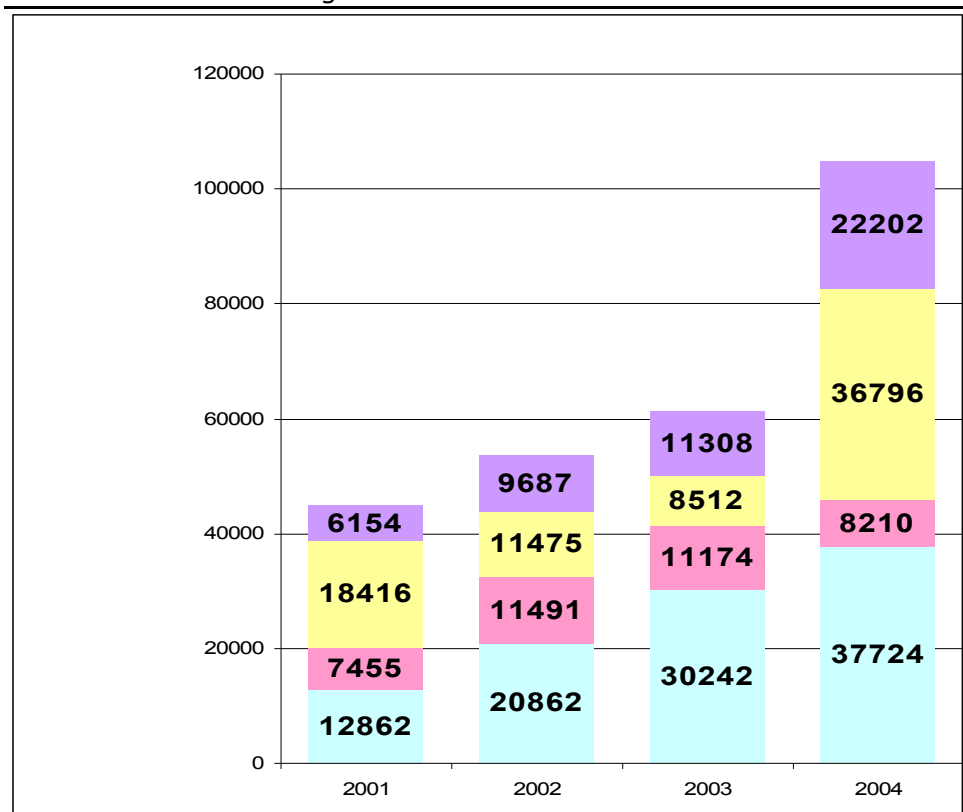


Number of farms	2001	2002	2003	2004
Converted	669	882	1 287	1 683
In conversion	1 109	1 095	999	2 077
Total organic	1 778	1 977	2 286	3 760



Figure 9 Organic farms numbers in Poland in 2001-2004. Source: IJHAR-S 2002, IJHAR-S 2003, IJHAR-S 2004, IJHAR-S 2005.

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	2001	2002	2003	2004
Total converted UAA (ha)	12 862	20 862	30 242	37 724
Total organic UAA (ha)	38 732	43 827	49 928	82 730
Total farms area (ha)	44 886	53 515	61 236	104 932

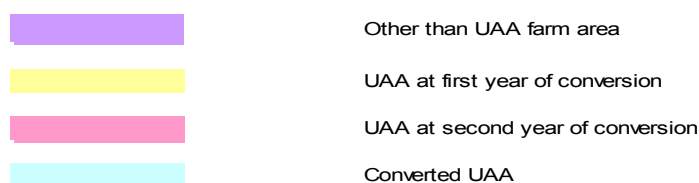


Figure 10 Organic farms area in Poland in 2001-2004. Source: IJHAR-S 2002, IJHAR-S 2003, IJHAR-S 2004, IJHAR-S 2005

Till 2004 there is lack of relevant statistics of animal and plant organic production in Poland. Some data on land utilization collected by IJHAR-S form certification bodies were published. Grassland/meadows and arable crops are the main exploitation of organic land, over 50% and 43% respectively. Orchards and berries plantation covered over 4% and vegetables around 1%. (See table 3)

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

During 6 years change in structure of farm size can be noticed in Poland (See figure 11). 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 convert their farms. The introduction of new scheme of subsidies in 2004 has strong influence on this process.

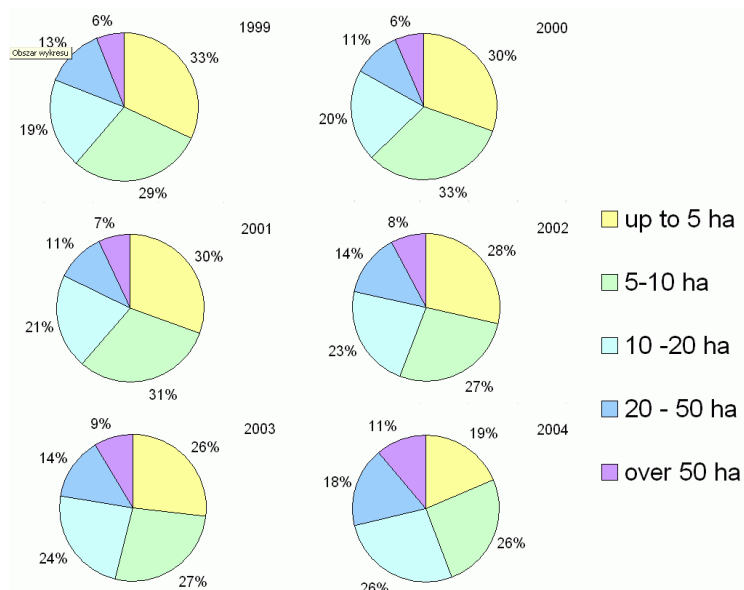


Figure 11 The size of organic farms in Poland in 1999-2004. Data for 1999 and 2000 does not cover all organic farms and only represents population of farms which were supported through subsidies. Source: IJHAR-S 2001, IJHAR-S 2002, IJHAR-S 2003, IJHAR-S 2004, IJHAR-S 2005

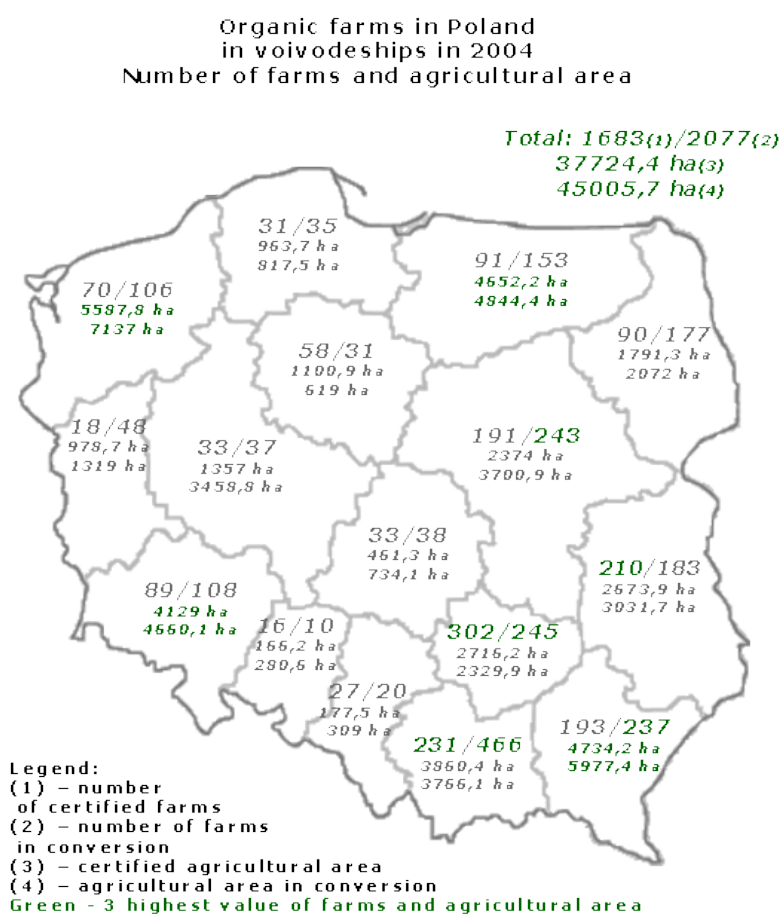
Spatial distribution of organic farming

Development of organic farming in Poland is not even in all regions. Number of farms is higher in east voivodships, mainly because of combination all or some off factors: extensive production before

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conversion which simplify begins in organic production and relatively higher supply as markets in big cities (shops in Warsaw and Cracow) or companies which processed or export organic food. Organic area is relatively higher in regions where the size of farms, conventional and also organic, is higher. (See figure 12).

The average size of organic farming is 22 ha which is around three times higher than conventional. During the last 4 years country average do not changes significantly. However at voivodship levels the average size of farms in 2004 is more diversified from 9,1 ha / farm to 72,3 ha / farm. Changes of average size of farms can be observed almost in all voivodships. Generally, with some exceptions, average size of organic farms decreased in regions with bigger farms and increased in regions with averagely smaller farms. (See table 4)



Elaborated by Andrzej Szeremeta (szeran@wp.pl)
based on "Rolnictwo ekologiczne w Polsce w 2004 roku" IJHAR-S

Figure 12 Size of organic farming in Poland in 2004. Spatial distribution.

Table 4 Average area of agricultural land in organic farms in Poland (according voivodships) in the 2001-2004

YEAR	2001	2002	2003	2004	4 year tendency
Dolnośląskie	56,0	50,9	41,6	44,6	↓
Kujawsko-pomorskie	16,2	18,1	18,8	19,3	↑
Lubelskie	14,4	11,3	12,9	14,5	—
Lubuskie	101,3	62,5	51,9	34,8	↓
Łódzkie	28,0	14,8	14,3	16,8	↓
Małopolskie	17,2	16,4	13,5	10,9	↓
Mazowieckie	11,3	12,2	11,5	14,0	↑
Opolskie	7,1	12,7	13,2	17,2	↑
Podkarpackie	28,6	24,2	24,3	24,9	↓
Podlaskie	19,0	19,5	18,9	18,7	—
Pomorskie	62,8	50,1	53,2	27,0	↓
Śląskie	4,3	6,3	6,6	10,4	↑
Świętokrzyskie	7,7	8,3	9,0	9,1	↑
Warmińsko-mazurskie	55,2	60,7	52,2	38,9	↓
Wielkopolskie	32,8	36,9	45,4	68,8	↑
Zachodnio-pomorskie	111,7	81,7	80,9	72,3	↓
Total	21,8	22,2	21,8	22,0	—

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