UDENRIGSMINISTERIET, MINISTRY OF FOREIGN AFFAIRS OF DENMARK
**DANISH EMBASSY IN WARSAW**

# ORGANIC FARMING IN POLAND

FLEMMING DUUS MATHIESEN

# AGENDA

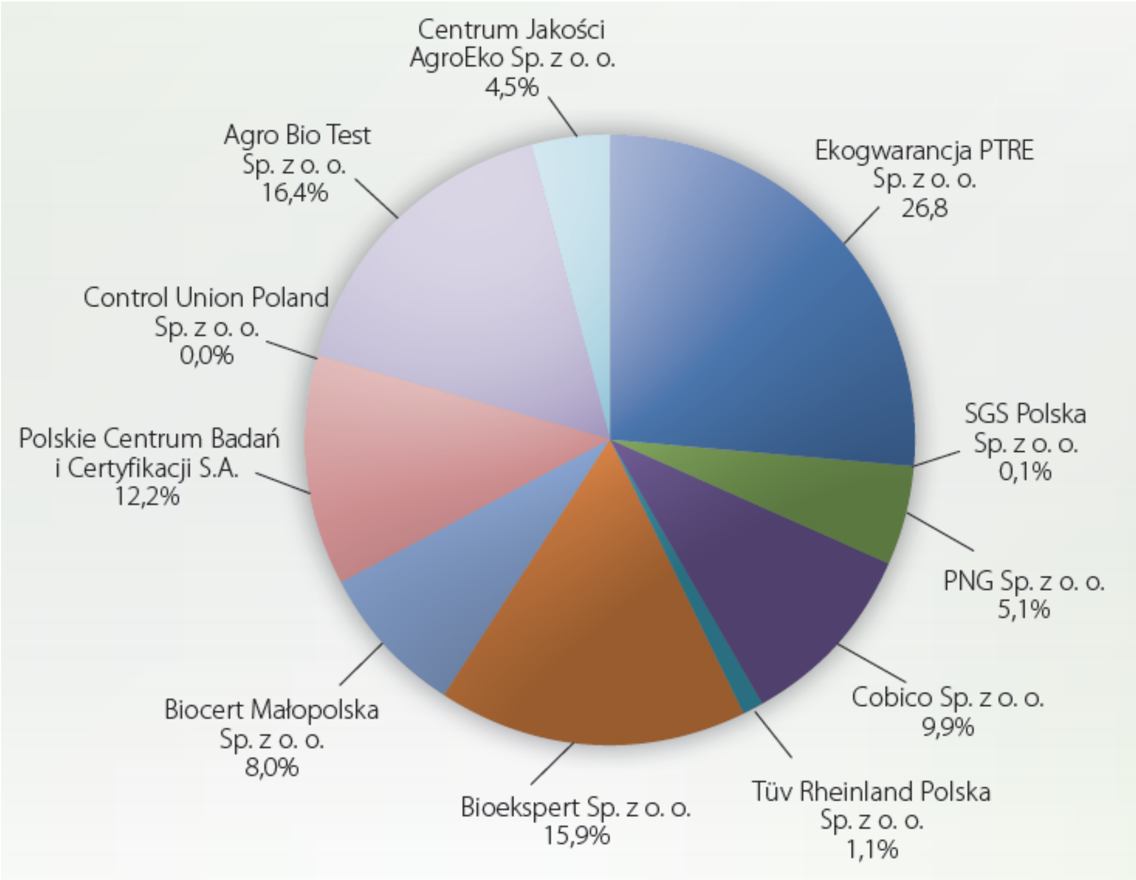
- The system of supervision, inspection and certification
- Statistical data on organic farming
- Acreage of organic land
- Structure of organic production
- Structure of sizes of organic farms
- Facts on production of organic products
- Market for organic food
- Main barriers to development of the market for organic food
- Eco-food conquers Polish market
- Export and import challenges
- Support for organic farming
- The political agenda related to organic farming
- Prospects, challenges for the future and concluding remarks

# THE SYSTEM OF SUPERVISION, INSPECTION AND CERTIFICATION

Control system in Poland is based on private control bodies. These bodies are recognized and supervised by the designated authorities of Poland. The Polish system of control in organic farming includes:

- **Minister of Agriculture and Rural Development,** which authorizes all bodies to conduct their activities,
- **Agricultural and Food Quality Inspection,** which supervises certification bodies and organic production,
- **Private Certification Bodies,** authorized to carry out inspections and issue and revoke certificates in the field of organic farming.

# THE SYSTEM OF SUPERVISION, INSPECTION AND CERTIFICATION




In the recent years, in Poland, worked 11 certification bodies that have authorization of the Minister of Agriculture and Rural Development to carry out checks and issue and revoke certificates in organic agriculture.

**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 12.

# NUMBER OF ORGANIC PRODUCERS


**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 19.

- For the 31st of December 2010 the **number of organic producers** in Poland amounted to 20,956, while in 2004 it was only 3,760,
- Analysing data on the number of organic producers, it can be concluded that organic farming in Poland is rapidly growing, as it is shown by the chart above.

# ACREAGE OF ORGANIC LAND IN POLAND


**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 22.

- In 2010 the agricultural area in which organic production took place accounted for about 3.3% of the total arable land in Poland.
- It was 519,068.43 hectares, of which **212,983.68 ha area was agricultural land during the conversion period**.

# SUBSIDIES FOR POLISH FARMERS

| | | |
|---|---|---|
| **REGULAR & ORGANIC FARMER** | SINGLE AREA PAYMENT | 710 PLN |
| | NOT FAVORABLE AREAS FOR AGRICULTURE | 170 – 275 PLN |
| **ADDITIONAL ONLY FOR ORGANIC FARMER** | CROPS | 600 PLN (680 PLN) |
| | PERMANENT GRASSLAND | 260 PLN (330 PLN) |
| | VEGETABLES CROPS | 940 PLN (980 PLN) |
| | HORTICULTURE | 1540PLN (1800 PLN) |

**()** – payment in transition period
- per hectare
**1 PLN** ~ 1.7 DKK

# FACTS ON PRODUCTION OF ORGANIC PRODUCTS IN POLAND

**80% of organic farms**
- cereals

**60% of organic farms**
- potatoes

**20% of organic farms**
- vegetables

**17% of organic farms**
- strawberries

**33% of organic farms**
- orchards

**60% of organic farms**
- cattle and poultry

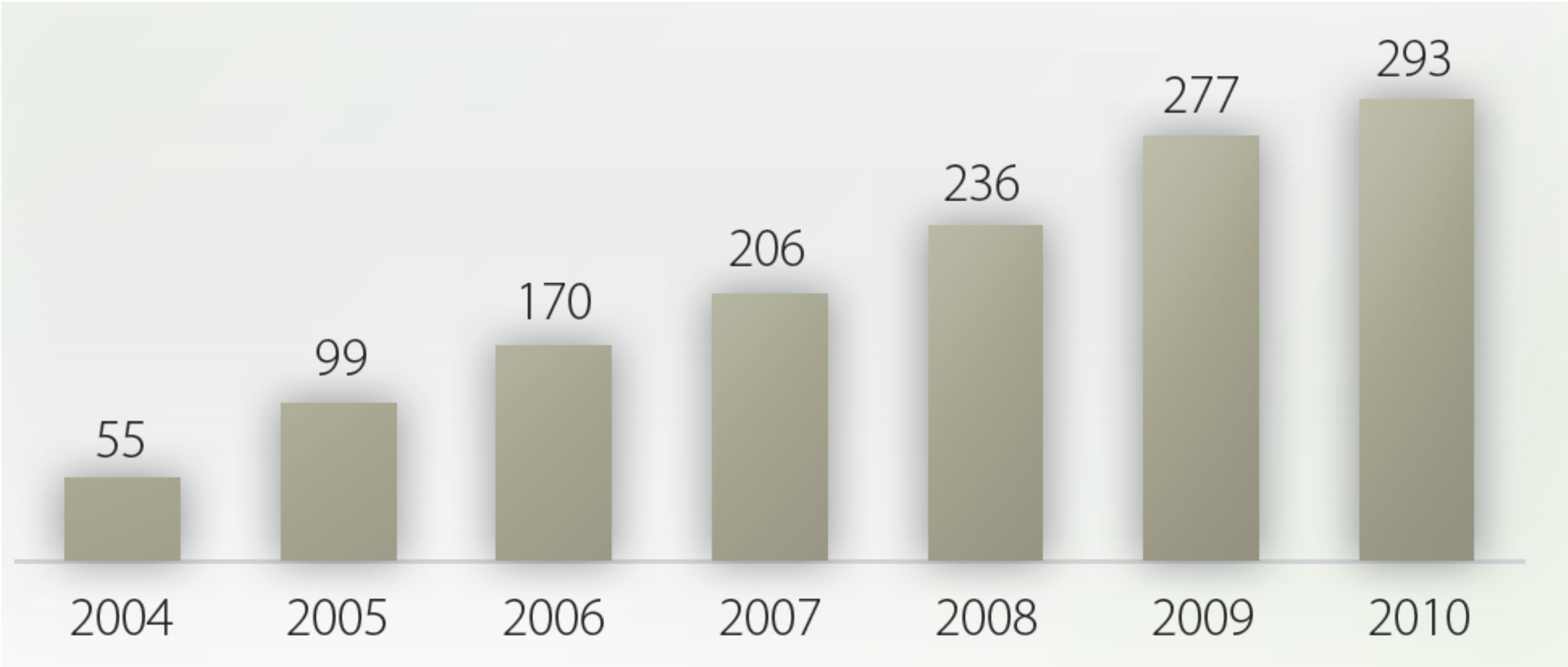
**35% of organic farms**
- pig farming

**10% of organic farms**
- sheep and goats

**20% of organic farms**
- horses on farms

**25 ha** - average size of organic farm
- 10 ha average size of regular farm

# NUMBER OF ORGANIC PROCESSORS




**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 19.

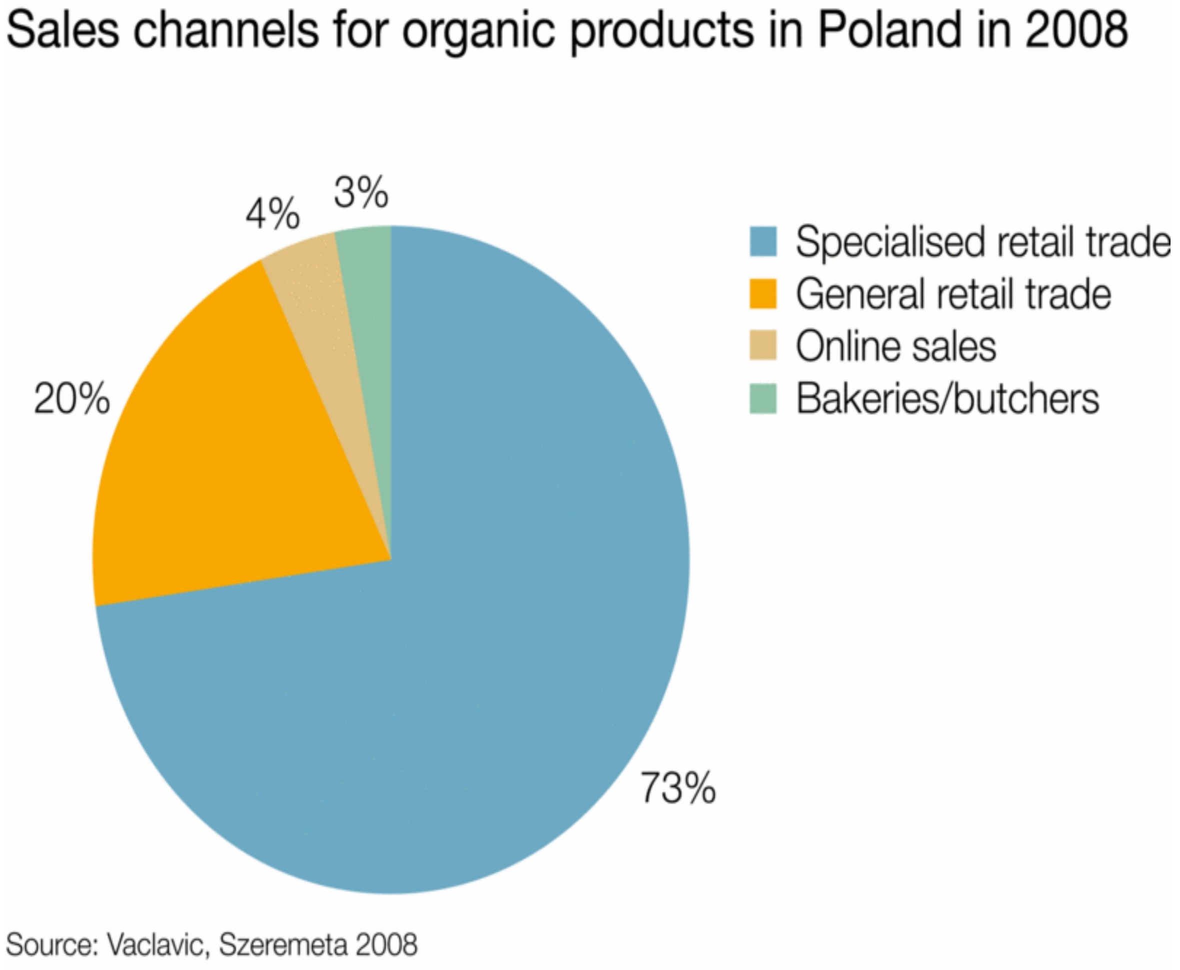
- For the 31st of December 2010 the **number of organic processors** in Poland amounted to 293, while in 2004 it was only 55,
- Analysing data on the number of organic producers, it can be concluded that organic farming in Poland is rapidly growing, as it is shown by the chart above.

# MARKET FOR ORGANIC FOOD IN POLAND

The market share of certified organic food products in the domestic market at the beginning of the century was small but constantly growing.

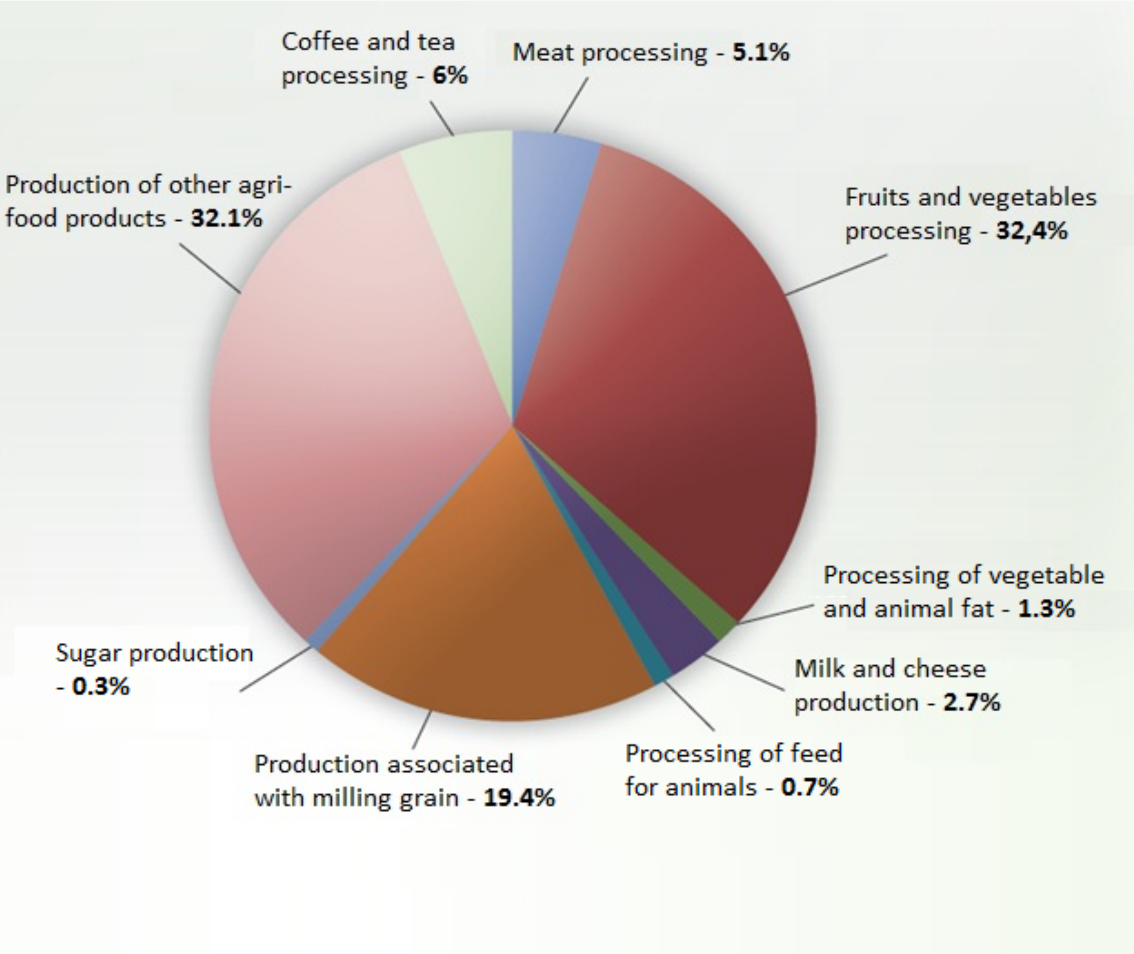
- For example in 2010 Poles spent totally for organic products around € 50 million. Annual per capita spending was only € 1.30.
- Experts inform that in 2011 Poles will in total spend € 63 million only on the packaged organic products. Expected average spending will be on the level of € 3.70 per capita.
- The most important channels for sales of organic food are direct sales, health food and natural food shops.
- In recent years, some supermarkets have started to offer a limited range of selected products in organic quality - mainly imported from Germany, Italy and France.
- Organic food in Poland is often very expensive and available for higher income consumers.

# MARKET FOR ORGANIC FOOD IN POLAND




- In recent years, the best sold organic products were cereal products and seeds, followed by juices, vegetables and fruits.
- It is expected that there will be an increase in the domestic product range due to the increasing number of processors and better organization of the supply chain.
- Fresh products will become more widely available and the sales of organic fresh production will increase.
- The production of regional organic products is also expected to increase in importance.

# ORGANIC FARMING SECTOR STRUCTURE




- Most of the total number of processing establishments in Poland is engaged in processing of fruits and vegetables (**32.4%**),
- **32.1%** processors were engaged in other agricultural and food product production,
- The activity of **19.4%** was the production associated with milling grain,
- There were fewer establishments handling with coffee and tea processing - **6%**, meat - **5.1%** and milk - **2.7%**.

**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 21.

# STATISTICAL DATA ON ORGANIC FARMING

Major changes and trends in the number of organic producers in Poland compared to the period right after the accession to the UE:

- Strong increase in the number of organic producers **from 3,760 to 20,956**, which means that the number of producers grew in Poland 4.5 times in 6 years time,
- Strong increase in the number of organic processing establishments **from 55 in 2004 to 293 in 2010**, which means growth by 4.3 times,
- Constant and steady development of organic farming on the whole territory of Poland.

# CROP DISTRIBUTION IN ORGANIC FARMING

| Category of cultivation | Share of land under organic cultivation |
|---|---|
| Cereals | 19,6% |
| Potatoes | 0,4% |
| Plants for feed | 20,6% |
| Legumes for dry seeds | 0,9% |
| Industry plants | 0,7% |
| Vegetables | 1,0% |
| Meadows and pastures | 42,3% |
| Fruit and berry growing | 13,3% |
| The rest | 1,2% |

- The largest share of the agricultural area were meadows and pastures (**42.3%**).
- In second place were the plants cultivated for animal feed, which occupied **20.6%** of agricultural land.
- Cereals accounted for **19.6%** of organic agricultural land.
- Other groups of crops occupy **17.5%** of total organic agricultural land.

**Source:** Raport o stanie rolnictwa ekologicznego w Polsce w latach 2009-2010, Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych, Warsaw 2011, p. 23.

# SUMMARY FOR ORGANIC FOOD

## Processing, wholesale and retail are not well structured and developed at the moment:

- It results in a low number of points of sales, higher prices and lack of some product types like fresh food, dairy and animal products.
- Sales of imported organic products, particularly processed products, are popular among retailers

## Health aspects and taste are the main reasons for buying organic food in Poland:

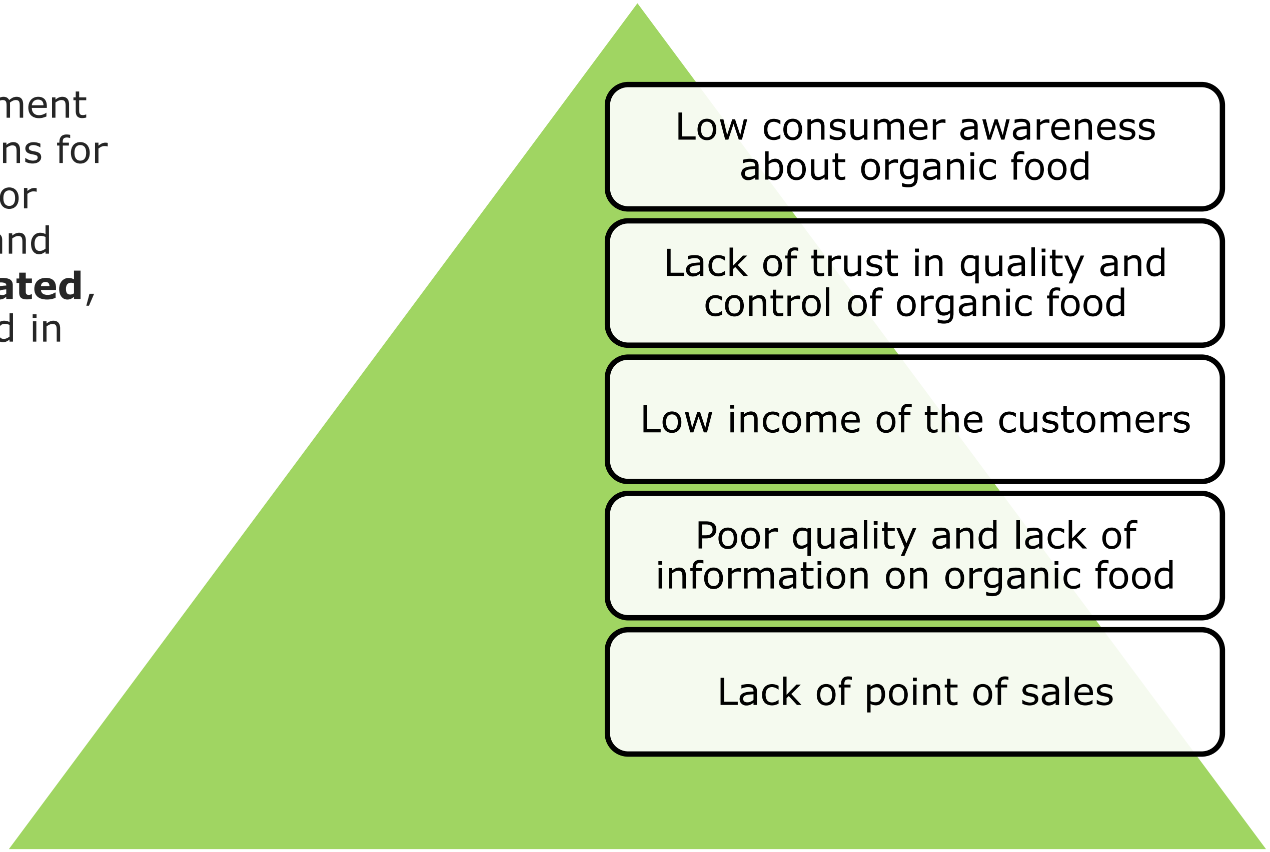
- Organic shops were perceived by Polish consumers as an alternative source for buying special and dietary food.

## Increased ecological awareness is observed in Poland:

- Every year more and more customers buy organic food
- One of the main barriers to development is still small demand
- A challenge is to create a consumer base that has awareness for the advantages of organic food.

# MAIN BARRIERS TO DEVELOPMENT OF THE MARKET FOR ORGANIC FOOD

- Currently, the main barriers to development and the main reasons for the small demand for organic food in Poland **are consumer related**, which are presented in this triangle:




**Source:** Sales channels for organic products in Poland in 2008. Source: Vaclavik and Szeremeta 2008

# EXPORT AND IMPORT CHALLENGES

Thirty percent of organic products consumed in the country are estimated to be imported. The most relevant imported products are cereal products, juices and oils.

The key countries of origin are Germany, Italy and France. In some cases, Polish processors import organic raw materials when there are problems with domestic supply (meat).

Exports of organic products from Poland are not significant. A few exporters sell fruits for processing (frozen black and red currants, strawberries, wild fruits and canned cucumbers).

Lack of organisation of small farms is one of the biggest barriers to the development of the export sector.

More and more Polish processors produce organic products for foreign brands as subcontractors.

Export of processed food under Polish brands is very limited.

# THE POLITICAL AGENDA IN POLAND RELATED TO ORGANIC FARMING

Political activities related to organic farming were divided into six main tasks:

- **MARKET DEVELOPMENT, PROMOTION AND INFORMATION**
- **RULES OF PRODUCTION**
- **INSPECTION AND CERTIFICATIONSTUDIES**
- **STUDIES**
- **ENVIRONMENTAL PROTECTION**
- **COOPERATION**

# PROSPECTS, CHALLENGES FOR THE FUTURE AND CONCLUDING REMARKS

- Growing number of organic farms in Poland. More and more new organic farmers. Poles have also more and more areas under organic cultivation.

- Problem is that with the increase in area under organic farming Poland do not have growth of the amount of organic products. The supply remains low and stable.

- Polish organic production gives a chance to find a job for many unemployed residents of the village.

- Problem is a structure of organic production, which does not meet the interests of consumers.

- There is a great interest of Western markets with the import of Polish organic products.

- Problem is the small trade turnover. To export more Poles need to create producer groups for organic goods.

**Source:** Polish Ministry of Agriculture and Rural Development webiste, organic section