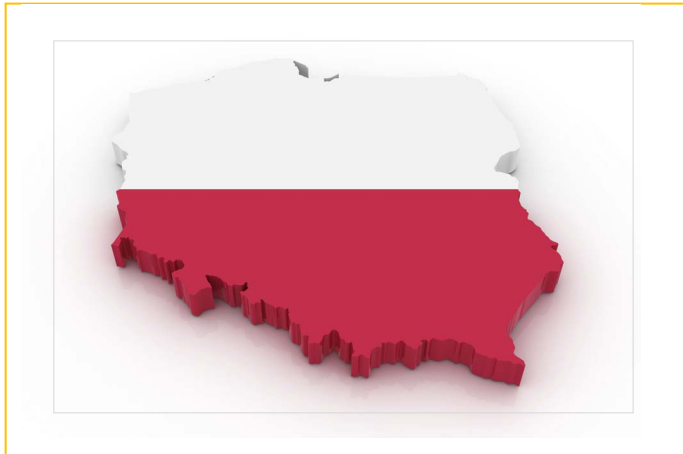


POLAND AND THE CAP

10 YEARS OF SUCCESS



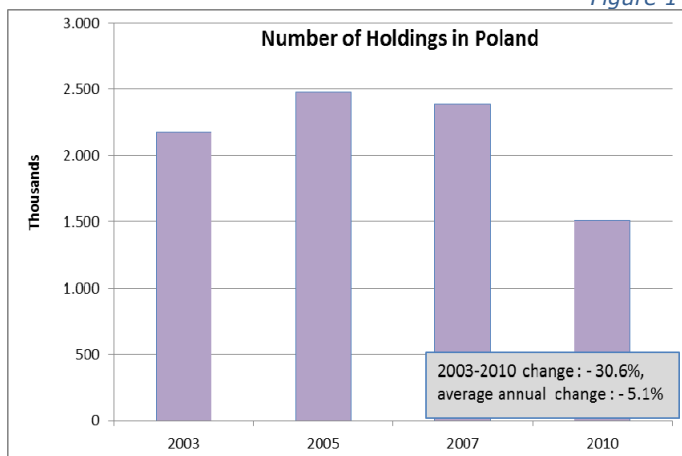
Ten years ago, on 1 May 2004, the EU enlarged from 15 to 25 Member States (and with two subsequent enlargements to 28). The balance of these ten years of EU membership is clearly positive for agriculture and the rural economy in the Poland.

1. Structural Adjustment

Fewer farms

The number of farms in the Poland has fallen by 30% since 2003.

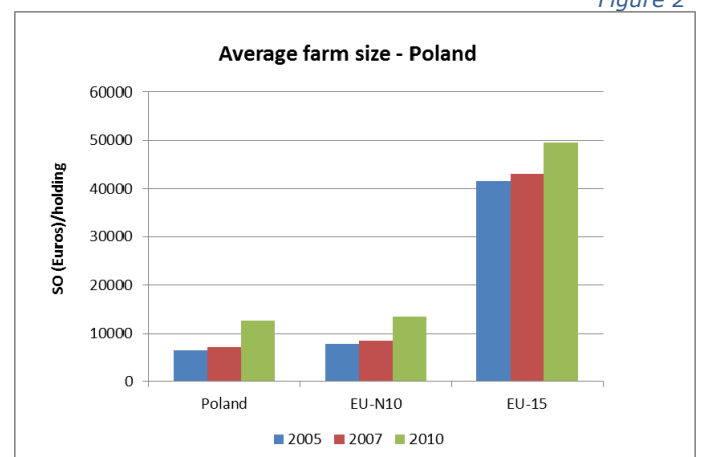
Figure 1



Bigger farms

Farms in the Poland have almost doubled in economic size¹ since 2003. It is one of the most dynamic countries with the value of production/holding showing 14.2% growth/year, (EU-15: 3.5% and EU-N10:11.2%).

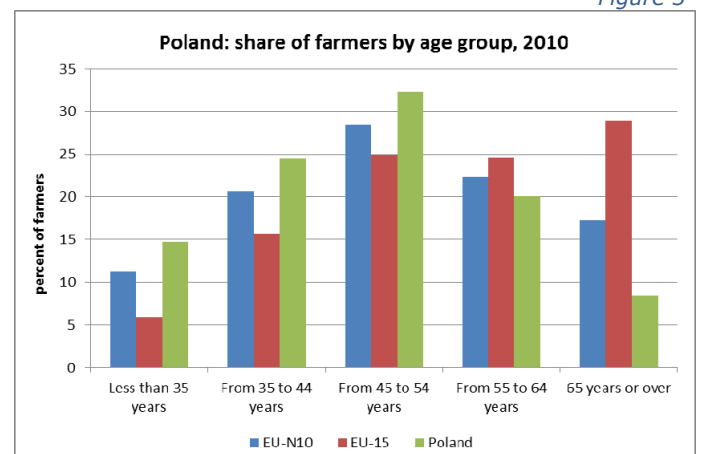
Figure 2



Younger age structure

Farmers in Poland tend to be younger than in the EU-15 or even the EU-N10, with 40% under the age of 44 compared with just 22% in the EU-15.

Figure 3

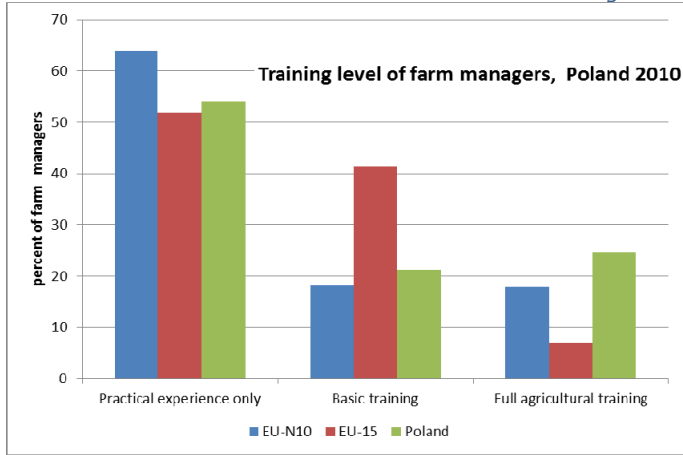


¹ Economic size is measured by the value of Standard Output (SO).

Training of farm managers

A greater percentage of farmers (25%) in Poland have full agricultural training than in the EU-N10 (18%) or in the EU-15 (7%).

Figure 4

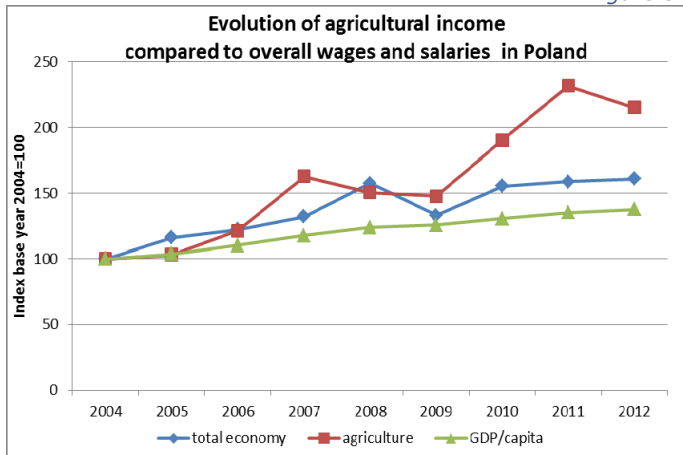


2. Income

Agricultural income rising fast

From 2004 to 2012 Polish agricultural income² grew by 115% (average +10.1% per year), compared to overall wages and salaries in the economy which increased by 61% (6.1% per year) and growth of 38% I GDP per capita (4.1% per year).

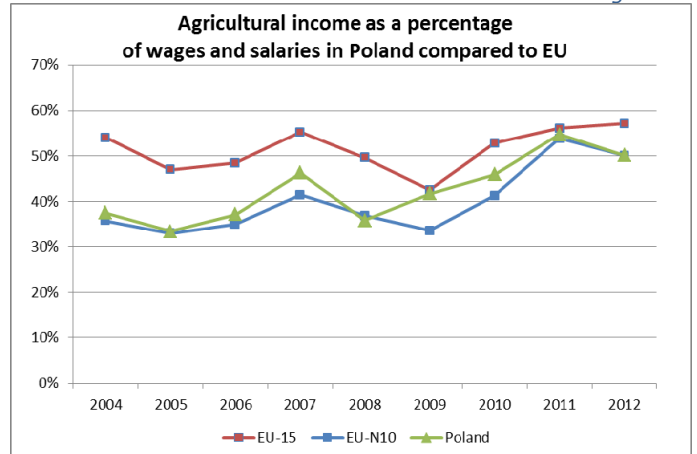
Figure 5



Though lower than average wages

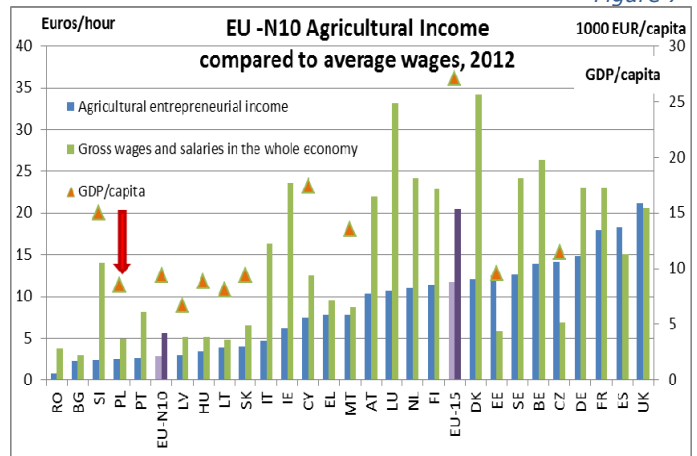
The level of agricultural incomes in Poland is around half of average wages in the whole economy, which is a very similar profile to that of the EU-N10. Despite the difference in income situation before accession in 2004, by 2011 the gap between Poland, the EU-N10 and EU-15 had almost closed.

Figure 6



Compared to the EU-15, in 2012 hourly earnings in agriculture in Poland (€2.4) were just 21% of the EU-15 level (€11.70), while the average wage rate for the whole economy was just a quarter of the EU-15 level (€4.9/hour compared to €20.40). This should be seen in the context of Poland's relative GDP/capita, which is 31% of that of the EU-15.

Figure 7



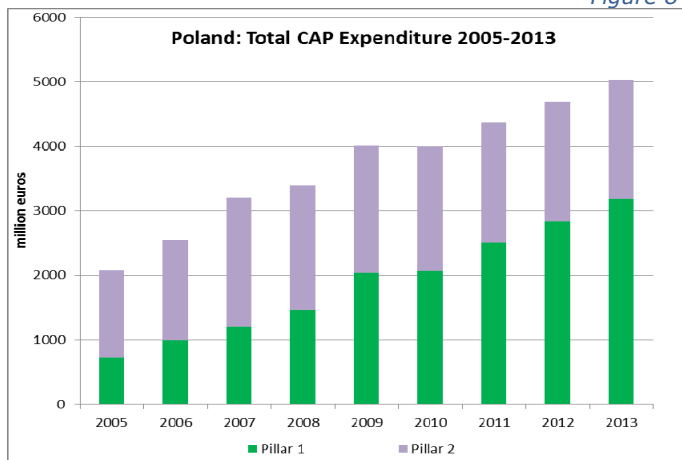
² Agricultural income is measured by entrepreneurial income per full-time non-salaried "Agricultural Work Unit", using an index with base year 2004=100.

3. CAP Expenditure

Investing in rural communities and supporting farm incomes

Over the period 2005 -2013, total CAP spending in the Poland was 33 billion euros. Polish farmers received 17 billion euro in direct aids and market measures to support farm income (Pillar I) and some 16 billion euro was spent modernising agriculture, making it more sustainable and developing rural areas (Rural development or Pillar II).

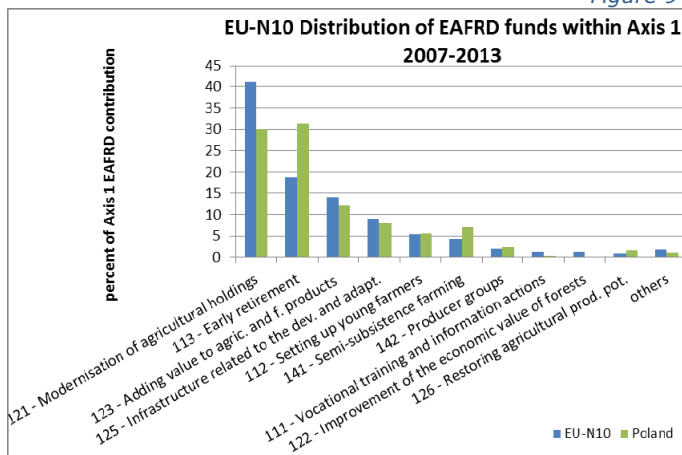
Figure 8



Investing in competitiveness

In Poland the largest share of funds under Axis 1 went to early retirement (31%), followed by investment aid for modernisation of agricultural holdings (30%).

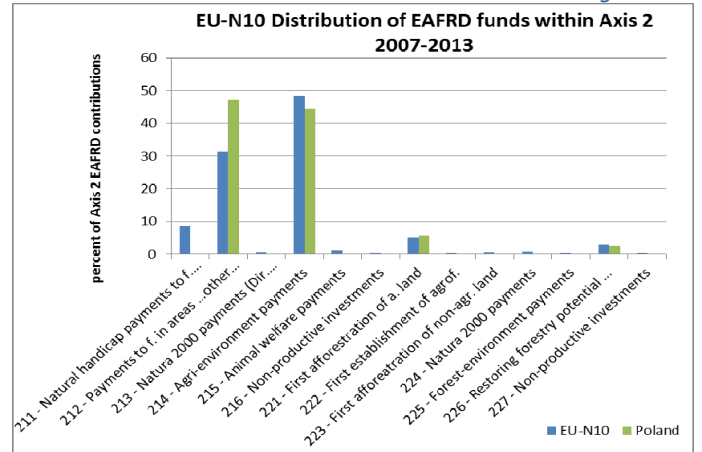
Figure 9



A more sustainable agriculture sector

Within Axis 2 over 47% of Rural Development money was spent on areas with natural handicaps and 45% on agri-environment measures.

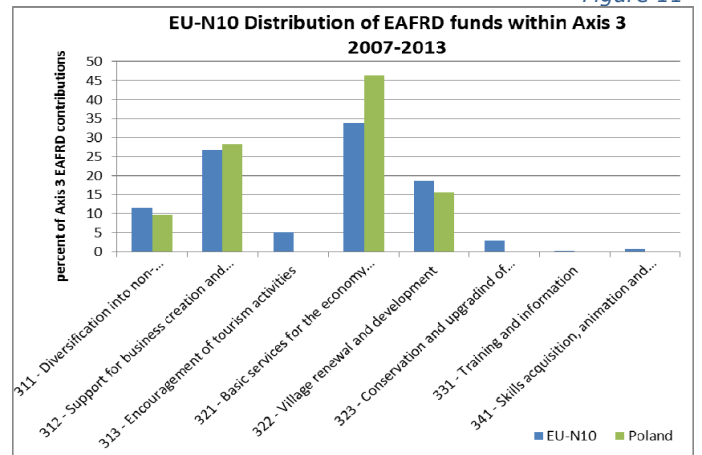
Figure 10



Quality of life and diversification of rural areas

Poland's focus within Axis 3 is on provision of basic services in rural areas, which accounts for 47% of spending, followed by support for business creation and development (28%) and village renewal and development (16% of expenditure).

Figure 11

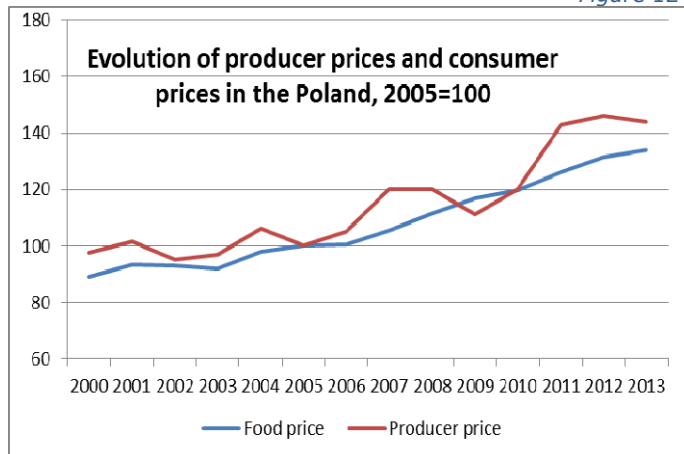


4. Prices and share of food in household expenditure

Food prices rise faster than producer prices

Agricultural commodity prices increased by 35% in nominal terms in the Poland from 2004 to 2013, while consumer food prices grew by 37% over the same period.

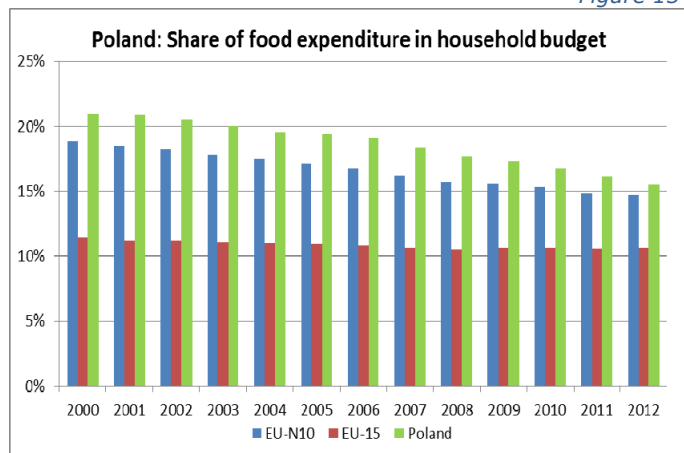
Figure 12



Food accounts for a declining share of household expenditure

Food accounts for a declining share of household expenditure in Poland, though it has not yet reached the average level of the EU-N10.

Figure 13

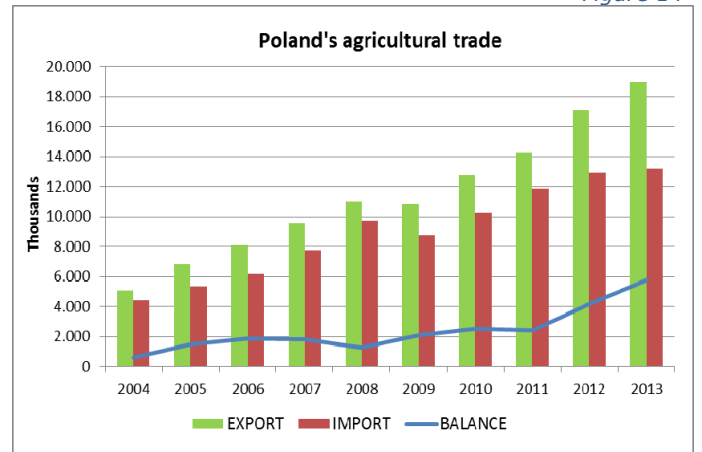


5. Trade

Exports growing faster than imports

Polish agricultural exports have grown almost fivefold over the past ten years, increasing the trade surplus in agricultural products by over €5 billion.

Figure 14



See the individual EU-N10 enlargement fiches and more on *Briefs*:

http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/index_en.htm

Policy Perspectives homepage:

http://ec.europa.eu/agriculture/policy-perspectives/index_en.htm



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