



# Producer organisations in Poland

Jerzy Wierzbicki – Polish Beef Association (PBA)

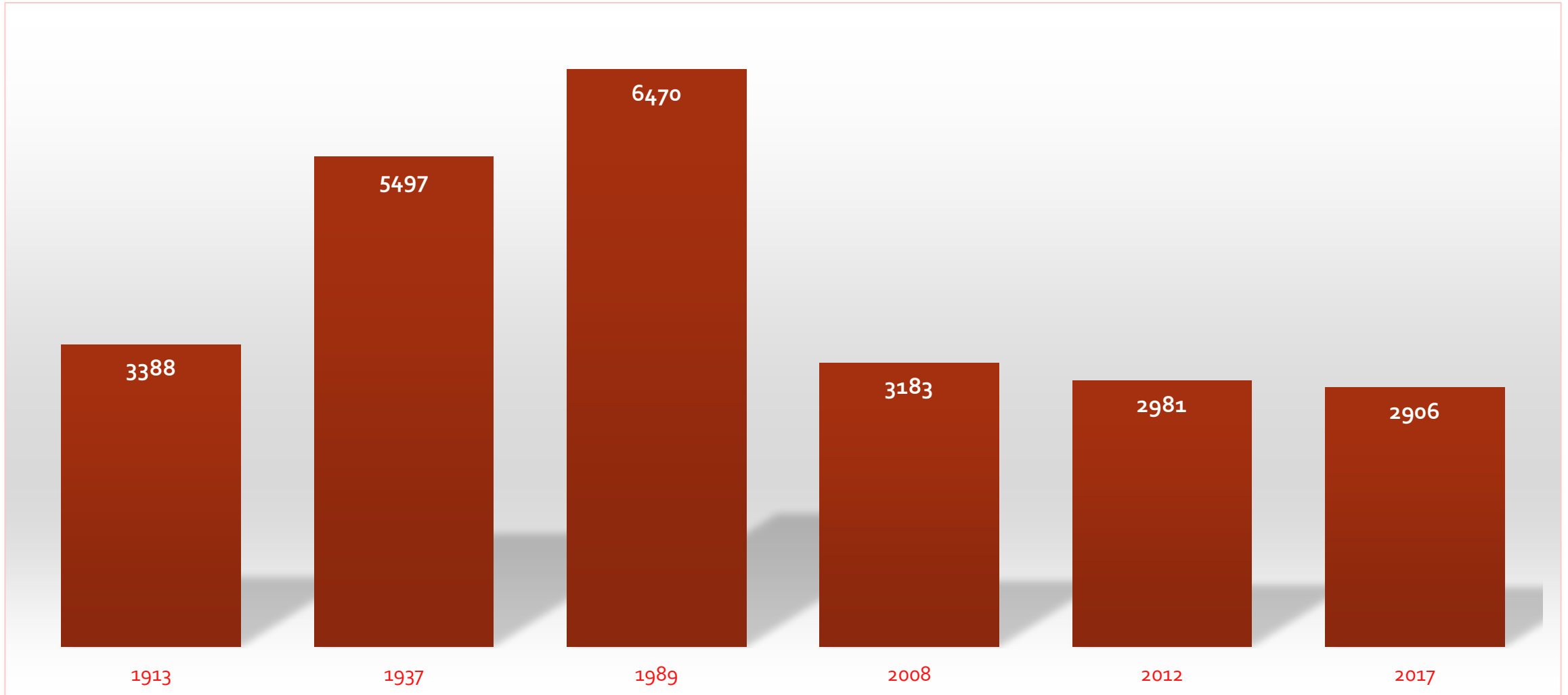
- in Poland the tradition of cooperation in agriculture has more than 200 years.

but ....

- Poland is one of the EU-28 countries with the lowest number of farmers' organisations.

why ?

# No of producers organizations in Poland 1913-2017

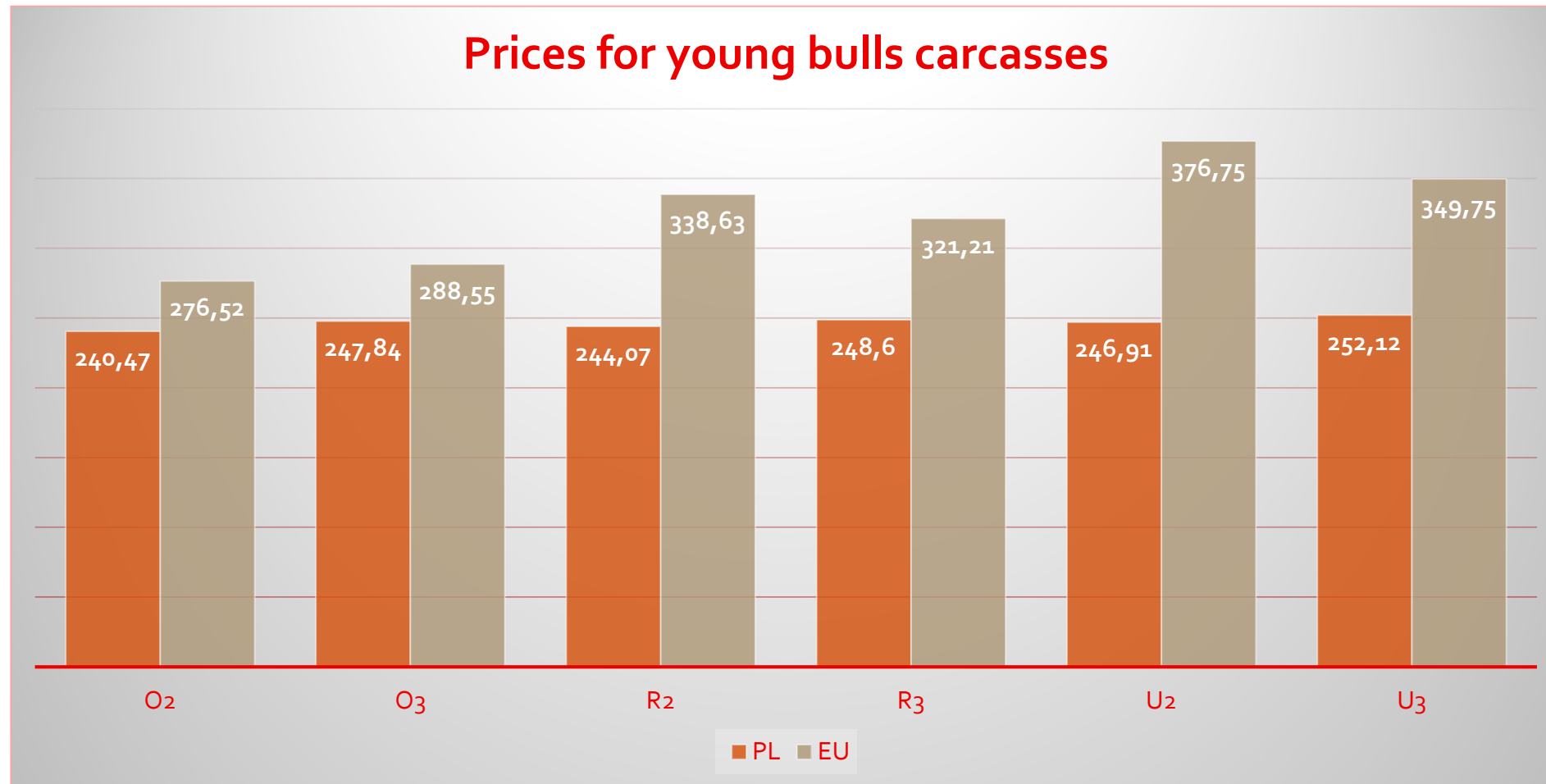


## Why the number of farmer organizations is so low in Poland?

- Unfortunately, the state policy from 1945-1989 forced farmers to participate in production cooperatives and to transfer ownership of their farms to these cooperatives.
- As a result, older generations of farmers are discouraged to associate within organizations.
- Transformation process and the adopted plan to emerge from the economic crisis led to the collapse of the previous cooperative system (1990-2004), with the exception of dairy cooperatives.

- In 2005 a dozen of beef livestock producers established the Polish Beef Association.
- The main goal was to increase profits, produce more efficiently, reduce costs and sell in a better prices

# Relatively low and flat prices of Polish livestock in 2006



## “Beef Sector Development Programme 2007-2013”.

- The objective of the PBA was to take advantage of the new opportunities for beef livestock producers under the Common Agricultural Policy.

- In 2006, the PBA developed an operational plan called

## “Beef Sector Development Programme 2007-2013”.

- It was addressed to the Polish authorities, aiming to draw attention to the problems of the industry.

## “Beef Sector Development Programme 2007-2013”.

- The PBA initiative led to introducing of cattle subsidies within the direct payments system (250mln EUR/year) and established “The Beef Promotion Fund” in 2009.
- Polish beef cattle producers collect in Beef Promotion Fund amount of 1,5 mln EUR a year.
- Beef Promotion Fund supports producers and processors organisations to promote Polish beef on internal and external markets.



# "EUROSTEK 2012 – High Quality Beef Production Development Programme"

- In 2007, PBA started "EUROSTEK 2012 – High Quality Beef Production Development Programme".
- The programme aimed to achieve higher prices for beef produced in quality system, and was supported by the Rural Development Programme.
- QMP(Quality Meat Program) is beef quality assured scheme. PBA members implement it on their farms to add value to their production. QMP System is based on the latest innovations, and scientific research of European and world leaders in the production of high quality beef.

## Cooperations

- Cohasion Fund in 2007 enabled implementation of the project of cluster initiative (budget 180 000 EUR)
- As a result a scientific and technical consortium was established between PBA and two major agricultural Universities in Poland. Consortium implemented ProOptiBeef scientific project (budget 10 mln EUR) in 2009-2015

# Inspirations from EU, US, AU on beef quality

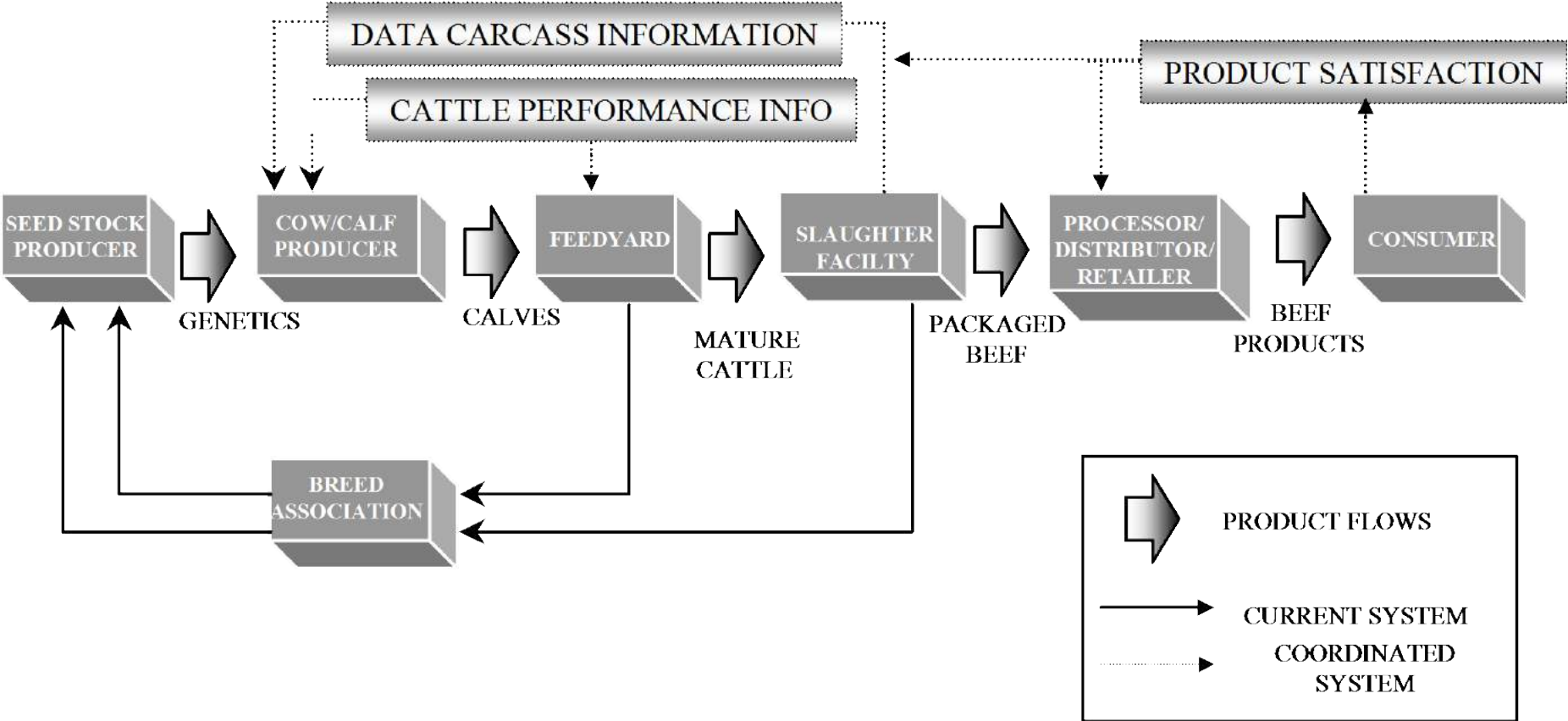


Why should we be interested in eating quality of our beef?

- Consumers are only point where money enters the supply chain
- When they are paying more for beef than ever before.....we cannot let them down



# From fork to farm – coordinated supply chain



# PBA activity in Research and Innovation

ISO 9000's definition of quality is

“degree to which a set of inherent characteristics fulfils requirement”.

## Consumer taste tests

- The MSA program is based on over 160,000 consumer taste tests and 1,120,000 samples.
- 12 cooking methods, 69 cuts tested
- Consumer testing has been carried out in 12 countries
- Largest consumer product testing program in the world



The driving force behind the development of PBA is the development of the QMP quality system, which meets EC guidelines for voluntary quality assured schemes.

It guarantees, among other things, higher animal welfare standards and higher eating quality of meat



QMP system and its holistic approach – producer + processor + trader + consumer.



# Results

- From 12 founders, membership of PBA, has increased to 630 and continues to grow.
- The volume of beef production in farms with the QMP certificate will exceed the value of 10,000 tonnes in carcass weight, to almost 35 million EUR worth.

## Why the farmers join the PBA ?

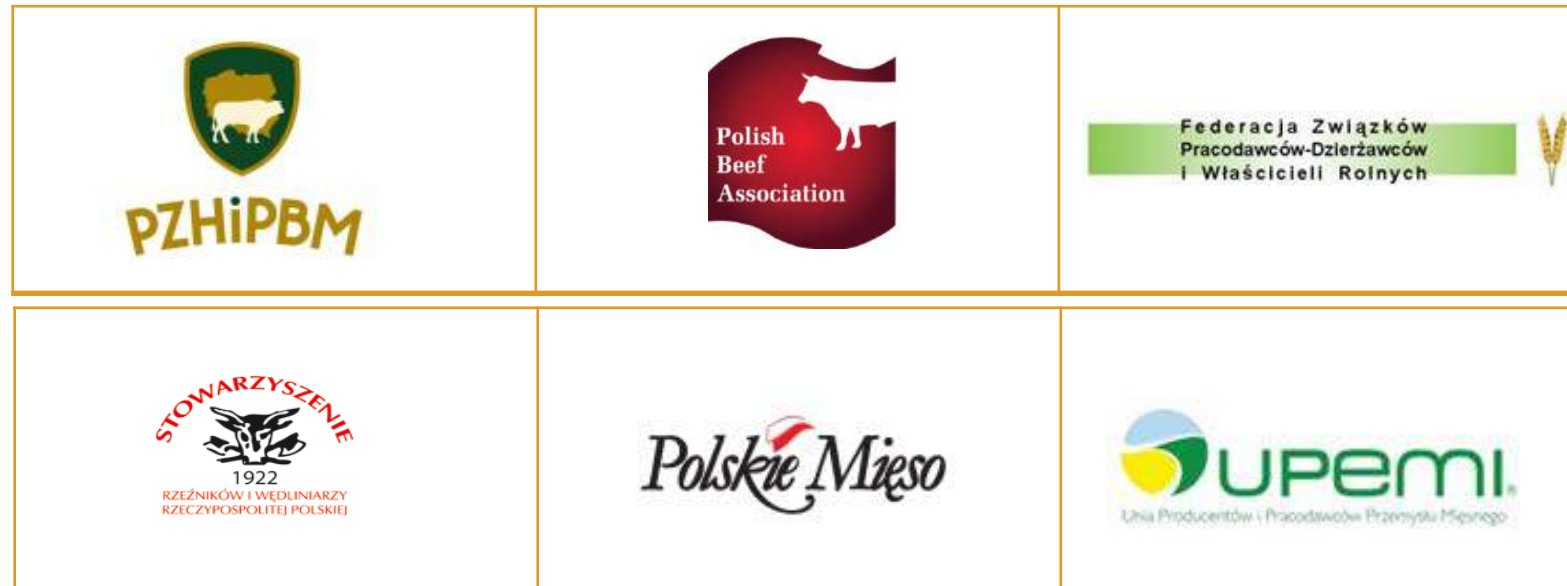
- The premium for certificate, paid to farmers by slaughterhouses, varies between 0,25 and 0,50 EUR/kg carcass weight.
- Supply is assured of the PBA. In case of claim, PBA is a mediator.
- PBA through QMP increasing position of farmers in food supply chain



# Why the slaughterhouses pay a premium ?

- Some slaughtehouses implemented consumer oriented strategy
- QMP Quality scheme meets market requirements
- Consumer accept higher prices for QMP Beef
- Processors want to work together with producer organisations on consistent and high Quality Beef carcasses

- In 2017, PBA initiated an agreement between six producer and processor organisations on the “Strategy for the Polish Beef Sector 2022”, with the help of EY enterprise and in consultation with the Ministry of Agriculture and Rural Development.



# Objectives of the Polish Beef 2022



## Lesson learned

- success factors was a leadership, leaders, human resources, CAP, trust
- special advantages arise in the farmer cooperation especially for medium and small livestock farms, as the enjoy no special position on the market.
- uniform orientation of the quality and quality assurance strategy for the participating companies.
- cooperation bring benefits to all along value added chain (farmer, processor, distributor). Cost savings at all levels should be achieved through appropriate quantity control.

## Recomendations

More attention and support require such areas as:

- cooperation between producers, processors and science, producer organizations operational programs, scholarships for leaders, study trips
- joint investments carried out by producer organizations,
- development and implementation of Quality Assured Schemes that empower producers in the supply chain,
- programs that increase market transparency and cooperation in the supply chain,
- delegated tasks for producer organizations from the administration
- EIP and Thematic Networ (H2020) have a high potential to engage producer organisations at European and also regional level, more support from administration is needed

## Recommendations

- the merging of different sectors (eg beef, pork, poultry etc.) should enable a cost-efficient organization. At the same time, however, it is necessary to make appropriate use of rural development funding in the context of the common EU agricultural policy.
  - Subsidy for farmer organisations
  - Value added increase in agriculture
  - Sales promotion for approved quality programs
- longer-term orientation of the subsidy in order to be able to provide the necessary reconstruction work (start-up phase 5 years – but a corresponding continuation is absolutely necessary to stabilize the producer organisations).



Questions