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**ОСП ЗА ГОДИНИТЕ 2014-2020 И ПРОМЕНИТЕ В СЕЛСКОСТОПАНСКОТО
СЪВЕТНИЧЕСТВО В ПОЛША
THE CAP POLICY FOR THE YEARS 2014-2020 AND THE CHANGES IN THE
FARM ADVISORY SYSTEM IN POLAND**

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Abstract

The use of professional advice can have a positive impact on the competitiveness of the agriculture and forestry as well as the enterprises on the rural areas. In addition, it is an important determinant of the effective implementation of agricultural policy in respect of existing legal norms. The paper presents and assesses the selected proposals for changes in the farm advisory system in Poland in the context of the CAP policy for the period 2014-2020. It was found that the introduction of changes in the farm advisory system can contribute to better achievement of the objectives of this policy than in the previous programming period.

Key words: CAP, Farm Advisory System (FAS), advisory services, farmers, rural residents

INTRODUCTION

In conducting of any business activity an important role is played by qualifications, as well as the access to the latest information on ways of its running and of changes in the legal and economic environment. The training, information and informing support for farmers and rural area's residents is one of the most important tasks of agricultural advisory systems [Kujawiński, 2012]. With the changes in the socio-economic structure of the rural areas, consisting, among others its disaggregation and valorisation of the non-food and non-productive functions of agriculture, there are new challenges in front of the advisory services as well as the features and areas of activity, such as the promotion and development of non-agricultural activities, diversification of agriculture, the environment protection and maintaining village viability. The discussion on the

reform of agricultural advisory services in Poland coincided with the development of the future shape of the Common Agricultural Policy (CAP) of the European Union (EU) for the period 2014-2020. The issue of the agricultural advisory services is of particular importance due to the fact that in achieving the objectives of agricultural policy at the EU level and in the Member States, this factor begins to assign an increasingly important role. At the same time at the national level, that points to the need for changes in the farm advisory system, so that it can better meet the demands of farmers and other rural area's residents in a long-term and go well with the current agricultural policy pursued. The paper presents and assesses the selected proposals to amend the farm advisory system in Poland in the context of the future shape of the CAP policy for the period of 2014-2020.

MATERIALS AND METHODS

The aim of this paper is to present a selection of proposals for changes in the farm advisory system in Poland and their assessment in the context of the proposed form of the CAP policy for the period of 2014-2020. The method of analysis of the EU and national legislation and research results in the field of advisory was used here, as well as the analysis of experts and stakeholders positions, appearing in the public debate on agricultural advisory system in Poland in 2011-2012.

RESULTS AND DISCUSSION

The issue of agricultural advisory services is becoming increasingly important in the EU CAP. In the frame of so-called Fischler reform, the system of agricultural advisory services was created (Farm Advisory System - FAS) to support the introduction of fundamental changes in agricultural policy [Swinnen, 2008]. Introductory provisions of FAS were included in Council Regulation 1782/2003. According to that Regulation farmers receiving direct payments must comply with the requirements of the statutory management (public health, animal health, plant health, environment and animal welfare) and the good agricultural and environmental condition. The aim of this system is to provide assistance to farmers in terms of farm management and maintenance of land in good agricultural and environmental condition. The advisory system is created by one or more designated authorities or private organizations in each Member State. The first implementation experiences shows the need to maintain it, but not without certain modifications. It was recommended, among others extending the scope of advice on economic issues and climate change, improving the effectiveness and efficiency of the system (an analysis of the needs of beneficiaries, explore synergies with other instruments of agricultural policy, monitoring, advisory to let the small farms), to support the European Commission (EC) Member States [Evaluation 2009].

The draft CAP policy for 2014-2020 it is proposed to keep the FAS. It is estimated that its role in the implementation of this policy will be relatively higher than in previous years [Jeżyńska, 2011]. Firstly, this is due to a considerable range of legal norms. Issues related to the FAS have been extensively regulated at the level of EU regulations on the financing, management and monitoring of the CAP (horizontal regulation), and support for rural development by the EAFRD. Second,

the important role of FAS is associated with a strict relationship between this system and the fulfilment of the objectives and priorities of the two pillars of the CAP. The aim of consulting support is therefore to achieve both environmental and economic goals and involve a wider audience than in the previous category (except farmers and forest owners it will apply to an entrepreneur in rural areas). For assistance shall also include a positive impact on the climate and increase the strength of its changes. Support training may also be covered by farm advisors. The establishment of FAS is to be part of the so-called *ex ante* conditionality, i.e. the requirement that has to be met by each Member State before the start of the implementation of any projects financed from EU funds. Thirdly, FAS becomes important in the context of the objectives of the *Europe 2020* strategy, emphasizing the need for innovation. One of the instruments for promoting innovation in agriculture is about to be the agricultural advisory system. The legislative package of the CAP 2014-2020 envisages the creation of the European Network for Innovation Partnership (EIP), which aims to the sustainable and efficient agriculture through the joint implementation of projects by research workers, farmers, advisors and entrepreneurs.

In the context of the CAP policy implementation after the year 2013, including the requirement to create FAS and taking into consideration the opportunity to support this work through the rural development program, it is worth to take into account the past experiences from its implementation, as well as the state of the farm advisory system in Poland. It is believed that the introduction of FAS will have to be done with a decisive role of public advisory services. In recent years, it had been subject to an intensive reform and transformation.

The functioning of the public advisory bodies is the law of 2004 on the agricultural advisory units. Solutions contained therein intended to promote the implementation of the national agricultural policy and the challenges arising from the acquisition of Polish agriculture CAP. In 2009, the public agricultural advisory units were under the supervision of the provincial local government and have become legal entities. Previously, some units were subordinate to the Minister of Agriculture, and part of the regional government (governor).

In addition to the state agricultural advisory services the tasks from that scope can be realized by the private entities, but the dominant role will be played by the first one (state services). The dominant position of the public advisory is partly due to historical circumstances, the particular shape of legislation and institutional and human resources capacity (extensive network of the units across the country, a good base and equipment). The structure of public advisory system is created a public Agricultural Advisory Centre (CDR) (with three branches), subordinate to the Minister of Agriculture and Rural Development, which acts as training entity and ensures the consistent execution of tasks across the country, as well as sixteen Regional Agricultural Advisory Centres (ODRs), the territorial scope of operation of which coincides with the administrative division of the country. The Regional Advisory Centres are maintained from a subsidy from the state budget and from the own business activities as well as other sources. In addition to the unpaid tasks of advice to farmers, agricultural advisory units may provide some commercial

services (e.g. agricultural accounting, preparation of studies, assessments, planning and analysis applications only from EU funds).

Both in the context of the implementation of the new CAP policy, as well as in the long-term perspective, the public agricultural advisory system requires modification [Sikorska, 2006]. So far its performance is inadequate in terms of target groups (farmers and rural residents), the authorities responsible for agricultural policy, as well as in the people employed in the rural areas. This is due to lack of resolve of the strategic issues. It is noted that at the national level a coherent vision of agricultural advisory system has not yet been developed [Drygas, 2012]. It is about determining the scope of issues to be the principal activity, define the target group counselling support, as well as to resolve the systemic and organizational issues. The variety of features and high resolution of potential its recipients can translate into inefficiency and ineffectiveness of action, including the possibility that the current financial and organizational advisory institutions remain limited. It is worth noting that public advice so far had played an important and positive role in the implementation of the CAP policy, which consisted mainly in providing assistance to the rural population in applying for funding from the EU [Kania, 2012]. Currently, among politicians and experts a dominant seems to be the view that there is a need for further functioning of public advisory services [Ogryczak, 2012]. However, in the years 2000-2012 a large variation in the level of subsidies for these entities was observed [Czyżewski, Matuszczak, 2012]. As a result, in the income of the national advisory services a greater role began to play the funds from the business activities than public financial support of the state. This phenomenon may be a symptom of a slow process of commercialization of public advisory services [Drygas, 2012]. One effect of reducing the level of budget support were management problems and staff, including a decrease in the level of employment.

The lack of solution of the basic problems of public advisory services results in the situation when a few years after carrying out a substantial reform there are increasing voices about the need to make further major changes. The reference is made in particular to the need of reorganization. The activities of the advisory bodies should be effectively coordinated and monitored centrally. In addition, attention shall be paid to the need to ensure the financial stability of these institutions, as well as relatively better mutual relationship functioning between the regional advisory centres, and with other actors in the wider system of agricultural knowledge and information (Agricultural Knowledge and Information System), including, in particular, with research and R & D organizations [Kania et al., 2011].

Faced with numerous problems of public advisory centres and other entities in years 2007-2013 are implementing FAS in Poland. In 2007 the FAS was created according to the EU law, which includes regional agricultural advisory centres, chambers of agriculture, and other entities that have been accredited by Ministry of Agriculture. In the latter case, it is a private business advisory and public entities without legal personality, acting under the provisions on forests. The system, run by the Ministry of Agriculture, started functioning from March 2009. The instrument of its implementation is the RDP (PROW) activity: *Use of advisory services by farmers and forest owners*. Through this, farmers and forest owners can apply for

reimbursement of costs incurred for the majority of advisory support in: adjustments to the rules of cross-compliance, environmental protection, occupational safety, increase profitability and competitiveness, supporting restructuring, development and innovation (public funding covers 80% of the cost of a single advisory service, but no more than EUR 1,500 per beneficiary throughout the programming period).

An analysis of available data suggests that, given the initial assumptions RDP creators, advisory services previously enjoyed little popularity among farmers and forest owners. Since the beginning of operations by the end of February 2013 there was just over 45 thousand decision to grant support issued, for the amount of nearly PLN 87 million [Management Information System ARMA 2013]. The Ministry of Agriculture data show that the end of 2011 an Instrument of FAS in Poland took only 8% of the group of potential beneficiaries [Information on ... 2012]. It is believed therefore, that the created farm advisory system can support a few farmers and forest owners. Among the reasons for the low propensity to use of advisory support is the lack of motivation and the requirement for co-financing by the beneficiary. These effects is constructed in such a way that the first beneficiary shall bear the total cost of consulting services including VAT (in real terms funding so the service in 42%), and only later, after the formalities receives a partial refund of expenses incurred [Moskała, Radomski, 2011].

From the point of view of the realization of the tasks of FAS after 2013 in Poland there is therefore, a number of challenges emerging for both the change in the public agricultural advisory system and the design of the instrument of rural development program for 2007-2013, which would give support to the farmers, forest owners and entrepreneurs in the rural areas to meet the requirements of the CAP policy. In the first instance there should be the system solutions prepared for in-service training of agricultural advisors (including better access to training) and evaluation of their work. Moreover, it seems necessary to ensure greater financial stability of public advisory centres. Opportunity to improve the financial situation of the public advisory bodies created amendment to the law on agricultural advisory units, introducing the possibility of awarding grants to these institutions by the provincial governments. With regard to innovation in agriculture, it also indicates the need for changes in scientific policy, consisting in encouraging researchers to implement the research results into practice [Kania et al, 2011]. From the point of view of increasing awareness of the requirements of the CAP policy, the problem seems to be getting to the farmers, mainly for people running small farms, which are the overwhelming majority in Poland. Therefore, the support to potential beneficiaries in the use of advisory services from the second pillar of the CAP should continue. The aid within the next RDP should be designed in such a way to minimize the formal and financial burden lying on the side of the target groups. It is worth to consider moving most of the formal requirements of the beneficiary advisory entities and remove the need for co-financing the costs of advisory services for the first.

CONCLUSIONS

The use of professional advice can have a positive impact on the competitiveness of agriculture and forestry and rural enterprise. In addition, it provides an important factor in the successful implementation of agricultural policy in meeting the set standards. In Poland, a public advisory system has a long tradition and has a generally positive reputation among farmers and other rural residents. However, these organizations face a number of systemic financial and organizational problems, requiring urgent solution. The debate on the optimal functioning of agricultural advisory in Poland coincided with the development of the CAP for the period 2014-2020. In the designed shape of the policy an important role in the Member States is to perform the so-called agricultural advisory system. Taking into account the condition of the existing structures in Poland, it must be determined that the potential beneficiaries access to advisory system, resulting in projects of EU regulations, will be provided. But from the point of view of the objectives and priorities of the new CAP policy, the system should be modified, as well as support the use of advisory services by appropriately designed instruments the second pillar shall be ensured.

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