The common agricultural policy (CAP) is Europe’s answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing direct payments aimed at stabilising farm revenues, and finances projects responding to country-specific needs through national (or regional) rural development programmes, which also cover the wider rural economy and life in rural areas. The CAP also provides a range of market measures, including tools to address the impact of price volatility and other market difficulties and additional elements, such as quality logos or promotion for EU farm products, which complete CAP action to support farmers. The CAP budget for 2014-2020 is €408.31 billion, with €308.73 billion intended for direct payments and market measures and €99.58 billion for rural development.

- covers an area of 312,679 km² of which 51.2% is rural; approximately 30% of the Polish territory is covered by forests
- has a total population of around 38 million, of which more than 12.5 million (or 33.2%) live in predominantly rural regions
- has a farming sector characterised by small farms (average of 10.1 ha compared to 16.1 ha in EU28)
In the period from 2014 to 2020, some €32 billion\(^1\) is expected to be invested in Poland’s farming sector and rural areas through the CAP. Certain key political priorities for which CAP funding should be used have been defined at European level - jobs and growth, sustainability, modernisation, innovation and quality. However, Poland also has the flexibility to adapt both direct payments and its rural development programme to its own specific needs.

### Fairer and greener direct payments

Poland’s direct payment allocation for 2014-2020 amounts to €23.4 billion.

Farmers in Poland, as they are across the EU, are subject to so-called ‘greening’ rules, designed to ensure that they farm in a sustainable way and help contribute to the EU’s efforts to tackle climate change, biodiversity loss and soil quality. Under this system, 30 % of the direct payment allocation, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and dedicating 5 % of arable land to environmentally friendly measures (so-called ‘ecological focus areas’).

As one of the newer EU member states, until the end of 2020 Poland will apply a simplified system for allocating direct payments to farmers – known as the single area payment scheme or SAPS. This system links the amount of basic income support for Polish farmers to the area of land declared by each farmer in a simpler form than the main direct payment payments scheme applicable in most other EU countries.

The Polish authorities have also decided to earmark 15 % of their direct payments for voluntary coupled support – i.e. linking payments not only to hectares but to specific products or processes – in this case beef and veal, flax, fruits and vegetables, hemp, hops, milk and milk products, protein crops, sheep meat and goat meat, starch potato and sugar beet.

The Polish authorities have also chosen to take advantage of the option to help smaller farmers by redistributing money from the direct payment allocation to larger farms. Poland has allocated about 8 % of its direct payments allocation to this scheme, which operates according to the number of hectares declared – and additional €40,10/ha is paid to farmers declaring between three and 30 ha. Poland also caps the amount of the basic payment to all farmers at €150 000.

Poland also applies the small farmers scheme, a simplified system of support for the smallest beneficiaries that replaces any other form of direct payment for the farmers concerned. Farmers taking advantage of this scheme are exempt from cross-compliance (i.e. environmentally friendly farming rules) and from greening rules.

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\(^1\) Total allocation of direct payments and rural development for the period 2014-2020 (in current prices).
Supporting key priorities for Poland’s rural development

For 2014-2020, a total EU contribution of €8.7 billion has been allocated (complemented by additional €4.9 billion national funding) for measures that will benefit Poland’s rural areas.

The 2014-2020 rural development programme for Poland focuses on the following priorities:

- fostering the competitiveness and productivity of the agri-food sector
- ensuring the sustainable management of natural resources and climate action
- helping to develop the rural economy across the country by developing local infrastructure, investing in education, culture and public services as well as creating and keeping jobs.

Example of a rural development project supported by the CAP

Promoting local products and services

Thanks to EU funds, local businesses in a mountainous part of the Lower Silesia region were able to create their own brand highlighting the unique nature of their products. The ‘Karkonoska Marka Lokalna – Treasures of the Mountain Spirit’ brand unites 29 local producers and service providers, and is designed to reflect the heritage and traditions of the region. Tourists often look for authentic local products and craftwork when visiting the region, and the local brand has helped the various companies involved to increase their sales by promoting their products and services as added-value alternatives to mass-produced products. Funding was also used to develop complementary activities such as a Gallery of Local Products – a shop that doubles up as a tourist information centre – and a local “Mountain Spirit” festival to promote the brand.

Total project costs: €458 000 (EU contribution: €198 050).

More project samples: European Network of Rural Development and EU results
Between 2007 and 2013, the CAP invested more than €25.1 billion in Poland’s farming sector and rural areas to stabilise farmers’ income, modernise and increase the sustainability of Poland’s farms and to secure the supply of safe, affordable and quality food for its citizens.

Polish farmers benefit from the CAP

In recent years, direct payments have been a key safety net for Polish farmers. For example, in 2014 some 1.3 million Polish farm businesses received nearly €3 billion in direct payments. Of these around 344 000 received less than €5 000. Meanwhile, in 2015, the EU spent more than €219 million on market measures in Poland, targeting mainly the fruits and vegetables sector as well as milk and milk products.

Fostering growth and jobs in Poland's rural areas

In the period from 2007 to 2013, roughly €17.4 billion of public funds (€13.4 billion from the EU, the rest in the form of national funding) was invested via rural development programmes in a range of different activities supporting agricultural production and benefitting Poland’s rural areas, preserving their diversity and enhancing their economic strength, cultural richness and social cohesion. In concrete terms, rural development funds helped:

- more than 39 000 young farmers join the profession, with a total public investment of more than €766 million.
- modernise more than 58 000 agricultural holdings, generating investments of more than €2.5 billion
- support farmers affected by flooding and other natural and climatic disasters, helping them to recover their agricultural activity
- invest more than €1.6 billion in services for rural populations, and €580 million in the rejuvenation of around 3700 villages.

Rural development funds have also encouraged the development of a more sustainable model of agriculture:

- just under 138 000 holdings (accounting for around 2.8 million ha) committed themselves to using more environmentally friendly farming techniques
- 925 000 farms (covering 8.6 million ha) were given support to continue their activities in less favoured areas
Adding value with quality schemes

Through the quality policy of the CAP, the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1 300 protected food names which are classified as a Protected Designation of Origin (PDO), a Protected Geographical Indication (PGI) or a Traditional Speciality Guaranteed (TSG). The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protects local knowledge, skills and jobs.

Poland has 37 products registered, including eight PDOS (such as Bryndza Podhalańska or Oscypek), 20 PGIs (such as Rogal świętomarciński or Cebularz lubelski) and nine TSGs (such as Kabanosy, Kielbasa jałowcowa or Trójniak).

In addition to the registered products, the EU also helps highlight food that has been produced in a sustainable way with a clearly recognisable organic logo.

Responding to market difficulties

Following the prolongation of the Russian ban on the EU agricultural imports and difficult conditions in certain markets, in October 2015 the European Commission agreed a support package worth €500 million to help those farmers most affected by the difficulties, including €420 million in national allocations to support the dairy and livestock sectors in particular, with flexibility for member states to decide how to target this support. Poland opted to use all of its €29 million allocation for the milk and pig sector.

In July 2016, the European Commission agreed a further solidarity package worth €500 million, including aid worth €350 million aimed at the dairy sector in particular. Of this, nearly €23 million was earmarked for Poland.

What do the Poles think of the CAP?

According to the most recent Eurobarometer survey, published in January 2016, Poles have heard about CAP support to farmers (65 % of Poles compared to 59 % in EU28) but most (75 %) agree that the CAP benefits all citizens, not just farmers (62 % in EU28). "Investing in rural areas to stimulate economic growth and job creation" (87 %) and "strengthening the farmers’ role in the food chain" (86 %) are important priorities for the common agricultural policy, according to the Poles.

Source: Eurobarometer survey 440 “Europeans, Agriculture and the CAP”
Polish agriculture is characterised by:

- **small farms**: the average size of holdings is 10.1 ha compared to 16.1 ha in EU28

- **young farmers**: in Poland 12.1 % of farmers are under 35 (6 % in EU28), while only 9.6 % are over 64 (31.1 % in EU28)

- **a strong contribution to the economy and to employment**: the primary sector (agriculture, forestry and fishing) accounts for 2.5 % of the country’s economy (total GVA) and agriculture for 10.5 % of total employment. This is higher than the European average both in economic terms (1.5 % in EU28) and employment terms (4.3 % in EU28)

**A very diversified production**

- Cereals, 16.2%
- Industrial crops, 7.8%
- Forage plants, 4.8%
- Vegetables and horticultural products, 9.9%
- Potatoes, 4.0%
- Fruits, 6.1%
- Milk, 15.6%
- Poultry, 12.2%
- Sheep and goats, 0.0%
- Cattle, 6.2%
- Eggs, 3.9%
- Other, 0.6%

**Importing commodities from non-EU countries is highly important for Poland (2016 data)**

**Farmer’s income continues to be more volatile than wages and salaries in other sectors**

Data sources: Eurostat, Comext.