



Factsheet on 2014-2020 Rural Development Programme for Poland

The Polish Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014, outlining Poland's priorities for using the €13.6 billion of public money that is available for the period 2014-2020 (**€8.7 billion from the EU budget** plus €4.9 billion of national funding). With one third of the funding aimed at "**enhancing farm viability and competitiveness**", the RDP is expected to provide investment support to roughly 200 000 farms, and targets the creation of more than 22 000 jobs and more than 1 600 producer groups. In addition, 30% of the support is reserved for environmental and climate friendly practices, with the objective of covering 19% of Poland's agricultural area.

[Rural Development](#) is the second Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, some 118 programmes are provided for across the 28 Member States. The new [Rural Development Regulation](#) for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural and Investment Funds ([ESIF](#)), a [Partnership Agreement](#) was agreed with each Member State comprising a broad strategy for EU-funded structural investment.

This document provides a brief overview of the situation in Poland and how the challenges and opportunities faced by Poland are addressed by the RDP. In the annex, a table indicates the priorities and focus areas as well as their allocated budget.

1. SITUATION AND KEY CHALLENGES¹

Poland covers an area of 312 700 km² of which **51.2% is rural** and further 39.5% is intermediate. Approximately 30% of the Polish territory is covered by forests. Of the 14.5 million hectares of utilised agricultural area, 74.7% is arable land and 22.4% is permanent grassland and meadows. The total population is 38.5 million – of which **39% live in rural areas**.

The **unemployment** rate in Poland is 8.3%² and rural areas are characterised by hidden unemployment, high poverty rate (32.7%) and the risk of social exclusion. There is a relatively high share of the population working in agriculture (12%, compared to the EU

¹ Data from 2014 when the RDP was adopted.

² Eurostat, data released on 28th November 2014.

average of 5%³) due to the socio-economic structure of Polish agriculture which is dominated by small family farms (out of 1.5 million farms, some 55% are below 5 ha).

A challenge arising from the very low **productivity in the agricultural sector** is the lack of proper technical equipment in family farming, as well as lack of entrepreneurs and innovators in rural areas. It is difficult to attract and maintain a well-educated work-force in these areas due to, amongst other things, a lack of basic infrastructure and services.

Low soil quality, combined with frequent rainfall shortages, also have a negative impact on agricultural productivity. In Poland, soil quality influences the agricultural productivity of land, to the extent that 62.5% of agricultural land is classified as areas with natural constraints (ANC).

As the agriculture sector accounts for **10.7% of Poland's GHG emissions**, farmers need practical tools to address these and other emissions stemming from intensive crop and livestock production.

Approximately 19.4% of arable land in Poland faces various **environmental challenges**: 8.2% is particularly endangered by water and/or wind erosion, 3.6% experiences problems with low humus levels and 7.4% are defined as Nitrate Vulnerable Zones (areas that drain into waters polluted by nitrates). The relatively intensive use of arable land - 17.8% is covered by high intensity farming with a further 44.6% medium intensive - is putting pressure on certain ecosystems and high nature value areas. Moreover, the relatively poor **water quality** and the high eutrophication of Polish lakes, waterways and the Baltic Sea make it necessary to reduce nitrogen, phosphorus, pesticide and herbicide emissions.

2. HOW THE POLISH RDP WILL ADDRESS THESE CHALLENGES

The further modernisation of agriculture is considered to be crucial for enhancing the competitiveness of farms. It will notably help streamlining structural changes in the milk, pig and beef sectors, while maintaining a stable base of raw agricultural products for the food processing industry. The **support schemes will be addressed at small and medium-sized farms** to enhance their production potential, which should in turn lead to higher value added. Given the existing agricultural land fragmentation, there is a need for further **diversification towards non-agricultural sectors** and improved access to agricultural services. Generational renewal is considered to be a key factor influencing the modernisation and competitiveness of farms. Therefore, investment support will encourage young people to set up new, modern and competitive farm enterprises.

Due to the fragmentation of Polish farms, the small scale of production and difficulties in adapting production to customer demand, there is a need for tools to address these structural shortcomings, for example **support for farmers working together in producer groups** and participation in quality schemes.

More targeted support is also needed to promote the **sustainable management of natural resources** (soils, water protection, traditional orchards and fruit tree varieties) and protecting valuable habitats, such as Natura 2000 sites, as well as moves to protect endangered traditional local livestock breeds and local crop varieties.

In addition, as a way of encouraging local initiatives for the balanced territorial development of rural economies and communities, creating jobs and improving living conditions in these

³ Data based on National Accounts.

areas, the Programme will support **Community Led Local Development** (CLLD/Leader) projects.

The Polish RDP is aimed at all six Rural Development Priorities with the main priority being **farm viability and competitiveness** (Priority 2). The RDP focuses 35% of the support on physical investments in well targeted sectors (milk, beef, pig), as well as on farms located in Nitrate Vulnerable Zones and Natural 2000 areas. In addition, 30% of the support is reserved for environmental and climate friendly services and practices aimed at enhancing biodiversity, high nature value farming, improving water management and preventing soil erosion. The focus of each priority is explained briefly below.

Knowledge transfer and advisory services in agriculture

Support will be mainly oriented towards economic and environmental aspects of the agricultural sector. More than 260000 participants will take part in various training sessions and demonstration projects. Strengthening the mechanisms related to the transfer of knowledge and innovations, inter alia by advisory services, is vital for the development of the agriculture sector. The farm advisory system will link research units and the agricultural sector. By assuring individual advisory services, taking into account specific needs of the farms, practical and up-to-date knowledge will be provided to enable farmers embrace innovative agricultural practices.

Competitiveness of agricultural sector

Roughly 45000 holdings will receive modernisation support to improve their competitiveness, with a further 29000 small farms receiving start up aid for the implementation of various types of operations. A further €63 million will be allocated for investments in development of services for agriculture. In a move to improve farm structures, support will take the form of annual payments for persons leaving agriculture, which is expected to enable transfer of 110000 ha of land from small holdings to holdings whose area is close to the average national size. Finally, investment support will help young people to set up just under 29000 new, modern and competitive farm enterprises.

Food chain organisation, including processing and marketing of agricultural products

Under this priority the highest amount of funds is allocated for supporting processing of agricultural products (€693 million), helping to fund about 1200 projects in processing plants and agricultural holdings. In addition, aid will be granted to more than 33000 holdings participating in producer groups.

Restoring, preserving and enhancing ecosystems

The support under this priority will be used for reducing fertilization levels and the use of pesticides and herbicides, more sustainable grazing and mowing in areas with valuable natural habitats or which are the habitats of endangered bird species located in and outside Natura 2000 areas. In addition, necessary steps will be taken to reduce leaching of natural manure (containing nitrogen, phosphorus) into groundwater.

Low carbon and climate resilience economy in agriculture and forestry sector

Just over €270 million will be available as afforestation grants to cover areas of roughly 4800 ha. Given the multi-annual nature of the measure, most of these funds

will be allocated for the maintenance of forests established under previous RDPs 2004-2006 and 2007-2013.

Social inclusion and local development

This priority uses the bottom-up approach through Local Development Strategies drawn up by the expected 256 Local Action Groups (LAGs). Investments in the development of non-agricultural activities, combatting social exclusion and poverty, conservation and protection of cultural heritage will be supported exclusively under the Local Development Strategies. 12.8% of the RDP budget has been earmarked for Community Led Local Development (CLLD/Leader). The approach will cover 58% of the rural population while creating approximately 6000 jobs and improving living conditions.

The five ***biggest RDP measures*** in budgetary terms (EAFRD funds) are:

- Investments in physical assets (Measure 4): €2 312 million
- Farm and business development (Measure 6): €1 473 million
- Payments for areas facing natural constraints (Measure 13): €1 262 million
- Agri-Environment Climate Measure (Measure 10): €870 million
- Basic services (Measure 7): €684 million

Annex: Indicative public support for the Rural Development Programme for Poland

Target		Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas			0.00	
1A Innovation, cooperation, knowledge			0.00	
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	1.40	M01 Knowledge	0.00	
		M02 Advisory services	0.00	
		M16 Cooperation	0.00	
1B Research & innovation			0.00	
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	90.00	M16 Cooperation	0.00	
1C Lifelong learning and vocational training			0.00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	261,811.00	M01 Knowledge	0.00	
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests			4,763,996,612.00	35.00%
2A Farm performance		Total: 2A	4,046,017,982.00	29.72%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	2.97	M01 Knowledge	34,799,855.00	0.26%
Total investment € (public + private)	6,584,214,121.00	M02 Advisory services	75,000,519.00	0.55%
Nr of holdings supported for investment in agricultural holdings	44,800.00	M04 Physical Investment	2,784,696,981.00	20.46%
Nr of beneficiaries advised	56,500.00	M06 Farm and business development	1,117,521,534.00	8.21%
		M16 Cooperation	33,999,093.00	0.25%
2B New farmers		Total: 2B	717,978,630.00	5.27%
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	1.91	M06 Farm and business development	717,978,630.00	5.27%
Total investment € (public + private)	717,978,630.00			
Nr of beneficiaries (holdings) receiving start up aid young farmers	28,715.00			

P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture			1,517,142,719.00	11.15%
3A Competitiveness of producers		Total: 3A	1,199,271,911.00	8.81%
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	4.12	M01 Knowledge	8,700,069.00	0.06%
Total investment € (public + private)	1,386,104,038.00	M03 Quality schemes	28,003,300.00	0.21%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products)	1,207.00	M04 Physical Investment	693,052,019.00	5.09%
Nr of holdings supported)	18,743.00	M07 Basic services	63,248,582.00	0.46%
Nr of holdings participating in producer groups supported	33,422.00	M09 Producer groups / organisations	372,268,848.00	2.73%
		M16 Cooperation	33,999,093.00	0.25%
3B Risk management		Total: 3B	317,870,808.00	2.34%
T7: percentage of farms participating in risk management schemes (focus area 3B)	0.01	M01 Knowledge	2,899,882.00	0.02%
Nb of beneficiaries supported for investments in preventing destruction of agricultural production	990.00	M05 Restoring agricultural potential	314,970,926.00	2.31%
Nr of beneficiaries for preventive actions - farm holdings	180.00			
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry			4,190,791,136.00	30.79%
4A Biodiversity, HNV and landscapes		Total: P4	4,190,791,136.00	30.79%
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	0.50	M01 Knowledge	11,599,951.00	0.09%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	7.99	M04 Physical Investment	99,276,000.00	0.73%
4B Water management		M08 Forest	30,000,000.00	0.22%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	7.85	M10 Agri-environment-climate	1,366,679,125.00	10.04%
4C Soil management		M11 Organic Farming	699,942,890.00	5.14%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	10.44	M13 Areas with natural constraints	1,983,293,170.00	14.57%
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	0.50			

P4 All Focus Areas				
Total investment € (public + private)	198,552,000.00			
Area (ha) under agri-environment-climate	1,135,000.00			
Area (ha) - conversion to organic farming	108,300.00			
Area (ha) - maintenance of organic farming	265,500.00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			270,989,060.00	1.99%
5E Carbon conservation / sequestration		Total: 5E	270,989,060.00	1.99%
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0.02	M08 Forest	270,989,060.00	1.99%
Area (ha) to be afforested	4,800.00			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			2,226,028,953.00	16.35%
6A Diversification, SMEs and job creation		Total: 6A	479,359,101.00	3.52%
T20: Jobs created in supported projects (focus area 6A)	16,550.00	M06 Farm and business development	479,359,101.00	3.52%
Total investment € (public + private)	479,359,101.00			
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agricultural activities in rural areas	19,166.00			
6B Local development		Total: 6B	1,746,669,852.00	12.83%
T21: percentage of rural population covered by local development strategies (focus area 6B)	58.19	M07 Basic services	1,011,689,497.00	7.43%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	5.41	M19 LEADER and CLLD	734,980,355.00	5.40%
T23: Jobs created in supported projects (Leader) (focus area 6B)	5,943.00			
Population benefiting from improved services/infrastructures	1,500,000.00			
Population covered by LAG	16,120,000.00			
Number of LAGs selected	256.00			
M20 TA			323,277,848.50	2.37%
M113 Early retirement			319,985,099.80	2.35%
Total public expenditure			13,612,211,428.30	100.00%