



Redistributive payment in Poland

Department of Area Payments

Ministry of Agriculture and Rural Development

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- **8,3% of the 1st Pillar budget** (maximum 30% allowed by the regulation);
- granted to all farmers with holdings of more than 3 ha but to maximum of 27 ha.



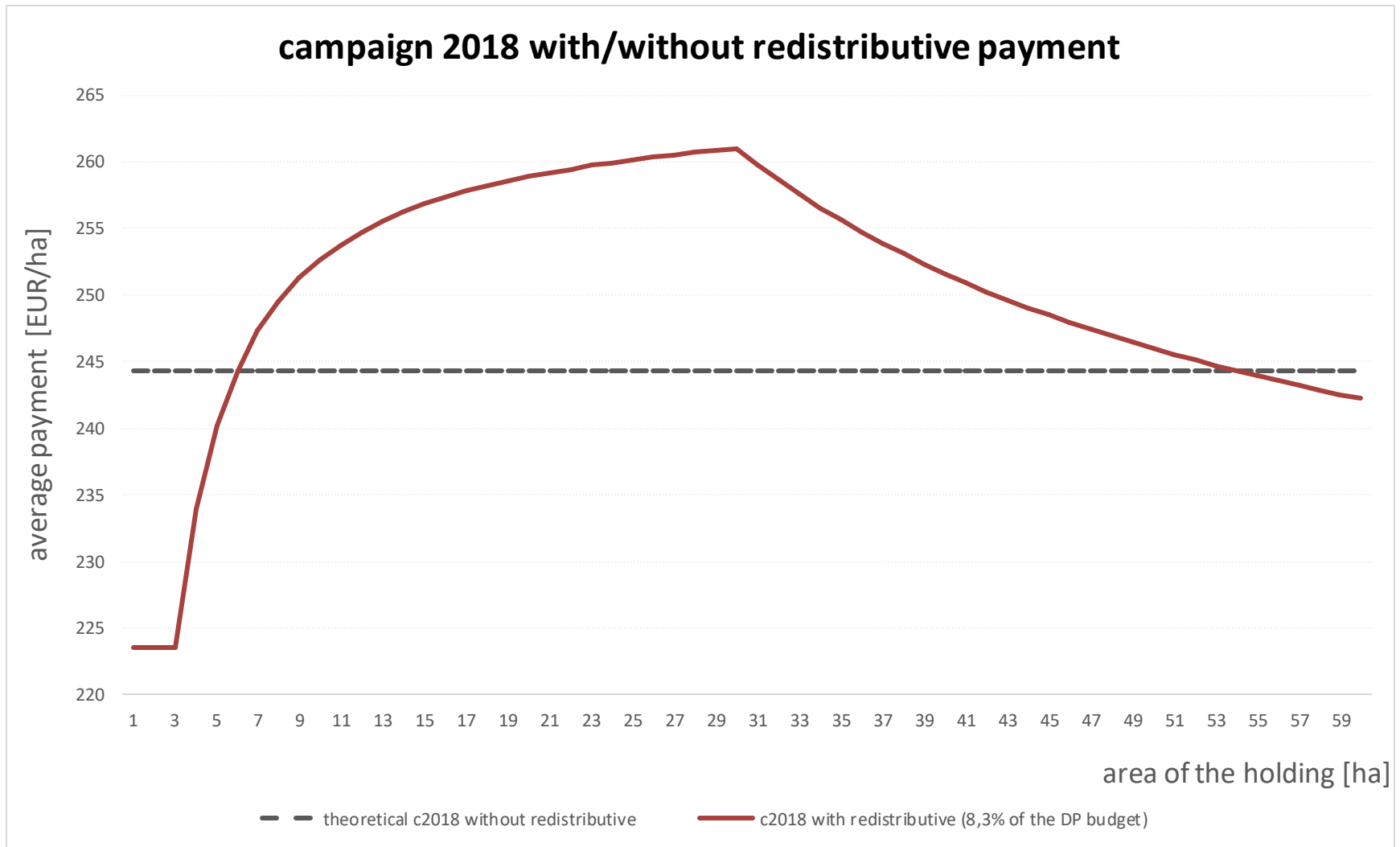
Redistributive payment on average yearly ('15-'19):

- around **888,7 thous. of beneficiaries** (almost 68% of the holdings granted the direct payments),
- area of redistributive payment – slightly over **7 mln ha** (around 50% of the direct payments' area).

While the payment is paid to all the farmers, the **farmers who are in fact benefitting** from it are those with the area **from 6 to 54 ha** (around 40-45% of all beneficiaries of direct payments).



Redistributive payment in Poland – effects, campaign 2018





Redistributive payment in Poland - new perspective

Decisions to take:

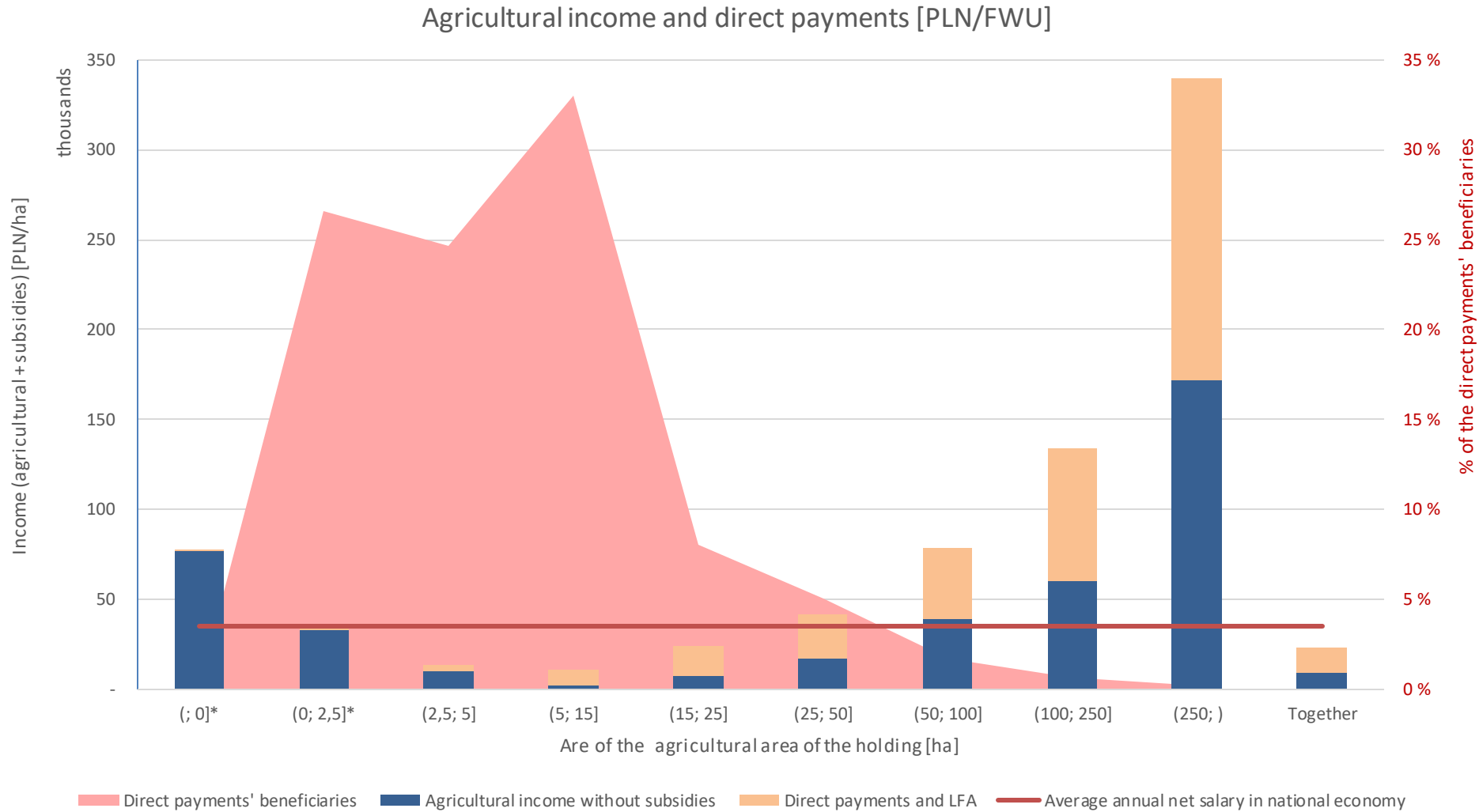
1. For / against redistributive payment?
2. Setting the budget of the redistributive payment intervention (balance between 1st Pillar different interventions)
3. Whom to pay? (setting the area limits of holdings)
4. Payment rate (fixed / degressive)

Problem:

FADN – the only reliable data for economical analysis BUT MISLEADING while limited to particular agricultural enterprises (more than 4 thou. EUR SO) - not including small farmers



Average income in the agricultural holding vs national



* Income mainly from poultry, pigs and mushrooms in holdings without area



Analysis on redistributive payment in new perspective

Examples:

- **Variant A** - fixed rate for all farmers to the area of **3-30 ha (by analogy to the current period)**;
- **Variant B** - fixed rate for holdings with area of 3-50 ha, to the area of **1-50 ha**;
- **Variant C** - degressive payment for holdings with area of 3-50 ha, to the area of **1-50 ha**.



Results of the analysis on redistributive payment

Foreseen rates of redistributive payment and the area benefitting

Variants of redistributive payment	Redistributive payment rate			Area actually benefitting
	vs			
	% level of the 1st Pillar budget allocated [EUR/ha]			
	8,30%	10%	20%	
Variant A (flat rate, all farmers, area 3-30 ha)	41,28	49,74	99,47	4-56 ha
Variant B (flat rate, holdings 3-50 ha, area 1-50 ha)	32,27	38,88	77,77	3-50 ha
Variant C (degressive rate, holdings 3-50 ha, area 1-50 ha)	45,15 (1-5ha) 27,93 (6-15ha) 13,39 (16-25ha) 5,47 (26-50ha)	54,39 33,65 16,13 6,59	108,78 67,30 32,26 13,17	3-33 ha



Results of the analysis on redistributive payment

Direct support with different variants of redistributive payment

