POLSKA...

tastes good!

Polish Farmers Keen to Use EU Funds

Polish farmers have received zl.34 billion from the Agency for the Restructuring and Modernization of Agriculture (ARiMR) under the 2007-2013 Rural Development Program.

Poland leads the way in the EU in terms of carrying out the Rural Development Program. Germany, which is the runner-up, has disbursed around zl.2.8 billion less to its farmers in zloty terms and in France the payments have been around zl.4 billion lower. The disbursement of grants as part of the Rural Development Programs increased sharply in 2010 when the agency paid out zl.8.2 billion to beneficiaries and the figure improved further last year to zl.10 billion. As a result, Poland has strengthened its status as the European leader.

The budget of the 2007-2013 Rural Development Program approaches zl.70 billion and over 90 percent of the amount has been absorbed so far. Apart from more than zl.34 billion paid out to farmers and enterprises, the Agency for the Restructuring and Modernization of Agriculture plans to disburse some of the absorbed funds as part of long-term obligations it has adopted under contracts it has signed. The obligations include the payment of structural pensions awarded in previous years and afforestation grants.

The agency still has around zl.10 billion to distribute as part of the 2007-2013 Rural Development Program and will pay out the funds after it receives a new round of applications. The agency is the exclusive coordinator of 16 measures under the 2007-2013 Rural Development Program, with 13.7 billion euros assigned for these. Funds for the program's eight other measures, known as delegated measures, are distributed by province governments, the Agricultural Market Agency (ARR) and the Foundation of Assistance Programs for Agriculture (FAPA). A total of 3.5 billion euros is available as part of these measures.

Distributing funds available under the Rural Development Program is a tremendous effort. As of April 20 this year, farmers, agricultural and food-processing enterprises and other beneficiaries, including Local Operation Groups, submitted almost 321,000 applications to the Agency for the Restructuring and Modernization of Agriculture. This figure does not include over 700,000 applications which are submitted every year for payments to less favored areas and applications for agri-environmental payments (100,000 annually).

The agency pays special attention to the disbursement of funds earmarked for the modernization of agriculture and the development of enterprise in rural areas. Most applicants for financial assistance under the 2007-2013 Rural Development Program have already obtained their funds. Other beneficiaries who have signed contracts with the agency will receive assistance after they complete the projects slated for co-financing and account for the projects correctly.

The Agency for the Restructuring and Modernization of Agriculture is now in a peak season when it comes to implementing the 2007-2013 Rural Development Program. Last year it began accepting applications for financial assistance as part of all the measures under the program. A huge number of applications has arrived. The high interest was in part due to an intense promotional campaign. Some of the most popular measures include "Setting Up and Developing a Micro-Enterprise," "Easier Start for Young Farmers," "Modernization of Farms," and "Diversity in Business Outside Agriculture." The agency's regional branches have registered double the number of applications compared with previous years.

This huge number of applications has prompted Agriculture Minister Marek Sawicki to double the amount of funds available as part of the most popular measures. According to Sawicki, Poland cannot afford to miss the unprecedented opportunity to quickly create tens of thousands of new jobs in rural areas where they are urgently needed.

The way the 2007-2013 Rural Development Program has been implemented so far indicates the program will be a success, as shown by the payments made, funds scheduled for disbursement under the agency's obligations, and the fact that new rounds of accepting applications are under way. As in the case of the assistance programs in 2004-2006, the 2007-2013 Rural Development Program will be carried out in full and funds available as part of it will be absorbed in their entirety. A.R.

Beef on Every Table

A new food promotion campaign that aims to increase the consumption of beef is in progress in Poland. It focuses on quality beef under the Quality Meat Program (QMP).

According to Tadeusz Nalewajk, undersecretary of state at the Ministry of Agriculture and Rural Development, the per capita consumption of beef in Poland declined from almost 18 kilograms in 1989 to 3 kilograms in 2010.

"We have undertaken efforts to help beef producers and increase the consumption of beef," said Nalewajk.

Following a decision by the European Commission, the QMP system has obtained financial support from the 2007-2013 Rural Development Program. "Everything seems to indicate that, starting June, we will be able to offer financial assistance to projects related to the QMP system," Nalewajk said. Updated regulations will permit assistance for cattle breeders, including 100-percent reimbursement of the costs of inspection, certification and participation in the QMP system. No less important, meat processing plants will be able to apply **to** the Agricultural Market Agency (ARR) for 70-percent subsidies to information and promotion campaigns for QMP beef. Such campaigns will involve distribution channels, retail chains, and points of sale.

QMP is a nationwide voluntary system for ensuring high quality. Under Polish and EU legislation, the system is open to all producers and other participants in the supply chain. Every meat producer can join in if they comply with the system's standards. The QMP certificate makes it possible to track down the origin of meat by identifying the source not only in terms of individual breeders, but even a specific head of cattle.

According to Lucjan Zwolak, deputy president of the Agricultural Market Agency, the agency has 10 million euros available for promotion and information as part of the 2007-2013 Rural Development Program. "The agency is ready to transfer the funds and we are also counting on projects related to the QMP quality system," Zwolak said. "Beef producers are also eligible for export subsidies. Last year, we paid out over zl.45 million in export subsidies on the market for beef and this year, the figure has reached zl.13 million and counting. Moreover, we support large promotional campaigns financed with EU funds."

The new promotional campaign is expected to encourage Polish consumers to eat more beef because for the time being Polish beef is more popular abroad than at home.

High in protein, beef is an important and natural source of nutrients such as iron, zinc and vitamin B complex, making it one of the most nutritious kinds of meat, experts say. When properly prepared, beef is medium-calorie meat that delivers large quantities of valuable proteins to the body. Beef proteins contain an optimal composition of exogenous amino acids, as a result of which they are easily absorbable by humans.

The main mineral components of beef are phosphor and iron. Beef steaks deliver a considerable part of the amount of vitamin B12 which the body needs. Vitamin B12 deficiencies lead to a number of neurological, hematological and mental problems, as a result of which vegetarians and vegans need to take the vitamin in pills. Beef also contains other vitamins of the B group—B1 and B6. According to dietitians, the most nutritious beef comes from cattle aged around two, but other kinds of beef on the market come from dairy cows, older oxen and calves. Veal is considered the most tender in taste.

Beef trade in Poland was revived when the country joined the EU in 2004. In the first year following accession, Polish beef exports increased 70 percent compared with the previous year. By 2011, the exports of beef and veal more than trebled, from 92,000 to 31,400 metric tons. Almost 80 percent of the exports go to EU member states.

Polish beef owes its popularity to its high quality and competitive prices. For example, last year Polish beef cost 10 percent less than the EU average. Back in 2004, Polish beef was 30 percent cheaper than in the EU as a whole.

Preliminary Finance Ministry data show that Polish exports of live cattle, raw and processed beef and veal, and beef-and-veal offal reached a high of 329,000 metric tons in 2011. Around 75 percent of the beef and veal produced in Poland was sold abroad last year, while at the same time Poland imported 22,000 metric tons of beef and veal. Experts predict that this year Polish beef will be harder to sell because of declining demand on foreign markets, high prices at home, and growing competition from foreign producers, including Brazil, Argentina and Uruguay.

A.R.

Regional and Traditional Products

Olej Rydzowy/Camelina Oil

Camelina oil is the first and so far only Polish product listed as a European Union Traditional Specialty Guaranteed in the oil and fats category. This cold pressed oil with an unusual flavor is made from *Camelina sativa*, also known as camelina, gold-of-pleasure or false flax, an oil plant that was traditionally grown especially in Wielkopolska where large plantations exist to this day. The oil owes its Polish name, *olej rydzowy*, to the regional name for camelina: *rydz* or *ryżyk*, a reference to the seeds' reddish hue.

Camelina oil is transparent and its color can range from golden to reddish brown. It has a unique, slightly oniony or nutty flavor with a hint of bitterness, and a pungent aroma. It is one of few oils so easily identifiable by its unique smell and its taste of onion and mustard.

According to research by the National Food and Nutrition Institute in Warsaw, camelina oil can be stored for a much longer time than oils with a similar content of essential fatty acids. The composition of fatty acids in this oil is much more beneficial than many other varieties of vegetable oil, including olive oil, flax oil, rapeseed oil and sunflower oil. It contains a great amount—about 90 percent—of unsaturated fatty acids; these include linoleic acid, linolenic acid, eicosenoic acid and oleic acid. These fatty acids greatly benefit human health and are great to include in our diet. Camelina oil also includes vitamins A, E, the B group, lecithin as well as micro- and macro-elements.

The seeds of the plant used to press camelina oil were discovered at a Bronze Age archeological site in Strzegom Śląski, which means they were about 3,000 years old. That camelina was grown such a long time ago is also proved by seeds from 2,500 years ago found in Biskupin. Over thousands of years camelina oil was used as a foodstuff and for industrial purposes. When other oil plants appeared, its importance began to wane. After World War II, up to 1955, it was the second-most popular oil plant processed to produce oil. After that, rapeseed completely ousted camelina. In the Szamotuły area in Wielkopolska province, camelina oil was popular as an edible oil, and its consumption would grow during times of fasting. It was cooked with onions, groats, rice, potatoes, herring, cheese and other products. Due to the fact that it has been absent from the oil market for 60 years, only people over 70 can say anything reliable about its smell and taste of old.

Production began again in the mid-1990s. It was a complete accident that a farmer from Gaj Mały (today in Szamotuły county) came to an oil pressing plant with some camelina seeds for pressing. Loving this particular oil, he and his father grew camelina on 25 ares for their own dietary needs. The oil pressing plant was his last hope of obtaining his oil because the last private pressing plant in the area was undergoing an overhaul and the Lenten fast was approaching. After testing at the National Food and Nutrition Institute in Warsaw, camelina oil was found to have a unique composition of unsaturated fatty acids and to contain a large quantity of vitamins (especially vitamin E) and micro- and macro-elements. The design of a company standard for the oil's production for the market was commissioned. Slowly, the amount of oil sold grew because the older generation still remembered its special aroma and flavor. In the course of several years of cultivation, with the help of historical information as well, a micro-market of seed producers developed. Instructions for growing camelina were issued and a new method for conditioning the seeds for pressing was developed. In 2004 Prof. Czesław Muśnicki from what today is the Poznań University of Life Sciences introduced a new variety of winter-sown camelina to be studied at the Research Center for Cultivar Testing, an organization dealing with the registration and protection of plant varieties, thus supporting the measures to develop production of camelina oil. At present camelina is also gaining the fuel sector's attention. The cold pressing method, meticulously recreated after such a long time, has enabled the market relaunch of an oil that almost disappeared 50 years ago.

A.R.

MINISTERSTWO ROLNICTWA I ROZWOJU WSI

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At the EU Level

By **Marek Sawicki**, PhD,
Minister of Agriculture and Rural Development

In my previous column I discussed the 50th anniversary of the CAP. Today I want to continue my reflections on the Common Agricultural Policy and the current issues we are discussing within the EU.

First of all, I would like to draw your attention to the current situation on the milk market, which I find to be similar to that in 2008. Last year we observed rising prices for raw milk, which triggered an increase in milk production and purchases. This was true for both the EU (up 2.1 percent) and Poland (up 3.4 percent). However, from the start of this year global markets started seeing a perceptible tendency of decreasing demand for dairy products. This resulted in a substantially decreased interest in these products on the part of exporters. The situation on the milk market deteriorated.

Selling prices for basic dairy products dropped in the period from January to April 2012. Domestic demand for dairy goods is not able to absorb the emerging surplus. Stocks of dairy products are growing steadily in Poland. At the start of April they were estimated at far above the average for the period. Milk purchase prices began dropping as a result. This applies not just to Poland; prices of all basic dairy products have been decreasing on the EU market since January.

According to the European Commission, however, the present market situation gives no cause for concern because the price drops are the result of typical seasonal production growth at this time of the year and the rather substantial supply of dairy products on the global market. The European Commission believes that the market is looking for a new level of balance, and that the situation should start stabilizing in about two or three months once the production peak is over.

I do not share this view and, with an eye to stabilizing the situation on the EU market for milk and dairy products, at the April 26 session of the Agriculture and Fisheries Council I motioned for a discussion on the milk and dairy market and for measures for this market. I proposed that measures should be taken as soon as possible to re-establish subsidies for the export of dairy products (export refunds). Their temporary restoration would enable dairies to wait out the tough market situation, increase the competitive edge of EU products and consequently limit the threats related to the necessity to reduce milk purchase prices. In addition, over the longer term I proposed an increase in the reference and intervention prices for butter and skimmed milk powder, to reflect growing production prices and to guarantee the proper running of intervention mechanisms in a situation of market instability. The motion was supported by Spain, Hungary, Portugal, Lithuania and Latvia. The European Commission has announced it will monitor and analyze the milk market situation but has not agreed to undertake any measures at this stage. That the situation from 2008 could repeat itself is something I fear, because delayed intervention costs more and is less effective.

At the same session of the council the main item on the agenda was actually a discussion among the ministers on direct payments after 2013. Commissioner Dacian Ciolos presented the grounds for providing direct payments only to active farmers. He also defended the model of lump-sum support for small farms exempt from certain environmental obligations and highlighted the need to support young farmers in all the member states through increased direct payments. Generally speaking, these issues aroused little controversy during the discussion. The member states appealed for greater flexibility in implementing the direct payments. They proposed the optional and not obligatory introduction of payments for small farms and young farmers, whereas payments for areas with unfavorable conditions could come from the second pillar of the CAP.

The greatest controversy was caused by the issue of equalizing direct payments for farmers both inside a country (between regions) and between the member states. A few countries are strongly against equalizing direct payments between farmers, arguing that this will endanger production in certain regions and contribute to farmland being abandoned. Other countries, including us, believe that payments should be equalized as soon as possible because the current system of payments disrupts the conditions of competition on the EU single market.

Together with the new member states, we also want the current SAPS (Single Area Payment Scheme) to remain in place, without introducing eligibility for payments.

As we can see, the 50th anniversary of the CAP has also been a time of heated discussion on the policy's reform. I have no doubts that this will continue until the very last moment. The new CAP comes into force in 2014, so decisions must be reached next year at the latest, and this will undoubtedly happen. I still see a chance for carrying out genuine and in-depth reform.