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Modernizing Polish Agriculture

With EU funds streaming in, Poland's agriculture sector has grown into a modern and rapidly developing part of the economy.

According to Marek Sawicki, the minister of agriculture and rural development, agriculture has helped Poland weather the global financial crisis.

Speaking at the *Polish Rural Areas and Agriculture 2011* conference—which focused on the effects of the EU Common Agricultural Policy in Poland and on the findings of the *Polish Rural Areas and Agriculture* survey as well as last year's agricultural census—Sawicki described Poland's agriculture as a modern and rapidly developing sector that is being modernized with EU funds.

"Agriculture is governed by economic laws just like the global economy as a whole," Sawicki said. "We cannot provide a fair assessment of agriculture and keep it separate from the global crisis, but we can say with a sense of satisfaction that Poland has weathered the crisis in part owing to agriculture. For years, agriculture has generated a positive balance in foreign trade. Data from the Central Statistical Office shows that last year the balance reached 2.8 billion euros instead of the 2.6 billion we cited previously. Everything seems to indicate that rapidly growing exports will result in an even more positive balance this year. Agriculture accounts for 11 percent of Poland's total exports and so it is clearly a remedy for economic problems. Exports have triggered the creation of around 120,000 jobs in Poland's agriculture and food industry and these jobs are the source of income for many families in Poland. Polish rural areas are changing and the figures testify to that."

The findings of the *Polish Rural Areas and Agriculture* survey and the Agricultural Census 2010 point to a number

of factors that have stimulated the modernization of Poland's agriculture and rural areas. These factors have included Poland's entry into the EU combined with pre-accession adjustments, the introduction of Common Agricultural Policy mechanisms, growing consumer demand, climate change and a search for new sources of energy. The Agricultural Census has also shown that over the eight years since the previous census in 2002, the number of farms has fallen 25 percent and their structure has changed. The number of small farms 1-5 hectares in size has dropped 25 percent and there are 34 percent more large farms (over 50 ha). The size of the average farm has increased from 5.76 to 6.82 ha. According to the Central Statistical Office, a total of 2.3 million people were employed in the agriculture sector last year and 1.95 million of them worked exclusively on farms. The figures show that employment in agriculture has reached a stagnation point leading to low labor efficiency and, consequently, low revenues and low investment in farms. The most serious problem is that rural areas fail to offer the population, women in particular, new jobs outside the agriculture sector. As a result, residents in rural areas are forced to remain in agriculture, which effectively prevents the sector from structural changes.

The latest census indicates that the total area of farmland has shrunk by 1.3 million ha and so less land is designated for crops. Data from the Central Statistical Office shows that croplands total 15.5 million ha and farming is most efficient at large farms. Cattle breeding as a whole has grown 4 percent, but the number of milk cows has decreased. The number of pigs has fallen 18 percent and there are also fewer sheep, goats and rabbits. The Central Statistical Office has also found changes in the proportions of crops, with less cereals and potatoes and more industrial crops such as rapeseed and forage crops. Poland also has many more orchards now.

In a comment to the census findings, Sawicki said that animal breeding shrank in Poland after direct payments available as part of the Common Agricultural Policy ceased to depend on production volume. According to Sawicki, the next census in eight years is likely to show that farms will continue to grow in size and become more specialized. There will be more organic farms and ones producing milk and beef, whereas production of poultry and pork will remain at the present level.

Recent surveys indicate that most residents in rural areas are satisfied with their lives. A poll by the TNS OBOP polling center shows that nine in 10 respondents in rural areas are happy to live in villages instead of towns and cities and 47 percent are very happy about it. Eight in 10 respondents say they would not like to move to a city and every other respondent says they would be very reluctant to do so. The three main reasons why villagers are satisfied with living in the country are a sense of security, access to the water system and internet access, identified by 72, 77 and 60 percent respondents respectively. On the other hand, residents in rural areas usually complain about having no access to natural gas and sewage systems (49 and 42 percent), poor career prospects (41 percent), and limited access to culture and arts (40 percent).
A.R.



Fruit and veg: taste of success

Poland has become a leading vegetable and fruit exporter in the European Union.

Polish fruit and vegetables are healthy and safe, as indicated by the high degree of interest shown in such products by importers from many countries in Europe and beyond. Polish fruit and vegetable exports were worth almost 2 billion euros in 2010, or a seventh of the total value of all Polish agri-food exports. The production of champignon mushrooms is biggest success story in Polish horticulture. Poland produces 225,000 metric tons of these mushrooms annually, more than any other country in the European Union. As regards fruit and vegetables, Poland ranks fourth and sixth respectively among EU producers. The production of fruit, vegetables and mushrooms is the main source of income for around 160,000 of commercial farms in Poland. And for thousands of farms, fruit and vegetable production is a supplementary source of income.

In its report *Fruit and Vegetable Market – Current Situation and Prospects*, the Institute of Agricultural and Food Economics predicts that this year's fruit and vegetable harvests should be very good in Poland. The institute has estimated that Polish growers will this year harvest a total of 3.060 million tons of fruit, compared with 2.738 million tons last year, including 2.645 million tons of tree fruit—a rise of 17 percent in year-on-year terms. It is also estimated that Polish farmers will harvest less soft fruit than last year—415,000 tons versus 526,000 tons. The apple harvest will be an estimated 20 percent, or around 2.3 million tons, up on last year.

This year, Polish farmers are expected to produce 5.515 million tons of vegetables, compared with 5.010 million tons in 2010, including 4.8 million tons of field vegetables and 715,000 tons of greenhouse vegetables. Last year, Polish farmers harvested 4.25 million tons of field vegetables and 760,000 tons of greenhouse vegetables.

Fruit, vegetable and champignon mushroom growing is an important segment of agricultural production in Poland. Although no more than 3 percent of farmland is used in Poland to grow fruit, vegetables and champignons, they account for 36 percent of the country's commercial plant output and 14-15 percent of the total commercial farming output. The value of vegetable, fruit and champignon exports, both fresh and processed, exceeded 2 billion euros in 2010. As regards fruit, Poland produces mainly apples, cherries and soft fruit. Cabbages, carrots and onions account for the largest part of field vegetable harvests, while tomatoes are the main greenhouse vegetable. The production of champignons has exceeded 200,000 tons in recent years and is expanding rapidly.

A further expansion of fruit and vegetable production in Poland will be possible on condition that more of these exports are designated for immediate consumption rather than processing. At present, more than 50 percent of fruit is intended for processing. Only 16 percent of fruit harvested in Poland is

exported to the dessert fruit market. Thirty percent of field vegetables are intended for processing and only 9 percent of vegetable exports are intended for immediate consumption.

The prices of fruit, vegetables and champignons intended for immediate consumption are much higher than the prices of the same products for processing. Most fruit and vegetable processing plants in Poland are owned by large multinational companies, which acquire cheap products here for processing. As a result, the profitability of such production has decreased. On the international market, Polish fruit preserves—for example strawberry preserves—despite their excellent quality, have great difficulty competing with exports from such countries as China.

It seems that Poland should now focus on expanding production of fruit and vegetables intended for immediate consumption. After joining the EU, and the removal of customs duties and other administrative barriers, there are big opportunities for Poland to expand production and exports on this market. These opportunities have so far remained untapped by Polish producers and exporters. The Polish fruit and vegetable sector has large potential to expand exports to EU markets. A good example is the EU champignon market where Polish producers are the leading exporters. There are similar opportunities on the market for dessert cherries, strawberries and apples and the market for some vegetables, like cauliflowers and broccoli.

Experts say that in order to expand the production and exports of fresh fruit and vegetables, the market must be organized efficiently and exports must meet specific requirements in terms of quality, quantity and delivery. The sale, transport and delivery of fruit and vegetables to consumers on demanding markets is only possible if modern packaging systems are used and modern logistics rules applied. It is important for producers' associations (and producers not belonging to associations) to promote Polish-grown fruit and vegetables on the domestic market and especially on foreign markets. EU and domestic funding is available for modern and effective marketing and promotion.

A.R.



Regional and Traditional Products

Korczyn Beans



Fasola korczyńska (Korczyn beans), whose name is derived from the village of Nowy Korczyn, was registered as a Protected Geographical Indication in the European Union in July 2010.

Beans marketed as *Fasola korczyńska* may only be produced in the following districts: Nowy Korczyn, Wiślica, Opatowiec, Solec-Zdrój and Pacanów. They are located in the southern section of the Nida Basin (Niecka Nidziańska) and in the Vistula Lowland along the Nida River, Świętokrzyskie province, southern Poland.

Beans are arguably some of the oldest crops cultivated in the Ponidzie part of Świętokrzyskie province. They were probably grown here as early as the 16th century, benefiting from the local soils which are warm, have a distinct consistency and are rich in

mineral components. Bean crops like heat and thrive in the soils along the Vistula and Nida rivers. The local weather is conducive throughout the season, from germination to harvest. As a result, beans have been grown here for centuries, and local farmers have become expert in cultivating them.

Bean growing in the Nowy Korczyn area took off after the Nida River broke its banks at the end of the 1950s. The floods ruined most crops and after the water subsided the vacant fields were planted with beans. The most popular variation was *Piękny Jaś*.

Since the natural conditions in the area favored that particular variety and helped the beans grow larger than elsewhere, with time beans from the area started being referred to as *Fasola korczyńska* for several distinctive features resulting from the local microclimate.

Beans thrive on soils which are fertilized every year by the overflowing waters of the Nida River, producing abundant yields of sizable beans. They have a subtle taste and are particularly rich in proteins. Korczyn Beans are highly popular with consumers in Poland and abroad.

This part of Ponidzie has a microclimate that results in a longer vegetation season than in other areas of the region and higher average mean temperatures, especially in spring. As a result, the beans are so large that each 100 grams contains 60 to 90 individual beans. The flavor is very delicate, mild and contains no hint of bitterness. The flavor and the bean sizes are the distinctive features of the Korczyn variety, along with a higher protein content and a low water content.

Other characteristics of Korczyn beans include thin skins, a shorter cooking time compared to other bean varieties, a fine consistency without a mealy taste, as well as a distinct sweetness due to the characteristics of the location. The production process plays a major part as well, relying on the expertise of the local producers, who dry the beans in the open air on special frames. Korczyn beans are highly popular in the West who value it for its high protein and B-group vitamin content.

In the early 1980s, almost 50 percent of all bean fields in the province were located in the Nowy Korczyn district and 80 percent of that was the *Piękny Jaś* variety. The rest were middle-sized varieties and crops with beans of different colors. A.R.



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Crops with Potential: Flax and Hemp

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

Flax and hemp are among the crops that have been traditionally cultivated in Poland, although they have been somewhat forgotten these days. But this may well change thanks to research work being conducted at the Institute of Natural Fibers and Medicinal Plants.

At present, fiber flax and fiber hemp varieties are cultivated in Poland on 500 hectares and 307 hectares of land respectively. Both these plants are important renewable resources. They may substitute for coal, petroleum and natural gas. Besides, hemp absorbs more than 2.5 metric tons of carbon dioxide per hectare while growing in the field.

Research findings show that there is potential for using flax and hemp in sectors such as construction and medicine. These crops may become an additional source of income for farmers, especially those operating on a small scale.

Fiber plants may be used as a raw material for the production of textiles, paper, composite materials, medical and pharmaceutical products, food products and energy. As regards herbal plants, Poland is now Europe's largest producer and conducts research into new ways of using them as dietary supplements and health products. Herbal crops cover 25,000-30,000 hectares in Poland, compared with around 25,000 hectares in France, 20,000 hectares in Spain, and 10,000 hectares in Germany.

Today flax and hemp are no longer used only for the production of clothes or natural cosmetics. Thanks to research work, herbal plants have found application in many industries, including energy, chemicals and building materials. Houses built with materials made of hemp hurds, as the woody inner core of the hemp stalk is called, have better thermal insulation than houses built of brick. Decorative and packaging materials made of natural plant materials may be composted and are safely broken down into compounds posing no hazard to the environment. Flax seeds are a valuable material for the production of pharmaceuticals, dietary supplements and cosmetics. Flax seed oil, also known as linseed oil, has anti-cancer properties.

The institute uses European Union funds to conduct numerous research projects. One of the two key projects is called *Nanomitex. Functional Textile Nano- and Micromaterials*. It is aimed at developing innovative, func-

tional textile materials. The goal of the other project, called *New Bioactive Food with Programmed Health Properties*, aims to develop an innovative process for the production of a line of food products that would reduce the incidence of lifestyle diseases, including heart diseases, obesity, diabetes and anemia.

Flax and hemp are also a source of biomass for the production of renewable energy. The energy value of hemp hurds is 18.8 MJ/kg, with 18.3 MJ/kg for flax hurds, 18.7 MJ/kg for wheat straw, 17.9 MJ/kg for miscanthus, also known as elephant grass, and 17.0 MJ/kg for wood chips.

Flax and hemp growing offers new opportunities for both farmers and the economy as a whole as well as environmental benefits and an opportunity to produce high-quality food and a wide range of health products.

Flax and hemp testify to the development potential of Polish agriculture. The credit for this goes mainly to Polish farmers who know how to use both EU and domestic funds effectively. Polish farms are becoming increasingly specialized, modern and efficient. At the same time, they preserve the unique values of traditional rural areas.

The European Union is now entering the most difficult period of debate on the future shape of its Common Agricultural Policy after 2013. In mid-October, the European Commission is expected to submit a package of legislation to provide the basis for talks on a new agricultural policy. One of the fundamental starting points for the discussion is agreement by all the countries that direct payments based on historical criteria are no longer suitable and that they should be replaced by a mechanism relying on new, uniform and more transparent criteria. It should be stressed that no definitive decisions have yet been made in this area.

At a recent informal meeting of EU ministers for agriculture and fisheries, I proposed that discussion on the legislation be held in public. All interested parties—the European Commission, the European Parliament, experts and farming organizations—should be taking part. I believe that we will be able to rise above our national interests and work out together a modern and transparent post-2013 Common Agricultural Policy. Only then will European agriculture become competitive on the global market.