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SUPPORT TO YOUNG FARMERS AS PART OF AGRICULTURAL POLICY OF THE EUROPEAN UNION

Abstract

The paper deals with the problem of young farmers in Poland at the background of the situation in the European Union presented from the perspective of theory, their role in the national and European agriculture, support by the Common Agricultural Policy and the national agricultural policy, and forms and effects of support. The paper is based on literature reviews, the EU and national legal documents, trade and statistical information.

The key effects of the paper refer to the problem of defining young farmers, determining the form and scope of aid provided and characteristics, grounds and effects of farming by this group of farmers in Poland. A vital cognitive element is analysis of applications submitted by young farmers and results of their consideration by national institutions and verification of awarded aid and payments. The main conclusion is that it is necessary to consider and solve the problems of young farmers in connection with other socio-economic problems of rural areas, including the problem of old people.

Keywords: young farmer, support from the European Union, acquisition of farms.

Introduction

Taking up economic activity, regardless of the sector, is difficult and requires state support, which is especially needed by young entrepreneurs, given their limited access to resources and lack of professional experience. A specific problem is starting-up activity in agriculture, support to farms entering the market

and farmers taking over farms. In the conditions of the European agriculture, dominated by farms, assistance and support to successors of retiring farmers is among the key tasks of the Common Agricultural Policy.

In Poland, just like in other European Union Member States, state aid is aimed primarily at young farmers taking over farms from their parents. Takeover of a farm and pursuing agricultural activity by natural successors can be considered on different levels: legal, social and economic, which together contribute to the significance of the phenomenon termed as the “young farmer problem” (Hamilton et al., 2015). But then, what is important is the amount, forms and effectiveness of aid and support granted to the generation of successors fulfilling their generational mission of farming. This paper attempted to differentiate, as far as possible, the concept of aid from the concept of support.

Aid is understood in more narrow economic terms, possible to be verified by the numerical value of cash transfers allocated to the farms of young farmers. The support can be defined more broadly and it can cover also benefits addressed to other entities and types of activity; its effects are clear in the economic, social, moral and other contexts. This assessment draws attention to three major processes: generation replacement and continuity of farming in agriculture, structural changes (better agrarian structure) and improved competitiveness – economic viability of agriculture.

The young farmer problem can be analysed individually, separately from other structurally connected problems, but it should be considered more broadly at the background or in the context of other structural problems in agriculture. Already in the 1970s Stelmachowski, dealing mostly with the situation of the elderly people living in the countryside, saw that it was necessary to cover older farmers with legal protection in the light of other social problems, including faster transfer of farms to successors, which preconditions reconstruction of agrarian structure (Stefańska, 2011). Parallel support policy to overcome the two problems should favour better efficiency of farming at farms and better competitiveness of the entire agricultural sector. Stelmachowski clearly emphasised that failure to tackle the issue of the elderly in the countryside makes it impossible to solve the priority economic problems (Stelmachowski, 1972). Other authors were also interested in the issue of “exiting from agriculture” and seeking other solutions to secure further life of the rural population, which is linked with pre-retirement succession (Budzinowski, 1999).

This paper concerns young farms taking over the running of farms in Poland and in other selected European countries, and the forms of support ensured by the Common Agricultural Policy and supplemented with the national agricultural policy. Using the literature, statistics and the national and the EU legislation as well as other studies and analyses, the paper assesses the phenomenon of young farmers pursuing farming activity in the Polish agriculture and the policy of support to agricultural and rural development related thereto.

Theoretical reasons for the young farmer problem

Two types of related and partly overlapping terms, i.e. “beginning farmers” and “young farmers”, should be distinguished in the analysed issues. In the United States the category of beginning farmers includes farmers running their holding for not more than 10 years and aged below 35. They constitute 21% out of 2131 thousand family farms in the country (Ahearn, 2011). The remaining part of the population (79%) is farmers running their farms for more than 10 years. The share of young farmers in the group of beginning farmers amounts to 14%, while in the total number of farms – 4%. In the group of farms run by experienced farmers this share was only 1%. This means that in the group of beginning farmers the majority are young farmers, who are better educated, are more often female and are highly diverse ethnically. The farms of beginning farmers in the US more often than the farms of experienced farmers have land mostly from purchase or lease, and rarely from succession and donations or purchase from relatives. It needs to be kept in mind that in the United States, a much greater part of land than in Europe is subject to market trade; hence the phenomenon of beginning farms is much more common. However, a large portion of these farms is not run by young, educated and experienced people and it fails to generate any production to the market.

There are no data referring to the phenomenon in the EU countries and in Poland. It seems that in the European countries there is a much greater share of young farmers in the group of beginning farmers. Greater diversity between these two categories in Poland can be expected in the areas of former dominance of state-owned farms, where new farms were created mainly as a result of restructuring and not in the process of generational change of farmers at family farms.

Taking over farms by young farmers in the family farm scheme is directly linked to the pensions scheme. The standard retirement age of 60-65 years means that successors takeover farms with a delay as regards the normal age of entering the labour market (Sikorska, 2014). This causes that candidates to run a farm after completing their education often seek employment outside of agriculture, which frequently hinders decisions about return to a farm. This can be counteracted by earlier transfer of a farm to a successor in exchange for pension. An optimum solution for the problem is taking over a farm at a relatively young age, at the age when young people make the key decisions regarding their professional activity, farm organisation status and family operation. It is, in general, contrary to the interests of former owners – farm managers, who being in good health are not willing to resign from management decisions for the benefit of the young ones. This is because transfer of a farm to the successor may not only reduce their role in the farm but also their income and deprive them of the satisfaction and prestige of being the farm owner. Therefore, generational changes in agriculture are slow (Grzelak et al., 2013), and the period of waiting for independent farm management is often long. Older farmers transferring their

farms, even if they are already retired, frequently get involved in the decision-making processes and they are, usually, little inclined to changes, they hinder the introduction of innovations.

The support enabling to solve this dilemma can be addressed to both the stepping down farmers and their young successors taking over the farm. In case of the first group, it refers to a satisfactory retirement scheme and specific pension and social programmes addressed to farmers transferring their farms. In case of farmers taking over a farm, it is possible to introduce a wide range of forms of support and aid covering tax reliefs, loans, various forms of direct payments, premiums and investments and innovation incentives as well as trainings linked to raising professional qualifications. Properly timed generational change can show positive effects in production, social forms of operation and production schemes, life style and level of living in rural areas.

A definition of the young farmers was legally defined in the EU and national legislation¹. According to Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013 a young farmer is someone commencing his/her agricultural activity who is no more than 40 years of age or runs a farm for no longer than 5 years. Thus, the definition of a young farmer includes also the definition of a beginning farmer, and the period of starting activity – set at 5 years – is different than the concept implemented in the United States, where this period lasts 10 years and concerns not only young farmers. The national legislation adopts the EU solutions and – according to the Ordinance of the Minister of Agriculture and Rural Development of 12 March 2015 on detailed conditions and mode of awarding direct payments (Journal of Laws of the Republic of Poland of 13 March 2015, item 351) – sets the time for commencing activity as the earliest of the following dates: the date of entry into the social insurance schemes for farmers; submission to the registration of animals; starting activity by an entry to the CEiDG (Central Registration and Information on Business) or REGON (National Official Business Register); submission of the first claim for direct payments, SAPARD aid, co-financing under Structural Organisational Programme or the Rural Development Programme. Hence, starting activity by a young farmer does not follow from an inheritance or a legal act of farm takeover, but from actual commencement of farming.

However, the period of treating a farmer as a beginner, which is two times shorter in Europe than it is in the US, introduces a number of restrictions for young farmers to benefit from the EU programmes. It is assumed that taking over farms by young people having relevant education and professional experience as well as some work experience outside of agriculture favours the desired structural changes in agriculture and leads to a growth in competitiveness of the

¹ Council Regulation (EC) No. 1698/2005 Article 22 and Commission Regulation (EC) No. 1974/2006 Articles 13, 14 points 5, 3, 1,1,2 of Annex 2; Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013, Journal of Laws, item 347 of 20 December 2013, p. 608.

sector. Starting independent farming is not easy and it is often impossible without suitable support for restructuration and modernisation of a farm.

The key problems encountered by young farmers taking over a farm include: lack of agricultural experience despite general education and possible work experience outside of agriculture, high costs of starting up activity and adjustments to the new concept of farming, restricted access to purchase or lease of land, high expectations regarding the started activity, often unstable family situation, etc.

Farms of young farmers in the European model of agriculture

A definition of “young farmers”, although legally set at the age of up to 40, is not respectively considered in the European statistics, usually using the following age groups: up to 35, 35-44, 45-54, 55-64, and 65 and more. Thus, determining the number of young farmers up to 40, including in the age group of 35-40 is difficult, and the figures can be rather imprecise. Formal classification after all, failed to overlap with the age groups covered with support and aid policy.

In the European Union countries there is a gradual drop in the total number of farmers, including a large drop in the number of young farmers. Since 2000 the total number of farmers has dropped by 9%, while the number of young farmers by 45% (EKE-9, 2011), which attests to the aging of farmers.

The group of young farmers, regardless of the adopted age limit, can be divided into two subgroups. The former includes all young people employed, the latter is formed by farm managers (owners). In 2005, agriculture together with hunting and forestry in 27 Member States offered 6.3% of jobs – from 1% in the United Kingdom to 33% in Romania. In the total number of those employed in agriculture in the EU countries, people aged up to 35 amounted to ca. 8.3%. In 2010, in the EU-27 the share of young farmers dropped to 7.5%. The highest share of the group amounting to 15.4% belonged to Poland and the lowest – 3.1% to Portugal. Over 10% share of young people employed in agriculture was noted also in: Austria (11.8%), France (11.5%), Ireland (10.5%) and Greece (10.2%), below 5% in: Bulgaria (4.9%), Romania (4.5%), Cyprus (4.2%), Slovakia (4.1%) and Portugal (3.1%). In the remaining countries this rate ranged from 5.2% to 9.7% (Braja, 2009; Kania, 2014).

The age structure of farm managers in the EU countries is also quite varied and in general unfavourable. The share of young farmers in the group of farm managers is similarly distributed, the highest share of such farms is in Poland – 14.7%, and the lowest in Portugal – 2.6%.

Over 10% of the share of farms taken over by young farmers also belongs to the Czech Republic (11.7%) and Austria (10.2%), while the group of countries where young farmers have less than 5% of farms includes, apart from Portugal, also: Cyprus, the Netherlands, the United Kingdom, Slovenia, Denmark, Sweden, Malta and Belgium. The age structure of farm managers in the EU

countries is unfavourable: per one older farmer aged 55 and more there is only 0.11 of young farmer aged up to 35. This rate is slightly more favourable in new Member States (EU-12) than in the EU-15. The average share of farmers aged above 64 is ca. 35% in the EU-27; it is higher in countries such as: Portugal, Romania, Bulgaria and Italy.

According to some research (EC 2012; Clavos, 2013), the share of young farm managers increased from the time of the fifth EU enlargement in such countries as: Poland, Bulgaria, Hungary, the Czech Republic, Slovakia, Slovenia and Italy. But then, there was a clear drop in the share in: Ireland, Germany, Denmark, the Netherlands, Austria, Cyprus, Belgium, and also in Latvia and Romania (Kania, 2014).

In 2010, farms run by young farmers held ca. 9% of UAA, where the same part of agricultural output was produced. It would seem that the farms of young farmers fail to give the so-called value added, if their share in production is the same as their share in the resources of UAA. It needs to be, however, remembered that young farmers often takeover farms from elderly farm managers when their organisation and production results are unsatisfactory. Hence, the effects of organisational activities and economic and production effects of farms belonging to young farmers are visible only after several years, often when the "young farmers" are no longer young and move to the age group characterised by high production parameters. The trend structure in agriculture of the EU-27 points to a continuous drop in the number of farms, gradual growth in the average farm size, both in hectares and in ESU, stabilisation of UAA, decrease in the share of agriculture as a provider of jobs and GDP, constant fall in the number of total jobs in agriculture, decrease in the number of young farmers and the process of agricultural population aging, which is linked to a phenomenon of ceasing agricultural activity. The pace of agricultural population aging and ceasing production by older farmers and the pace of entering the profession by the young farmers are not identical, though. What can be observed is a faster exchange of generations of farm managers, which results in higher share of young farmers in the structure of farm managers. In 2007, per each young farmer aged up to 35 there were 9 farmers older than 55 in the EU-15 countries and 12 in the EU-12 countries. The average share of young farmers in 2007 amounted in EU-27 to ca. 6%, while in 2010 to 7.5%. However, young farmers entering the profession encounter a number of problems, among which access to land and access to national capitals belong to the major ones (Poczta, 2013).

The problems of both young and old farmers belong to the most difficult ones to solve and should be considered in the long-term dimension, both by the EU agricultural policy and the national agricultural policy. The organisations of young farmers claim that increasing productivity of farms in the long run will fail to offset the drop in the number of professionally active people in agriculture (NAT/500, 2011). Thus, the aims linked to ensuring food security

and food sovereignty may be threatened and it will be difficult to implement the non-production aims of agriculture and rural areas. Without a smoothly functioning and effective agriculture and fulfilment of varied public functions by agriculture, the Europe 2020 strategy might be at risk, as it is based on smart and sustainable growth not causing social inclusion. Hence, it is necessary to have a coordinated support and promotion policy for both young and older farmers, both in the overall EU and the national dimension. It is necessary to shape such a model of agriculture which will ensure young farmers a safe entry into the profession, entrepreneurial and innovative farming and protection against risk, while to older farmers decent economic and social coverage upon transfer of the farm to a successor.

Young farmer problem versus Common Agricultural Policy

Common Agricultural Policy support to accelerate the generational exchange in agriculture is based on a conviction that young farmers can be more productive if they takeover assets and knowledge earlier and use the experience of the stepping down generation, which can be broadened since young farmers are more inclined to changes than older ones and it is easier for them to accept innovations and modern technologies in the technical and technological area.

Young farmer problem in the Common Agricultural Policy is not a novelty, but it was not always precisely defined. The 1992 MacSharry reform apart from direct payments included three structural measures, among which was an early retirement scheme for farmers that was to significantly accelerate the succession of farms (Adamowicz, 2015). The issue has already been discussed before. Discussion on structural changes in the Common Agricultural Policy started already in 1968 upon presentation of the Mansholt Plan and in 1972-1973 when first structural directives were implemented. In 1984, the CAP introduced support in the form of a subsidy for young farmers taking over or setting-up farms (Kiełbasa and Bogusz, 2014). Then, it was assumed that a young farmer is someone who is of age, but below 40 and runs a farm for the first time and has qualifications needed for agriculture and agrotechnics. Around 5% of expenditures from the European Agricultural Guidance and Guarantee Fund were then allocated to support for young farmers. These funds were earmarked mainly for the cost of purchase or takeover of a farm. The support was granted in the form of one-off premium or preferential loan. Later on, it was made possible to benefit also from other CAP instruments, especially the so-called investment subsidies (Sawicka, 2004). Measures taken in the former period were inefficient.

Further changes in the Common Agricultural Policy taken under the Agenda 2000 or the Amsterdam Reform, in relation to the perspective of extension of the European Union with new countries from the Central and Eastern Europe, also considered the issues of support to young farmers. Council Regulation (EC) No. 1257/1999 and Commission Regulation (EC) No. 817/2004 introduced new

requirements for new farmers under the new financial perspective for 2004-2006. A requirement was introduced then to demonstrate the agricultural production profitability and meet the minimum standards of environmental protection, quality of agricultural production and animal welfare. The 2004-2006 period marks the beginning of Poland's membership in the European Union and applicability of the principles of Common Agricultural Policy. Ordinance of the Minister of Agriculture and Rural Development of 8 September 2004 introduced a measure entitled "Setting up of young farmers" implemented under the Sectoral Operational Programme Restructuring and Modernisation of the Food Sector and Rural Development 2004-2006 – governing the principles of getting support, the access criteria and form and amount of aid. The subsidy was available to a person taking over a farm for the first time, who became the independent or dependent farm owner not earlier than 12 months before conclusion of the co-financing agreement (Rozporządzenie, 2004). Initially, in order to obtain a subsidy, it was paramount to have documented vocational qualification on the day of application submission. This condition was, however, mitigated by way of Regulation No. 817/2011, according to which the obligation of relevant education was extended with a period of 5 years from the moment of launching agricultural activity. The funds reserved for the purpose amounted to ca. PLN 709 million. A farmer who met all the criteria could obtain a premium amounting to PLN 50 thousand.

The adopted criteria were strict and precisely set. Apart from the above-set criteria of age, fact and time of taking over the farm a farmer had to have full agricultural insurance coverage, no tax arrears and delays in payment of contributions to social and health insurance. The condition of meeting adequate qualifications was accepted in case of higher or secondary level agricultural education, and in case of basic vocational education it was also necessary to have 3 years of work experience in agriculture or other qualification title in a profession useful in running agricultural activity in connection with 3 years of on-farm work experience. Work experience was required in case of higher level of education obtained at non-agricultural faculties. If the applicant failed to meet the fixed requirement referring to the qualifications, he had to submit a commitment to supplement his/her education within 5 years. Moreover, the farm of more than 1 ha that was being taken over had to meet the condition of the so-called economic vitality of a farm, i.e. it had to obtain a volume of margin on conducted activity in ESU determined in the EU requirements. Economically viable farms are those which generated a margin above 4 ESU, i.e. EUR 4800. This condition could be deferred for a period of 5 years. Conditional criteria included also the obligation to meet the defined standards in the field of environmental protection, production hygiene and animal welfare. These criteria were thus excessive, since barely 10% of farmers met simultaneously all requirements on the day of application submission. A major part of beneficiaries was obligated to meet the

requirements within 5 years. Additionally, in the 2007-2013 perspective it was also necessary to draw up a business plan for agricultural activity development.

It is difficult to assess to what extent the supplementation of specific requirements was monitored and what are the consequences of failing to meet the above conditions, because in 2007 a new 2007-2014 programming period had been implemented, in which the total envelope of funds allocated for implementation of the measure was clearly higher (over PLN 1.6 billion). At that time, the criteria of awarding aid were also changed. The amount of one-off premium was increased to PLN 75 thousand for newly formulated support goals for young farmers and detailed conditions of its awarding.

According to the Polish law, aid can be granted to a farmer running a farm of 300 ha. The lower limit was set based on the average farm area in Poland. In regions of fragmented agrarian structure it was possible to award aid to farms not meeting the lower area limit on condition that it will be met in a specified deadline amounting from 1.5 to 3 years. With other criteria previously set in earlier programmes still binding, it was adopted that the farm development plan prepared by a farmer should consider implementation of an investment covering at least 70% of the subsidy amount. Principles set in this manner were an important instrument to increase the average area of a farm. According to the data of the Ministry of Agriculture and Rural Development the average area of a beneficiary's farm was 15.8 ha and over 80% of farms using support was within the area group of 10-30 ha. Farms using aid noted economic size of ca. 8 ESU, thus higher than average for an average farm in Poland (MRiRW, Działanie 121, 2012).

In 2013, the European Union reformed the Common Agricultural Policy once again, this time targeting it at solving the problems of the future. One of its basic objectives is boosting economic growth and maintaining or even increasing the number of jobs in rural areas. As part of this practice a programme to support investments of young farmers was prepared. The role of agriculture in the overall economic growth, in ensuring food security and in tackling the problems involved in environmental protection and climate change got much stronger emphasis than before just like the need to help farmers in providing services for the society. One of the more important challenges which were noted in order to make efforts to solve the problems is aging of the population of European farmers and the need to award higher amounts of support to young farmers. It is assumed that faster exchange of generations in agriculture can have serious consequences for the future of agriculture and rural areas in three fields:

- in the field of intra-EU food supply and the global food security;
- in the field of competitiveness dependant on launching new and innovative forms of agricultural activity (this is linked to the fact that young farmers are better educated and have higher productivity and production efficiency ratios);
- in the field of environmental sustainability, given the role that farmers play in forming the landscape and managing natural resources).

Support to young farmers introduced in the 2013 CAP reform got solid financial grounds targeted at this group of farmers. The direct payment instrument intended for support to young farmers was for the first time set under the first pillar of the CAP, while the second pillar, which concerns development of rural areas, introduced instruments to support in particular farmers starting agricultural activity for the first time (Kulawik, 2013). Member States got the possibility to modify to some extent the detailed instrumental solutions. Support to young farmers under direct payments is available for people who takeover farm management for the first time or started farm management within 5 years before the start of the programme; farmers who are below 40 upon submission of the support application for the first time and have – depending on the state’s requirements – documented skills or education. Direct payments for young farmers will be awarded for a maximum period of 5 years. This support can constitute up to 2% of the total amount of funds allocated to direct payments in a given Member State. The amount which will be received by young farmers will be calculated by methods selected by Member States or as a flat rate annual payment corresponding to 25% of the annual national payment per hectare multiplied by the number corresponding to the average size of a young farmer’s holding. The payment cannot exceed the amount of the total basic payment for a farm.

As part of the Rural Development Programme, the former instruments will be used, such as aid for setting up economic activity based on a business plan (up to EUR 70 thousand) and higher rate of support allocated to investments in tangible assets.

A report drawn up at the request of the Polish government in 2011 informs that young generation of rural residents in Poland is a strong, ambitious and demanding generation which has a large potential (Nowakowska, 2015). Significant regional differences in Poland have a major impact on the needs and expectations of young rural residents, including young farmers². Therefore, the current programming period assumes greater regionalisation of funding, although RDP 2014-2020 will still be a horizontal programme. Regions would be able to choose criteria adjusted to the local conditions. The RDP for 2014-2020 expects – apart from support to young farmers – also support to farmers transferring farms.

Effects of young farmer support

Polish agriculture started to benefit from support under the Common Agricultural Policy from the moment of the accession, i.e. 2004. Back then the above-described EU scheme of young farmers support for 2004-2006 was binding. Next, support was executed under the financial perspective for 2007-2013.

² Research project “Youths in the countryside” [*Młodzież na wsi*] executed by the Unit for Social Innovation and Research “Shipyard” under the guidance of A. Strzemińska, at the request of the Polish-American Freedom Foundation.

Detailed data for the period are not available for each year. Data on the number of submitted applications and decisions issued to setting up of young farmers in the country is presented in Figure 1, while its division into respective voivode-ships is in Table 1.

Support for this group of farmers in 2007-2014, in cooperation with the institutions of the European Union, was granted under the second pillar of the CAP in the Rural Development Programme. RDP 2007-2013 under Axis 1 – Improving the competitiveness of the agricultural and forestry sector, introduced, *inter alia*, Measure “Setting up of young farmers” and Measure “Early retirement”, which are linked with generational exchange in agriculture. The Measure 112 aimed at non-refundable financial premium for streamlining investment-making by young farm owners. The awarded funds were to accelerate positive changes in the agrarian structure and to improve competitiveness of the entire agricultural sector in Poland.

Young farmer could get one-off premium amounting to PLN 50 thousand in 2007-2009 and PLN 75 thousand in 2010-2013. Those benefiting from the premium had to allocate at least 70% of the amount for development objectives set in the business plan. Benefiting from the premium did not exclude the possibility of investment co-financing under another Measure “Modernisation of agricultural holdings”.

The programme of setting up of young farmers was not very popular at the beginning and as from 2011 the percentage of positively settled applications was quite high. This situation changed in 2014 when 23 444 applications were submitted, but only 7862 of them were positively assessed (Fig. 1 and 2).

The value of the support paid to young farmers in 2004-2009 did not exceed the amount of PLN 300 thousand, while in 2010 and 2014 it reached almost PLN 800 million per year (Fig. 3). Payments for applications submitted in 2014 were continued in 2015.

In the initial period of membership, in 2004-2006, a total of 18 856 applications on setting up of young farmers were submitted (Grzelak et al., 2013). According to measures under the RDP 2007-2013, implemented by the Agency for Restructuring and Modernisation of Agriculture by the end of 2014, five calls for proposals were held under Measure 112 – “Setting up of young farmers”, subsequently in 2008, 2009, 2010, 2011 and 2014.

From the beginning of launching the Programme by the end of December 2014 under all calls for proposals (ARiMR, 2014):

- 71 539 applications for aid were submitted for the amount of PLN 5288.775 million (including the calls held in 2008 – 6495 applications, in 2009 – 1209 applications, in 2010 – 12 935 applications, in 2011 – 8600 applications and in 2014 – 23 444 applications);
- 45 175 decisions on granting aid were awarded for a total amount of PLN 3089 million, including 7864 decisions for the amount of PLN 786.3 million in 2014.

Distribution of submitted and implemented applications was linked to the size of a voivodeship and status of agriculture in the regions (Tables 1 and 2).

In 2004-2014, the highest number of applications for aid in Poland was submitted in the following voivodeships: Mazowieckie (16.3%), Wielkopolskie (14.6%) and Lubelskie (11.5%), and the lowest number in: Lubuskie (1.6%), Śląskie (2.0%) and Opolskie (2.5%) (Tables 1 and 2). Most (63.2%) of the submitted applications were positively considered (in 2011 – 83.4%, while in 2014 – only 33.5%).

Table 1
Number of applications submitted under setting up of young farmers in 2004-2014

| Voivodeship | 2004- -2006 | 2008- -2009 | 2010 | 2011 | 2014 | Total | Share in total (%) |
|---------------------|----------------|----------------|--------|------|--------|--------|-----------------------|
| Dolnośląskie | 839 | 240 | 479 | 248 | 794 | 2600 | 3.6 |
| Kujawsko-Pomorskie | 1458 | 791 | 1082 | 798 | 2186 | 6315 | 8.8 |
| Lubelskie | 2086 | 975 | 1449 | 1022 | 2712 | 8244 | 11.5 |
| Lubuskie | 307 | 95 | 244 | 134 | 365 | 1145 | 1.6 |
| Łódzkie | 1774 | 722 | 1142 | 576 | 1770 | 5984 | 8.4 |
| Małopolskie | 723 | 117 | 388 | 214 | 623 | 2065 | 2.9 |
| Mazowieckie | 3040 | 1496 | 2128 | 1211 | 3785 | 11 660 | 16.3 |
| Opolskie | 531 | 133 | 371 | 257 | 504 | 1796 | 2.5 |
| Podkarpackie | 525 | 194 | 392 | 236 | 585 | 1932 | 2.7 |
| Podlaskie | 1516 | 730 | 1040 | 695 | 2116 | 6097 | 8.5 |
| Pomorskie | 774 | 272 | 540 | 362 | 958 | 2906 | 4.1 |
| Śląskie | 424 | 133 | 318 | 161 | 419 | 1455 | 2.0 |
| Świętokrzyskie | 747 | 268 | 576 | 348 | 979 | 2918 | 4.1 |
| Warmińsko-Mazurskie | 962 | 307 | 651 | 540 | 1310 | 3770 | 5.3 |
| Wielkopolskie | 2564 | 1114 | 1717 | 1461 | 3586 | 10 442 | 14.6 |
| Zachodniopomorskie | 586 | 117 | 418 | 337 | 752 | 2210 | 3.1 |
| Total | 18 856 | 7704 | 12 935 | 8600 | 23 444 | 71 539 | 100.0 |

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

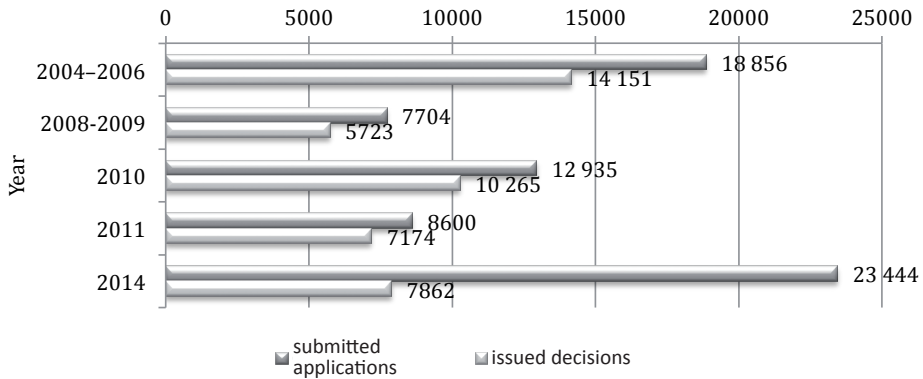


Fig. 1. Number of submitted applications and issued decisions on setting up of young farmers in Poland in 2004-2014.

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

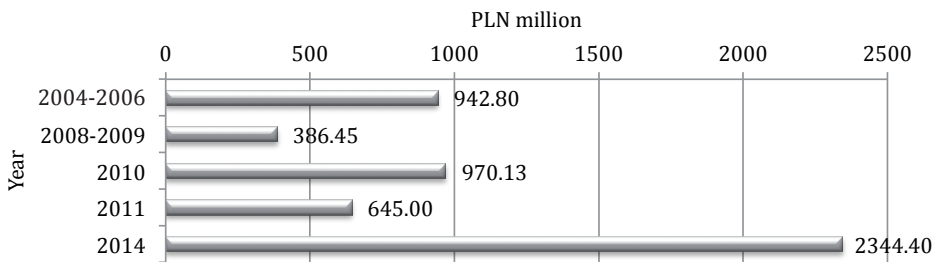


Fig. 2. Value of submitted applications on setting up of young farmers in Poland in 2004-2014 (PLN million).

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

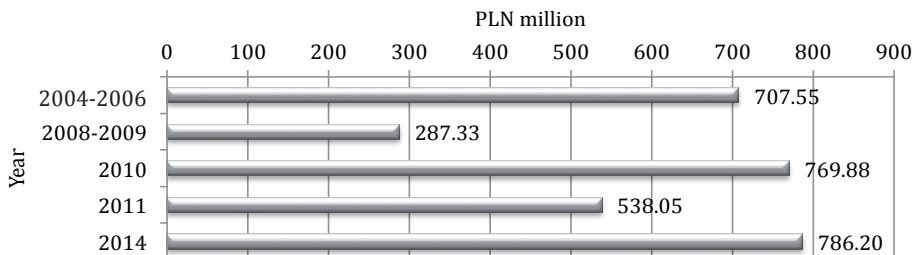


Fig. 3. Value of funds paid for setting up of young farmers in Poland in 2004-2014 (PLN million).

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

Table 2

Number of issued decisions on setting up of young farmers in Poland in 2004-2014

| Voivodeship | 2004- -2006 | 2008- -2009 | 2010 | 2011 | 2014 | Total | Share in total (%) |
|---------------------|----------------|----------------|--------|------|------|--------|-----------------------|
| Dolnośląskie | 617 | 160 | 378 | 194 | 200 | 1549 | 3.4 |
| Kujawsko-Pomorskie | 1129 | 596 | 859 | 675 | 938 | 4197 | 9.3 |
| Lubelskie | 1547 | 711 | 1244 | 852 | 1055 | 5409 | 12.0 |
| Lubuskie | 220 | 61 | 199 | 103 | 81 | 664 | 1.5 |
| Łódzkie | 1310 | 537 | 857 | 491 | 754 | 3949 | 8.7 |
| Małopolskie | 531 | 80 | 318 | 173 | 84 | 1 186 | 2.6 |
| Mazowieckie | 2348 | 1143 | 1671 | 1010 | 1119 | 7291 | 16.1 |
| Opolskie | 402 | 111 | 282 | 218 | 129 | 1142 | 2.5 |
| Podkarpackie | 372 | 138 | 319 | 194 | 168 | 1191 | 2.6 |
| Podlaskie | 1156 | 537 | 855 | 601 | 944 | 4093 | 9.1 |
| Pomorskie | 574 | 200 | 415 | 305 | 277 | 1771 | 3.9 |
| Śląskie | 339 | 96 | 259 | 125 | 158 | 977 | 2.2 |
| Świętokrzyskie | 629 | 215 | 456 | 292 | 165 | 1757 | 3.9 |
| Warmińsko-Mazurskie | 700 | 214 | 485 | 427 | 313 | 2139 | 4.7 |
| Wielkopolskie | 1844 | 856 | 1366 | 1237 | 1379 | 6682 | 14.8 |
| Zachodniopomorskie | 433 | 68 | 302 | 277 | 98 | 1178 | 2.6 |
| Total | 14 151 | 5723 | 10 265 | 7174 | 7862 | 45 175 | 100.0 |

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

The value of payments from the European Union fund for setting up of young farmers constituted a major part of aid provided to Polish agriculture. In total, in 2004-2014 over PLN 3 million (Tables 3 and 4) was allocated for the purpose in agriculture. The most part of the funds was allocated to farmers from Mazowieckie and Wielkopolskie voivodeships.

Table 3

*Value of submitted applications on setting up of young farmers in 2004-2014
(PLN thousand)*

| Voivodeship | 2004- -2006 | 2008- -2009 | 2010 | 2011 | 2014 | Total |
|---------------------|----------------|----------------|---------|---------|-----------|-----------|
| Dolnośląskie | 41 950 | 12 000 | 35 925 | 18 600 | 79 400 | 187 875 |
| Kujawsko-Pomorskie | 72 900 | 39 550 | 81 150 | 59 850 | 218 600 | 472 050 |
| Lubelskie | 104 300 | 48 750 | 108 675 | 76 650 | 271 200 | 609 575 |
| Lubuskie | 15 350 | 4750 | 18 300 | 10 050 | 36 500 | 84 950 |
| Łódzkie | 88 700 | 36 100 | 85 650 | 43 200 | 177 000 | 430 650 |
| Małopolskie | 36 150 | 5850 | 29 100 | 16 050 | 62 300 | 149 450 |
| Mazowieckie | 152 000 | 76 050 | 159 600 | 90 825 | 378 500 | 856 975 |
| Opolskie | 26 550 | 6650 | 27 825 | 19 275 | 50 400 | 130 700 |
| Podkarpackie | 26 250 | 9700 | 29 400 | 17 700 | 58 500 | 141 550 |
| Podlaskie | 75 800 | 36 500 | 78 000 | 52 125 | 211 600 | 454 025 |
| Pomorskie | 38 700 | 13 600 | 40 500 | 27 150 | 95 800 | 215 750 |
| Śląskie | 21 200 | 6650 | 23 850 | 12 075 | 41 900 | 105 675 |
| Świętokrzyskie | 37 350 | 13 400 | 43 200 | 26 100 | 97 900 | 217 950 |
| Warmińsko-Mazurskie | 48 100 | 15 350 | 48 825 | 40 500 | 131 000 | 283 775 |
| Wielkopolskie | 128 200 | 55 700 | 128 775 | 109 575 | 358 600 | 780 850 |
| Zachodniopomorskie | 29 300 | 5850 | 31 350 | 25 275 | 75 200 | 166 975 |
| Total | 942 800 | 386 450 | 970 125 | 645 000 | 2 344 400 | 5 288 775 |

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

About 83% of beneficiaries were men, 67% were people aged from 18 to 25, and 41.9% people with secondary education. A total UAA forming farms run by young farmers amounted to 414 883 ha. Average area of farms, which obtained support was at 16.33 ha, i.e. nearly by 56% more than the national average which in 2014 equalled 10.48 ha (MRiRW, 2014). Around 40% of beneficiaries had a farm of 10-15 ha. Over one third (33.7%) in the structure of farms of young farmers (beneficiaries) were farms of up to 4 ESU, 22.5% – farms from 4 to less than 6 ESU, 24% – farms from 6 to less than 12 ESU and 19.3% – farms having from 10 to 40 ESU. The support was used by larger farms, which attests to the fact that Measure 112 was a factor supporting improvement of the agrarian structure in Poland. Farmers benefiting from aid in 41% run mixed

production, in 37% only field crops, while 11% of farms had dairy cattle. The obtained funds were intended mainly for purchase of machinery, tractors, live-stock, and for construction and renovation of buildings and equipment and for setting up orchards or perennial plantations. Nearly 22% (5510) of farms of young farmers are farms transferred to them by people applying for early retirement. The highest amounts for support to young farmers were given to the following voivodeships: Mazowieckie, Wielkopolskie and Lubelskie.

Table 4

Value of funds paid for setting up of young farmers in 2004-2014 (PLN thousand)

| Voivodeship | 2004- -2006 | 2008- -2009 | 2010 | 2011 | 2014 | Total |
|---------------------|----------------|----------------|---------|---------|---------|-----------|
| Dolnośląskie | 30 850 | 8000 | 28 350 | 14 550 | 20 000 | 101 750 |
| Kujawsko-Pomorskie | 56 450 | 29 800 | 64 425 | 50 625 | 93 800 | 295 100 |
| Lubelskie | 77 350 | 35 550 | 93 300 | 63 900 | 105 500 | 375 600 |
| Lubuskie | 11 000 | 3050 | 14 925 | 7725 | 8100 | 44 800 |
| Łódzkie | 65 500 | 26 850 | 64 275 | 36 825 | 75 400 | 268 850 |
| Małopolskie | 26 550 | 4000 | 23 850 | 12 975 | 8400 | 75 775 |
| Mazowieckie | 117 400 | 58 325 | 125 325 | 75 750 | 111 900 | 488 700 |
| Opolskie | 20 100 | 5550 | 21 150 | 16 350 | 12 900 | 76 050 |
| Podkarpackie | 18 600 | 6900 | 23 925 | 14 550 | 16 800 | 80 775 |
| Podlaskie | 57 800 | 26 850 | 64 125 | 45 075 | 94 400 | 288 250 |
| Pomorskie | 28 700 | 10 000 | 31 125 | 22 875 | 27 700 | 120 400 |
| Śląskie | 16 950 | 4800 | 19 425 | 9375 | 15 800 | 66 350 |
| Świętokrzyskie | 31 450 | 10 750 | 34 200 | 21 900 | 16 500 | 114 800 |
| Warmińsko-Mazurskie | 35 000 | 10 700 | 36 375 | 32 025 | 31 300 | 145 400 |
| Wielkopolskie | 92 200 | 42 800 | 102 450 | 92 775 | 137 900 | 468 125 |
| Zachodniopomorskie | 21 650 | 3400 | 22 650 | 20 775 | 9800 | 78 275 |
| Total | 707 550 | 287 325 | 769 875 | 538 050 | 786 200 | 3 089 000 |

Source: Management Information System of the Agency for Restructuring and Modernisation of Agriculture.

As it follows from some research, effects of financial support for farms run by young farmers are very positive. Zofia Kołoszko-Chomentowska, based on a research of a group of farms from Podlaskie Voivodeship – which continuously participated in the Polish FADN in 2005-2007 (Kołoszko-Chomentowska,

2010; Zieliński and Sobierajewska, 2012) showed that farms of young farmers got better results than the farms in total, they increased their economic size and value of assets and also the value of equity and family farm income per hectare and full-time employee. This proves that young farmers – well prepared in professional terms – demonstrate intense activity in winning public funds for renovation and development and that they get involved in production process with a view to the future.

Other research on innovativeness of young farmers and their attitudes towards changes introduced in Małopolska region, show that young farmers understand the need to introduce changes and demonstrate pro-innovation attitudes. The researched young farmers were characterised by great thoughtfulness and caution when implementing new solutions on a wide scale (Kiełbasa and Puchała, 2015). Research revealed that young farmers can be the “agents” of change in agriculture, but they need help in winning funds from agricultural agencies.

The overall concept of the Common Agricultural Policy of the EU for 2014-2020 is included in the Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013. The European Commission accepted the Polish Rural Development Programme, whose key priority is better competitiveness of the agricultural sector taking into account environmental objectives. The new programme supports further restructuring and renovation of farms and development of agri-food processing. It will continue measures to support modernisation of economically weaker family farms, creation of new jobs, new technical and social infrastructure, and maintaining cultural heritage. In total, EUR 13.5 billion will be allocated to the RDP in 2014-2020, out of which 8.6 billion will come from the EU funds and 4.9 billion from the national contribution. Support for farms provides for aid to start-up economic activity in the form of a premium for young farmers amounting to PLN 100 thousand and aid to start-up economic activity as regards non-agricultural activity in rural areas. This programme is to be used for restructuring of small farms.

A premium for young farmers can be provided not only from the second pillar but also from the first pillar of the CAP. Support from the first pillar is today an obligatory instrument, for which a Member State can allocate up to 2% of funds from the national envelope. Farmers, who are below 40 and run a farm for no longer than 5 years can get a 25% rise in the rate of the basic direct payment per each hectare, in the range from 25 to 90 ha of UAA. Each Member State can to some extent upgrade detailed solutions and instruments used for support.

The last reforms of the Common Agricultural Policy drew attention to the problem of young farmers and indicated the need to increase the aid for this group of family farms (Hamilton et al., 2015). Strengthening support for young farmers is justified by greater innovation and entrepreneurial potential of this group of farmers and their openness to innovations and understanding of the need to tackle environmental problems. Support for this group of farmers be-

comes a fundament for renewal of agriculture and ensuring its long-term vitality. Research of entrepreneurship, e.g. in the United Kingdom, indicates that the most favourable indices in the field of investment, productivity and profitability belongs to farms run by farmers aged 35-45. Young farmers represent significant innovation and entrepreneurship potential and involvement in agri-environmental programmes, but their economic effects of farming are revealed with some delay as regards the commencement of farm management. To shorten the period of reaching full efficiency various forms of support and direct aid are suggested.

The need to support young farmers as the key element of Europe's activity by 2050 was covered during a conference organised by the European Council of Young Farmers (CEJA) in Luxembourg on 1-3 July 2015. Discussing the perspectives for agricultural policy the key challenges for European agriculture were determined, which include: growth in social expectations towards agriculture (referring especially to environmental protection, animal welfare, counteracting climate change) and growth in the demand for biomass. During the conference in September 2015 in Milano, CEJA adopted a declaration, the so-called Young Farmer Manifesto, which draws attention of the public opinion to a number of vital issues captured in four of the following areas:

- (1) Shift to circular economy to limit food waste and tighten the weaknesses in the food chain; fairer treatment of food producers and their protection.
- (2) Empowerment of young farmers to deliver on sustainable development and environmental protection.
- (3) Support for the use of innovative solutions enabling to produce more from less.
- (4) Opportunities for young farmers to contribute to job creation and economic growth in rural areas, including trade opportunities.

Conclusions

1. Generational replacement in agriculture, especially of farm managers, is among the major socio-economic issues in the agricultural and rural development. It is especially important in countries with dominance of family farms as is the case in the European model of agriculture. Solving the young farmer problem is among the key tasks of the national and Community agricultural policy.
2. The young farmer problem should be viewed and solved under active agricultural policy linked to other structural problems in agriculture, especially with leaving the profession by older rural residents, and transferring property and assets, and ensuring relevant social and living conditions for them.
3. Starting activity by young farmers in Poland starts mainly through inheritance or takeover of resources of a family farm. Increasingly more often young farmers acquire whole or parts of farms through market trading. The process of acquirement and management of a farm by young farmers requires support and assistance from the state and its institutions.

4. A definition of young farmers is found in the EU legislation and is in general accepted by the national law. For political purposes, and especially to determine different forms of aid and support, some elements of the standard definition are modified or presented in more details. Apart from the term of a “young farmer” there is the term of a “farmer setting up activity”, which is not always directly linked to age, but also requires support from state authorities.
5. The share of young farmers in the rural economy of respective countries in the European Union is diverse. Poland is among these countries where the share of farms run by young farmers is especially high and assessed positively. At the other extreme, there is Portugal and a part of the Central and Eastern European countries.
6. Both from literature and research held in Poland and other countries it follows that young farmers constitute a group of well-educated people who are open to changes, apply innovative farming methods and achieve an over-average production and economic results. This justifies measures to enable young people to takeover farms and manage them at a relatively young age.
7. Common Agricultural Policy of the EU got involved in the young farmer problem in the 1970s, and specific support schemes were regulated to a greater extent in the 1992 MacSharry reform. Currently, the CAP contains a number of aid and support instruments for young farmers funded from both the first and second pillar of the Common Agricultural Policy. The contemporary agricultural policy of the Community and national agricultural policy instruments offer a wide set of support instruments, which are in detail modified in subsequent funding framework. The last 2013 CAP reform and the new financing framework for 2014-2020, tackle the issue of young farmers with attention and care. It should be perceived in connection with the problems of the elderly rural residents and other problems of sustainable development of rural areas, with special emphasis on protection of the agricultural producers, natural environment, implementation of innovations, reduction in food waste, extension of the scope of activity and creation of new jobs in rural areas.

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WSPARCIE MŁODYCH ROLNIKÓW JAKO ELEMENT POLITYKI ROLNEJ UNII EUROPEJSKIEJ

Abstrakt

Przedmiotem i celem pracy jest problem młodych rolników Polski na tle sytuacji w Unii Europejskiej ukazany od strony teoretycznej, ich roli w rolnictwie krajowym i europejskim, wsparcia przez wspólną politykę rolną i krajową politykę rolną oraz form i efektów wsparcia. Praca opiera się na analizach literatury, uniijnych i krajowych dokumentach prawnych, informacjach branżowych i statystycznych.

Główne efekty pracy odnoszą się do problemu definiowania młodych rolników, określenia formy i zakresu udzielanej im pomocy oraz cech, postaw i efektów gospodarowania przez tę grupę rolników w Polsce. Ważnym efektem poznawczym jest analiza wniosków składanych przez młodych rolników oraz wyników ich rozpatrywania przez instytucje krajowe oraz weryfikacji przyznanej pomocy i wypłat. Głównym wnioskiem jest wskazanie na potrzebę rozpatrywania i rozwiązywania problemu młodych rolników w powiązaniu z innymi problemami społeczno-ekonomicznymi wsi m.in. z problemem ludzi starych.

Słowa kluczowe: młody rolnik, wsparcie Unii Europejskiej, przejmowanie gospodarstw.

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