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Agricultural Policies

Addendum

POLAND

Poland's Agricultural Policy and State of Agriculture in 1973

One of the basic elements of Poland's economic development is growth of agricultural production. The very fast increase of agricultural production is necessary in the first place to meet the growing requirements. These steadily rising requirements are due to the growing demand of consumers. Therefore, the basic task of the new agricultural policy, which began in 1971, is to speed up production growth in all agricultural sectors (State, co-operative and private) and to provide for them ever better economic and production conditions.

Among the main economic factors influencing both the growth of agricultural production and the growth of real income of the inhabitants of the rural areas is primarily a substantial improvement in the profitability of agricultural production resulting from:

1. increased prices of basic animal products, namely: pigs for slaughter, cattle for slaughter, sheep for slaughter, wool and milk;
2. lowering the prices of certain means necessary in agricultural production (e.g. lowering the prices of protein concentrates).

The raising of the prices of animal products and an improvement in the profitability of their production resulted in a considerable stimulation of interest on the part of the farmers and in a substantial acceleration of the dynamics of the basic branches of animal production.

The reform in 1972 of the land tax produced the following three effects:

- (a) caused a reduction in the taxation of farms, on the average, by more than 10 per cent; the amount of this taxation was lowered, to a different extent, for different groups of farms;
- (b) meant in practice an automatic raising of the average prices obtained by farmers of slaughter animals, grains and potatoes;
- (c) opened the way to specialization of farms and a more rational location of production;
- (d) enhanced the rôle of contracts as an important instrument of the planned influence of the State on the volume and structure of agricultural production. The contract system is being constantly improved and long-term contracts are being expanded as an essential element of planning, on the one hand and safeguarding the stability of production and sales, on the other.

It is worth to be stressed that the rural population still represents in Poland a relatively high percentage (about 47 per cent) of the whole population (although this share, due to the country's quick industrialization, is systematically going down). Interests of this important part of the total population have to be taken into account in an appropriate manner.

Therefore an essential element of Poland's agricultural policy is the activity of the Government aiming at the equalization of the standards of living of the population employed in agriculture and in industry. This activity consists, among other things, in:

- (a) promoting the development of industry producing the means of production on which progress and the dynamic development of agriculture depend (e.g. feeds, mineral fertilizers, agricultural machinery and equipment);
- (b) partial financing by the State of the costs of production services of particular importance for agriculture;
- (c) granting low-interest credit and reductions in dues levied by the government mainly for investment services.

The reforms mentioned above caused that in recent years real incomes of the farmers have been increasing (and continue to increase).

It is estimated that in 1971-1972 in comparison with 1969-1970 an increase in these incomes amounted to 30-50 per cent.

In the field of social policy government decisions consisted in introducing general health care for the farmers and for the members of their families on the social insurance basis.

In addition to the economic and socio-political factors mentioned above, an essential rôle in the development of agricultural production was played by the following factors:

1. a general implementation of achievements of agricultural sciences and progress in the application of modern production (e.g. introduction of high yield varieties of grains owing to which their crops have increased substantially);
2. a substantial increase in the use of fertilizers;
3. increased supplies of agricultural machinery and tractors;
4. increased supplies of construction materials for the farmers, provision of inexpensive, modern typical documentation and free consulting by experts. For farmers and collectives of peasants investing in agricultural buildings reductions in, and annulments of, the land tax were used;
5. introduction, in 1973, of simplified principles and more advantageous conditions of contracting credits for agricultural production by establishing one working capital credit for various purposes related to current production;
6. a number of decisions aiming at speeding up the development of horticultural production, especially in the vicinity of large urban agglomerations. Among others, financial assistance was expended for the institutions which organize production and the system of granting credit to the producers of fruits and vegetables has been improved;
7. active price policy carried on by the State;
8. revised regulations concerning the protection of land against using it for non-agricultural purposes, e.g. by introducing higher prices for this land;
9. an increase in investment outlays for agriculture;

The above-mentioned factors contributed to a steady rise in agricultural production.

According to preliminary data total production in 1973 increased in comparison with 1972 by 7.8 per cent.

A characteristic feature of the past three-year period, including also 1973, was a distinctly slower rate of growth of plant production as compared with animal production. Last year, in comparison with 1972, the value of plant production increased by about 6.4 per cent while the value of animal production rose by 9.3 per cent. (See also MTN/3E/DOC/1/Add.17 Poland, Table C.1).

The yields of four main grains in 1973 (rye, wheat, barley and oat) are estimated at 26.5 quintals per hectare, i.e. 2.5 quintals more than in 1972.

Comparatively high were the yields of wheat (29.6 quintals per hectare) and of barley (29.2 quintals per hectare).

Also the yields of potatoes, estimated at 194 quintals per hectares, must be regarded as satisfactory. They were by 11 quintals higher than in 1972. Relatively high (64.8 quintals per hectare) were the yields of meadow hay. Only the yields of sugar beet are lower in comparison with the preceding year.

It is estimated that in 1973, as compared with the preceding year, the production of grains was higher by 1.5 million tons, i.e. by over 7 per cent, the production of potatoes - by 3.2 million tons i.e. by 6.5 per cent, of oleaginous plants by about 80 thousand tons, i.e. by over 18 per cent, of meadow hay by about 958 thousand tons, i.e. by 6 per cent, of vegetables by about 419 thousand tons, i.e. 11 per cent, and of fruits by over 226 thousand tons, i.e. by about 23 per cent.

Very good results were also achieved in animal production. According to the data of the June Agricultural Census the pig population increased in comparison with June 1972, by over 2.4 million head, i.e. by about 14.0 per cent, the cattle population increased by 740 thousand head, i.e. by 6.5 per cent; and it is worth noting that increases were recorded both in the young cattle population by 651 thousand head (by 13 per cent), and in the cow population by 72 thousand head, i.e. by 1.2 per cent.

Slightly lower, by 60 thousand head, i.e. by 1.9 per cent is the sheep population. Also lower is the horses population which declined by 49 thousand head, i.e. by 2 per cent; under the conditions prevailing in Poland this should be regarded as a positive phenomenon.

An even stronger rate of growth was recorded in animal production for the market. It is estimated that the production of cattle for slaughter has increased in all agriculture in relation to 1972 by 312 thousand tons, i.e. by 9.2 per cent. (See also MTN/3E/DOC/1/Add.17 Poland, Table C.1(b))

It follows from the figures quoted above that now a fairly strong biological and production basis has been created in Polish agriculture. Intensive modernization is continued, agricultural construction is developing and the technical base for agriculture is being expanded.

Exports of agricultural products are of vital importance for Polish national economy as earnings from these exports permit to cover (at least partially) considerable costs of a big and still growing Polish imports of foodstuffs.

In 1973, Polish imports of foodstuffs exceeded by about 15 per cent the total exports of agricultural products. Imports of foodstuffs are expected to rise in the future. Therefore, continuity of exports of agricultural products is and will remain in the future a necessity for Poland as an important source of foreign exchange. Poland is hoping that the actually prepared talks in frames of GATT shall contribute to the abolition of all barriers in international trade of agricultural products. (See also MTN/3E/DOC/1/Add.17 - Poland, Tables D.1 and E.1)