

March 28th 2013

Subcarpathian Memorial – Memorial Podkarpacki

The participants of the Scientific and Technological Conference "Small farms in the development of agriculture and rural areas", held on February 14th-15th 2013 in Chotowa (Subcarpathian Voivodeship), declare the need to maintain and enhance the multi-faceted support of social and small-scale farms, hereinafter referred to as small farms.

We assume that the transformations of Polish rural areas, being the multi-faceted deagrarisation, including rapidly progressing radical reduction in the share of rural population, having agricultural income sources, are accelerating. At the same time, agrarian transformations, including the expansion of farms, tend to have slow and long-term nature. Progress, or even the successes achieved in this field by the Western European countries (such as Germany or France) seem to be impossible to repeat in the next few years, as their economies created a huge demand for labor surpluses at that time (in the 60s and 70s), that was created by the rapid industrialization and urbanization. Creeping economic crisis, harassing the world and the EU countries, including Poland, currently provides no good prospects for improving the economic situation of the rural population, particularly in terms of the radical increase in non-agricultural employment of surplus manpower. However, we emphasize that small farms, though very numerous, especially in southern and south-eastern Poland, are not the productive and economic essence of agriculture, but they are still its important component. Still, in many regions of the country they are a very important part of the labor market and significant players of the so-called social economy. The farm-based manufacturing and entrepreneurial activation should continue to be an important aim in the State activities, being designed to prevent poverty, professional inactivity and social exclusion of the rural population, previously involved in agriculture, especially those who are the most strongly affected by the economic downturn.

The aim of our activities and a challenge towards Polish Authorities at various levels, related to small farms, is to take a variety of efforts aimed at the prevention of rapid productive, economic and ecological deagrarisation of villages, especially in fragmented regions. Evolutionary changes of small farms, usually economically disparate, even when they are accelerated by agricultural policy, should provide a positive perspective for further

multifunctional development for many of them (and perhaps for the majority) - if so requested by farmers. The alternative is the slow and thoughtful suppressing of production, adoption of divestment processes and inclusion of the land into developmental farms. Socially safe, acceptable to rural inhabitants and economically secured, profound transformation of fragmented regions' agriculture does not seem to be possible in the perspective of a generation, or at least within the next 20 years. This is evidenced by e.g. the problems with merging of agricultural land under the existing rules, including their durability and small range as well as high costs associated with possible takeover and land use, especially in relation with the development of livestock production in large farms. It seems that currently there is no necessary political will and public acceptance to carry out radical and profound agrarian transformation.

Therefore, target groups of support given to farms within the CAP 2014-2020 should be not only economically effective, large family commercial farms, but also economically viable small-scale farms, with sufficient capacity to fulfill the social and environmental functions.

Proposals for the small farm promotion

The 1st Pillar of the Common Agricultural Policy

1. We expect that small farms (with the estimated area of 1-5 ha) having mostly social and self-supply nature, but participating in the agricultural products' market (and the means of production market), will receive the optional (chosen by the farmer) direct payments in a simplified form - in lump sum under the 1st pillar of CAP, however calculated in relation to agriculturally used acreage of land (two or three levels of a lump sum).
2. The lump sum of a direct payment cannot exclude farms from using the LFA payments and agri-environmental payments.
3. We suggest that farms using the lump form of direct payments be not required to comply with the selected requirements of cross-compliance and "greening". Maintaining productive functions of farms and their small scale (small parcels of land, crop diversity) seem to fully meet the objectives established in this matter by the EU institutions.
4. The small-herd animal breeding (and production) in small farms should be maintained by continuous support by production-related payments, such as:

- breeding (and production)-supporting subsidies for herbivorous animals in farms dominated by grassland when the size of herds does not exceed a total of 10 LU and stocking density is not greater than 1.5 LU/ha of agricultural land,
 - subsidies targeted at the plant production, having a regional and niche character, whose share in the farm does not exceed 20% of agricultural land (e.g. to: spelt, bean pumpkin, flax...).
5. It is in the economic interest of the country, especially of small farms and fragmented regions, to maintain the current eligibility rules for farms and agricultural parcels that are entitled for support from the 1st pillar of the CAP, i.e. including 1 ha of eligible area and a minimum area of 0.1 ha of agricultural parcel.
 6. Small farms (up to 5 ha) and farms considered as small with area over 5 ha, which do not choose the lump sum of area payments, or are not eligible for such forms of payments due to the acreage of the land used, should benefit from full payments from the 1st pillar of the CAP.
 7. In sub-regions characterized by the agrarian fragmentation, where the average agricultural area of farms does not exceed 5 ha, the requirement of "greening" should not apply. It should also not apply to farms in excess of 5 times the area if they are located in the sub-regions (or communes) where the average size of agricultural land of farms is less than 5 ha.

The 2nd Pillar of the Common Agricultural Policy

1. Small farms, conducting commercial production (i.e. with area up to 5 ha) should be able to benefit from the support of investment activities under the RDP of up to 50% of the support resulting from the general principles of farm promotion in Poland. This support should be allocated and accounted for under the simplified procedure, including the contribution of the investment costs for farmers and materials from their own farms and should provide the opportunity to purchase agricultural equipment in the secondary market.
2. A part (2-4) of measures under the total pool of RDP 2014-2020, should be based on regional criteria (regional sub-programs) i.e. their specific objectives, scope, form and amount of support as well as the additional requirements should be established at the level of regions (voivodeships).

Such measures, relating to small farms, located in structurally fragmented regions, should include:

- economic, legal and organizational support of neighboring land merge and (overdue) regulation of land ownership,
 - support for the organization and conducting of collective grazing of herbivorous animals and construction of pastoral infrastructure, particularly in LFA,
 - economic and legal support of medium- and long-term (e.g. 10 and 20 years) lease of agricultural land,
 - support for the restoration and agricultural development of land excluded from agricultural production,
 - additional regional support for LFA, separated based on disparate natural, especially mountain and foothill conditions (with specific difficulties for production) and ecologically valuable areas,
 - particular support for the resignation from small farms where it is associated with the transfer of land for agricultural production and undertaking non-agricultural activities,
 - support for the collaborative forms of land, machinery and small processing plant use.
3. Small farms should absolutely have better access to agricultural markets, especially institutionalized ones and be a full market participants in terms of the agricultural products and products processed in their own farms. In order to do this, local initiatives should be supported in the construction of agricultural markets adapted to direct and semi-wholesale selling and to revise and expand the list of products authorized for direct selling.
 4. Subsidies to farms producing within the LFA should be revalued (they have been constant since 2004) and be appropriate to the economic realities arising from increasing agricultural production costs and lower income from causes beyond the control of farmers and conditioned by nature.
 5. For small farms to maintain or restore their economic viability, by proceeding appropriate commercial law concerning agriculture, one should count not only on short-term fiscal gains, but on larger and long-term social and economic benefits that should be entailed by this law. It is also important that the created agricultural and semi-agricultural legislation was written in simple language that is clear and understandable to their recipients.

3rd. Rural and agricultural support from the Cohesion Fund.

We propose that in anticipation of a relatively lower pool of aid measures to support farms within the 2nd pillar of the RDP 2014-2020 from the Cohesion Funds, the following measures related to the development of agriculture and rural areas be supported:

- management of water resources in agriculture and water drainage;
- production of renewable energy including biogas, solar cells, hydropower,
- rural renewal,
- construction of rural infrastructure (small-scale).

4th. Support at a national scale.

In addition to the currently used forms of support, the following activities should be promoted with the national budget resources:

- lime applications on agricultural soils degraded (acidified) by non-agricultural sources of emissions,
- agricultural and economic research directly aimed at technological and organizational progress in agriculture.

5th. Necessary legislative changes designed to serve small farms

Inadequacy to the needs, maladjustment of some of the existing legal acts to the production and economic realities, particularly of small farms, makes us to request for urgent undertaking of legislative works on:

- consolidation of land, including the neighbor consolidation based on the notary acknowledgement of land exchange,
- creation of teams (producer groups) adequate for the needs and capabilities of small farms,
- the new act on cooperatives, adapted to the current economic realities and to small farms,
- legal regulations aimed at long-term land lease,
- legal regulations designed to improve the agricultural trading and releasing of more products to the legitimate direct selling.

The memorial has aspirational character and represents the standpoint of farmers – members of the Agriculture Chambers and scientific community, especially in the south-eastern Poland. It should be taken into consideration in the process of creating a system to support rural areas, agriculture and farms in the new financial and task perspective of the EU for the period 2014-2020.

Organizers and Participants of the Conference

- Regional Agricultural Chambers: Lesser Poland, Silesian, Subcarpathian, Holy Cross and Lublin
- European Research Centre of Small Farms at the University of Agriculture in Cracow