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Social and economic rationale for the functioning of small farms

Case of Poland

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Structure

Development of small farms

- Economic aspects
- Social and cultural

Data sources:

- Central Statistical Office
- IAFE-NRI survey



Introduction

- EU emphasises the role of family farms as the most important form of organisation in agriculture (European Model of Agriculture)...
- ..their cultural value and the role in the preservation of biodiversity in the countryside.
- EU searches for the new paradigm in rural and agricultural development based on rural-agricultural-bio-economy systems.
- General aim is to determine the importance of small farms from the perspective of economic and social performance and to assess the share of these entities, which have a chance to survive and develop.

Small farm - delimitation criteria

- Agricultural area - 5 ha UAA
- the volume of production and relationships with the market
 - semi-subsistence farming (up to 20% average farm production sold to the market)
- Labour (1 AWU)
- The importance of the income from the farm to ensure the livelihood of the family
 - farm income less than 50% of household income
- Economic size – 2/4 ESU and since 2010 SO – 4000/8000 euro SO.

Small farms in Poland and the EU

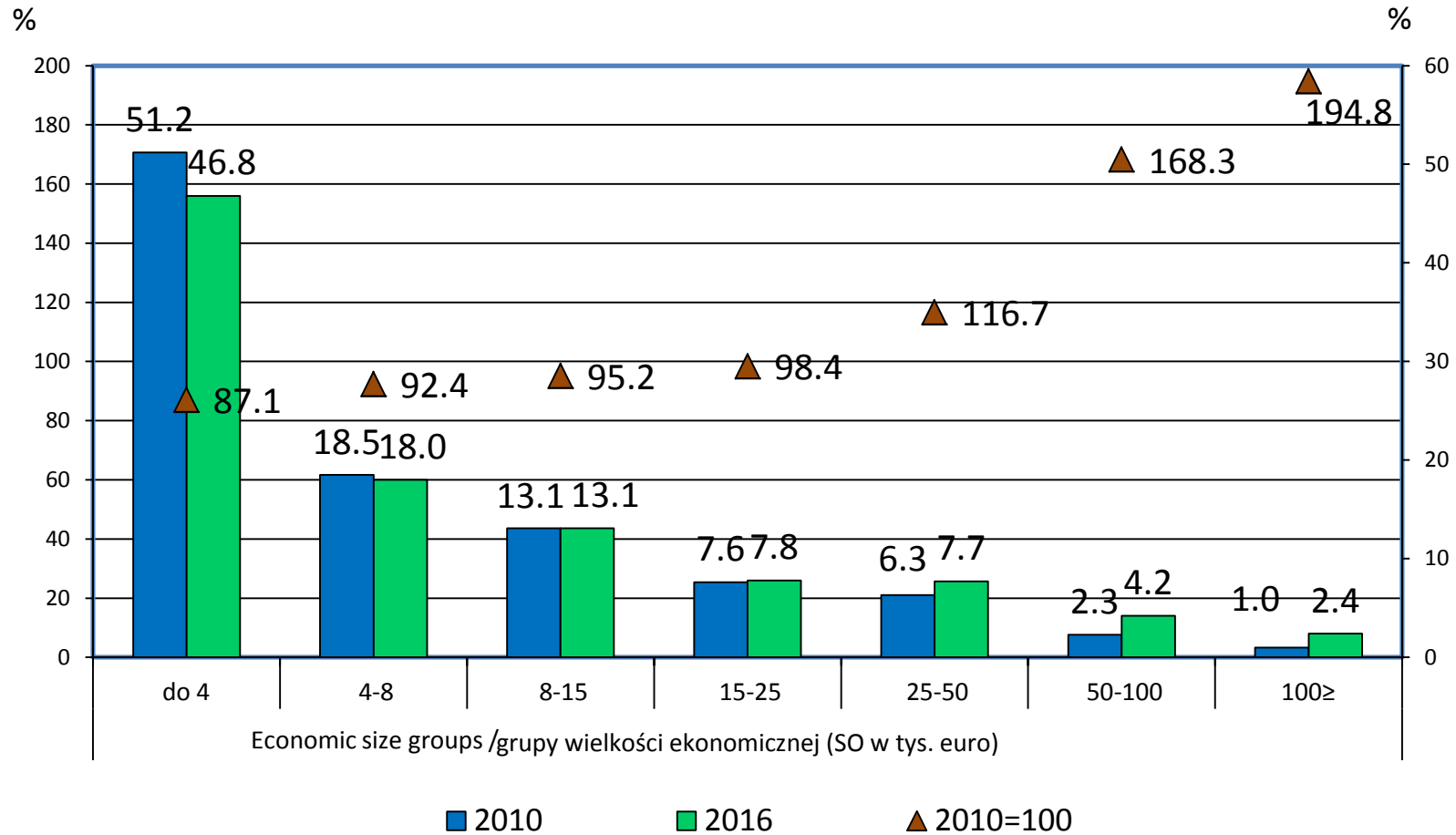
- In the EU-28 about 10.7 million households (65.7%) of households in the EU have less than 5 hectares. They use 6.3% of total agricultural land (11 million hectares).
- In Poland the farms of 0-5 ha accounted for 732,5 thousand (52.1%)
- 1.8 million ha, ie. 12.6% of agricultural land used for agricultural purposes
- They are source of 8.1% total commodity production
- In the EU-28 farms up to 4000 euro SO account for 55.7%.
 - in the EU-15 - 30.8%
 - in Poland – 46.8%.
 - In Belgium - 2.6%. Germany - 2.7%. the Netherlands - 1.1%

Farm structure in Poland, 2007-2017

	Years	Total	Size groups (ha UAA)						
			1-2	2-5	5-10	10-15	15-30	30-50	50 +
Number of farms (000)	2005	1 786,7	447,0	585,5	388,5	167,8	141,7	34,7	21,5
	2017	1 385,1	263,0	449,4	316,2	142,4	140,2	38,5	35,4
Change 2005-2017 (100 = 2005)		77,5	58,8	76,8	81,4	84,9	98,9	111,0	164,7
Land structure (per cent of total)	2005	100,0	25,0	32,9	21,7	9,4	7,9	1,9	1,2
	2017	100,0	19,0	32,4	22,8	10,3	10,1	2,8	2,6

Statistics Poland (GUS) 2005-2017

Changes in farm size structure (SO)



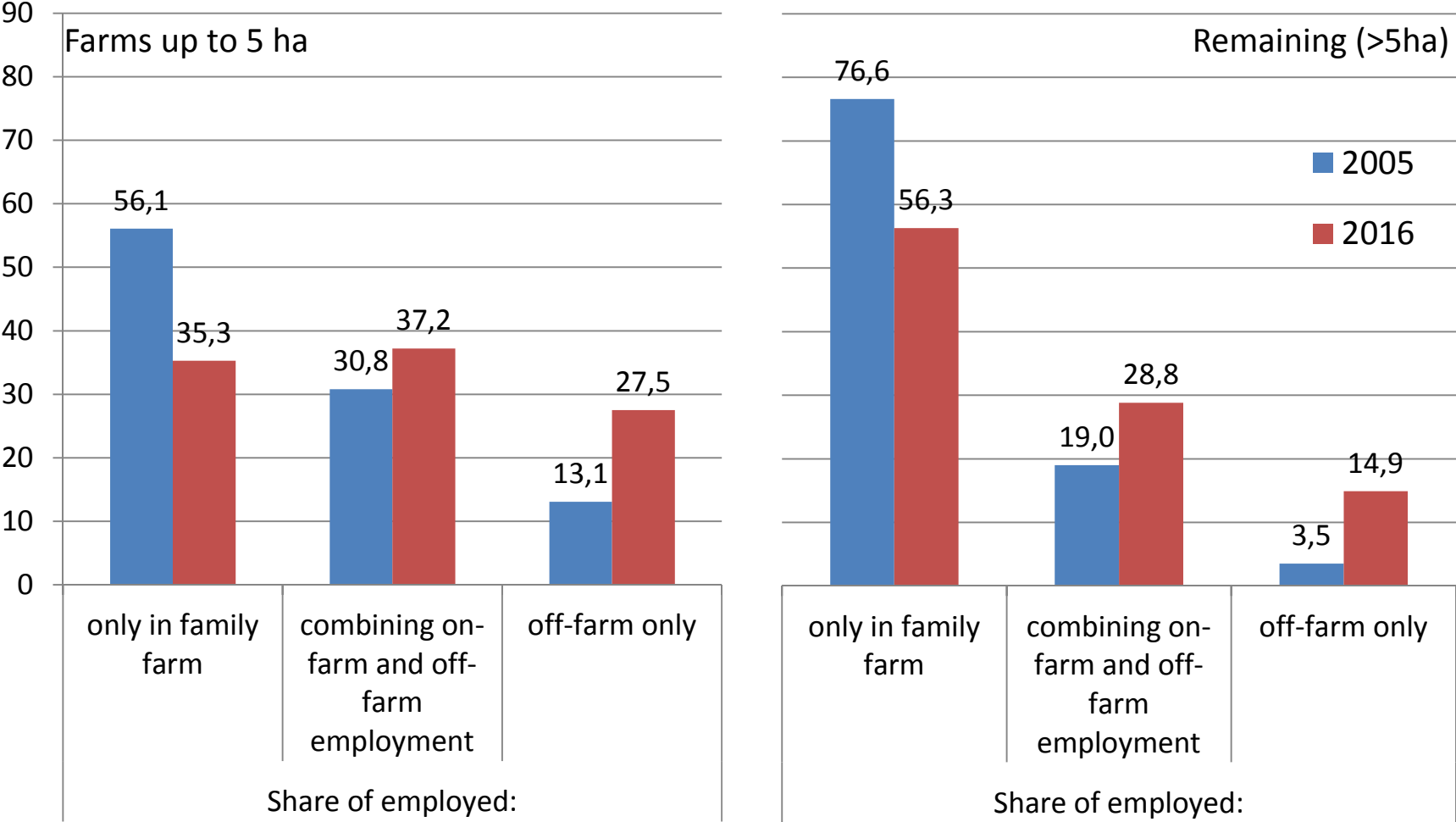
Small farms and the market

	2000	2005	2011	2016
Share of farms:				
• without agricultural activities	2.8	4.1	0.3	-
• without agricultural production	7.8	9.0	27.5	37.8
• semi-subsistence	24.9	31.4	22.4	19.4
• commercial	64.5	55.5	49.8	42.8
• obtaining income comparable to other sectors of the national economy	11.1	12.0	15.0	15.6

Labour statistics

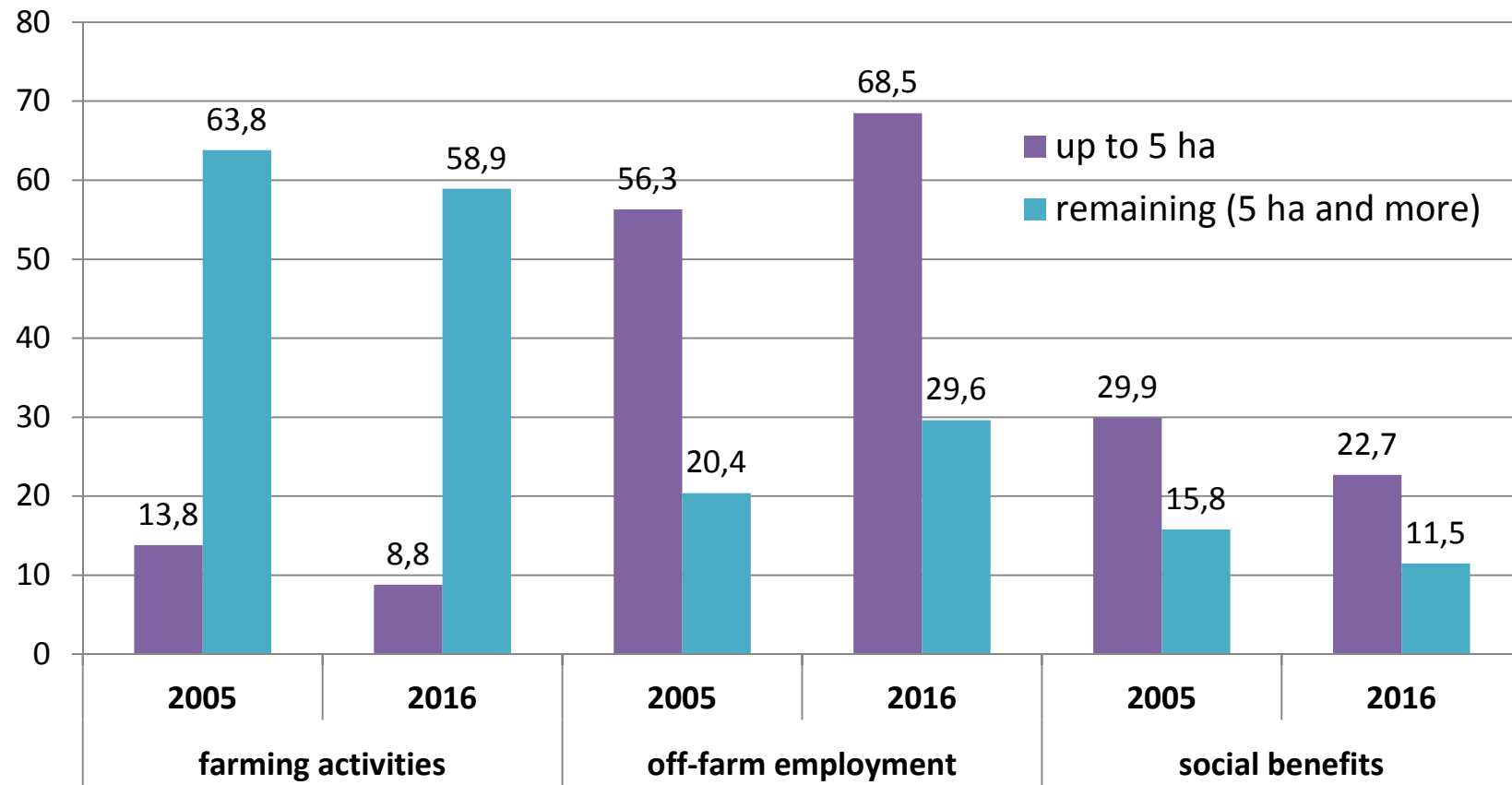
Farms/Year	Economic activity rate	Employment rate	Unemployment rate
2005			
Up to 5 ha UAA	80.9	67.7	12.2
Remaining (>5ha)	78.2	73.0	6.6
2016			
Up to 5 ha UAA	70.6	65.4	5.5
Remaining (>5ha)	68.4	67.0	2.0

Employment



Source: IAFE-NRI Studies

Income structure of farming families, per cent



Income sources, per cent

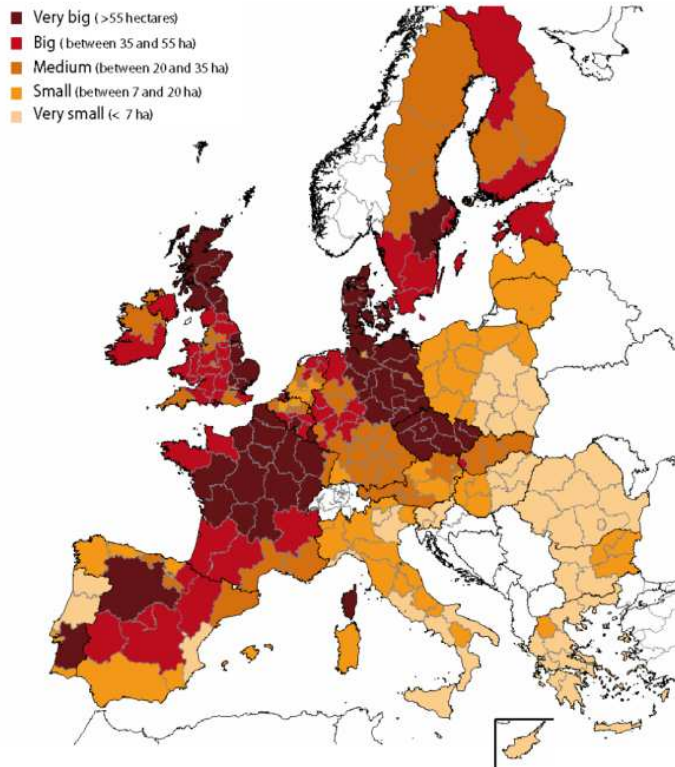
Farm type:	Share of farming families with DOMINANT source of income from:			
	farming activities	off-farm employment	social benefits	Without dominant source of income
2005				
Up to 5 ha UAA	10.5	54.2	34.2	1.1
Remaining (>5ha)	63.2	21.9	14.6	0.3
2016				
Up to 5 ha UAA	7.4	64.3	27.4	0.8
Remaining (>5ha)	56.5	31.4	12.0	0.1

Conclusions

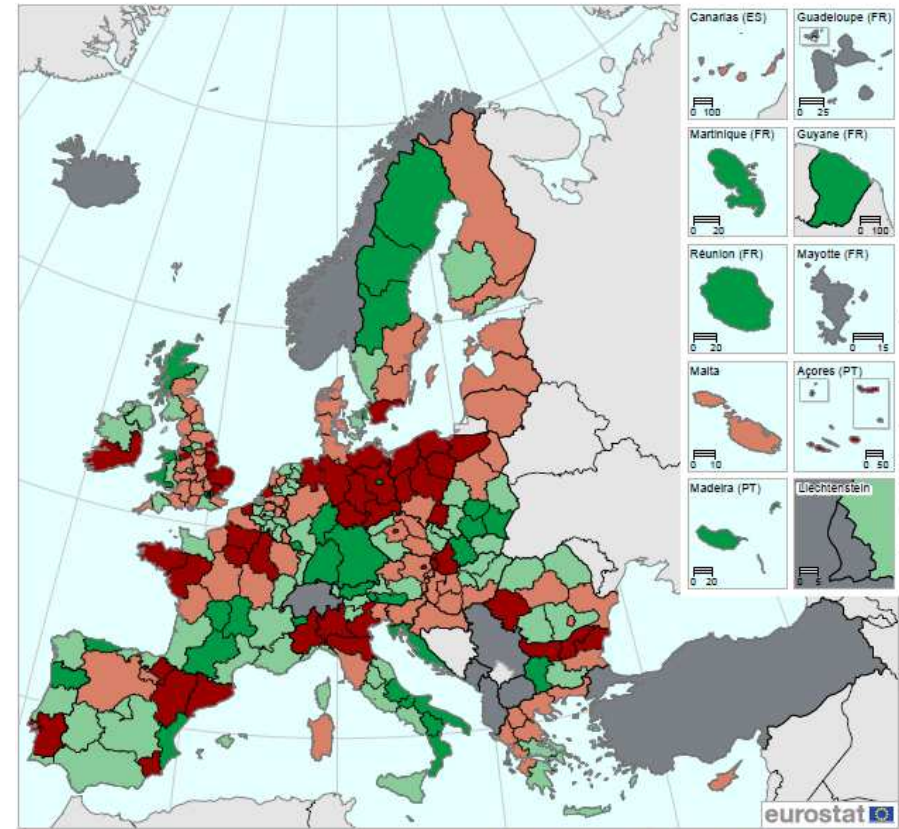
- The role of small farms extends far beyond the assurance of family livelihoods (and self-supply).
- They promote regional economic development, by supporting rural communities and preserve better the landscape and countryside; produce traditional food (of better quality determined by use of traditional production methods) whose surpluses are sold on the local market often within the very innovative local food systems.
- They also are the places of economic activity for people who cannot find off-farm employment, particularly women and the elderly, and they give the possibility of using the marginal labour force – this is an important social and psychological aspect for rural inhabitants.
- They also make an opportunity to develop non-agricultural economic activities on the basis of own assets.

Thank you

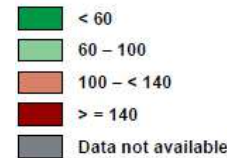
Average farm size by region



Map 2: Average economic size of farm holdings, by NUTS 2 regions, 2013
(national average = 100)



Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat — GISCO, 03/2016



0 200 400 600 800 km

Note: all German regions, NUTS 1; Slovenia, national data; London (UKI), NUTS 1.
Source: Eurostat (online data code: ef_kvcsleg)