

## National report – Poland

### Recent developments regarding agricultural cooperatives in Poland

*Prepared for ICAO EXCOM Meeting in Ankara on 5 April 2018, by Mieczysław GRODZKI, President of the Board, National Cooperative Council and Dr. Adam PIECHOWSKI, Cooperative Research Institute*

The general position of agricultural cooperatives in Poland has not changed much during last year, although the total number of cooperatives has declined:

Subsector	Dec. 2016	March 2018
“Peasants’ Self-Help” Coops (marketing/supplying and retail trade)	1,082	994
Cooperative Agricultural Producers’ Groups	520	653
Agricultural Production Coops (collective farms)	651	628
“Farmers Circles” Coops (agricultural services)	440	370
Dairy Coops	134	127
Horticultural and Beekeepers’ Coops	46	42
<b>TOTAL</b>	<b>2,873</b>	<b>2,814</b>

The general trend in all these subsectors (aside from the Cooperative Agricultural Producers’ Groups) is a slow but permanent reduction of the number of coops:

1989	2011	2013	2014	2015	2016	2017	2018
6,470	3,034	3,060	3,002	2,991	2,873	2,879	2,814

### Main developments in 2017/2018 and initiatives of the National Cooperative Council defending the interests of agricultural cooperatives:

1. The Parliament is continuing the works on the draft bill of Farmers’ Cooperatives. According to the draft, “Farmers’ Cooperatives” are small local cooperative societies founded by minimally 10 farmers (or non-farmers involved in the local agricultural market, as owners of storage, packaging or processing plants etc.) which will facilitate farmers’ the access to the market e.g. by direct sale to the individual customers. The draft grants farmers some tax exemptions – from property tax and corporate income tax (for the cooperatives which have status of a micro-enterprise). The draft was strongly supported by the National Cooperative Council since the very beginnings. The first reading in the Parliament took place on 5 April 2017; the Parliament decided then to continue the works in the special Parliamentary Commission. The Commission met several times, with the participation of the representatives of the National Cooperative Council who presented our opinions and positions. The draft was also submitted to the European Commission for its notification. We expect the Parliament will complete the works and pass the law this year. If so, then it will be the first case since many years of passing a law really favourable for cooperatives in Poland.

2. The process of establishing and development of Cooperative Agricultural Producers' Groups (Cooperative APG) has recently significantly slowed down. Such Groups are a specific form of agricultural cooperatives introduced to Polish legal system in connection with Poland's accession to the EU. They associate minimally 5 producers of some concrete products or group of products (e.g. meat, poultry, cereals, oil-seed, fruits/vegetables etc.) and operate under special national/EU regulations that grant them among others a meaningful support during first 5 years of their activity. The members of the Cooperative APGs are farmers who were hitherto not associated in any cooperative or were members of "old" cooperatives (active in 1945-1989) which became inefficient in fulfilling their needs. The number of the Cooperative APGs, as the sole type of cooperatives, was systematically growing in last years (while in all other subsectors the number of coops was falling down). However recently this positive trend has been suppressed as result of excessive administrative bureaucracy as well as formal and legal requirements (the bill on APGs, the regulations concerning support procedures, requirements regarding reporting etc.) that are obstacles to the majority of Cooperative APGs. The National Cooperative Council strongly supports the establishment and functioning of Cooperative APGs, mainly by consultancy activities addressed the leaders of the Groups.
3. The Government is continuing the works on the amendments to the bill on renewable energy production that concerns among others rural cooperatives involved in the activity in the field of renewable energy. The bill in force at present mentions cooperatives as one of the preferred forms of renewable energy producers and grants them some support. However, in the draft amendments to this bill elaborated by the concerned ministries only clusters are mentioned. The National Cooperative Council participates in the consultation process regarding the draft and claims the retention of the provision on cooperatives in the new bill.
4. The regulations of the Ministry of Agriculture and Rural Development are systematically amended in order to reduce the excessive administrative bureaucracy in the process of granting support from EU funds, in particular from the Rural Development Programme 2014-2020. Most of farmers and agricultural cooperatives are indeed not able to satisfy the extremely difficult formal, legal and reporting requirements. The National Cooperative Council claims a better access to these EU funds by agricultural cooperatives and their members. The particular constraints are met by the subsector of Agricultural Production Cooperatives which conduct multifamily (collective) farms: in the Rural Development Programme 2014-2020 in the measure "Farms modernizing" there is a limit of farms area up to 300 hectares and economic size up to 200 thousand Euro that entitles any farm to receive the support. This means that a majority of cooperatives are excluded from the support. The National Cooperative Council as well as the National Auditing Union of Agricultural Production Cooperatives have been fighting for many years for the liquidation of these limits or increasing them, arguing that in the case of multifamily farms these cooperatives in fact are, the area of land assigned to one family is always much smaller than 300 hectares. Recently, the General Assembly of the National Cooperative Council in its Resolution No 34/2017 adopted last December claims the formal recognition of Agricultural Production Cooperatives as multifamily farms what would open the door to the discussion on the liquidation of the limits in the case of such cooperatives. The Resolution was sent to the Polish Government.