

National report – Poland

Recent developments regarding agricultural cooperatives in Poland

Prepared for ICAO meetings in Kuala Lumpur, November 2017 by Mieczysław GRODZKI, President of the Board, National Cooperative Council and Dr. Adam PIECHOWSKI, Cooperative Research Institute

The position of agricultural cooperatives in Poland has not changed much during last year. In the agricultural sector there operate 2,873 cooperative societies including (figures for 31/12/2016):

- "Peasants' Self-Help" Coops (marketing/supplying and retail trade)	1,082 coops,
- Agricultural Production Coops (collective farms)	651 coops,
- Cooperative Agricultural Producers' Groups	520 coops,
- "Farmers Circles" Coops (agricultural services)	440 coops,
- Dairy Coops	134 coops,
- Horticultural and Beekeepers' Coops	46 coops.

The general trend in all these subsectors (aside from the Cooperative Agricultural Producers' Groups – see below) is a slow but permanent reduction of the number of coops (e.g. in 2011 there were 3,034 coops).

In 2017 we observed both some positive and negative developments.

Among the positive ones:

1. The Parliament is continuing the works on the draft bill of Farmers' Cooperatives. According to the draft, "Farmers' Cooperatives" will be 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; in order to encourage farmers' to associate themselves in such cooperatives the bill will grant them some tax exemptions. 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. We expect the Parliament will pass the law this year or at the beginning of 2018. If so, then it will be the first case for many years of passing a law really favourable for cooperatives in Poland.
2. The number of Cooperative Agricultural Producers' Groups, as the sole type of cooperatives, is systematically growing (in all other subsectors the number of coops is falling down). The groups are a new form of farmers' self-organizing process, which appeared in connection to Poland's accession to EU. They associate the producers of some concrete products or groups 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 groups, composed minimally of 5 farmers, may have various legal forms (associations, limited companies, cooperatives etc.), but, as result of successful promotional and training activities conducted in recent years by the National Cooperative Council, more and more of them choose the cooperative status. The members of the groups are farmers who were hitherto not associated in any cooperative or members of "traditional" (old) cooperatives which became inefficient in fulfilling their needs.

Among the negative ones:

1. We observe too much bureaucracy in distributing support means from the resources of the Rural Development Programme 2014-2020 and other programmes based on EU funding. A large part of farmers and agricultural coops are not able to deal with these constraints. The National Cooperative Council is constantly striving for a better access of cooperatives to EU funds. Agricultural Production Cooperatives which conduct multifamily (collective) farms experience particular difficulties: 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 200 thousand Euro. This means that a majority of cooperatives is 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 in the case of cooperatives, arguing that in the case of multifamily farms these cooperatives in fact are, the area of land assigned to one family is usually much smaller than 300 hectares.
2. We can expect the impediments in establishing renewable energy cooperatives – these are not exactly agricultural cooperatives but the majority of them (as experiences of other countries indicate) operate in the countryside, are composed by farmers and deliver electricity to the farms. In the bill on the renewable energy sources being in force now, there are important provisions regarding renewable energy cooperatives what facilitates the process of establishing such cooperatives also in the rural areas. However, in the draft of the amendments to that bill proceeded now by the government there is a proposal to removing cooperatives from these regulations and retaining the preferences only for "energy clusters". The National Cooperative Council participates in the consultation process on the draft and is striving for retaining the provisions on renewable energy cooperatives in the bill. We will highly appreciate if international cooperative organizations and ICAO in particular support us in this regard. We are ready to present you more details or information in that matter.