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Factsheet on 2014-2022 Rural Development Programme for Poland

The Polish Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014 and last modified on January 2025, outlining Poland's priorities for using the $\in 18.179$ billion of public money that is available for the period 2014-2022 ($\in 11.945$ billion from the EU budget plus $\in 6.234$ billion of national funding). With one third of the funding aimed at "enhancing farm viability and competitiveness", the RDP is expected to provide investment support to roughly 200 000 farms, create more than 22 000 jobs and more than 1 600 producer groups. In addition, 30% of the support is reserved for environmental and climate friendly practices, with the objective of covering 19% of Poland's agricultural area.

<u>Rural Development</u> is the second Pillar of the <u>Common Agricultural Policy</u>, providing Member States with an envelope of EU funding to manage nationally or regionally under multiannual, co-funded programmes. In total, some 118 programmes are provided for across the 27 Member States. The new <u>Rural Development Regulation</u> for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural and Investment Funds (<u>ESIF</u>), a <u>Partnership Agreement</u> was agreed with each Member State comprising a broad strategy for EU-funded structural investment.

This document provides a brief overview of the situation in Poland and how the challenges and opportunities faced by Poland are addressed by the RDP. In the annex, a table indicates the priorities and focus areas as well as their allocated budget.

1. SITUATION AND KEY CHALLENGES

Poland covers an area of 312 700 km² of which **51.2%** is **rural** and further 39.5% is intermediate. Approximately 31% of the Polish territory is covered by forests. Of the 14.5 million hectares of utilised agricultural area, 74.7% is arable land and 22.4% is permanent grassland and meadows. The total population is 37.5 million – of which **39%** live in rural **areas**.



The **unemployment** rate in Poland is $5.4\%^1$ and rural areas are characterised by hidden unemployment, high poverty rate $(21.2\%^2)$ and the risk of social exclusion. Higher share of the population work in agriculture (7.9%, compared to the EU average of $5\%^3$) due to the socio-economic structure of Polish agriculture with high share of small family farms (out of 1.3 million farms, some 50% are below 5 ha).

A challenge arising from the low **productivity in the agricultural sector** is the lack of proper technical equipment in family farming, as well as lack of entrepreneurs and innovators in rural areas. It is difficult to attract and maintain a well-educated workforce in these areas due to, amongst other things, a lack of basic infrastructure and services.

Low soil quality, combined with frequent rainfall shortages, also have a negative impact on agricultural productivity. In Poland, soil quality influences the agricultural productivity of land, to the extent that 62.5% of agricultural land is classified as areas with natural constraints (ANC).

As the agriculture sector accounts for **10.7% of Poland's GHG emissions**, farmers need practical tools to address these and other emissions stemming from intensive crop and livestock production.

Approximately 19.4% of arable land in Poland faces various **environmental challenges**: 8.2% is particularly endangered by water and/or wind erosion, 3.6% experiences problems with low humus levels and 7.4% are defined as Nitrate Vulnerable Zones (areas that drain into waters polluted by nitrates). The relatively intensive use of arable land - 17.8% is covered by high intensity farming with a further 44.6% medium intensive – is putting pressure on certain ecosystems and high nature value areas. Moreover, the relatively poor **water quality** and the high eutrophication of Polish lakes, waterways and the Baltic Sea make it necessary to reduce nitrogen, phosphorus, pesticide and herbicide emissions.

2. How the Polish RDP addresses challenges

The further modernisation of agriculture is crucial for enhancing the competitiveness of farms. It notably helps streamlining structural changes in the milk, pig and beef sectors, while maintaining a stable base of raw agricultural products for the food processing industry. The *support schemes are addressed at small and medium-sized farms* to enhance their production potential, which should in turn lead to higher value added. Given the existing agricultural land fragmentation, there is a need for further *diversification towards non-agricultural sectors* and improved access to agricultural services. Generational renewal is a key factor influencing the modernisation and competitiveness of farms. Therefore, investment support encourages young people to set up new, modern and competitive farm enterprises.

Due to the fragmentation of Polish farms, the small scale of production and difficulties in adapting production to customer demand, there is a need for tools to address these structural shortcomings, for example **support for farmers working together in producer groups** and participation in quality schemes.



¹ Eurostat, data released on 28th November 2014. Polish Statistical Office data (January 2025)

² Eurostat ilc_li02 (in Poverty in rural areas: and outline of the problem Sławomir Kalinowski Acta Sci. Pol. Oeconomia 19 (4) 2020, 69–78)

³ Data based on National Accounts.

Targeted support is provided to promote the **sustainable management of natural resources** (soils, water protection, traditional orchards and fruit tree varieties) and protecting valuable habitats, such as Natura 2000 sites, as well as moves to protect endangered traditional local livestock breeds and local crop varieties.

In addition, as a way of encouraging local initiatives for the balanced territorial development of rural economies and communities, creating jobs and improving living conditions in these areas, the Programme will support **Community Led Local Development** (CLLD/Leader) projects.

The Polish RDP targets all six Rural Development Priorities with the main priority being **farm viability and competitiveness** (Priority 2). The RDP focuses 35% of the support on physical investments in well targeted sectors (milk, beef, pig), as well as on farms located in Nitrate Vulnerable Zones and Natural 2000 areas. In addition, 30% of the support is reserved for environmental and climate friendly services and practices aimed at enhancing biodiversity, high nature value farming, improving water management and preventing soil erosion. The focus of each priority is explained briefly below.

Knowledge transfer and advisory services in agriculture

Support is oriented towards economic and environmental aspects of the agricultural sector. More than 260000 participants will take part in various training sessions and demonstration projects. Strengthening the mechanisms related to the transfer of knowledge and innovations, inter alia by advisory services, is vital for the development of the agriculture sector. The farm advisory system will link research units and the agricultural sector. By assuring individual advisory services, taking into account specific needs of the farms, practical and up-to-date knowledge will be provided to enable farmers embrace innovative agricultural practices.

Competitiveness of agricultural sector

Roughly 45000 holdings receive modernisation support to improve their competitiveness. About €63 million is allocated for investments in development of services for agriculture. In a move to improve farm structures, support takes the form of annual payments for persons leaving agriculture, which facilitates transfer of 110 000 ha of land from small holdings to holdings whose area is close to the average national size. Finally, investment support helps young people to set up just under 245 000 new, modern and competitive farm enterprises.

Food chain organisation, including processing and marketing of agricultural products

Under this priority the highest amount of funds is allocated for supporting processing of agricultural products (\in 823 million), helping to fund about 1600 projects in processing plants and agricultural holdings. In addition, aid is granted to more than 23000 holdings participating in producer groups.

Restoring, preserving and enhancing ecosystems

The support under this priority is used for reducing fertilization levels and the use of pesticides and herbicides, more sustainable grazing and mowing in areas with valuable natural habitats or which are the habitats of endangered bird species located in and outside Natura 2000 areas. In addition, necessary steps are taken to reduce leaching of natural manure (containing nitrogen, phosphorus) into groundwater.



Low carbon and climate resilience economy in agriculture and forestry sector

Just over €270 million is available as afforestation grants to cover areas of roughly 4800 ha. Given the multi-annual nature of the measure, most of these funds will be allocated for the maintenance of forests established under previous RDPs 2004-2006 and 2007-2013.

Social inclusion and local development

This priority uses the bottom-up approach through Local Development Strategies drawn up by the expected 256 Local Action Groups (LAGs). Investments in the development of non-agricultural activities, combatting social exclusion and poverty, conservation and protection of cultural heritage are supported exclusively under the Local Development Strategies. Over 14% of the RDP budget has been earmarked for Community Led Local Development (CLLD/Leader). The approach covers 58% of the rural population while creating approximately 6000 jobs and improving living conditions.

The five **biggest RDP measures** in budgetary terms (EAFRD funds) are:

- Investments in physical assets (Measure 4): €3 889 million
- Farm and business development (Measure 6): €3 020 million
- Payments for areas facing natural constraints (Measure 13): €2 814 million
- Basic services (Measure 7): €2 362 million
- Agri-Environment Climate Measure (Measure 10): €1 930 million



Annex: Indicative public support for the Rural Development Programme for Poland

Focus Area and Target	Measure	€ Total public	%
Priority 1: Knowledge transfer and inne forestry and rural areas ⁴	ovation in agriculture,		
1A:Fosteringinnovation,cooperation,knowledgebase1.74%of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research, etc.) 218 cooperations	16 cooperation		
<u>1C: Training</u> 198 890 participants	01 knowledge		
Priority 2: Farm viability, competitiveness management	and sustainable forest	5.866.313.615	32.27
2A: Economic performance, restructuring & modernisation 3.47% of holdings with RDP support	01 knowledge	23.299.855	0.13
	02 advisory	107.000.519	0.59
	04 investments	2.869.913.736	15,79
	06 farm development	1.611.727.253	8,87
	16 cooperation	117.234.648	0.64
	21 COVID-19	266.943.558	1,47
	22 Impact of invasions of Ukraine	122.722.815	0,68
 <u>2B: Entry of skilled farmers, generation</u> <u>renewal</u> 1;76% of holdings with RDP support 	06 farm development	747.471.231	4,11
Priority 3: Promoting food chain organisation and marketing of agricultural products, a management		1.466.635.962	8,07
3A: Improving competitiveness of primary producers 1.13% of holdings with RDP support	01 knowledge	8.700.069	0.05
	03 quality schemes	39.004.400	0.21
	04 investments	704.330.975	3,87
	07 basic services	63.248.582	0,35
	09 producer	283.416.420	1,56

 4 No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.



	groups/organisations		
	14 animal welfare	211.140.000	1,16
	16 cooperation	46.409.460	0.26
 <u>3B: Farm risk prevention and management</u> 0.41%of farms participating in risk management schemes 5 936 participants in professional training and advisory services in the field of risk management and prevention 	01 knowledge	2.399.882	0.01
	05 restoring agricultural potential	101.046.174	0.56
	17 Risk management	6.940.000	0,04
Priority 4: Restoring, preserving and enhance to agriculture and forestry ⁵	cing ecosystems related	5.923.729.355	32,59
4A: Biodiversity	01 knowledge	11.599.951	0.06
0,12% of forestry land under contracts	04 investments	293.928.804	1,62
10,92% of agricultural land under contracts	08 forest investments	2.100.000	0,01
4B: Water management 10,81% of agricultural land under contracts	10 agri-environment- climate	1.929.664.058	10,61
4C: Soil management	11 organic farming	872.068.117	4,80
 14,05% of agricultural land under contracts 0.12% of forestry land under contracts 	13 areas with natural constraints	2.814.368.425	15,48
Priority 5: Promoting resource efficiency a towards a low carbon and climate resilient food and forestry sectors		18 915 215	1,42
5C: Renewable energy € 42,4 M total investment in renewable energy production	04 investments	21.200.000	0.12
<u>5E: Carbon conservation / sequestration</u>0.02% of agricultural and forest land under contracts	08 forest investments	236.989.060	1,30
Priority 6: Promoting social inclusion, economic development in rural areas	poverty reduction and	3.923.733.864	21,58
<u>6A: Diversification, SMEs and job creation</u>26 237 jobs created in supported projects	06 farm development	661.377.347	3,64
6B: Local development	07 basic services	2.298.703.052	12,64
72,65% of rural population covered by local development strategies24,45% of rural population benefiting from improved services/infrastructures	19 LEADER and CLLD	963.653.465	5,30

 5 Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.



14 420 jobs created in supported projects		
Technical Assistance	478.137.977,37	2,63
Early retirement	262.285.099,80	1,4
Total public expenditure €	18 179 024 933,17	100

