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ANALYSIS OF FINANCIAL SUPPORT DEDICATED TO ORGANIC FARMS IN POLAND 2004-2018

Introduction

Organic farming has existed in Poland for almost one hundred years. The origin of the idea of organic farming dates back to 1924 and is related to a grassroots civic initiative that popularised natural ways of plant and animal production (Tyburski, Żakowska-Biemans 2007).

Intensive development took place only in Western European countries in the 1980s and in Poland only two decades later (Szarek, Nowogródzka 2015 after Hamm, Gronefeld 2004; Bórawski et al. 2021) and this was mainly related to the increase in the affluence of society, the excessive amount of conventional agricultural products in shops, and the growing number of civilisation diseases such as diabetes, hypertension, obesity, as well as to the positive direction of EU institutions, which directed their actions towards financing innovative, pro-development and environmentally improving activities (Kondratowicz - Pozorska 2013).

In Poland, a rapid increase in the number of organic farms occurred at the beginning of the 21st century, which is related to Poland's accession to the EU and the emergence of financial support dedicated to organic agricultural producers in the form of subsidies per hectare of organic crops (Jezierska-Thöle, Biczkowski 2014; Bórawski 2008).

Interest in better quality food such as organic food has been growing steadily among consumers for many years, and this has to do with increased health awareness. Consumers are more willing to spend more money on organic food and buy higher quality products, even though the price of organic food is higher than that of non-organic food. Farming according to organic methods is one of the fastest-growing directions in the world, resulting in the rapid development of organic agriculture and an increase in the supply of organic products (Bórawski 2013). The use of chemical plant protection products and genetically modified organisms in conventional agricultural production causes consumer aversion to these foods. Organic farming, without chemical pesticides, artificial fertilisation, and without genetically modified organisms, is an environmentally friendly way of farming that produces high-quality food. The system of organic farming is

therefore a response to the threats that the chemicalisation of agriculture posed to the environment and thus to soil fertility (Żakowska-Biemas, Gutkowska 2003).

Objective, subject matter, and method of research

This article aimed to review the financial support dedicated to organic farming up to the area of organic farmland in Poland after accession to the EU and the significant changes in the specific conditions for granting financial support in the period 2004-2018 that may have an impact on the reduced interest in running farms using organic methods. For this purpose, a review of the scientific literature and an analysis of the legislation in force in the period 2004-2018 based on which payments were granted to the area of organic farmland were carried out, as well as an assessment of the changes in the specific conditions for granting financial support on the example of a development model family farm developed by Zdzisław Wójcicki (2012).

Test results

Since Poland acceded to the EU, opportunities have arisen for organic farm owners to obtain funding from three programming periods, namely the Rural Development Plan 2004-2006 (RDP 2004-2006), the Rural Development Programme 2007-2013 (RDP 2007-2013) and the Rural Development Programme 2014-2020 (RDP 2014-2020).

Under RDP 2004-2006, the owners of organic farms had the possibility to apply for granting payments to the area covered by the organic farming system under the Ordinance of the Council of Ministers of 20 July 2004 on detailed conditions and procedures for granting financial aid to support agri-environmental undertakings and improvement of animal welfare covered by the rural development plan (Journal of Laws 2004, No 174, item 1809, as amended). Based on the aforementioned Regulation, it was possible to obtain financial aid under agri-environmental programmes introduced as seven different packages, including package 2 - organic farming. The condition for receiving payments for an organic farm was applying for granting payments for the implementation of agri-environmental undertakings and improvement of animal welfare. The first submission of an application for agri-environmental and animal welfare payments and the receipt of payments for this purpose meant joining the agri-environmental programme and entering into a five-year agri-environmental commitment. Applications for payments for agri-environmental and animal welfare improvements submitted as of the second year of the commitment were applications for continuation of the agri-environmental commitment already made. This principle was maintained also in subsequent programming periods, i.e. RDP 2007-2013 and RDP 2014-2020.

The Agency for the Restructuring and Modernisation of Agriculture (ARRM), under the terms of RDP 2004-2006 in accordance with the Ordinance

of the Council of Ministers of 20 July 2004 on detailed conditions and procedures for granting financial aid to support agri-environmental and animal welfare projects under the Rural Development Plan (Dz.U. 2004 No. 174, item 1809 as amended), during which an organic agricultural producer could apply for granting payments for the implementation of agri-environmental undertakings and improvement of animal welfare and thus join the programme, was carried out for four consecutive years, i.e. in 2004, 2005, 2006 and for the year 2007. The last continuation applications under the rules defined in RDP 2004-2006 were submitted for the last time in 2011.

According to the above-mentioned regulation, under Package 2 - Organic Farming, an organic farmer could receive a lump-sum payment for 1 ha of organic farmland under eight different variants (Table 1.).

Table 1. Flat-rate payment rates of up to 1 ha in PLN in individual variants under Package 2 Organic farming under RDP 2004-2006.

	agricultural crops S02a02 (with a certificate of conformity)	agricultural crops S02a01 (without a certificate of conformity)	permanent pasture S02b02 (with a certificate of conformity)	permanent pasture S02b01 (without a certificate of conformity)	vegetable crops S02c02 (with a certificate of conformity)	vegetable crops S02c01 (without a certificate of conformity)	fruit and berry crops S02d02 (with a certificate of conformity)	fruit and berry crops S02d01 (without a certificate of conformity)
RDP 2004- 2006	600	680	260	330	940	980	1540	1800

Source: own study based on the ordinances of the Council of Ministers regarding RDP 2004-2006.

In addition, in accordance with the regulation of the Council of Ministers of 20 July 2004 on detailed conditions and procedures for granting financial aid to support agri-environmental undertakings and improve animal welfare included in the rural development plan (Journal of Laws 2004 No. 174, item 1809, as amended), an organic holding could receive a payment higher by 20% if the conducted animal production was balanced with plant production or the organic holding implemented the package of organic farming in NATURA 2000 areas.

In accordance with the aforementioned regulation, the ecological payment was granted in full up to the total area of agricultural parcels of a maximum of 100 ha, whereas up to the total area of agricultural parcels constituting more than 100 ha but not more than 300 ha, the ecological payment was granted at the rate of 50% of the basic rate and up to the total area of agricultural parcels exceeding 300 ha only at the rate of 10% of the basic rate.

In the programming period of RDP 2007-2013, organic agricultural producers received payments to the area of ecological farmland on terms

described in the Ordinance of the Minister of Agriculture and Rural Development of February 28, 2008, on detailed conditions and procedures for granting financial aid under the measure "Agri-environmental programme" included in the Rural Development Programme for 2007-2013 (Journal of Laws 2008 No. 34 item 200). The above-mentioned Ordinance was repealed on 28 February 2009 and replaced with the Ordinance of the Minister of Agriculture and Rural Development of 28 February 2009 on detailed conditions and procedures for granting financial aid under the measure "Agri-environmental programme" covered by the Rural Development Programme for 2007-2013 (OJ 2009 No. 33, item 262 as amended), which in turn was in force till 31 December 2009.), which, in turn, was in force until 15 March 2013, as it was repealed and replaced by the Ordinance of the Minister of Agriculture and Rural Development of 13 March 2013 on detailed conditions and procedures for granting financial aid under the measure "Agri-environmental programme" covered by the Rural Development Programme for 2007-2013 (Dz.U. 2013, item 361, as amended).

The first applications for agri-environmental payments, starting the five-year agri-environmental commitment for package 2 - organic farming under the seven-year programming period of RDP 2007-2013, could be submitted by agricultural producers in 2008. Under RDP 2007-2013 there were altogether seven calls for applications starting the five-year agri-environmental commitment, including the call for applications for 2014. Continuation applications under RDP 2007-2013 were submitted for the last time in 2018.

Under RDP 2007-2013, farm owners with organic farmland could apply for agri-environmental payments for twelve different variants under package 2 - organic farming (Table 2.).

Table 2. Flat-rate payments up to 1 ha in PLN in individual variants under Package 2 Organic farming under RDP 2007-2013.

	agricultural crops 2.1 (with a certificate of conformity)	agricultural crops 2.2 (during the conversion)	permanent pasture 2.3 (with a certificate of conformity)	permanent pasture 2.4 (during the conversion)	vegetable crops 2.5 (with a certificate of conformity)	vegetable crops 2.6 (during the conversion period)	herbaceous crops 2.7 (with a certificate of conformity)	herbaceous 2.8 (during the conversion period)	fruit and berry crops 2.9 (with a certificate of conformity)	fruit and berry crops 2.10 (during the conversion period)	other fruit and berry crops 2.11 (with a certificate of conformity)	other fruit and berry crops 2.12 (during the conversion period)
RDP 2007-2013	790	840	260	330	1300	1550	1050	1150	1540	1800	650	800

Source: own study based on ordinances of the Minister of Agriculture and Rural Development for RDP 2007-2013

As of 2013, for each agricultural producer who started a new five-year agri-environment commitment under Package 2 - Organic Farming, the condition for receiving payments for permanent grassland under variant 2.3 (with a certificate of conformity) and variant 2.4 (in conversion) was to have animals (cattle, horses, sheep, goats) in each year of application for five consecutive years of the agri-environment commitment.

In the 2013 marketing year, organic producers lost the opportunity to undertake five-year agri-environmental commitments in variants concerning orchard crops, i.e.: variants 2.9, 2.10, 2.11, and 2.12 under RDP 2007-2013.

Under the binding legal provisions resulting from the aforementioned regulations of the Minister of Agriculture and Rural Development concerning RDP 2007-2013, the agri-environmental payment for package 2 ecological agriculture was granted in full amount to the area of agricultural parcels of 100 ha, while to the area of agricultural parcels constituting more than 100 ha but not more than 200 ha in the amount of 50% of the basic rate, and to the area of agricultural parcels exceeding 200 ha only in the amount constituting 10% of the basic rate. These principles of degressivity of payments and area limits applied to applications for agri-environmental payments under which the agricultural producer made a five-year agri-environmental commitment for package 2 of organic farming submitted in 2008-2013, as well as to subsequent applications for agri-environmental payments submitted in the second and subsequent years of the ongoing agri-environmental commitment under commitments made in 2008-2013.

From 2014 onwards, the call for applications for agri-environmental payments at the start of the five-year agri-environmental commitment and subsequent applications under the agri-environmental commitment made in 2014 had significantly different rules in terms of degressivity and area limits than in previous years.

In the 2014 marketing year, payment could be made for the area of agricultural parcels declared in the application for the first agri-environmental payment for package 2 organic farming:

a) for agricultural crops in variant 2.1 (with a certificate of conformity) and variant (2.2 during the conversion period) and vegetable crops in variant (2.5 with a certificate of conformity) and variant 2.6 (during the conversion period) up to the area of up to 30 ha, with the reservation that for variants 2.1 and 2.2, 100% of the rate of payment was granted for an area from 0.1 ha to 20 ha, and 50% of the rate of payment for an area exceeding 20 ha and not exceeding 30 ha. For variants 2.5 and 2.6, 100% of the rate of payment was granted for an area from 0.1 ha to 15 ha, whereas

50% of the rate of payment was granted for an area exceeding 15 ha and not exceeding 30 ha.

b) for permanent pasture under variant 2.3 (with a certificate of conformity) and variant 2.4 (in conversion) up to an area of 15 ha;

c) for herbaceous crops under variant (2.7with certificate of conformity) and variant 2.8 (during the conversion period) and for fruit and berry crops under variant (2.9with certificate of conformity) and variant (2.10during the conversion period), as well as for other fruit and berry crops under variant (2.11with certificate of conformity) and variant (2.12during the conversion period) up to an area of no more than 10 ha.

Moreover, in the case when in an organic holding applying for an organic payment more than one package or variant was implemented, the agri-environmental payment (including organic) could be granted up to the total area of no more than 20 ha, and if among the implemented variants the farmer implemented in his holding variant 2. The agri-environmental payment (including ecological one) could be granted up to the total area of 20 ha, and if among the implemented variants the farmer implemented in his holding variant 2.1 of arable crops (with a certificate of conformity), variant 2.2 of arable crops (during the conversion period), variant 2.5 of vegetable crops (with a certificate of conformity) or variant 2.6 of vegetable crops (during the conversion period) of package 2 of organic farming, not more than 30 ha.

Between 2004 and 2018, the third programme under which farmers can receive support for organic farming is RDP 2014-2020. The implementing act defining the detailed conditions for receiving support by agricultural producers who run their farms according to the principles of organic farming is the Regulation of the Minister of Agriculture and Rural Development of 13 March 2015 on the detailed conditions and procedures for granting financial aid under the measure "Organic farming" covered by the Rural Development Programme 2014-2020 (Journal of Laws 2015, item 370, as amended). In accordance with the above-mentioned regulation, a farmer running a farm in accordance with the principles of the organic farming system was given the opportunity to obtain co-financing in the form of a lump-sum payment per hectare of organic farmland under twelve packages (Table 3.).

Table 3. Flat-rate payments up to 1 ha in PLN in individual variants under Package 2 Organic Farming under RDP 2014-2020.

	1. in-conversion agricultural crops	2. in-conversion vegetable crops	3. in-conversion herbaceous crops	4. in-conversion orchard crops, (a) 4.1.1. basic in-conversion orchard crops	4. in-conversion fruit crops, (b) 4.1.2 in-conversion berry crops	4. in-conversion fruit crops, (c) 4.2 extensive in-conversion fruit crops	5. forage crops on in-conversion arable land	6. permanent grassland in conversion	7. in-conversion agricultural crops	8. post-conversion vegetable crops	9. post-conversion herbaceous crops	10. post-conversion orchard crops, (a) 10.1.1. basic orchard crops after conversion	10. post-conversion orchard crops, (b) 10.1.2. post-conversion berry crops	10. in-conversion fruit crops, (c) 10.2 extensive in-conversion fruit crops	11. forage crops on in-conversion arable land	12. permanent pasture after conversion
RDP 2014-2020	966/ 1137*	1557	1325	1882	1882	790	787/ 926*	428/ 535*	792/ 932*	1310	1325	1501	1501	660	559/ 658*	428/ 535*

Source: own study based on ordinances of the Minister of Agriculture and Rural Development for the RDP 2014-2020.

**the flat rate of payment per ha is applicable from 2019.*

According to the above-mentioned Regulation, the condition for receiving payments for forage area on arable land (variants 5 and 11) and permanent grassland (variants 6 and 12) was to have animals in each year of application for five consecutive years of the organic commitment.

Under RDP 2014-2020, in accordance with the Regulation of the Minister of Agriculture and Rural Development of 13 March 2015 on the detailed conditions and procedures for granting financial aid under the measure "Organic farming" covered by the Rural Development Programme 2014-2020 (OJ 2015, item 370, as amended), the organic payment is granted according to the following degressivity:

- 1) 100% of the payment rate - for a land area from 0.1 ha to 50 ha;
- 2) 75% of the payment rate - for an area of more than 50 ha up to 100 ha;
- 3) 60% of the payment rate - for a land area over 100 ha.

Starting from 2015, applications for flat-rate financial aid per hectare of organic land used for agriculture on organic farms are carried out according to the rules of RDP 2014-2020 under the Regulation of the Minister of Agriculture and Rural Development of 13 March 2015 on detailed conditions and procedures for granting financial aid under the measure "Organic farming" covered by the Rural Development Programme 2014-2020 (Journal of Laws 2015, item 370, as amended).

Between 2004 and 2018, the highest growth of organic farms in Poland took place between 2004 and 2013, where the number of organic farms increased

from 3760 to 26598. Since 2014, there has been a steady decrease in the number of organic farms in Poland (Figure 1.).

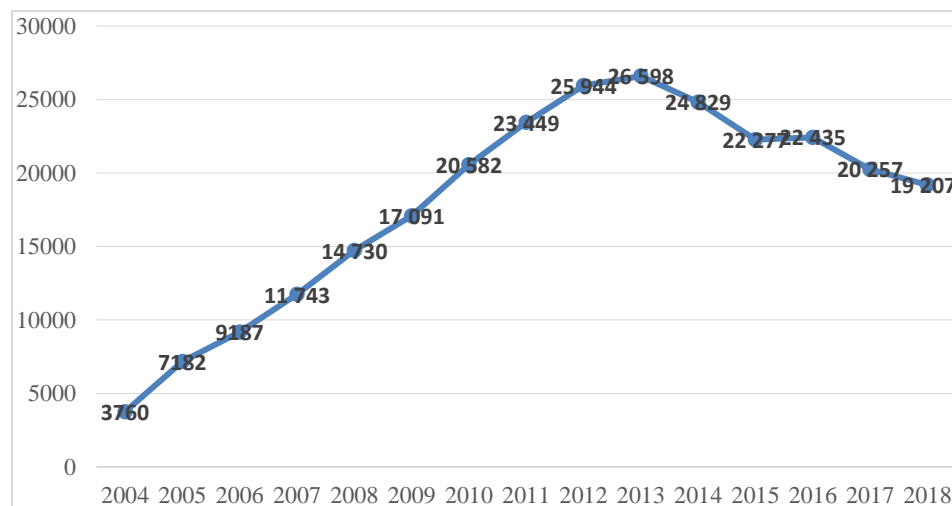


Figure 1. Number of organic

Source: own study based on Reports on the state of organic farming in Poland in the years 2004-2018.

From 2004 to 2018 the highest year-on-year increase of more than 91% in the number of organic farms was in 2005 (7182) compared to 2004 (3760) in Poland, while 2014 (24829) was the first year in the above-mentioned period with a decrease of 6.65% compared to the previous year 2013 (26598) in Poland. The highest increase in the number of organic farms in 2005 compared to 2004 was in the voivodships: Wielkopolskie by 188.57% (2004-70, 2005-202), Lubuskie by 184.85% (2004-66, 2005r.-188), Łódzkie by 140.85% (2004r.-71, 2005r.-171), Podlaskie by 132.85% (2004r.-207, 2005r.-484) and Zachodniopomorskie by 129.55% (2004r.-176, 2005r.-404). In the voivodship of Małopolska for the first time the number of organic farms decreased by 1.87% in 2010 (2156) compared to the previous year 2009 (2197) (Table4.).

Table 4. The number of organic agricultural producers in Poland by voivodship in 2004-2018.

Specification	Number of organic agricultural producers														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Poland	3760	7182	9187	11743	14730	17091	20582	23449	25944	26598	24829	22277	22435	20257	19207
Lower Silesia	197	395	481	625	879	1021	1227	1322	1312	1189	1046	849	813	741	713
kujawsko-pomorskie	89	145	173	217	258	279	327	371	390	415	401	363	470	419	395
Lubelskie	393	774	1072	1402	1566	1710	1962	2065	2174	2129	1975	1825	1980	1904	1948
Lubuskie	66	188	256	261	314	579	833	1081	1356	1422	1370	1202	1148	948	877
Łódzkie	71	171	218	261	314	366	420	478	518	528	508	478	497	477	491
Małopolskie	697	1187	1363	1627	2100	2197	2156	2138	2103	1838	1378	1128	1093	934	770
mazowieckie	434	852	1028	1215	1481	1673	1935	2140	2373	2609	2374	2147	2426	2215	2284
opolskie	26	38	46	53	62	63	79	86	90	88	75	67	68	57	61
Podkarpackie	430	855	1164	1577	1892	2014	2091	2045	1940	1750	1475	1261	1252	1194	1131
Podlaskie	207	482	628	847	1160	1528	2033	2440	2924	3407	3432	3273	3437	3211	2989
Pomeranian	66	180	222	273	392	494	648	763	894	893	847	737	679	609	540
Silesia	47	92	116	143	176	199	228	238	236	242	230	201	180	162	148
Świętokrzyskie	547	785	892	995	1165	1170	1243	1296	1288	1207	992	853	834	740	680
Warmińsko-mazurskie	244	432	586	773	1059	1514	2279	3033	3793	4235	4234	4041	4142	3745	3393
Wielkopolskie	70	202	264	415	516	588	748	888	974	1006	966	809	843	736	727
zachodniopomorskie	176	404	678	1059	1396	1696	2373	3065	3579	3640	3526	3043	2573	2165	2060

Source: own study based on Reports on the state of organic farming in Poland in the years 2004-2018.

In Poland, the largest increase in the area of organic agricultural land in the period 2004-2018, as in the case of the increase in the number of organic farms, occurred in the period 2004-2013, where the area of organic agricultural land increased from 87.7 thousand hectares to 670.0 thousand hectares. Since 2014, there has been a steady decrease in the area of organic agricultural land in Poland (Figure2 .).

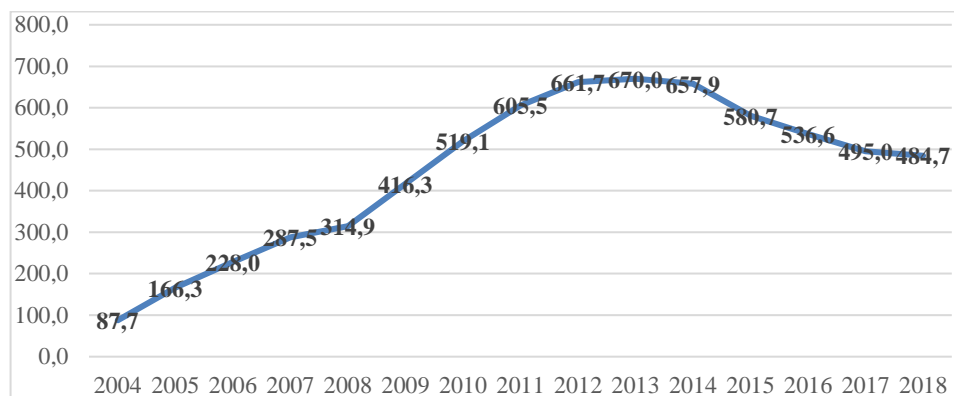


Fig. 2. The area of ecological agricultural land in Poland in 2004-2018 in thous. ha.

Source: own study based on Reports on the state of organic farming in Poland in the years 2004-2018.

In the period 2004-2018, the highest year-on-year increase of more than 89.6% in the area of organic agricultural land was recorded in 2005 (166.3 thousand ha) compared to 2004 (87.7 thousand ha) in Poland, while 2014 (657.9 thousand ha) similarly to the number of organic farms was the first year in the period 2004-2018 in which there was a decrease in the area of organic agricultural land by 1.8% compared to the previous year 2013 (670.0 thousand ha) in Poland. The highest increase of the organic agricultural area in 2005 compared to 2004 was observed in the Pomorskie province by 303.4% (2004 -1.8 thousand ha, 2005 -7.2 thousand ha), the Śląskie province by 277.2% (2004 -0.5 thousand ha, 2005 -1.8 thousand ha) and the Lubuskie province by 223.3% (2004 -23 thousand ha, 2005 -7.4 thousand ha). The largest organic agricultural area of 135.4 thousand ha was recorded in 2012 in the Zachodniopomorskie Province. The smallest organic agricultural area of 0.4 thousand ha was recorded in 2004 in the Opolskie Province (Table 5.).

Table 5. The area of ecological arable land in Poland by voivodship in the years 2004-2018 in thous. ha.

Specification	Organic agricultural area in thousand ha														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Poland	87,7	166,3	228,0	287,5	314,9	416,3	519,1	605,5	661,7	670,0	657,9	580,7	536,6	495,0	484,7
Lower Silesia	8,8	16,5	19,3	22,0	28,5	33,3	39,7	45,5	44,3	37,5	37,0	31,3	29,2	27,5	27,4
kujawsko-pomorskie	1,7	3,6	4,8	5,9	5,9	6,8	7,7	8,4	8,8	11,2	11,6	10,6	9,3	8,3	7,7
Lubelskie	5,7	11,1	20,0	23,9	26,9	30,8	34,9	34,8	37,5	40,8	38,5	34,1	31,3	29,0	28,4
Lubuskie	2,3	7,4	12,1	18,2	18,2	30,4	35,8	44,3	52,6	54,7	53,3	46,3	43,2	37,9	37,2
Łódzkie	1,2	2,5	3,4	3,6	4,8	5,3	7,7	8,7	9,9	10,3	11,2	10,2	10,0	9,3	8,9
Małopolskie	7,6	11,2	13,8	14,5	22,7	18,1	22,0	21,4	21,0	17,0	15,5	13,0	12,4	10,7	8,8
mazowieckie	6,1	16,6	20,9	23,2	27,7	23,2	46,2	50,1	55,8	63,4	60,4	53,8	49,5	44,3	42,0
opolskie	0,4	0,6	1,2	0,9	1,6	1,6	3,2	2,7	2,9	3,5	3,3	3,0	3,2	2,8	3,6
Podkarpackie	10,7	16,0	20,6	27,0	28,7	30,9	31,9	32,4	30,4	29,5	23,5	16,7	15,5	15,3	13,6
Podlaskie	3,9	8,7	11,7	15,4	20,4	31,0	42,9	52,1	56,4	63,5	64,9	56,5	55,2	53,6	51,6
Pomeranian	1,8	7,2	8,0	11,0	11,4	18,7	22,6	27,4	30,6	28,7	29,3	24,9	23,3	22,4	20,0
Silesia	0,5	1,8	2,3	3,1	3,9	2,9	5,7	6,8	7,1	7,2	7,8	6,6	5,3	3,7	3,0
Świętokrzyskie	5,0	7,6	9,0	9,8	10,8	12,0	13,1	14,3	14,6	15,1	13,0	11,6	10,7	10,0	9,1
Warmińsko-mazurskie	9,5	15,3	24,0	28,8	28,8	62,5	75,2	98,5	112,9	116,2	117,1	112,8	108,7	107,1	104,6
Wielkopolskie	4,8	12,0	14,5	21,1	20,4	24,1	32,5	38,4	41,5	41,6	42,1	34,5	29,2	25,4	26,0
zachodniopomorskie	12,7	28,1	42,4	59,1	54,2	84,6	98,0	119,8	135,4	129,6	129,5	114,9	100,6	87,6	92,9

Source: own study based on Reports on the state of organic farming in Poland in the years 2004-2018.

During the period under review, Poland experienced a significant increase in the percentage share of organic agricultural area in relation to the total agricultural area from 0.57% in 2004 to 3.36% in 2018¹.

¹ <https://statistics.fibl.org/europe/area-europe.html>, 09.05.2020 17:15.

The research assesses significant changes in the specific conditions for financial support from 2004 to 2018 for organic farms using the example of the developmental model family farm developed by Zdzisław Wójcicki (2012 pp. 5-14).

According to the model, the area and structure of plant production were adopted in order to analyse the possibility of obtaining ecological payments for the area of ecological agricultural land in 2004-2018. The assessment was made for a model farm in two variants, i.e. variant I with animals and variant II without animals. For the variant with animals, it was assumed that the number of animals in the holding is optimal for meeting the criterion for receiving the payment in accordance with the requirements included in all above-mentioned regulations, according to which the organic payment for an organic holding could be granted up to the area of ecological agricultural land. Both variants were additionally presented in two versions, i.e. without the certificate - A and with the certificate - B.

The model development family farm developed by Zdzisław Wójcicki is a 28 ha farm with the following land use and crop production structure: arable land - 24 ha including winter wheat - 4 ha, winter triticale - 4 ha, spring barley - 4 ha, maize for silage - 4 ha, clover with grass - 8 ha, and grassland including meadows - 2 ha and pastures - 2 ha. (Wójcicki 2012.)

In the years 2004-2018, the model family development farm developed by Zdzisław Wójcicki in variant I as well as in variant II could receive the highest payment in total for 5 years of the ecological commitment under RDP 2007-2013, when the commitment would be undertaken in 2008-2012 (102 960 PLN), while the lowest ecological payment would be received under RDP 2014-2020 in variant II (34 464 PLN) (Table 6.).

Table 6. Amounts of ecological payments in zlotys that a model family farm could have received, developed by Zdzisław Wójcicki in 2004-2018.

	RDP 2004-2006				RDP 2007-2013				RDP 2014-2020			
	Option I		Option II		Option I		Option II		Option I		Option II	
	A	B	A	B	A	B	A	B	A	B	A	B
2004	21 168	18 528	17 640	15 440								
2005	21 168	18 528	17 640	15 440								
2006	21 168	18 528	17 640	15 440								
2007	21 168	18 528	17 640	15 440								
2008	21 168	18 528	17 640	15 440	21 480	20 000	21 480	20 000				
2009		18 528		15 440	21 480	20 000	21 480	20 000				
2010		18 528		15 440	21 480	20 000	21 480	20 000				
2011		18 528		15 440	21 480	20 000	21 480	20 000				
2012					21 480	20 000	21 480	20 000				
2013					21 480	20 000	20 160	20 000/18 960*				
2014					21 480	20 000	20 160	20 000/18 960*				
2015					21 480	20 000	20 160	20 000/18 960*	22 032	16 992	7 728	6 336
2016						20 000		20 000/18 960*	22 032	16 992	7 728	6 336
2017						20 000		18 960	22 032	16 992	7 728	6 336
2018						20 000		18 960	22 032	16 992	7 728	6 336

Source: own study.

*£20,000. the payment amount is given for a commitment made under the current rules before the 2013 changes and £18,960. payment amount after the 2013 changes to the rules.

Conclusions

One of the options for effective financing of agricultural production is its lending. But in the structure of sources of financing capital investments in agriculture, the share of loans and other loans is low and tends to decrease. Nationwide, there are a number of problems of credit security of the agricultural sector, which should be addressed only by specialized banking institutions.

The proposed model reveals the methodological principles of specialized banks, in particular, outlines the principles of their work, describes the components of infrastructure, tools for regulating their specific activities and reveals the features of coordination of state interests in ensuring the creation and operation of specialized banking institutions. Ensuring the implementation of the developed and proposed model of organization of specialized banks in Ukraine will contribute to the creation of a number of financial and credit institutions that will operate primarily for the implementation of state agricultural policy. The further development of the country's agricultural sector will depend on the prompt solution of the problem of credit support of agricultural enterprises.

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Abstract

The aim of this article was to review the financial support dedicated to organic farming to the area of organic farmland in Poland after accession to the EU and the important changes in the specific conditions for granting financial support in the period 2004-2018 that may have an impact on the reduction of interest in running farms using organic methods. The current legislation in force from 2004 to 2018 on the basis of which payments were granted for the area of organic agricultural land was analysed. It was found that changes in the regulations for applications starting the five-year agri-environmental commitment in terms of package 2 organic farming, under RDP 2004-2006 and RDP 2007-2013, and the organic commitment from RDP 2014-2020, may have had an impact on the reduction of interest in running farms using organic methods and the decrease in their number.

Keywords: organic farming, RDP 2004-2006, RDP 2007-2013, RDP 2014-2020, subsidies.

JEL Classification: D10, D12, D13.