FUNCTIONING OF THE TRACTORS AND AGRICULTURAL MACHINES MARKET IN THE FREE MARKET ECONOMY IN POLAND

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Political and economic transformations that occurred in Poland after 1989 also contributed to changes in the market of tractors and agricultural machinery. Before this period, disposal on the market was dealt with by the specialized retail chain "Agroma", which primarily offered selling to subsidized state farms, and very little on special assignments for individual farms. In this period the demand for tractors and machinery far exceeded the supply which could be provided by the manufacturers.

After 1990, as a result of significant increase in prices of tractors and machinery, lower than the increase in prices of agricultural products a significant decline in purchases of new machinery and tractors has been noticed. Reduction of the demand for brand new machines have been compounded by the large supply of cheap second-hand equipment, originating mainly from the state farms, and then from import [Pawlak 1997].

The increase in sales of tractors and agricultural machinery has been noticed in the year of Polish integration with the European Union in 2004. In the case of agricultural tractors since 2004 an increase in sales has been recorded but it is mainly due to increase in the number of imported tractors. The largest share of sales (30.7%) had tractors with an engine power from 59 to 75 kW. Fairly large proportion (19.5%) of tractors from 18 to 37 kW also remained. Tractors with a power of 75-90 kW were 14.4%, and tractors with a power of over 90kW -12.6%. There has gradually been trend of decrease in purchasing tractors with power of up to 18 kW and tractors from 37 to 59 kW [IERiGŻ-PIB, 2008, 2009, 2010].

On the Polish market a trend to increase the purchasing more powerful agricultural tractor is seen. The main factors influencing this trend are: changes in production technology, the desire for a smaller number of tractors on the farm, the concentration of production in the developing, large farms.

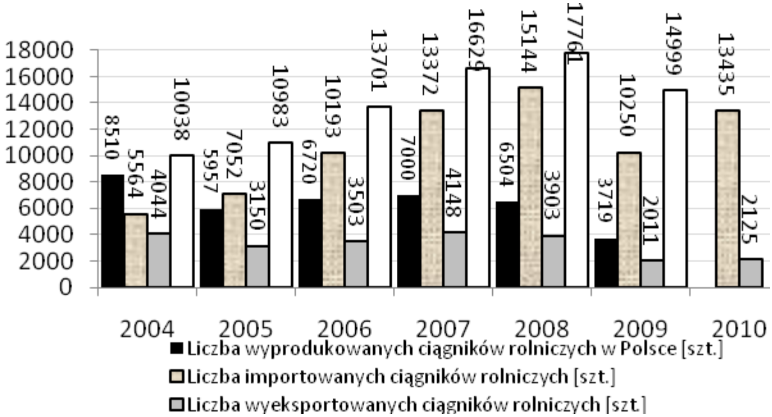

Figure 1 Production, import and export of new agricultural tractors in 2004-2010
Source: Own calculations based on GUS, IERiGŻ-PIB and EUROSTAT

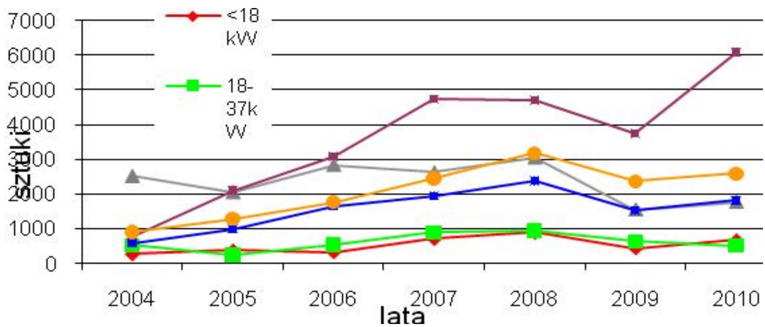

Figure 2 Import structure of new tractors in 2004-2010
Source: EUROSTAT

Organizational transformation in the tractors and machinery market in Poland

Political transformation in Poland in the 90s contributed to changes in the organization of sales of tractors and agricultural machines. These changes resulted from the fact that private farms were granted free access to the market of agricultural machinery and that on the Polish market machines and tractors of foreign manufacturers (mainly from Western Europe and the USA) appeared.

In place of government units, whose number has significantly decreased units from the so-called private equity have emerged (so called dealers). These units offer tractors and machinery by different manufacturers , including the foreign ones, and sometimes there are only representatives of their respective companies.

Sales organization has changed. In the case of small customers representing small-scale farmers, dealers invite them to their homes by allowing them to familiarize with the offer displayed on the premises of the company. However, in the case of acquiring customers, representing a large are farms dealers use specially trained sales representatives. Those representatives come to farmers to show them the company's offer, which they represent as well as help in dealing with formalities related to the purchase of a tractor or machine. Due to the fact that the areas of dealers overlap territorially conditions for competition for customers between the various manufacturers appeared. The farmer received a choice of tractor or machine from the wide range of manufacturers. In addition, he obtained the opportunity to purchase a tractor or machinery with varying degrees of technical sophistication.

Organization of service has also changed. In place of state maintenance authorized producers' service units appeared that are often located in the premises of the dealers. In addition to the authorized service centers operating in the territory of Polish private warehouses and distribution points for spare parts also operate. Depending on the scope of their business their coverage is local or pan-national.

Structure of sales of agricultural tractors in Poland

Operation of the tractor market according to the principles of free market economy have led to the fact that many models of tractors, both new and used, offered by different manufacturers are available on the market in Poland,.

Based on the number of registered tractors in Poland it may be said that in 2008 mostly acquired new tractors were by company CNH (Case & New Holland) (Fig. 3). Subsequently, in terms of number of registrations were offered by Zetor tractors and Pronar company (tractors manufactured by Pronar and tractors MTZ Belarus, Pronar is their dealer in Poland).

Analyzing the market for tractors by the number of registered new and used tractors it can be stated that in 2008 the dominating brand was Zetor followed by John Deere and Massey Ferguson. Zetor kept its rank in 2009, however, in second place was taken by New Holland. John Deere was on the third position.

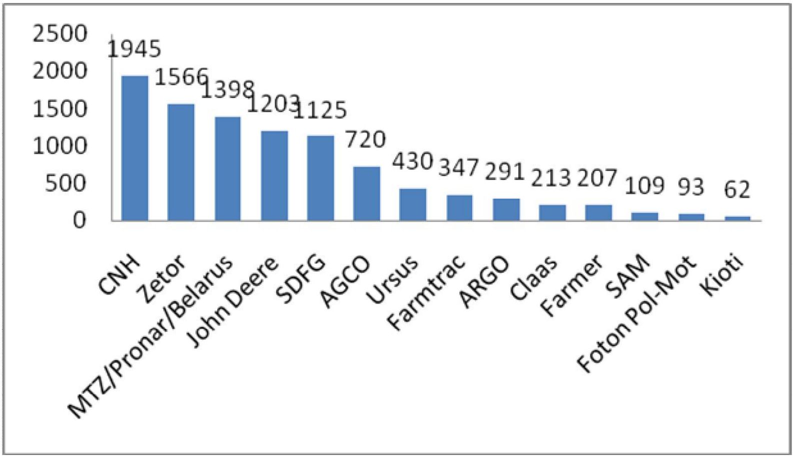

Figure 3 Registration of new tractors in Poland in 2008, sorted by the manufacturers / companies

Source: Agricultural Technical Review 3 / 2009

Ursus' Polish tractor manufacturer perceived market position is weaker in the purchase both new and used tractors.

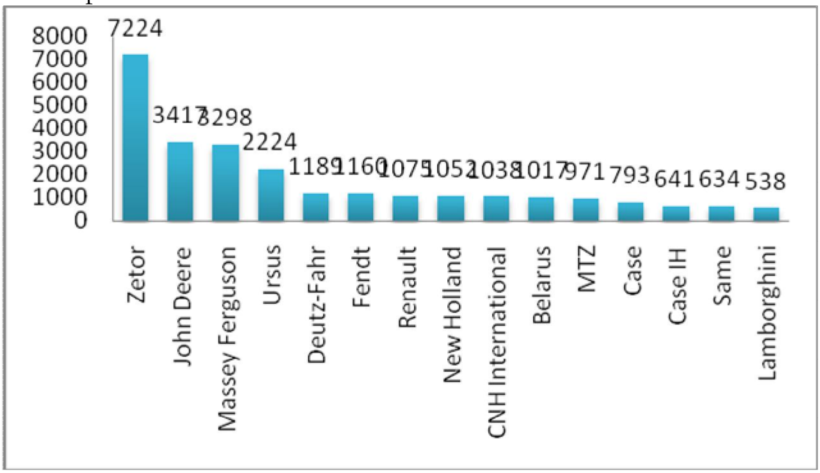

Figure 4 Register tractors by brands Total in 2008 Source: Agricultural Technical Review 3 / 2009

Analyzing the number of registered tractors in terms of their age, we can conclude that new tractor largest have the largest share. However, nearly 18% of registered tractors in that structure are taken by tractors, whose age exceeds 25 years.

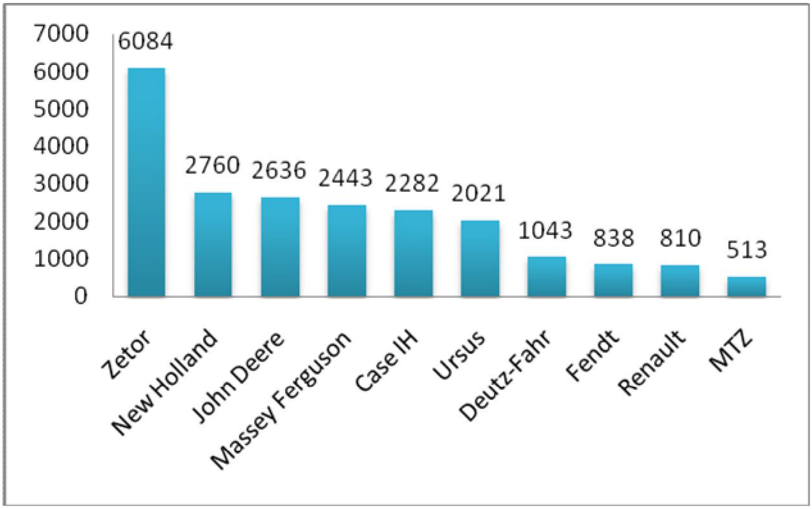

Figure 5 Register tractors by brands. Total in 2009 Source: Agricultural Technical Review 3 / 2010

Table 1

The age structure of tractors registered in 2008 and 2009.Age 2008 2009 Number of [units] Share [%] Number of [units] Share [%]

Age [years]	**2008**		**2009**	
	number [pieces]	share [%]	number [pieces]	share [%]
1	9866	30,8%	7831	28,5%
2-5	3841	12,0%	6599	24,0%
6-10	1147	3,6%	653	2,4%
11-15	2953	9,2%	1875	6,8%
16-20	4071	12,7%	2448	8,9%
21-25	4471	14,0%	3230	11,7%
over 25	5681	17,7%	4875	17,7%
Total	**32030**	**100,0%**	**27511**	**100,0%**

Source: Agricultural Technical Review 3 / 2010

Summary

Market of tractors and agricultural machines in Poland is characterized by the presence of many manufacturers and a wide range of tractor models with varying degrees of technical sophistication.

In the case of sales of new tractors, the company Case & New Holland is the market leader in Poland. However, in terms of number of

registered tractor models including the used models the Czech manufacturer Zetor is the leader.

The largest share (30%) in the number of registered tractors in Poland is constituted by new tractors. However, there is also a small share of used tractors (including older than 25 years), which proves the presence of used tractors in the market.

Sales of tractors and machinery in Poland takes place through dealer networks, most of which are units with private capital. Service of machines is done by a licensed units usually found at points of the dealership. Parts distribution is dealt with largely by private capital companies.

Literature.

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НАПРЯМИ РОЗВИТКУ ОСОБИСТИХ СЕЛЯНСЬКИХ ГОСПОДАРСТВ У ПОСТРЕФОРМЕНИЙ ПЕРІОД

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Особисті селянські господарства протягом багатьох десятиліть забезпечували себе продуктами харчування для власних потреб, а решту реалізовували на ринках. Земля в цих господарствах знаходилась у постійному користуванні, а одержаною продукцією їх власники розпоряджались на свій розсуд, і як результат їх розвитку, на сьогодні, ці господарства показали свою силу, досягли високоефективного використання землі.

Дослідження сільськогосподарського виробництва в особистих селянських господарствах свідчать про переваги приватної власності з метою досягнення кращих показників господарювання на землі, виходячи з обсягів виробництва та реалізації продукції заготівельним підприємствам, споживчій кооперації та на ринку.

Таким чином, особисті селянські господарства на сьогодні є стабілізуючою формою господарювання, яка стримує спад виробництва сільськогосподарської продукції у Львівській області і у