

THE USE OF DIRECT PAYMENTS ON THE EXAMPLE OF MAZOWIECKI PROVINCE

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The purpose of study, whose results are shown in this article, was to present the use of direct payments based on selected farms in Mazowiecki province. The study was conducted among 65 farmers receiving direct payments.

У статті представлено результати дослідження використання прямих платежів, що застосовувалися в окремих суб'єктах господарювання провінції Мазовієцькі. Опитування проводилося серед 65 фермерів, що отримують дані платежі.

Raising of problem is in a general view. Direct payments are now an important source of farm income support. Introduced in the 90s in European Union countries, are used to this day. Direct payment schemes, however, are different in each Member State, from a single farm payment scheme (SPS) (in the old EU countries and Malta and Slovenia), the single area payment scheme (SAPS) (in the new Member States). The single farm payment in most countries is historical, i.e., its amount was calculated on the basis of payments received by the holding in 2000-2002. This model is used in France, Greece, Spain, the Netherlands and Ireland. Poland, like most new Member States apply the SAPS, which is the basis for the calculation of the area of agricultural land, maintained in good agricultural condition. In addition to the basic payment applies a supplementary payment, the amount of which depends on the type of production. In 2008, spending on SPS and SAPS accounted for 75% of the total EU budget allocated to agriculture. However, please note that in addition to the case of SAPS, part of the supplement is financed from the budgets of EU member states.

Aims of the article. The aim of the article was to present the use of direct payments to selected farms in the voivodship. Empirical studies have been carried out in the Mazowiecki province in 2009, a group of 65 farmers. Deliberately selected to the owners of the farm questionnaire filled out by answering the questions open and closed. In the study, participated only farmers who benefit from direct payments to agricultural land. For research use of a questionnaire, which consisted of 41 questions. The questions addressed the characteristics of households and demographic characteristics of respondents. Respondents answered questions concerning the satisfaction of the Polish accession to the EU, the use of direct payments, direct payments impact on the viability of farms.

Exposition of basic material. Among the 65 respondents who participated in the study included 10 women and 55 men. The youngest respondent had 26 years old, the oldest 77.

The largest group of respondents included in the 1956-1960 year age group (14 persons). A relatively small percentage of young people accounted for 8% - 5 respondents. Beneficiaries of direct payments, characterized by different levels of education. Most respondents, 37%, shown vocational education, mostly agricultural. Over 87% of respondents with vocational education led to the farms of 20 ha. In turn, higher education predominated among those with higher household sectorally. Approximately 70% of respondents with higher education resulted in the holding of more than 20 hectares. They are mostly young people under 30 years of age. Another differentiating feature of the farm is tested for agricultural activities. Age of respondents to a large extent, is translated into the length of the work on the farm. The largest number of people ran farms, an average of 30 years. These are people aged 55-60 years. Least number of respondents (4) resulted in holding up to 5 years.

As is clear from the study, approximately 80% of farms had an area of 20 hectares. This translates into a situation occurring in the entire region. How marked the respondents if the survey was carried out prior to integration with the EU, the structure of farms by area groups are given a bit differently. Many more households would be up to 5 ha. However, due to the fact that older farmers' interest in structural and pensions sales of land due to the unprofitable farming decreased number of smaller farms. The studies confirm the results obtained by Chmielewska, which also saw the highest rate of decline in the group of farms 1-2 ha.

Only on farms up to 5 hectares, performed farmers who are holders of basic education. This translates into a destination management and agricultural production for consumption. The share of respondents with higher education, noted in the larger farms, where the trend of widening agricultural land area was very clear. This is due to greater awareness of farmers on the need for the development and use of aid funds.

Based on information received by the respondents that, in the Białobrzegi, Grójec and Radom districts predominant fruit crops, in the eastern districts - cattle, while the rest of the population is dominated by crops. It should be noted that some respondents pointed to two responses due to the fact that livestock production was combined with crop production. Eighty percent of respondents resulted in crop production. Among these people were farmers - 40%, who also engaged in livestock farming. Respondents who engaged in dairy cattle breeding and fattening, declared that they intend to enlarge animals. The cause to indicate the desire to increase income from this activity. For horticultural crops indicated 13.9% of producers. Fruit shows only the mark character. How marked the respondents, ease of product sales and the possibility of obtaining the supplement to the soft fruit led to greater interest in this group of crops. It is worth noting that only this type of households characterized by lower levels of income per 1 ha in 2008 for the year 2004. Respondents, however, are happy in the short term does not intend to complete the agricultural activity.

The process of Polish integration with the EU has repeatedly aroused extreme emotions among agricultural producers. Many of them thought that the integration will increase prices of agricultural inputs and increase competitiveness, particularly from producers in the EU-15. But they were also those who saw the opportunity for membership growth, thanks to the possibilities to benefit from EU funds.

Among the respondents, 73.8% were in favor of Polish accession to the EU. However, a group of enthusiasts, from the perspective of evaluating the effects of time resulting from the integration, declined. Satisfied was 61.5% of respondents. Respondents felt that the funding they receive should be much higher and the process of adapting Polish agriculture to Community standards, less complicated and costly. Particularly noteworthy is the fact that the diversification of direct payments received in Poland and other countries of the Community. Another focus of the questionnaire was the issue of knowledge and information that farmers should have the advantage of EU funds.

As the respondents pointed out, news about direct payments in obtaining, mainly from family and neighbors. Answer this cited the elderly, who have small farms.

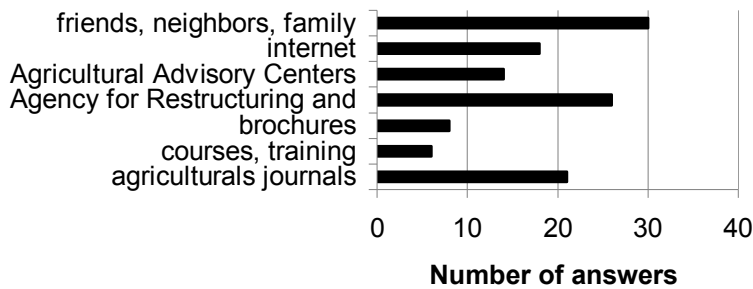


Figure 1. Sources of information about direct payments agricultural producers could select more than once answer

Source: Own study

Manufacturers, for which direct payments are an important source of income, information about them, mainly to obtain an ARMA regional branches, offices Agricultural Advisory Centres and also from websites. Among the respondents, only 6 people have benefited from training. All agree argued that had she been able to participate in the courses will be happy with such a form would have benefited. The study shows that 16% of respondents believed that the availability of information on the types of payments and conditions for applying for it is insufficient. Respondents argued that the ARMA staff should inform the producers about any changes in the payments, or methods of filling out applications. The rest of the respondents claimed that the availability of information was sufficient - 47.6%, good - 29% and very good - as declared by 7.4%.

Direct payments are one source of income in Polish agriculture. Were reminded of that agricultural producers in the Mazowiecki Province. Evidenced by the number of applications submitted for payment. In 2005, there has been increased interest payments by 7.5% compared with 2004. There is no doubt that the money from direct payments to financially assist farmers in proportion to their surface. As follows from the beneficiaries of different studies assessing the impact of subsidies on the financial condition of the farm.

About 50% of respondents said that their economic situation, after Polish accession to the European Union, has not changed. This follows from the fact that the study took part in most of those whose household size does not exceed 20 hectares. Slight improvement in the financial health of holding 23% of respondents noted a significant improvement assessed 28% of the respondents.

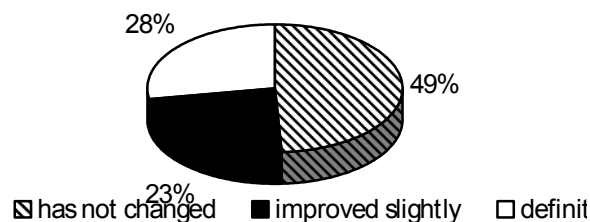


Figure 2. The impact of direct payments to the financial condition of households (%)

Source: Own study

As is clear from the study, almost 92% of respondents, of Group 1-5 ha of UAA, replied that the financial situation has not changed. Improving the financial situation noticed, until a group of respondents in the range 5-20 ha and more.

The share of direct subsidies in the agricultural income of farm shapes depending on the UAA. The research by Goraj shows that in 2008, the holdings of 1-5 hectares, this share stood at 3.2%. This percentage increases with the change of the surface and from the 5-20 ha farms averaged 41.7% and for the area from 20 to 50 ha stood at 45.5%. Farms over 50 hectares of direct payments has shown participation in income of 59%.

An important aspects it's the possibility of economic development of the farm through the use of funding received. Research has shown that consumption of current accounts for the largest share of subsidies. In particular, owners of small farms allocate payments for the purchase and consumption of material goods, which in no way associated with agricultural production. A high percentage of respondents have allocated funds from direct payments for mineral fertilizers, pesticides, fuel and farm equipment. As stressed the beneficiaries, the structure of expenditure subsidies has not changed more than 4-5 years. Initially, after joining the EU, respondents gathered funds necessary to carry out the investment. The majority of investments made by larger farms, more than 50 hectares. Low levels of investment by small producers was not due to the passivity of the group. The reason was rather a lack of own resources for this purpose. Lack of cash was also associated with limited access to use other forms of EU assistance. Indeed, it required the initial, 100%, the contribution of their own to invest. Among the respondents surveyed, one can see a clear differentiation in the disbursement of payments, depending on the size of the farm.

To show the relationships between selected variables in the paper were also carried out an analysis of the correlation between the area farms and the expenditure incurred on consumption and investment (table 1).

Table 1

The correlation coefficients between the surface of the farm and the selected variables

Specification	Expenditure on:						
	fertilizers	plant protection products	seed	fuel	equipment/farm machinery	modernization of agricultural buildings	current consumption
The correlation coefficient	0,437	0,298	0,188	0,290	0,466	0,358	-0,528

Source: Own study

The data presented in Table 1 can be seen occurring positive correlation between the area maintained a household expenditure on all types of inputs and investment. This means that the larger the household size is kept the more money spent on the payment of fertilizers, pesticides, seed, machinery, farm equipment and modernization of agricultural buildings. The strongest link exists between the surface of the holding and the expenditure incurred for the purchase of machinery and agricultural equipment, and is 0,466.

Conclusions. Polish accession to the EU, as shown by studies, significantly contributed to improving economic conditions. This applies especially to large farms. Producers were given an opportunity, benefit from many programs and activities aimed at improving the management, development and modernization of farms. Results of studies conducted among selected farmers province showed that the use of direct payments depended largely on the size of the holdings. Farms of 10 ha less devote the revenue from direct payments in the vast extent on current consumption. Households whose agricultural area exceeds 10 hectares, the area payments were used for the purchase of current assets or fund investments. It was also found that in the analyzed group of farms, direct payments affect their economic situation. This was particularly the group holding its area larger than 20 hectares.

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