

Review of prospects of organic agriculture development in Poland determinate by consumer demands

K. Kucińska, I. Pelc and J. Golba

Department of Agronomy, Faculty of Agriculture and Biology,
Warsaw University of Life Sciences, Poland

Abstract. Organic farming is developing dynamically in the European Union. In Poland its growth is much slower: the area of organic farms is still just a little above 1% of all utilised agricultural area. Research shows that the main obstacles to the dynamic development of organic farming are shortage of properly educated consumers and lack of an efficient distribution system of organic products in Poland and abroad. Regulations established before and after joining the European Union, in spite of some shortcomings, are not a barrier for the development of organic farming in Poland.

Key words: organic agriculture, consumers, Poland

INTRODUCTION

The main impetus for development of organic agriculture is consumer demand for organic products. Demand for organically produced food is increasing, especially in the USA and European Union, with the Scandinavian countries taking a leading role. Consumer requirements for food are continuously changing. In the 80's, appearance (size, colour, lack of blemishes) and packaging were perceived as the most important features of grocery products. Nowadays, consumers attach more importance not only to merchandise criteria, but also care about health aspects (health safety, non-chemical production processes and absence of pesticides) and organic/ecological concerns (production of goods without destruction of the environment) (Bołtromiuk, 1999). All these conditions are met by organic food. One of the factors which reinforces its position on the market is an increasing demand for organic groceries (Sławiński & Sadowski, 2005). The basic factors which influence demand for this kind of goods are increasing organic awareness by the society, development of modern diseases (cancers, allergies), an increase of welfare in general, and fear of food scandals related to diseases such as BSE. Increasing organic awareness is a leading theme of this paper. Specialised institutions and organizations establishing merchandise contacts with both domestic and foreign partners need to be set up (Sławiński & Sadowski, 2005).

Poland is a country in which historical events and political conditions, unfortunately, do not foster a dynamic increase in consumers' organic awareness. Even though the organic utilised agricultural area rose from 25 000 ha in 2000 year to more than 200 000 in 2007, yet that represents just above 1% of all utilised agricultural area. As a result, although the supply of organic products on the domestic market has

increased, the demand remains low (Żakowska – Biemans, 2005) (www.ijhars.gov.pl, 2007).

POLISH CONSUMERS' ORGANIC AWARENESS

Consumer surveys carried out in Poland beginning in 2000 showed that the term “organic food” was either completely unknown or misunderstood by half the respondents. The other half was familiar with the term, yet merely 23% of them purchased it (Pilarski & Grzybowska, 2002). Research conducted by Żakowska – Biemans at the end of 2004 showed that although the term “organic food” was recognized by approximately 71% of respondents, 35% of them still could not define it properly.

The majority of organic food consumers is below 45 years old (they constitute 57% of respondents) followed by respondents between 46 and 65 (31%). The least numerous groups consist of respondents below 20 (9%) and above 65 years old (21%). Gender is an important determinant of purchasing organic food: research by Łaguna and Żuchowski (2000) proved women account for 63% of organic food buyers. Similarly, research by Żakowska-Biemans (2005) showed that women purchase organic food much more often than men do.

Respondents with secondary education constituted the most numerous group of all surveyed (44%); 33% reported vocational education, 17%, a higher level, and 6%, primary. Respondents between 21–45 had either higher or secondary education (Łaguna & Żuchowski, 2000). According to research conducted by Pilarski and Grzybowska (2002) people with higher (50.8 %) or secondary education (33.8%) constitute the majority of organic food consumers. People with primary or vocational education compose 15.4 % of respondents. These are mainly people who live in towns with above 100 thousand inhabitants (74%), primarily singles or married with no children, chiefly office workers, managers, students or freelancers. Organic food consumers' financial status is rather good.

Expenditure on edible plant products comprised 69.3% of total expenditure on organic food: 32% of money for edible plant products is spent on vegetables, 24.3% on crop products, 23.5% on potatoes and 20% on fruit. Expenses on animal products constitute 30,7% of general expenditures on organic products, including cow's milk (47%), goat milk (23%), eggs (13.2%), meat (8.3%), and other foodstuff (8%).

Healthfulness, nutritiousness, taste, colour, freshness, naturalness (applies to external appearance and a „best-before” date) are perceived as the most important features of organic food (Pilarski & Grzybowska, 2002).

The highest amount of money on organic food is spent in specialized organic foodstuff shops. Less is spent when consumers buy organic foodstuff from either a farmer – by going to his farm or to an open air market – or in chain grocers' shops (Pilarski & Grzybowska, 2002).

Of respondents, 8,2% purchase organic food everyday, 41,1% once a week, 23,3% once a month, 27,4% less than once a month (Pałasz, 2003).

According to Pilarski and Grzybowska (2002), non-consumers of organic products who are familiar with the term claim that the main reasons for not buying organic foodstuff are limited range of products, high prices, unavailability on the market, and lack of confidence in the products.

Availability of organic foodstuff was graded as follows: very easy – 7%, easy – 36%, difficult – 36%, very difficult – 5% (Pałasz, 2003).

Surveys conducted recently (Żakowska-Biemans 2005) indicated three main reasons for lack of interest in purchasing organic food: unavailability of organic food, unavailability of information on this kind of foodstuff and its retail selling points, and high prices of organic products.

Taking into consideration all the nutritious advantages of organic foodstuff, 53% of the consumers will accept a 20% price rise in these products. An additional 25% of respondents will accept an increase in prices by 21–30%; 22% of respondents declares willingness to buy organic foodstuff even if the prices increase by 31% (Pilarski & Grzybowska, 2002). However, research by Żakowska-Biemans (2005) show that 22% of surveyed finds the level of prices high, which results in limited interest in organic products.

ORGANIC AGRICULTURE REGULATIONS IN THE EUROPEAN UNION AND IN POLAND

The most significant legislation act regarding organic agriculture in the European Union is Council Regulation (EEC) no 2092/91 on Organic Production of Agricultural Products and Indications Referring to Agricultural Products and Foodstuffs, 24 June 1991. The regulation came into force 1 January 1992. It controls systems of inspection, plant and animal production processes, processing and marketing of organic products and inspection systems within the European Union, and the import of foodstuff from non-EU member countries. The regulation was introduced as an effect of previous reforms of the Common Agriculture Policy. The most significant task of the previous agriculture policy, which was to generate enough productivity of agriculture to insure that Common Europe was self – sufficient in providing foodstuff, had been accomplished by the end of the 1980's. Intensification of agriculture based on interventionism on the agriculture market of the EU lead to production surplus, which resulted in reforms promoting food quality and integrating environmental protection with agriculture (Guillou, Scharpè, 2000).

Regulation has to be introduced directly in its full form and should be treated in the same way as all bills passed by national parliaments of EU member countries. The rule applies to all legislative acts which amend or enlarge existing regulations. At present, there are 30 legislation acts and new ones are continuously being introduced.

At first, the EEC Regulation 2092/91 applied to plant production only. In 1999 Regulation 1804/99, 19 July 1999, for control of animal production, was added. It came into force in August 2000. (Willer, Yussefi, 2004).

In Poland and other countries, the need for organising the rules and making organic methods of production more credible resulted in setting up the Organic Method Producer Association Ekoland in 1989. Ekoland is an active member of the International Federation of Organic Agriculture Movement, which organises 530 organisations from 100 countries worldwide. In 1982 IFOAM elaborated Basic Criteria for Organic Farming, which includes frameworks for member organisations, speeding up the creation of new criteria and facilitating the process of establishing farmers' unions with their own programs for organic farming. In Poland, it was Ekoland which, in 1990, introduced the program on organic production standards, inspection of producers and product certification. However, international requirements state that an

inspection has to be carried out by a unit which is not linked with either producers or their clients. For this reason, in 1996, Ekoland established a separate inspection unit called AgroBioTest with headquarters in Warsaw (AgroBioTest, 2007).

Since both consumers and politicians had become increasingly interested in organic agriculture, third party regulations were needed. To date, three bills have been passed:

- Bill on organic agriculture, 16 March 2001 (Dz. U. z 2001 r., nr 38, poz. 452),
- Bill on merchandise quality of farming goods and grocery products and on other bills' amendments, 18 December 2003 r. (Dz. U. Nr 223, poz. 2220),
- Bill on organic agriculture, 20 April 2004 (Dz. U. Nr 93, poz. 898).

PROSPECTS OF ORGANIC FARMING IN POLAND

Organic production provides an opportunity for a number of minor, not too specialised farms. Due to difficult climate conditions, poor soils, not good economic and social conditions, regular farming production is very close to organic production, but there is a need for financial, organizational and educational support for organic agriculture production and for improvement of market organization of organic products.

Education in organic agriculture

Organic agriculture-related circles increasingly point out the necessity of popularizing organic farming not only among consumers and producers but also among children and schoolchildren. For a long time, it has been observed that a number of people, especially inhabitants of big cities, are no longer interested in nature. This phenomenon leads to the disappearance of the human – nature relationship, which results in lack of understanding and sensitivity to nature around us. (Lampkin, 2002). In the majority of European countries educational schemes have been introduced in both schools and universities. They encourage schoolchildren and their teachers to visit the farms, where special events for families are organized. There are educational projects carried out in Poland, as well. Their objective is to make schoolchildren and teenagers more aware of ecological problems and issues. In a few years, the first ecological farm, whose goal is to show how organic farms work, will be set up in Skierniewice (Kucińska, Pelc & Artyszak, 2007).

The only way to develop and improve living conditions is to increase knowledge but that has not been accepted either by farmers or by other social groups.

Awareness that organic farming requires an enormous amount of knowledge about relations between different parts of the environment, animal species and plants, about standards and regulations and how to sell and efficiently promote your products, etc., is of great importance. One cannot base activities only on purely theoretical knowledge. To be efficient, practical skills are absolutely necessary. Only by combining theoretical knowledge and the development of practical skills for organic farming is it possible to achieve one's goals (Lampkin, 2003; Frost, 2004).

Labelling/logos in organic agriculture

Organic farming could not exist without proper, legally controlled labelling of products, which makes it possible to differentiate organic products from among the numerous and varied products on the market. A logo is a guarantee for a consumer that he or she is purchasing a product of high quality, which meets all the requirements included in regulations. Legislation guarantees that a logo cannot be put on products which do not meet the norms. It also allows for pursuing dishonest producers or processors who use a logo illegally and take advantage of the benefits which it provides (e.g. higher prices).

A logo shows that ecological farming has nothing to hide. Presumably, no one has ever found a logo stating that a product or its ingredients come from mass animal production or conventional plant production. Moreover, it is carefully hidden by producers. Despite the guarantee a logo provides, it sometimes happens that instead of helping organic farming development it becomes a real nuisance. On both global and domestic markets there are numerous logos. (In Germany alone, there are about 9, even more if logos of minor certification bodies are counted; in Poland, six logos are commonly used.). On the one hand it can be misleading for customers, especially those who are new to buying organic foodstuffs, and are not familiar with standards of particular certifying bodies and their logos. In such cases customers cannot tell the differences among them and may feel lost: it is likely that they will become discouraged and will withdraw from buying organic products. In addition, a great number of logos and the certifying programs behind them might slow down efforts to market organic products. A solution to this problem is currently being discussed in many countries worldwide. One party supports leaving things as they are and launching a program to increase availability of knowledge about certifying bodies, their programs and logos. The program would be conducted by certifying bodies during fairs, special entertainment events and in specialised shops. Others opt for introducing one well-promoted state logo (Lampkin, 2003,).

On the other hand, there are logos which are well-known by customers, who associate them with products' safety and high quality, which they have been used to for years. Disappearance or replacement of those logos with one common logo may lead to customer dissatisfaction, which in turn would probably have a negative effect on the market. An ideal solution to the problem would be to launch an information campaign on organic farming and the certifying bodies existing in a country in conjunction with promotion of the European logo which applies to imported products only.

Role of financial support in organic farming

Financial support is necessary, especially during the period of conversion. At this time a farmer has to invest a lot of money in introducing a new, organic method of farming (to adjust to requirements of a particular certification body). Additionally, an inseparable element of conversion is that the yields drop and costs of labour increase. Simultaneously, a producer cannot yet sell his or her products as "organic" and get higher prices for them (they can be only labelled as "products in the period of conversion"). When conversion is completed, financial support is necessary and extremely important as well, as it enables a farmer to continue further development and modernisation. Farmers who apply for financial support are required to meet legal requirements and fulfil programs, which lead to their own and their farms'

development. Financial support means security as well. Farmers are more willing to carry out „experiments” on their farms and are willing to convert conventional farms into organic ones if they know that they have proper financial support (Lampkin, 2003). However, the level of financial support has to be established reasonably, to avoid the situation in which supply is higher than demand, which in turn leads to oversupply, decrease in prices, and farmers’ losses. This happened in Austria where there was a surplus of milk, and the prices rapidly went down (Frost, 2004).

SUMMARY

Legal conditions in Poland are sufficient for organic agriculture development. The main problems are as follows:

- Poor knowledge about organic food among consumers in general. However, the majority of organic food buyers are well educated, middle-aged women from big cities. Good financial status is also important.
- Lack of education carried out among both among farmers and consumers, which creates a barrier to improved development of organic agriculture.
- Limited access to organic products.
- High prices of organic foodstuffs.

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