

**Voluntary Report** – Voluntary - Public Distribution

**Date:** February 23,2021

**Report Number:** PL2021-0006

**Report Name:** Polish Dairy Industry Notes Concerns about Farm to Fork

**Country:** Poland

**Post:** Warsaw

**Report Category:** Agricultural Situation, Agriculture in the News

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**Report Highlights:**

On January 22, 2021, the Polish Chamber of Milk (PCM), Poland's largest dairy industry organization, organized an online conference about the European Union's (EU) Farm to Fork (F2F) Strategy and its potential impact on the Polish dairy industry. According to the industry analysis presented during the conference, the F2F Strategy will create high implementation costs for dairy farms, reduce the Polish dairy industry's competitiveness on the domestic and global markets, and increase dairy prices for consumers.

## General information

On January 22, 2021, the PCM organized an online conference “Assessment of the Effects of the Farm to Fork Strategy for the Dairy Sector”. During the conference, the PCM presented “The Impact of the EU’s Farm to Fork Strategy on the Development of the Dairy Sector”. The study was authored by Polish researchers Dr. Piotr Szajner from the Institute of Agricultural and Rural Economics (main author), Professor Andrzej Babuchowski, Director of the Institute of Innovation in Dairy Industry, and Professor Hanna Górska-Warsewicz from Warsaw University of Life Sciences. The study was financed by the Milk Promotion Fund, a Polish Government check-off system for the dairy industry.

According to the study’s conclusions, the F2F Strategy will only effectively achieve its anticipated economic, social, and environmental benefits if similar conditions are also implemented globally. The authors cite that F2F implementation will require massive restructuring and modernization of Poland’s entire food and agricultural value chain. They further cite that the current Polish agricultural paradigm, with its many small and inefficient farms, will hamper investments and Poland’s ability to adjust to F2F. The authors explained that despite likely EU subsidies for farmers and farmer organizations, Polish farmers tend to resist formalized integration into producer groups.

The authors mainly sought to identify opportunities and threats from the F2F strategy, while noting that the current iteration of the F2F Strategy only provides overarching goals and generalizations. They point out that the F2F Strategy does not currently provide details about how to achieve specific goals, but lays the groundwork for relevant legal regulations. The authors cite that the F2F Strategy also does not currently contain guidelines about the scope of EU financial support.

The main threats cited by the study include high implementation costs for dairy farms, reduced competitiveness of the Polish dairy industry on the domestic and world markets, and higher dairy product prices for consumers. The authors expressed that the F2F Strategy will create a high financial burden for farmers and the dairy industry, which will have a negative affect on their economic viability. It will also reduce the dairy cattle population, thereby lowering raw milk supplies, which will reduce food security and opportunities for foreign trade. Reduced commercial fertilizer use may potentially increase greenhouse gas emissions as farmers rely more on natural fertilizers.

Conversely, the authors pointed out as positive aspects of the F2F Strategy would include the development of specialized Polish dairy farms, improved animal welfare, reduced use of yield-generating agents and antibiotics, and the development of organic milk production. They speculate that while organic milk would still remain a niche product, the more horizontal integration of the supply chain would benefit small producers.

The conference was joined by Minister of Agriculture and Rural Development Grzegorz Puda, who emphasized that the F2F Strategy presented an opportunity for Polish agriculture to catch up with Western European countries. He also stressed that sustainable agricultural development would benefit the dairy industry because it would increase the grassland area. According to Minister Puda, higher milk yields per cow, combined with farm modernization, would reduce of the dairy industry’s unit carbon footprint. He noted the dairy sector accounts for a large share of rural income generation, especially for the small and medium-size farms which dominate the structure of Polish agriculture. Minister Puda

assured participants of the conference that the Ministry of Agriculture would prioritize the needs of the Polish dairy sector under the proposed changes to the Common Agricultural Policy.

Mr. Edward Bajko, President of the PCM, noted, that currently there is a little knowledge of the EU's F2F Strategy. He referred to the USDA/Economic Research Service report and emphasized taking a close look at the scenarios presented by USDA researchers.

**Attachments:**

No Attachments.