

Various strategies for different sectors and regions concerning agricultural production; The case of apples in Małopolska (Poland)

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Abstract: *The agriculture of a relatively large country like Poland is certainly not a uniform and wholly integrated phenomenon. The differences are not limited to various parts of the country. Due to its size, the country encompasses areas with diverse natural conditions and various types of economic tradition and socio-cultural characteristics. It should be noted that these two types of differences related to commodity production and to particular regions overlap and, therefore, their different characteristics may have a multiplicative effect, generating the specific type of production in a particular region. The goal of the following article is to present examples of such production systems. We would stress that apple production has been organized following the mixed characteristics of different systems of agricultural production. Calling for policies reducing the prices of means of production as well as some national government support seem to be more characteristic of the corporate market system of producing agricultural goods. However, calling for stress on regional diversification in national policies, local apple processing, cooperation among individual producers, independent evaluation of product quality, as well as an of upgrading of the monitoring system concerning growing apples seems to be more connected with some elements of the idea of a sustainable production type.*

Keywords: *apples farming; farmers strategies; farm economics; sustainability; a model of decision-making; family farming*

Poland as a fruit and vegetables producer

Poland is a large European producer of fruit, vegetables, and mushrooms. It is also known for being one of the leading producers and exporters of fruit and vegetables in the EU. Apple production provides a good example here. Poland is the second biggest supplier of apples on the global market, ranking just below the United States of America. (see Devadoss, Ridley, 2014: 772). Over the last few decades, Polish orchard fruit farmers have adjusted effectively and quickly to free market principles and rapidly changing market rules. Poland's 2004 accession to the EU allowed for a quick expansion on the community and global market and facilitated effective application of EU funds. The orchard farm sector started to transform significantly. From 2002 to 2013 the average area of orchard farms changed. While in 2002 as many as 82.3% of orchard farms were smaller than 1 ha, by 2013 such small orchards comprised only 6.2% of all orchard fruit farms. In 2002, only 3.6% of orchard farms were larger than 5 ha but by 2013 that percentage had increased dramatically, reaching 37.8%. The average area of an orchard farm increased from 3.6 ha in 2002 to 6.23 ha in 2013 (also see Ziętara, Sobierajewska, 2017: 107).

Farmers' ability to form producer groups and other types of producer organizations is quite important. Producer groups invest in storage and processing of fruit and vegetables. It seems that in the future more significant cooperation between the groups and organizations will be

necessary. It should be noted that the Małopolska region, in particular, is not a poster child for farmers' cooperation and several other regions in Poland are well ahead in that regard (also see Krzyżanowska, Tajner, 2015: 220, 221). Therefore, our region of interest (Małopolska) is still a region where the most traditional way of apple production prevails, unlike other regions in Poland. For that reason, apple production in Małopolska became the subject of our analyses.

Types of farms and farm strategies

In sociological literature there is a long tradition of distinguishing various types of agricultural farms and reflecting on their operations. The beginnings of such reflections could be observed in the 1970s, when the processes of agricultural and rural modernization in highly developed countries were finalized. At the time, there was a lot talk about the decline of peasant agriculture (Mendras 1976) and the crisis of family farming (Strange 1981). The initial stage of such reflection was characterized by the juxtaposition of the opposing characteristics of family farming and industrial agriculture. Family farm characteristics included: a low level of ownership concentration, a relatively diverse production profile, an open and competitive market in the farm environment, an orientation towards the fulfilment of family needs, use of technology to facilitate human labour, considering for the natural life cycles of plants and animals, protection and restoration of natural resources and consideration of agriculture as a way of life. In turn, industrial agriculture was characterized as having quite opposite characteristics, namely: a division of roles for the owner and the user; management of the farm based on financial calculations, concentration of ownership, specialized production, market regulations, orientation towards profit and an increase in production; the intensive use of technology in order to eliminate human labour, significant reduction in the dependence on natural conditions, unlimited use of natural resources, and treating agriculture, for the most part, as a commercial endeavour.

The conceptual work of Strange (1981), was continued by American sociologist Mooney (1988), who described types of agricultural farms which were distinguished according to structural aspects such as: land rentals, the taking of bank loans, contract agreements, work outside of agriculture, and the employment of farm labour. According to this author various combinations of these factors forced farmers to apply different strategies to farm management, which could lead to a reduction or expansion of their autonomy. Farmers' activities were essentially the effect of a particular arrangement of structural factors that characterized farm.

A different concept, proposed by van der Ploeg, focused more on subjective factors which he considered to be styles of farm management. As the author noted, "A farming style is a coherent set of strategic notions about the way in which farming should be practised. It is therefore a particular cultural repertoire" (van der Ploeg, 2003: 111). In this approach, a farming style was simply a model of decision-making, which was an effect of calculating and reasoning. The style of managing the farm appeared as a manifestation of the farmer's resistance against outside pressures, mostly coming from the market. Author noted that "Farmers use the malleability of the process of production and the room for the manoeuvre contained in markets and technology, to construct new congruent responses to the dominant modernisation project" (van der Ploeg, 2003: 115).

Basing on such an understanding of farm management, the author selected two dimensions for categorizing farms. One of them was the mobilization of resources, which can lead to a high level of market dependence – or quite contrary – to high autonomy of the farm. The author was particularly interested in the process of converting resources into products, which could be based on the use of technologies or – quite the opposite – the farmer's utilization of his/her own skills. Combinations of these two criteria led to identification of four farming styles, namely: economical farmers meaning those characterized by a large degree of autonomy and emphasis on their own skills; farmers with a large degree of autonomy and

focused on the use of modern technologies; intensive farmers, who were characterized by a high level of market dependence and an orientation on the use of technologies, those highly dependent on the market and the simultaneous use of their own skills to a great extent. Comparing the concepts presented by Strange with those of Mooney and van der Ploeg, it should be stated that van der Ploeg proposed a rather multifaceted view of farmers and their farming strategies (see also other works by this author, namely: van der Ploeg, 2008, 2013). While the first approach was dominated by a binary system that emphasized the differences between a family farm and a capitalist (corporate) one, the remaining two showed a more complex diversification of strategies due to the structural conditions or styles of managing farms.

This is however a rather simplistic approach. We are more inclined to think that in agriculture we can observe the existence of at least several types of farms that are managed and operated according to various types of strategies. An example of such a multifaceted approach to the functioning of agricultural farms is a concept described by Gasson and Erringtona (1993), based on the relation between family ownership and the management. The authors employed two criteria to distinguish types of farms. The first one relates to the amount of land and capital owned by operator and the second one pertains to amount of labour provided by operator. Each of these variables can have high (i.e. most or all) or low values (i.e. least or none). As a result we get a typology of agricultural farms that encompasses four types of farms. They are respectively: a/ family type b/ industrial type c/ „tenant type” and d/ „larger-than-family-type” (Gasson, Errington, 1993: 16 - 17). It should be stressed here that the authors are not expanding their concept in the direction of analysis on various action strategies, which could be characteristic for particular types of farms. Instead, they try to be more detail-oriented in their manner of defining the type of farm, creating the concept of family farm business (see Gasson i Errington, 1993: 18 and the following pages).

According to this approach the family character of the farm is not a matter of typology but it can be placed on a continuum. It entails six components: „1/ Business ownership is combined with managerial control in the hands of business principal. 2/ These principals are related by kinship and marriage, 3/ Family members (including these business principals) provide capital to the business. 4/ family members including business principals do farm work. 5/ Business ownership and managerial control are transferred between the generations with the passage of time. 6/ The family lives on the farm” (Gasson, Errington, 1993: 18). The authors still do not describe the strategy of farm users, but they do change the philosophy of its characteristics. The gradation of characteristics of the agricultural farm as a family endeavor is worth noticing here. It could be said that the farm that has all six components enlisted above is, in the fullest sense, a family farm. In other words, the family features are present in all six dimensions characterizing that institution. Consequently, the farm that does not possess any of the characteristics described above surely is a capitalist endeavor, an industrial corporation producing food.

Various types of farms and various operators` strategies

The first such typology of the diversification of farming strategy is proposed by British author Terry Marsden (2003). To be more precise, it should be stressed that the complex issues of rural development remain crucial subjects of his reflection. They are described as: the agro-industrial dynamic, the post-productivist dynamic, and the rural development dynamic (see: Marsden, 2003: 4). The elements of characteristics of these three development “philosophies”, directly applied to a strategy of farming, can be presented in the following way. In the agro-industrial dynamic, farmers concentrate on producing standard products and intensely use the capital. They are focused on the largest possible quantity of the produced product and have an interest in technological innovations. In the post-productivist dynamic, agriculture in some way becomes an addition to well-functioning and changing rural areas. Farming strategies are connected with the rules of social economy, better quality of life, fighting exclusion, and the introduction of ideas of a multi-functional agriculture (Milone,

2009). Finally, in the third model described as a rural development model, farming strategies appear mapped out according to rules of sustainable development.

A different model is found in the works of Van der Ploeg (see 2008, 2013). Here we mean the theories of peasant economy developed by this author in a very specific manner. “Peasantry” of agricultural economy is not, in this context, viewed simply as a type of traditional economy, one which is not affected by modernity and somewhat backwards. The logic of peasantry is placed in another dimension. The author describes this economy as oriented towards relative autonomy from the rules and principles of the market. At the same time, this type of economy tries to implement various elements of the idea of sustainable development (see van der Ploeg, 2008). These processes are called repeasantization. Subtle theoretical analysis on the processes of repeasantization can be found in the already mentioned second work of van der Ploeg (2013), where the author’s reflection is linked to the theory of peasant economy by early 20th century Russian researcher Chayanov. Contrary to a large-scale capitalist agricultural economy, a peasant economy or neo-peasant economy is mostly characterized by strategies which ensure balances between various dimensions of functioning agricultural farms and the changes that they are undergoing. According to van der Ploeg in Western Europe this phenomenon looks in the following manner. European „neo-peasants” try to reduce their dependencies on outside factors (capital, credits, means of production) (see van der Ploeg, 2013: 129). Furthermore, these farmers strive to develop their farm according to multifunctional pattern, offering various products and services in order to reduce the dependencies of one type of processors or consumers. This strategy is based on the idea of fighting monoculture of plant production, animal breeding, and overall agricultural production. To quote Van der Ploeg: „Thus in the heart of one of the most modernized agricultural systems [i.e. Western European – P.N.; K.G.; A.D.; A.W.] we can still see the mechanics Chayanov described almost a century ago. Different balances matter.” (2013: 131).

Therefore both of these perspectives mentioned above form the context for analysis of performances developed by the apple producers which will be presented below. We should remember that there is only one type of this particular type of production and only in one region of Poland. Moreover, the characteristics of the system of apple production in the Małopolska region have been drawn from the analysis of media (selected publications) as well as the opinions presented during the workshops including farmers and other stakeholders.

Various strategies and important performances

The concepts described above provide a starting point for our own analyses on farm strategies. In our research we mostly used induction strategy, in which farmers and others connected with agricultural production (i.e. experts, activists of civil society organizations, etc.) were asked to name the preferred style of managing the farms and methods of operation. We conducted the study under the premise that these methods differ mostly because of two factors. On one hand, it is a product itself, and on the other it is a region where this product is made. The results that are presented here were acquired during the two-stage research that we carried out. In the first stage we analysed the contents of various publications related to agriculture and rural development in Poland. In the final stage we analyzed the statements made by participants in the workshops that we organized as part of the research project.

The research analysis of selected publications and interviews with experts revealed a variety of issues which can be situated somewhere between utilitarian discourse centred on production issues and discourse that elaborates on the ideas of sustainable development and focuses on rural development in the post-production stage.

Within this discourse, the importance of professional education for farmers is emphasized. The educational process is meant to ensure the transfer of specialized knowledge through

well-suited experts. The whole process is perceived as crucial to the enhancement of rural entrepreneurship and farmers' ability to adapt to new technologies of agricultural production. It is also noted in the media that such education should appreciate the need to develop non-agricultural activities in villages and implement a multifunctional model for the development of rural areas. However, according to the interviews in this process, some "dark" sides, i.e. weaknesses and threats, can be observed, namely that the cost of obtaining the necessary knowledge can sometimes be prohibitive as a result of the commercialization of training courses and sometimes organised training courses offer "insufficient" knowledge. On the other hand, the role of extension agents has been recognized here as a crucial one.

Another important theme of the media analysis deals with agricultural productivity, as opposed to the biodiversity strategy and "greening" of rural areas. The food security concept is mostly about providing an adequate quantity of food, produced on a large scale by industrial methods. Food safety, on the other hand, ties in with the production of high-quality food as an effect of sustainable practices applied to agricultural production. The development of new eating habits has been recognised as an important factor in stimulating production, particularly that of apples.

The debate over the application of modern technologies in agricultural production is also present in the media. The issue of genetically modified organisms (GMO) is the most highlighted here. On one hand, the obvious production-oriented effects of genetically modified organisms are emphasized. The use of this technology introduces new kinds of crops and farm animals that are disease-resistant. At the same time, it is also assumed that consumption of genetically modified food may have potential negative effects which are not yet fully recognized. Similarly, renewable energy sources and biofuels are also met with ambiguous evaluations in the discourse on energy conservation. Investments in renewable energy sources and biofuels are seen as protective of the natural environment, but the possible negative consequences of such practices are not omitted. Production of energy crops (for biofuels and biomass) may be leading to soil depletion and favoring the development of large global corporations focused on this type of production. Application of new information technologies related to precision farming or farm management can be fostering the use of biological technologies in agriculture (and thus limiting the use of chemicals). However, due to the high costs of applying them, these modern solutions are not generally available to all farmers. Similar issues have also been stressed in interviews with experts and primary producers, especially in the case of precision farming practices.

The media discourse on financial issues related to agricultural production is focused primarily on the issues of loans and mortgages. It is emphasized that loans and mortgages are necessary for market-oriented agriculture. Access to loans and mortgages is often restricted through complicated procedures, lack of adequate information, high requirements, etc. In the traditional approach, loans and mortgages are an important part of the production-oriented model of agriculture, which is often juxtaposed with the sustainable development model. However, in this discourse, the presence of new financial instruments available to farmers who support practices focused on biodiversity, greening, or who engage in non-agricultural economic activities, is also noted. These various financial instruments have been met with both positive and negative opinions. Compensation mechanisms available to agricultural producers within the framework of the Common Agricultural Policy can be seen as justifying farmers' tendencies to forgo insurance on agricultural production. However, it is also hard to deny that farmers who implement sustainable practices benefit from mechanisms that allow agricultural producers to recover from unexpected conditions and natural disasters. As all banks are not created equal, the superiority of cooperative banks over commercial banks is addressed. The decision by cooperative banks on whether or not a loan or mortgage can be granted to a farmer does not depend directly on the market situation of the farm. Within this context, commercial banks are perceived as forces conducive to a production-oriented, highly-functioning market model of agricultural production. During times of prosperity, commercial banks' loan-granting decisions may exacerbate tendencies for overproduction.

During periods of economic stagnation or financial crises, the financial options available to farmers are quite limited.

Policy and regulations constitute important aspects of the analyzed discourse related to agriculture. The media evaluation of the most crucial components of CAP, such as direct subsidies, is often ambiguous. Often, their positive influence on income support for young farmers and individuals operating small farms is discussed. However, as subsidies are connected with environmental care and ecological farming, they may lead to frauds in the form of emerging fictitious ecological farms. It is also argued that direct subsidies in some ways preserve the traditional character of Polish agriculture, allowing farmers to resist structural changes. When discussing the regulations, there is criticism of land rentals present in the media. Land rentals are seen as exacerbating the propensity for land exploitation, which does not benefit sustainable agriculture. There is also a credibility problem with certification of ecological products. Inconsistencies in regulations reflect the conflict between production-driven and sustainable models of agriculture and the already-mentioned lack of “integration” of food security and food safety. Calls for eradication of barriers that impede cooperation between rural entrepreneurs, farmers, and food processors are made. Further, the media notice the need to encourage farmers’ long-term cooperation on farm development strategies, and not just in terms of everyday technical cooperation that may be related to joint ownership of equipment. It seems necessary to introduce regulations enhancing farmers’ position as they confront and grapple with global food distribution. Of equal importance is the precise regulation of personal income tax paid by farmers and sanitary regulations allowing for direct sales. The discourse includes calls for establishing a special government agency, whose work should be devoted to the all-around development of rural areas, as well as the extent of protectionism in the era of the globalized economy.

It is emphasized that agriculture should receive comprehensive support from state institutions. Due to the generally low quality of soils in Poland a vast portion of the CAP funds in Pillar II should be moved to Pillar I. This is obviously related to the production-driven approach. It is argued that purchases of agricultural land should be made difficult for the non-farmer in order to prevent land speculation. The state should support the process of farm enlargement and help with the improvement of labour use in rural areas, including immigrant labour. The production-driven approach dominates this part of the discourse. Similar issues have also been stressed in analysed interviews. Again, the “dark” side, i.e. threats, dominates over opportunities. The first threat has been related to dependency on payments, especially that observed in the case of small producers. The other threats seem to be more complex, for example, climate change. Similar opinions have been revealed among experts in the apple sector. Interviewed experts have expressed more general opinions about opportunities and threats. Among the threats, they identify several conditions, such as: the lack of clear and long-term state policies concerning apple production in Poland, the Russian embargo on apples (and a host of other products) imported from Poland as well as the lack of well-designed policies for the apple market. The latter has resulted in market preferences for large quantities of standardized products rather than the diversification of producers and production. The other threats seem to lie in the high-cost new technologies of precision farming, as well as their domination by the lobby of firms providing farmers with chemicals and pesticides raising the costs of production. Moreover, a labour force coming mainly from Ukraine has resulted in the reduction of salaries of Polish workers. On the other hand, some opportunities here lie in a new regulation of the land market stemming from a new state law which might stop the increase of land prices in our country.

The “Apples of Małopolska”

The responses indicated the presence of several models of production and sales for apples in the region. The first one was a producer group, the second a cooperative, and a third one could be described as dispersed operations of small, family farms. The interviewees emphasized that cooperation between the producer group and large supermarket chains

allowed for trading of the region's apples with European purchasers. Various producer groups were complementary with each other, exchanging different varieties of fruit which they produced. In turn, cooperatives were known to have their stores and refrigerated storage facilities for storing fruit. Such measures were ensuring fruit sales in the regions and within the cooperatives' own stores. According to fruit growers, a horizontal coordination of cooperation among farmers could be seen in cases of broken farm machinery or equipment. A farmer who experienced such misfortune was able to borrow the machinery from another farmer. No other examples of horizontal cooperation were recognized in the focus group interview. Generally, the respondents complained about the lack of a national policy regarding apple production, which would point out production directions and possible investment needs. The interviewed fruit growers highlighted the need for subsidizing plant protection products, which year after year were becoming more expensive.

Contracts with large supermarket chains were an important aspect of cooperative work. Although orchard fruit growers saw their production from a local and regional perspective, their perception of marketing and distribution was somewhat influenced by the contract with the global market chain they had signed within the past.

During the focus group interview, participants pointed to an alternative system for the distribution and sale of apples. The participants mostly focused on factors that influenced apple prices. They pointed out that prices did not depend on local factors or conditions as they were globally determined by the price of industrial apples, which in turn was influenced by the price of apple concentrate.

Direct marketing was also discussed but it was said to involve only 10% of orchard fruit producers. Producer groups or cooperatives were seen as dominating actors here as they could sell their products directly to stores. The high quality of the product and good storage conditions were guaranteed by producer groups and it meant meeting the expectations of the consumers.

The respondents were very critical of the processing sector as the price of the final product received by farmers and small processors was unsustainable. This was attributed to the manner in which market chains operated. Traditional methods of processing in this context were difficult to maintain, deeming the product prices unsatisfying. Surveyed farmers in Małopolska are working towards establishing fruit storage, so they could have freedom in determining the best moment for putting apples on the market. This will strengthen their market power over changing prices (market conditions). Orchard producers emphasized compatibility of their practices with environmental regulations but they admitted that their limited use of chemicals in production was mostly due to high costs. The environmentally friendly attitude was, in that sense, forced upon them. Intensification of production, rather than its mere maintenance, as well as its improved quality were seen as the remedies for the current situation. These participants pointed out the weak lobbying position orchardists. They wished it was as significant as the lobbying position of miners or other professions, which had their own unions fighting for their interests. The respondents were not very optimistic about the new direction of production, namely cider production, which in their view was rather small-scale, and not likely to bring significant changes. An interesting characteristic about apple producers in Małopolska was that smaller producers appear to have very diversified strategies for farm management. One could say that the smaller the farm is, the more diversified its management strategies is. The farms that are connected with the producer groups usually have one main strategy related to selling apples. In the case of small farms it is quite hard to recognize one dominant strategy. The respondents pointed to several strategies (storing until the price is right, selling on local markets, and even abandoning orchard production altogether), of which they launch the one that at the moment seems most profitable and beneficial from the point of view of the family's interest.

Another problem that was addressed in the focus group interview pertained to ecological production. In this context the respondents emphasized the superiority of so-called integrated production over ecological production. They saw the following downsides of organic

production: a/ lack of any intervention in production; b/ in Poland – unlike in the West – so-called ecological product did not generate better price; and c/ the lack of any recognizable certification that the product was indeed ecological. Integrated production, on the other hand had, according to the respondents, numerous positive sides related to production of fruit and apples, in particular: a/ integrated production allowed for the use of chemical products but it needed to be done under the strict supervision of responsible institutions; b/ it was possible to establish an appropriate price for the product; c/ in the process of integrated production there were numerous inspections ensuring the safety of the product.

According to the participants in the workshop, the Polish state should strive to increase agricultural subsidies that farmers receive in Poland to reach the subsidy level of the old EU. In the case of orchard farms that usually have a small amount of arable land, subsidies do not play such a crucial role and the institutional setting is a more significant factor in decision-making for farm management and operation. The importance of a favourable institutional setting was addressed in survey responses. The participants mentioned attractive bank financial services tailored to the needs of orchard farmers.

The respondents noted that Polish agriculture was generally lacking a strategic policy for orchard fruit production that would allow the farmer to know what to invest in or what to cultivate. Economic patriotism concentrated on the development, promotion, and purchase of Polish products should be an integral part of such a policy. Respondents thought that it would require certain control over the media which were mostly in “foreign hands.”

This section of the research was finalized with a participatory workshop that brought together eleven individuals interested in the topic of apple production in the Małopolska region. The group included: an employee of a cooperative bank, a head of the county office of the Agency for Restructuring and Modernisation of Agriculture, an employee of the local office of the Agricultural Advisory Centre in Łącko Municipality, a mayor, a farmer (an employee of the producer group concentrated on orchard production), another farmer, a farmer also involved in processing, an employee of the insurance company, a local entrepreneur involved in fruit processing, a representative of a garden cooperative, and the head of the county office of the Agricultural Advisory Centre.

The participants mostly focused on factors that influenced apple prices. They pointed out that prices did not depend on local factors or conditions as they were globally determined by the price of industrial apples, which in turn was influenced by the price of apple concentrate. The respondents emphasized difficulties with the export of Polish apples to neighbouring countries, because they were buying the above-mentioned apple concentrate from Belgium, Bulgaria, or even Turkey. As respondents reported, in these countries there were no contract agreements, so the price of the product was significantly lower, allowing for competition from other global players. The respondents charged that industrial apples comprised about 60% of Polish apple production and such production was not profitable. Apples for consumption produced in Poland were estimated as 2200 thousand metric tons (about 40% of Polish apple production) but Polish producers needed five times more orchard area than the area used in Italy for similar production quantity. The price paid for apples, which could not satisfy the producers, had to do with the restrictive requirements of supermarket chains (TESCO, BIEDRONKA – Jeronimo Martins) relating to product quality. The prices received by apple producers did not exceed 50% of the price paid by the consumer in the supermarket. In the

view of the workshop participants this required intervention in order to improve the market organization.

The respondents addressed the issue of dependency of producers in their relations with large market and retail chains. They estimated that producers were only able to sell their apples for about 40 – 50% of their final prices. This was thought to be the result of retail chains forcing the producers to incur the costs of market preparation and product packaging, so apples could be placed on supermarket shelves. The costs included placing apples on special Styrofoam trays, wrapping them in foil, or packing them in other types of containers.

The workshop participants devoted a lot of attention in their statements to critical evaluation of national regulations, especially those that were made as a reaction to the Russian embargo on apples. They criticised free distribution of apples from the Grójec area (the biggest centre of apple production in Poland, near Warsaw) in other regions of Poland. In their opinions such actions were destructive to local markets, including those of Małopolska. The respondents claimed that apples from the Grójec area were of poor quality, which contributed to the negative image of Polish apples as low grade products. Additionally, such “distributions” of apples preserved in the consumers’ collective mind the stereotype of a product of little value. Therefore, producers of dessert apples who tried to sell them were laughed at because they demanded a certain price for a product of poorly perceived value. The workshop participants were afraid that continued free distribution of apples would diminish the willingness of Polish consumers to buy domestic apples. The workshop also addressed the differences between the prices in various regions. The producers from Małopolska were well aware that their counterparts from the Grójec area had a rather favourable opinion of the state’s agricultural policy as it allowed them to sell lower quality industrial apples to the Agency of Agricultural Market at the price of dessert apples meant for direct consumption. It was revealed that the local market in the Łącko area of Małopolska Province could suffer while the Grójec area market of the Mazovia region near Warsaw was experiencing gains. The respondents called for expanding the repertoire of state intervention to increase the production of apple concentrate which could be stored while producers waited for better prices. They also proposed other measures such as providing healthy foods for children in schools, biogas production, alcoholic beverages (cider) or aroma products for the cosmetic industry.

Insurance policies for farmers who produced apples made for another important subject in the workshop participants’ discussion. According to the respondents the 13% insurance rate was too high, which made farmers unlikely to insure their crops. At the same, time farmers understood that the insurance rate is the effect of specific conditions of the region, where calculated risk is rather high. The solution for this problem could be found in the system of state subsidies for insurance, the way it had been implemented in the past. The respondents thought that the problem lied in the lack of solidarity on the insurance issue. The policies were tailored individually and if a farmer incurred losses and filed a claim with the insurer there was a “punishment” in subsequent years in the form of higher insurance premiums. Respondents said that in the past this had not been a problem. All farmers collected money for the one who was in need. The respondents claimed that numerous institutions did not want to insure farmers because paying claims in cases of natural disasters could mean losses for the insurance companies. It would be rather hard for these companies to profit from such insurance plans.

The issues related to credits and mortgages were also present in the discussion and they involved two main problems. The first one was related to the institution that could be involved in the funding of apple production in the most suitable way. Here, the respondents alluded to cooperative banks as local institutions, close to local matters, cooperating with local government, and potential allies to local development. In cooperative banks the customer was never anonymous and the decisions were made locally. According to workshop participants, this type of bank should be supported by the state as it is farmer-friendly. Another problem mentioned by respondents related to the compatibility of the credit system to the rhythm of agricultural production. Farmers' unwillingness to take credits and mortgages was a sign of their fears of inability to pay them off as sales of products could be problematic and uncertain. The respondents emphasized that farmers were very cautious in taking investment credits because the situation was uncertain and making a living solely on agricultural income was quite risky. It was mentioned that farmers (apple producers) were under the pressure of crediting institutions, namely banks. The lack of certain bank products, such as agricultural procurement credits, was addressed. Such a credit could allow farmers to get much needed financial means even before the harvested apples were sold. Contracting of apples in September or October without prepayments (agricultural procurement credits) put direct producers at a disadvantage when confronted with banks.

The issues of the Common Agricultural Policy of the EU also received a lot of attention from the respondents. In their opinion, starting in 2016, Polish farmers should receive direct subsidies equal to those received in the countries of the old EU. They claimed that Polish producers were not currently competitive as their incomes were lower than the incomes of their Western counterparts. Additionally, production means were more expensive in Poland. The respondents advocated for a change in the philosophy of spending the financial means allocated to Poland within the framework of Common Agricultural Policy. In their view the Polish state should decide how these means would be spent. The financial support should be directed into production areas where there were no surpluses and a real need to increase production and into ensuring a good price for the producer. In the mountainous areas (such as Łącko municipality) the subsidies should be higher for the producers who used their land properly without setting aside arable land. This was very important to our respondents, who suggested going a few steps in the direction of individualized subsidies, which would address the specifics of particular farms. It was stated several times that the position of orchard farmers from Małopolska (and from mountainous regions in particular) was more difficult than the position of orchard farmers from other regions of Poland. In this context the climate conditions, shape of terrain, and traditional farm structure were discussed as influencing production of fruit, and apples in particular, in two ways. On one hand, the climate conditions were thought to be harsher than in other parts of Poland or the European Union. The transport conditions were also seen as more problematic than in other European Union countries. On the other hand, there was a necessity to cultivate fruit due to the dispersed farm structure (80-90% of farms operated in an area smaller than 5 ha), soil quality, and shape of the terrain that eliminated any other type of agricultural production besides fruit production and forestation. The need to manage the surpluses of fruit and vegetable production by increased fruit processing was expressed by workshop participants and it was viewed as an issue pertinent to all the European Union countries.

Direct marketing was also discussed but it was said to involve only 10% of orchard fruit producers. Producer groups or cooperatives were seen as dominating actors here as they

could sell their products directly to stores. The high quality of the product and good storage conditions were guaranteed by producer groups and it meant meeting the expectations of the consumers. At the same time, individual producers could not count on consumers or small store owners to buy their apples. It was noted that consumer opinions of apples sold by producer group or cooperatives were quite favourable due to expected guarantees of higher quality and proper storage of apples.

The respondents were very critical of the processing sector as the price of the final product received by farmers and small processors was unsustainable. This was attributed to the manner in which market chains operate. Traditional methods of processing in this context were difficult to maintain deeming the product prices unsatisfying. The producers, who opted to produce fruit and traditional fruit preserves and other products processed by traditional methods complained about low prices. They thought that the orchard fruit producers from other regions who followed in their footsteps of traditional production contributed to the reduction in prices. During the research they argued that traditional production meant relatively small batches of diverse products (different apple varieties), destined for relatively small, sometimes niche markets. In such cases production was necessarily more expensive and, consequently, the product prices on the market needed to be higher as well. Unfortunately, this was not the case. There was no consensus between the producers, especially the producers from outside of Małopolska Province, who were driving prices down. The respondents said it could be the result of significant pressure coming from big supermarket chains and consumers. The producers should not succumb to such tensions because natural products or the ones produced with traditional methods should be more expensive. Furthermore, it was mentioned that ecological production was the subject of so many rules and regulations that agricultural advisers were hesitant to take up such issues. The respondents advocated for special subsidies for ecological production as the quantity of ecological raw material was insufficient. Polish producers were likely to face the necessity of buying ecological raw materials outside of the country.

The last major segment of the discussion was devoted to the role of the state and social consequences of functioning of orchard farms. According to the participants in the workshop, the Polish state should strive for increasing agricultural subsidies that farmers received in Poland to reach the subsidy level of the old European Union. It was also indicated that the state subsidies allotted to the municipal budget (in this case, Łącko municipality) were regularly reduced due to the decisions of the mayor to relieve some inhabitants from the agricultural tax. The respondents pointed out the faults of such policy. They thought the state policy needed to be more sensitive to future prospects in terms of researching what types of crops would be profitable in years to come. The state policy should not just be interventional and should be conducted with future prospects in mind. The crisis of overproduction should be prevented and the production leading to surpluses of certain kinds of fruit should not be subsidized. The agricultural advisors should be cautioned that the quantity of production was less important than sustainable production goals of future profitability. The respondents noted that Polish agriculture was generally lacking a strategic policy for orchard fruit production that would allow the farmer to know what to invest in and what to cultivate. Economic patriotism concentrated on the development, promotion, and purchase of Polish products should be an integral part of such a policy. Some respondents thought that it would require certain control over the media which were mostly in “foreign hands.” They also noted that similar developments could be observed with banks. Food Economy Bank used to have

a very good reputation in Poland as it had been established to support agricultural production and finance food production in Poland. The bank was supposed to support farmers. After the bank was bought out by French capital, namely Paris Agricole Bank, it was apparent that in some sense the bank monopolized how the turnover of agricultural products was supported at the level of 70%. This was not beneficial to agricultural producers and became a prime example of the power of financial capital.

In the statements made by workshop participants there were historical motifs of comparing the current situation of orchard fruit producers to the situation from before 1990, when orchard fruit production in Poland was dominated by cooperatives. According to respondents, at that time cooperatives controlled about 80% of production. After the political changes, individual orchard production started to be preferred and producers were able to receive higher prices, as much as 20% higher. Later it became obvious that the global market was dominated by large producers that were additionally supported by their states. This was thought to be the main problem for contemporary Polish cooperatives in operating their businesses. Additionally, there was a demographic problem as young people were not very likely to see themselves as apple producers in the future.

During the workshop it was pointed out that good condition for orchard farms were connected with the welfare of entire farming families. This type of economic activity in this community (Łącko municipality) was second most important after construction and building services. At the same time, the lack of a workforce faced by orchard farms was addressed. This part of the market was drained by orchard farmers from other countries (Germany, Sweden) who offered better pay. The respondents emphasized that professional activities of families involved in orchard fruit production should be diversified so the income from non-agricultural economic activities could support orchard fruit production. Attention was given to the shrinking workforce market as young people migrated to other parts of Poland or other countries within the European Union.

Conclusions

As a kind of conclusion we present other required strategies that have been developed by participants in the workshop. They contained mainly: a/ introduction of the national policy concerning apples with the special stress on important regional diversification of apple production in Poland; b/ strengthening the role of producers in confrontations with purchasers and processors through the strengthening of local apple processing and more intensive cooperation among individual producers; c/ strengthening the role of credit unions that seem to be more sensitive and flexible in responding to producers' requests, something seen as quite contrary to the practices of commercial banks; d/ policies focused on price reduction and qualities of the means of production among European Union countries; e/ introduction of the policies focused on an evaluation of product quality which is independent of purchasers or processors; f/ introduction of the policies focused on upgrading of monitoring system concerning of growing apples.

Therefore, we would stress that apple production has been organized following the mixed characteristics of different systems of agricultural production characterized in the first part of this paper. Calling for policies reducing the prices of means of production as well as some national government support seem to be more characteristic of the corporate market system of producing agricultural goods. However, calling for stress on regional diversification in

national policies, local apple processing, cooperation among individual producers, independent evaluation of product quality, as well as an of upgrading of the monitoring system concerning growing apples seems to be more connected with some elements of the idea of a sustainable production type.

Our reflection seems to confirm the thesis on the future of family farms as presented by Brunori and Bartolini (2016). The authors emphasized that family farms would be able to thrive in conditions that foster policies beneficial to them. Our analyses show that regionalization of national policies in regard to various types of agricultural production will also favour more sustainable forms of fruit production in the future.

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