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## **EFFECTS OF CREATION AND DISTRIBUTION OF THE AGRICULTURAL PROPERTY STOCK OF THE STATE TREASURY ON THE STRUCTURE OF AGRICULTURAL HOLDINGS**

### **Summary**

*Family farm sector in Polish agriculture is characterised by a very negative area structure. Acceleration of ownership changes in agriculture, especially via transfer of agricultural holdings to this sector from the Agricultural Property Stock of the State Treasury, which was set up mainly on the basis of property from liquidated state-owned farms (PGR), was to contribute to strengthening the sector and improvement in its structure. This paper aims to evaluate the implementation of the goal. The research covers the 1990-1996 period, i.e. up to finalisation of the primary distribution of the Property Stock. The analysis covered the main assumptions on how to distribute the Property Stock and effects of realisation of these assumptions. Later, changes in ownership, legal and organisational, and area structure were analysed, especially changes in the individual farm groups, which were at that time described as family farms. Conducted analysis demonstrated that the planned effects were reached only to a small degree. Family farm sector has decreased. There has been a clear polarisation in the area structure of this sector. Average area of a farm in the sector increased only slightly. However, the sector of large-area farms owned by private or legal persons has increased significantly (beside cooperative farms, which existed prior to system transformation period).*

**Key words:** Agricultural Property Stock of the State Treasury, area structure, ownership structure, state-owned farms, large-area farms, family farms, Polish agriculture, distribution, cooperative

On the verge of system changes, which started in Poland at the turn of 1989 and 1990, the ownership structure of agriculture, contrary to other sectors of the national economy, was dominated by private farms, basically small holdings of farmers, commonly known as individual farms. In 1990, these farms used 77% of the total of utilised agricultural area (UAA) owned by all farms and in 1986-1990 they produced, on average, 73.6% of the agricultural commercial production, while state-owned farms, respectively, 18.9% and 21.5%<sup>1</sup>. The situation did not impose faster ownership changes because, from the perspective of smooth operation of the agricultural market, private farms were definitely the dominant entity in the agricultural market. From the beginning of system changes agriculture grappled with a fundamental problem of economic policy that rejected the need for state interventionism in agriculture and, simultaneously, took up active measures to balance the market by fast reduction in the real income of the population. As a result, demand for food and agricultural products plummeted and, consequently – with large and uncontrolled inflow of products from abroad – there was a sudden change in the sectoral structure of prices to the determinant of agriculture and sizable problems with sales of the manufactured agricultural production. In such conditions, profitability of agricultural production deteriorated dramatically, agricultural income fell sharply and farmers' readiness to restructure their agricultural holdings, including also extend holdings' area, lowered considerably (more in: Dzun W., 2005).

Regardless of the presented situation, the basic problem of the Polish agriculture was very high level of agrarian fragmentation of individual farms<sup>2</sup> and too slow improvement in this regard. Additionally, the scale of the fragmentation was highly differentiated by regions: it was definitely the highest in the regions with a dominant share of individual farms in the structure of UAA use, i.e., the south-eastern voivodeships; it was slightly lower in central voivodeship and the lowest in the north-eastern, northern and western voivodeships with high share of state-owned farms (Polish: *państwowe gospodarstwa rolne, PGR*)<sup>3</sup>. Despite this, lack of evident progress as regards better area structure of individual farms was blamed mainly on the agricultural policy of the state targeted at development of state-owned farms.

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<sup>1</sup> The remaining, minor shares in land use and commercial production fell to agricultural cooperatives (respectively, 3.8% and 4.6%) and farms of agricultural circles (0.3% and 0.3%), thus, also private sector units.

<sup>2</sup> Even considering only 2.14 million agricultural holdings per 1 ha of UAA and more, i.e., overlooking over 1.6 million individual farms (agricultural parcels) of up to 1 ha of UAA, the average area of a farm countrywide in 1990 amounted to 6.3 ha (5.7 ha in 1980). Farms of less than 5 ha accounted for 52.8% (in 1980 – 55.7%), and 15 ha and more only 6.1% (in 1980 – 4.3%) of the total number of farms.

<sup>3</sup> For example, the average area of a farm of more than 1 ha of UAA in the 1<sup>st</sup> group of voivodeships was: Bielskie – 2.6 ha, Krakowskie – 3.0 ha, Rzeszowskie – 3.3 ha, Nowosądeckie – 3.5 ha; in the 2<sup>nd</sup> group: Warszawskie – 4.2 ha, Tarnobrzесьkie – 4.5 ha, Kieleckie – 4.6 ha, Częstochowskie – 4.8 ha, and in the 3<sup>rd</sup> group: Olsztyńskie – 12.6 ha, Suwalskie – 12.0 ha, Elbląskie – 11.5 ha, Koszalińskie – 10.7 ha, Piłskie – 10.7 ha, Słupskie – 10.4 ha.

The concept of faster ownership changes and better area structure of individual farms was created in such conditions. It was to be done through market activation of agricultural property owned by the State Treasury, especially agricultural property managed by the state-owned farms. The basic tool to implement the concept was the Act on the management of property of the State Treasury and on amendment of certain other acts enacted on 19 October 1991. Pursuant to the Act, agricultural properties of the state were to be included into the Agricultural Property Stock of the State Treasury (*Zasób Własności Rolnej Skarbu Państwa, ZWRSP*). Distribution of the Property Stock through sales and lease of agricultural property, principally UAA, was to improve the structure (in particular area structure) of individual family farms<sup>4</sup>. The specially set up Agricultural Property Agency of the State Treasury, which was a central administration and economic institution, was entrusted with the tasks following from the above Act, namely liquidation of state-owned farms (PGR), takeover of the property of the State Treasury by the Agricultural Property Stock of the State Treasury and its distribution.

The paper discusses the impact of the Property Stock and its distribution on the changes in the structure of agricultural holdings, specifically on the improvement in the area structure of individual farms. The research covered the 1990-1996 period, because in 1996 the so-called primary distribution of the Property Stock had ended and the National Agricultural Census (*Powszechny Spis Rolny, PSR*) had been held, which enabled to carry out the assumed analysis. In subsequent years, the impact of distribution of the Property Stock<sup>5</sup> on the changes in the structure of farms was definitely smaller, but still important. However, due to limited volume of the article, the impact of management of the Property Stock on the structure of farms in the period before and after the accession will be discussed in a separate paper.

### **Setting up the Agricultural Property Stock of the State Treasury and its distribution in 1992-1996**

In line with the adopted Act, the Agricultural Property Stock of the State Treasury was set up, above all, from the property taken over from liquidated state-owned farms. First property takeovers took place in June 1992, i.e. 8 months after the Sejm's decision to liquidate state-owned farms. Essentially, the liquidation

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<sup>4</sup> At the time, the Polish legislation lacked a definition of a family farm. Back then, such farm was understood as an individual farm of less than 100 ha of UAA, based on the work of its user and his/her family members (amounting to at least 1.6 AWU), providing the user and his/her family members with the main source of income and those working at the farm – income parity. Such an approach was included in the draft Act on family farms, prepared by PSL and submitted to the Sejm in 1995.

<sup>5</sup> Essentially, it was secondary distribution of the Property Stock (distribution of properties withdrawn from lease, liquidated farms administrated by the State Treasury and sole shareholder companies of the State Treasury).

of state-owned farms ended in 1994<sup>6</sup>. By the end of 1996, the Property Stock took over ca. 3,750 thousand ha of former state-owned lands<sup>7</sup>. In the next years, the Agency took over small-area properties only and, all in all, it took over ca. 3,760 thousand ha of former state-owned lands, including 3,160 thousand ha of UAA.

By the end of 1996, apart from former state-owned properties the Agency also included the following in the Property Stock:

- 173 thousand ha of land used by the state organisational units without legal personality, state legal persons and other entities. But these takeovers were, basically, only formal because the units had the right to use the property under former conditions and were only obliged to conclude, within 2 years, new use agreements with the Agency.
- 13 thousand ha of lands transferred to the state under the Act on social insurance of individual farmers (for pensions).
- 570 thousand ha of lands from the National Land Fund (*Państwowy Fundusz Ziemi*, PFZ) (from ca. 810 thousand ha of lands planned to be taken over at the end of 1991)<sup>8</sup>. A large part of the land was leased, mainly by individual farmers<sup>9</sup>.

In total, by the end of 1996, slightly more than 4.5 million ha of land was taken over, out of which 3.8 million ha of UAA. After 1996, only 200 thousand ha of land more was taken over.

Taking over of the property of the State Treasury by the Property Stock, above all, from liquidated state-owned farms, was only the beginning of the process of ownership changes. Next stages, pursuant to the Act of 19 October 1991, was restructuring of the seized property in view of its future development and, then, its efficient development. In line with the Act and assumptions of the agricultural policy of the state, the Agency, in the document entitled “Lines of action of the Agricultural Property Agency of the State Treasury”, indicated that family farm is and will be the dominating form of organisation of agricultural production in Polish agriculture. In the document, the Agency clearly stated that the Property Stock will serve “... mainly to develop family farms. This will be

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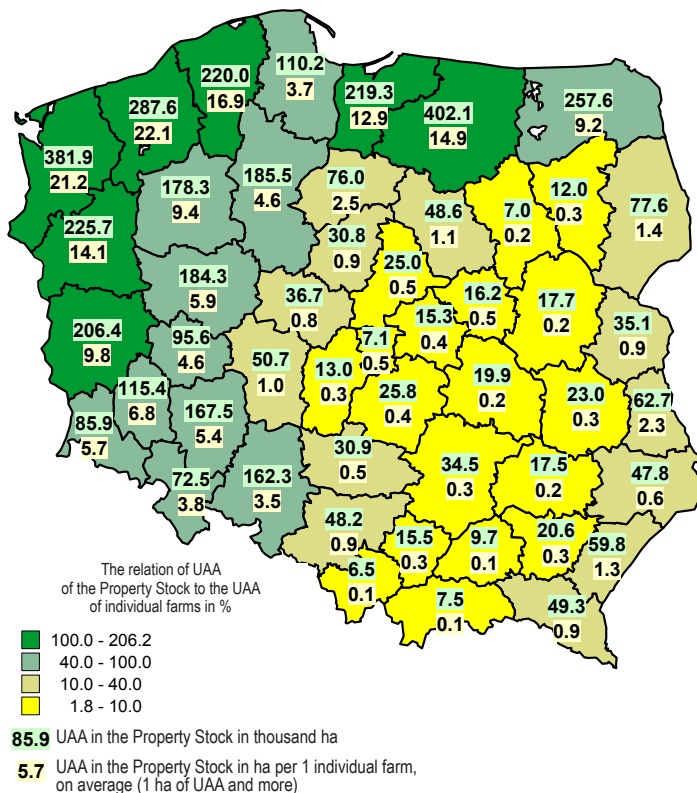
<sup>6</sup> In 1992, 882 state-owned farms were liquidated and 1,369 thousand ha of land were taken over by the Property Stock; in 1993, respectively, 713 and 1,659 thousand ha; in 1994 – 66 and 700 thousand ha; and in 1995 and later years: 5 state-owned farms and 333 thousand ha.

<sup>7</sup> Apart from land, the Property Stock took over significant fixed and current assets used for agricultural and non-agricultural production and service activity, and also social, living, cultural and sport activity (more on the issue in: W. Dzun, 2005).

<sup>8</sup> The largest total area of land was taken over on this account in voivodeships having disadvantaged farming areas, namely in some part of northern and western voivodeships (Olsztyńskie – 38.6 thousand ha, Zielonogórskie – 38.1 thousand ha, Szczecińskie – 32.5 thousand ha, Jeleniogórskie – 28.5 thousand ha) and in eastern voivodeships (Chełmskie – 34.7 thousand ha, Białostockie – 33.1 thousand ha, Suwalskie – 29.1 thousand ha).

<sup>9</sup> At the end of 1990, the PFZ had 772 thousand ha of land, out of which 555 thousand was managed, where 370 thousand was leased by individual farmers.

done through sale or lease of agricultural property from the Property Stock to extend (land concentration) the existing and create new family farms”, and sale of farms organised on the land of the Property Stock “... will be limited to such farms which will have the potential to be turned into family farms”. Whereas agricultural property, which was not distributed and remains in the management of the Agency, was to be leased as unorganised components of assets or organised as farms owned by the State Treasury and leased or entrusted to an administrator set by the Agency. In the coming years, farms remaining in the Property Stock, regularly offered for sales, were to form the grounds for changes in agriculture leading up to development of family farms.



**Map 1.** Size of the Agricultural Property Stock of the State Treasury against the utilised agricultural area of individual farms

It was very difficult to implement thus formulated aim of setting up and distribution. Firstly, Property Stock’s land was large in the regions where the groups of individual farms were rather minor and the average area of farms was fairly large, and very small in regions where these groups were very numerous and the

average area of a farm was rather small. UAA gathered in the Property Stock, on average, per 1 individual farm ranged from 22 ha in the Koszalińskie Voivodeship and 21 ha in the Szczecińskie Voivodeship to 0.1 ha in the Nowosądeckie and Tarnowskie Voivodeships and 0.2 ha in the Radomskie, Ostrołęckie and Siedleckie Voivodeships (Map 1). Secondly, full implementation of thus formulated aim would, basically, deprive of job in agricultural production (on farms) all workers of liquidated state-owned farms in regions of growing unemployment.

In the first years of distributing the property from the Property Stock, despite favourable purchase conditions<sup>10</sup>, the demand for UAA, especially of individual farmers, was low. Simultaneously, along with taking over the property after subsequently liquidated state-owned farms the Agency was increasingly more burdened with repayment of debts of these properties. Most of the farms under temporary management and some part of administered farms, not only failed to earn income but generated additional costs<sup>11</sup>. In such circumstances, the Agency aimed at as fast as possible distribution of the Property Stock and it did not use special area standards when selling and leasing farms, believing that the provisions of the Act do not contain any restrictions in the field. It can be stated that, at the time, agricultural property was purchased by those who had the capital. Given the difficult financial situation, the Agency also accepted to pay, in full or in part, for some part of the property sold with restructured debt. In general, this referred to sales of large-area properties.

Therefore, the government next decided to speed up permanent distribution of the Property Stock and, simultaneously, to target the distribution more at development of family farms and improvement of their area structure. To this end, in 1995 solutions concerning acquisition of land under preferential terms were adopted, which provided, above all, for increasing the upper area limit of acquired land up to 100, 300 and 500 ha, depending on the region of the country classified by size of the Property Stock. This provision was available not only to individual farmers. As a result, it was used extensively by other purchasers, including lessees of large-area farms, purchasing some part of land (primarily economic centres), which increased their certainty of farming and enabled them more free investments. Recognising administration as equal type of distribution as lease was also to accelerate the process of distribution of the Property Stock.

Despite efforts to speed up sales of agricultural properties, only 411.3 thousand ha of land (9.1% of the total Property Stock) was sold by the end of 1996,

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<sup>10</sup> Low price of land, the possibility to spread out the purchase price in instalments, the possibility to get a preferential credit and to be exempt from agricultural tax on land transfer for 5 years. These conditions were regulated by a Regulation of the Minister of Agriculture of 16 January 1992 and Budget Act for 1992.

<sup>11</sup> Even in 1995 – a relatively good year for agriculture – farms included in the Property Stock and making a balance sheet (farms under temporary management and administration, excluding farms under the process of being taken over and agricultural properties that were not farms) incurred losses amounting to PLN 509 million (559 million of losses and 50 million of profit).

including 187 thousand ha (45.5%) in parcels of more than 100 ha, usually as organised farms. About  $\frac{3}{4}$  of all sold land was purchased by natural persons. This share dropped along with a growth in the area of sold parcels. On average, in the group of up to 100 ha it amounted to 91% (99.1% in the group of up to 1 ha, 84.4% in the group of 50-100 ha) and in the group of over 100 ha – ca. 53% (67.6% in the group of 100-500 ha and 27.2% in the group of over 1,000 ha). Definitely the largest area of land was sold in voivodeships formerly occupied by state-owned farms (Elbląskie – 35.8 thousand ha, Pilskie – 35.1 thousand ha, Olsztyńskie – 31.3 thousand ha), and the smallest in voivodeships having the smallest Property Stock (Bielskie – 0.3 thousand ha, Krakowskie – 0.3 thousand ha, Ostrołęckie – 0.7 thousand ha). The highest share of sales in distribution of the Property Stock was noted in voivodeships having small UAA in the Property Stock and showing a significant demand for it (Skierniewickie – 29%, Nowosądeckie – 24.2%, Łódzkie – 22.9%, Siedleckie – 20.1%) and significantly smaller in voivodeships having large UAA in the Property Stock and, at the same time, characterised by considerable determination of workers of state-owned farms to lease their farms.

At that period, some part of the Property Stock's land was also permanently managed by gratuitous transfer to other entities (85 thousand ha – including 39 thousand ha to the State Forests, 28 thousand ha to the Church, 18 thousand ha to gminas and other units) and brought as a contribution in kind to companies (9 thousand ha). As a result, a little over 526 thousand ha of UAA, i.e. less than 12% of the Property Stock, was permanently managed at the end of 1996.

As a consequence of insufficient demand for purchase of property, lease started to be the basic form of its management. Before putting larger organised properties on lease (in general, larger than 100 ha), respective UAA was separated (as per demand from farmers) for sales or lease to extend and establish family farms. In regions, noting low demand for UAA, reserves were usually formed, above all, through the so-called exclusion clauses<sup>12</sup>, in case of a growth in demand.

By the end of 1996, the Agency leased 3.2 million ha of UAA. Definitely the most numerous were entities leasing up to 1 ha of UAA (48% of lessees) and 1-10 ha (40% of lessees). But in the structure of leased land, as much as 79.5% were lands of 100 ha and more, most often in an organised form (lands with economic centres). Natural persons definitely prevailed in leasing lands of up to 500 ha (over 94% of land leased in the group of up to 100 ha and 68% in the group of 100-500 ha). In parallel, due to expiry and termination of contracts (at the request of the lessee or the Agency), lands were returned from lease. Consequently, 2.93 million ha of UAA was leased at the end of 1996, including

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<sup>12</sup> Making it possible to exclude from a lease contract, during its term, some part of leased land (initially – 10%, and later, along with a growth in demand for land – 20%).



1.57 million ha (ca. 54%) by natural persons. A major part of the lands (over 80% in total lease and ca. 64% leased by natural persons) was leased as organised parcels and farms of 100 ha and more (Table 2).

All in all, 3.34 million ha was managed through sales and lease at the end of 1996, including a vast majority (over  $\frac{3}{4}$ ) as organised farms of more than 100 ha of UAA (Table 1).

Table 1

**Land sold and leased in total and for natural persons by area groups  
(at the end of 1996)**

Specification	Total	Area groups in ha of UAA							
		up to 1	1-5	5-10	10-20	20-50	50-100	100-500	>500
Sale	411.3	11.2	33.6	30.8	43.7	80.6	24.5	89.3	97.5
Lease	2,928.1	36.8	99.5	61.7	76.2	144.0	162.3	747.1	1,600.4
Including to natural persons									
Sale	303.4	11.1	32.9	29.4	40.6	70.5	20.6	60.4	37.8
Leased	1,716.0	41.7	116.1	76.7	94.9	160.2	128.2	572.4	525.7
Under lease <sup>a</sup>	1,569.7	36.7	98.7	60.5	73.5	133.3	141.0	505.4	493.6

<sup>a</sup> Own estimate. Calculated assuming that returns from lease to natural persons were, on average, the same as for leases in total.

Source: own calculation and compilation based on the annual report of the Agricultural Property Agency of the State Treasury for 1996.

At the end of 1996, the Property Stock – apart from 2,928 thousand ha of land leased – included 268.1 thousand ha of land transferred to be administered, 65.4 thousand ha under management and perpetual usufruct, and 718.8 thousand ha of land still undistributed (5.9 thousand ha was under temporary management, 291.3 thousand ha was in different units subordinate to the Agency and 281.4 thousand ha was transferred by the Agency to be managed by other entities, especially gminas). It was estimated that out of undistributed land ca. 500 thousand ha could be allocated to agriculture, but ca. 70 thousand ha required works to restore them to agricultural production.

**Impact of distribution of the Property Stock on changes  
in the structure of farms**

**Changes in the public sector of farms**

As a result of liquidation of state-owned farms and then gradual distribution of farms into temporary management and administration (established under the Property Stock on former state-owned assets), rapid decrease in the sector of pub-

lic farms was clear in the analysed period (Table 2). UAA of the sector dropped to 1.62 million ha, including that used by farms – to 1.25 million ha. The remaining 0.37 million ha represented land other than farms (mostly UAA of the Property Stock undistributed and unorganised into farms).

The legal and organisational structure of farms from the sector was highly varied. Typical state-owned farms (farms functioning in different state units) held a dominant position, in quantitative terms, but there were also many farms set up as commercial partnerships with limited liability (*z.o.o.*) and joint stock companies (mostly sole shareholder companies of the State Treasury) and farms under administration.

All in all, in 1996 there were 2,016 public farms, including 1,953 agricultural holdings of the state<sup>13</sup> (503 of the State Treasury and 1,450 of different types of farms of economic units and state institutions), 53 communal farms and 10 mixed property farms,

In 1990-1996, area changes affected most of public farms existing in 1996 (ca. 52%): in more than  $\frac{3}{4}$  of these farms there was a decrease and in ca.  $\frac{1}{3}$  an increase in the area of a farm<sup>14</sup>. But most of the public farms (52%) remained in the group of over 100 ha, including  $\frac{1}{4}$  in the group of over 1,000 ha. Thus, a vast majority of UAA in the sector (nearly 98%) was used in farms of over 100 ha, including 74% in over 1,000 ha and next 13% in 500-1,000 ha.

### **Changes in the private sector of farms**

In the analysed period, the share of private farms sector in UAA of the total number of farms increased from 81.1% in 1990 to 92.8% in 1996 (Table 2). However, it needs to be noted that 1.87 million ha of UAA was transferred from the public to the private sector (above all, via distribution of the Property Stock)<sup>15</sup>, while UAA of the sector increased only by 1.12 million ha – to 16.1 million ha (by 7.5%). This resulted from very fast increase in this sector in the UAA other than farms (above all, as small individual agricultural parcels)<sup>16</sup>.

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<sup>13</sup> It needs to be noted that difficulties with distribution of the Property Stock resulted in setting up of, much more than needed, crop and livestock farming companies of the State Treasury and in allowing for establishing, on the basis of well-functioning agricultural complexes, agricultural commercial companies of the State Treasury. Moreover, administration was recognised as a form of permanent distribution of the Property Stock. By the end of 1996, there were 106 crop and livestock farming companies (38 of crop farming and 65 of animal farming), 3 companies of horse training, 37 commercial companies and 161 agricultural and fishery holdings in administration.

<sup>14</sup> It does not make up 100% because a part of farms noted both a drop and a growth.

<sup>15</sup> It should also be considered that in this period, because of criticism of the state form of management, many state institutions and economic units leased their holdings or gave them to be administered by private persons or units.

<sup>16</sup> The Central Statistical Office reports that in 1996 the private sector used 16.85 million ha of UAA, including 15.17 million ha used by natural persons, while the UAA in individual farms (1 ha and more and agricultural parcels below 1 ha) amounted to 14.64 million ha.

Table 2

**Changes in the structure of farms by ownership forms and legal and organisational forms in 1990-1996**

Farms	1990		1996		Dynamics	
	number	thousand ha of UAA	number	thousand ha of UAA	number	UAA
Total	3,833,626	18,468.0	3,066,535	17,348.3	80.0	93.9
Public	2,386	3,490.0	2,016	1,249.1	84.5	35.8
- state-owned <sup>a</sup>	2,386	3,490.0	1,953	1,242.2	81.9	35.6
- communal	-	-	53	2.0	-	-
- mixed ownership	-	-	10	4.9	-	-
Private	3,831,240	14,978.0	3,064,655	16,099.2	80.0	107.5
national	3,831,240	14,978.0	3,064,529	15,981.3	80.0	106.7
- of natural persons	3,829,000	14,228.0	3,060,132	14,639.1	79.9	102.9
- SPR <sup>b</sup>	2,240	750.0	2,467	501.2	110.1	66.8
- companies	-	-	1,155	822.3	-	-
- other	-	-	629	18.0	-	-
foreign	-	-	100	102.9	-	-
mixed ownership	-	-	36	45.0	-	-

<sup>a</sup> In 1990, the given number of state-owned farms does not cover small holdings of different state units; <sup>b</sup> Cooperative farms (cooperatives of agricultural production [*Spółdzielnie Produkcji Rolnej, SPR*]) and agricultural self-government (agricultural circles [*Kółka Rolnicze*]). In 1990, only agricultural production cooperatives (*Rolnicze Spółdzielnie Produkcyjne, RSP*) and collective agricultural holdings of agricultural circles (*Zespołowe Gospodarstwa Rolne Kółek Rolniczych, ZGR KR*).

Source: Dzun W.: Procesy transformacji gospodarstw osób prawnych w latach 1990-1996. Zagadnienia Ekonomiki Rolnej, no. 2, 2014.

What changed radically was the legal and organisational structure of farms in the sector. At the beginning of system changes there were individual farms (farms of natural persons), agricultural production cooperatives (RSP) and collective agricultural holdings of agricultural circles (ZGR KR).

In the analysed period, individual farms (of natural persons) continued to have a dominant position. At the same time, the group of farms witnessed a high internal differentiation (see next chapter). However, it needs to be noted that, although UAA of all farms from this group (up to 1 ha and above 1 ha) increased by ca. 411 thousand ha in the period, its share in the use of UAA in the private sector dropped slightly (from 95.0% in 1990 to 91.2% in 1996).

A sharp growth in supply to the market of land from the Property Stock (and to some extent from other sources, above all, from liquidated agricultural production cooperatives (RSP) and individual farms), at low demand from individual farms fostered creation and turbulent development of new groups of private farms of different legal and organisational forms (Table 2). Different types of private economic units, institutions and companies, using low prices of land, acquired or leased whole former state-owned farms or parts thereof. Another rapidly developing group of farms were farms established on the basis of lands of the Property Stock gratuitously transferred to private institutions, primarily the Church and various foundations. Foreign and mixed ownership holdings were established on the basis of land from the Property Stock, above all, in the form of lease. In the process, the most dynamically developing group of farms included farms organised in the form of commercial partnerships of national, foreign or mixed ownership, mostly with limited liability. In 1996, there were 1,115 national companies, including 726 workers of former state-owned farms and 100 foreign farms and 36 mixed ownership farms, mostly organised in the form of companies, but functioning also as farms of natural persons based on lease. At the end of 1996, over 958 thousand ha of UAA was under the new forms of management, including foreign companies – 73 thousand ha, i.e., respectively, nearly 6% and 0.7% of all UAA in the private sector (Table 2).

In the sector, only groups of private collective farms, namely, cooperatives of agricultural production and farms of agricultural circles were clearly losing strength<sup>17</sup>. UAA of the group dropped by  $\frac{1}{3}$  and its share in lands used by the private sector fell from 5% to 3.1%<sup>18</sup>.

Despite a rather small extension of the area of the analysed sector, the area structure of farms from the sector changed decidedly. First of all, the number of farms below 1 ha of UAA dropped as well as UAA used by them. If in 1990, out of the total UAA in the sector – amounting to 14.98 million ha – ca. 1.7 million of farms up to 1 ha of UAA used ca. 0.85 million ha of UAA (ca. 5.5% of total UAA in the sector), then in 1996 these figures were, respectively, 1.02 million of farms, 0.38 million ha and 2.4%. The structure of farms of 1 ha of UAA and more also changed significantly (Table 3). The basic trend was strong area polarisation. A growth in the number of farms and area of land used by them covered the smallest area farms, of up to ca. 3 ha of UAA and large farms of more than 20-30 ha<sup>19</sup>.

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<sup>17</sup> The growth in the number of farms, given in the Table, followed from considering, as farms, in the National Agricultural Census of 1996 (*Powszechny Spis Rolny, PSR 1996*) not only the agricultural production cooperatives (RSP), but also, agricultural parcels owned by different types of organisations of cooperatives and agricultural circles.

<sup>18</sup> However, this did not reduce the private sector because farms in the form of private companies of legal persons or farms of legal persons were created on the basis of liquidated agricultural production cooperatives (RSP).

<sup>19</sup> It is difficult to precisely define the boundaries of area groups given the lack of comparable data.

On the one hand, the growth in number was the strongest for area group of 1-2 ha (number of farms by 22.3% and UAA by 15.4%, and the average area of a farm dropped from 1.5 to 1.4 ha of UAA) and, on the other, for area group of 100 ha (growth in number by 263%, UAA by 423% and average farm area from 284 to 455 ha of UAA). In 1990-1996, the share of farms of more than 100 ha in area of land used in the private sector increased from ca. 4.3% to 13.5%, including in the group of farms above 1,000 ha to 10.6%. In 1990, agricultural production cooperatives (RSP) definitely dominated in the group of farms of more than 100 ha of UAA (ca. 96% of all farms and over 98.5% of land), while in 1996, definitely the largest share fell to natural persons (respectively, ca. 60% and 44.1%), followed by other private legal forms, including primarily companies (19% and 37.1%) and SPR, mostly RSP (21% and 18.8%).

Table 3

### Changes in the area structure of private sector farms of 1 ha and more in 1990-1996

Year		Total in thousand	Structure by area groups in ha of UAA; in %						
			1-10	10-100	100-200	200-300	300-500	500-1,000	1,000 and >
1990 <sup>a</sup>	ha of	2,140.6	82.5	17.40			0.1		
	UAA	14,150.0	54.36	41.36			4.28		
1996	ha of	2,044.85	80.75	18.98	0.10	0.04	0.06	0.06	0.02
	UAA	15,719.6	43.25	43.49	1.80	1.40	2.99	5.24	5.39

<sup>a</sup> For 1990, the data are partly estimates.

**Source:** own calculation and compilation based on data of Spis Rolniczy 1987, PSR 1996 and Rolnictwo i Gospodarka Żywnościowa 1986-1990. GUS, Warszawa 1992.

### Changes in the sector of farms of natural persons (individual farms)

At the beginning of system changes, the sector of farms of natural persons was made up of individual farms of 1 ha of UAA and more, and individual farms of up to 1 ha of UAA<sup>20</sup>. With little exceptions, these were small family farms. As pointed out before, the distribution of the Agricultural Property Stock of the State Treasury was to be targeted at development and improvement of the area structure of the sector of individual family farms.

On the basis of analysis of distribution of the Property Stock, it was estimated that by the time of PSR 1996 only about 1.57 million ha of UAA went to the Property Stock from the sector of farms of natural persons (240 thousand ha on the basis of ca. 44 thousand sale contracts and 1,326 thousand ha through

<sup>20</sup> Individual agricultural parcels (0.1-1 ha) and individual persons keeping a relevant number of livestock without UAA or with small UAA (up to 0.1 ha).

lease, based on 127 thousand contracts)<sup>21</sup>, i.e. ca. 47% of the total number of distributed UAA of the Property Stock. A question arises: what was the impact of the above on the development of the sector of individual family farms and, primarily, improvement of their area structure?

From PSR 1996 data it follows that in 1990-1996 in the group of individual farms of 1 ha of UAA and more, UAA was increased in 291.1 thousand farms, i.e. slightly over 14% of the total. Nearly, 138.5 thousand of them (48%) through lease, including 49.8 thousand from the Property Stock. Extension by lease amounted to 1,348.7 thousand ha (average per 1 farm – 9.7 ha), including 947.9 thousand ha (70% of the total) from the Property Stock (19.0 ha, on average, per farm). Out of all farms extending their area, 104.3 thousand (36% of the total) enlarged the area through purchase of land, including 14.8 thousand (14.2%) from the Property Stock. These farms bought 483.4 thousand ha, including 141.5 thousand ha (29.4%) from the Property Stock.

The share of distribution of the Property Stock in extending the individual farms was rather minor (Table 4). In total, 64.6 thousand farms from the Property Stock extended their farms through purchase and lease, i.e. 3.1% (0.7% through purchase and 2.4% through lease) of all individual farms<sup>22</sup>. The share was, however, strongly diversified, depending on the area size of the farm. It was the lowest in the group of 1-5 ha (0.3% through purchase and 1.3% through lease), and only slightly higher in the group of 5-10 ha and it quickly increased along with an increase in the area of farms. Its level has already been high in the area group of 50-100 ha (15% through purchase and 45.3% through lease), it was very high in the group of 100-1,000 ha and it was the highest in the group of 1,000 ha and more (Table 4). Whereas the impact of distribution of the Property Stock on the scale of extension of farms was much greater. The land purchased and leased from the Property Stock by farms extending their area (in total by ca. 1,089 thousand ha) constituted ca. 7.6% of the total UAA of the total number of farms of natural persons in 1996. This share was very low in area groups of up to 30 ha (from 1.3% in the group of 5-10 ha and 2.5% in the group of 1-5 ha to 3.1% in the group of 30-50 ha) and it grew very fast in subsequent area groups (from 12.6% in the group of 30-50 ha and 33.1% in the group of 50-100 ha to an average of 64% in the group of over 100 ha). The share of farms from the area group of 100 ha and more in the structure of land purchased and leased from the Property Stock to extend the area of individual farms amounted to as much as 66%, while these farms constituted only 0.9% of the total of farms extending their UAA.

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<sup>21</sup> The figures given in Table 2, concerning land sold and leased by the end of 1996, were decreased by half of sold and leased areas in 1996. The number of contracts was estimated in a similar manner. The number of lease contracts by the end of 1996 was estimated considering the index of land return from lease.

<sup>22</sup> In fact, the given percentages were slightly lower, because some farms are counted twice if they extended their farms by purchase and lease.

Table 4

**The share of distribution of the Property Stock in extending the area of individual farms in 1990-1996 by area groups**

	Farms			Farms extending their area (%)							
	total	extending the area	%	through land purchase				through lease			
				total		from the Property Stock		total		from the Property Stock	
				a	b	a	b	a	b	a	b
1-5	1,129,794	101,666	9.0	2.2	3.1	0.3	0.4	3.6	5.5	1.3	2.1
5-10	520,816	68,473	13.1	4.8	2.5	0.5	0.3	5.9	3.9	1.7	1.0
10-20	306,619	75,249	24.5	10.8	5.8	1.2	0.8	12.3	8.1	3.7	2.3
20-30	55,696	25,451	45.7	21.4	5.9	3.6	1.2	26.4	8.8	10.0	3.2
30-50	19,551	12,930	66.1	32.1	10.3	8.0	3.0	42.9	17.2	22.5	9.6
50-100	5,540	4,594	82.9	38.8	15.3	15.0	6.7	63.2	34.4	45.3	26.4
100-200	1,584	1,334	84.2	34.3	15.4	16.5	8.7	69.7	50.6	59.9	44.8
200-500	1,143	869	76.0	17.1	10.8	8.8	7.3	69.0	61.8	65.7	59.5
500-1,000	503	378	75.1	12.7	4.5	6.8	2.9	71.8	65.9	68.6	63.3
>1,000	134	106	79.1	14.2	5.3	11.2	4.4	76.9	69.3	71.6	64.3
Total	2,041,380	291,050	14.3	5.1	3.4	0.7	1.0	6.8	9.5	2.4	6.6

<sup>a</sup> Farms extending their area in % of the total of farms in the given area group.

<sup>b</sup> UAA purchased or leased by farms extending their area in % of the total of UAA in a given area group.

Source: own calculation and compilation based on: Przemiany agrarne. PSR 1996, GUS, Warszawa 1997.

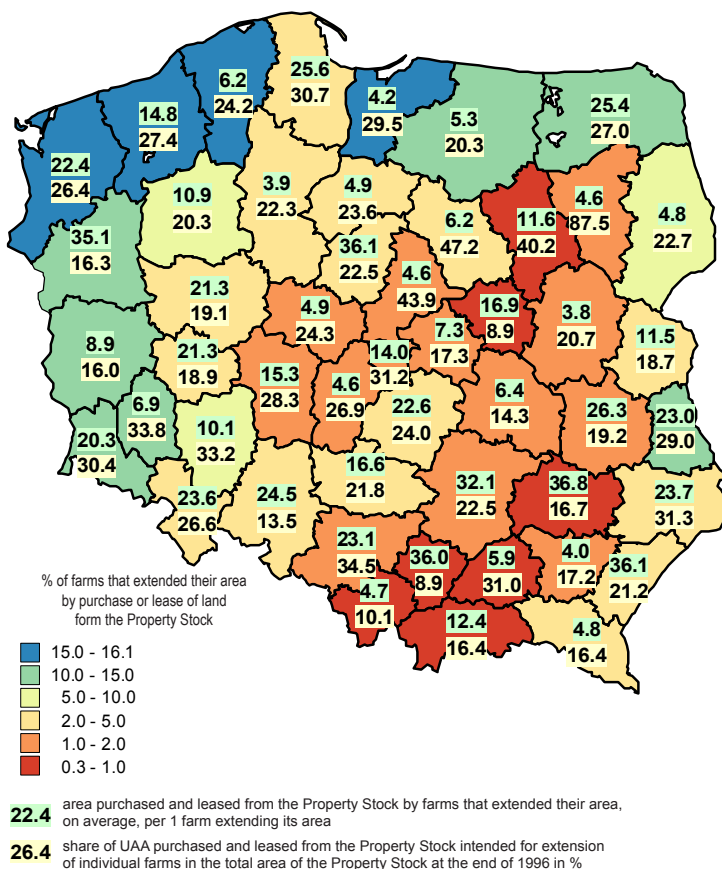
The presented share of distribution of the Property Stock in the extension of individual farms was strongly diversified in regional terms. This impact was, of course, the highest in voivodeships in which the share of the Property Stock against the UAA used by individual farms was the highest (see Map 1). But the correlations were not so clear (see Map 2).

The strongly differentiating factors included:

- Demand for UAA from individual farmers. The demand was high in voivodeships characterised by low level of Property Stock and, at the same time, significant share of developing farms in the structure of individual farms and farmers' attachment to the land. For example, primarily the Łomżyńskie Voivodeship but also the Ciechanowskie, Ostrołęckie and Płockie Voivodeships. But then, the demand was low in voivodeships characterised by con-

siderable fragmentation of individual farms, small share of developing farms and a significant share of two-job farms (such as: Krakowskie, Warszawskie and Bielskie Voivodeships).

- Demand for land from legal persons, especially employee-owned companies aiming to keep jobs, usually, by lease of all of liquidated state-owned farms or parts thereof. This referred, in general, to efficient state-owned farms which were the most numerous in the Wielkopolska region and the Opolskie Voivodeship (more in: A. Czyżewski, A. Grzelak, J. Jankowiak, 2001).
- The structure of the Agricultural Property Stock of the State Treasury. The larger share of land of the Property Stock allocated to extend the area of individual farms was fostered by a larger share of the land of the National Land Fund in the Property Stock (undistributed before included into the Property Stock).



**Map 2.** The share of the Property Stock in extending the area of individual farms in 1990-1996



As a result of all these factors, the share of land from the Property Stock, which contributed to the extension of individual farms in 1990-1996, in the total area of the Property Stock were highly differentiated at the regional level (Map 2). It ranged from 8.7% in Krakowskie, 8.9% in Warszawskie and 10.1% in Bielskie to 87.5% in Łomżyńskie, 47.2% in Ciechanowskie and 43.9% in Płockie. In the voivodeship with the largest area of land from the Property Stock the share amounted from 20% to slightly above 30%. The exceptions included the Zielonogórskie and Gorzowskie Voivodeships with a share within the range of 16%. This was primarily caused by a smaller share in the structure of individual farms of economically strong farms.

The presented data show that only a part of the land sold (ca. 60%) and leased (ca. 71%) to natural persons by the mid-1996 was allocated to extend the farms of natural persons. New farms of natural persons were created on the vast majority of other lands sold and leased from the Property Stock, including primarily large-area farms (above 100 ha of UAA), whose users did not extend or reduce their farms until the PSR. A significant part of farms, which extended their area on the lands of the Property Stock<sup>23</sup>, were included into the area groups of above 100 ha (such farms amounted to 2,511). Among farms changing their area before these transformations, there were 550 farms with 100 ha of UAA and more (out of this 83 farms, as a result of reduction in the area, moved to the area group of below 100 ha), including 88 farms of 500 ha and more. Some part of distributed lands of the Property Stock, especially in small area parcels, has already been leased (above all, from the PFZ) at the moment of setting up the Property Stock or in the process of purchase for non-production purposes, mostly recreational and construction purposes, and were not covered by PSR 1996.

In consequence of the above (macroeconomic conditions, income situation of farmers, situation in the agricultural land market, including demand for and supply of land from the Property Stock and its directions), there were considerable changes in the number and structure of farms of natural persons in 1990-1996. PSR 1996 data show that the number of farms of natural persons in total in 1990-1996 dropped from 3.83 million to 3.07 million and the UAA used by them increased from 14,228 to 14,639 thousand ha, i.e. by 411 thousand ha (by 2.9%) following an inflow of land from the Agricultural Property Stock of the State Treasury. At the same time, the existing trends in the process of changes in the area structure of farms were clearly disturbed. What dropped really sharply was the number of farms of 1 ha of UAA, from ca. 1.69 million to 1.02 million and their UAA – from 0.83 million ha to 0.38 million ha. Only a very small number of farms, up to 1 ha (less than 61 thousand), extended their area

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<sup>23</sup> This follows from a comparison of the area structure of farms in 1990 and 1996 (Table 5), and the number and structure of farms changing their area in 1990-1996 (see: *Przemiany agrarne*. GUS, Warszawa 1997, Table 15, p. XLII).

and moved to larger area groups. A vast majority of users of the farms resigned from agricultural activity and lands of these farms, predominantly, added to the category of "UAA other than farms".

A large inflow of UAA from the Property Stock failed to stop the process of diminishing number of farms of natural persons of 1 ha of UAA and more. The number of these farms decreased from 2,138 thousand to 2,041.4 thousand, but owing to the inflow of land from the Property Stock the UAA of this group of farms increased by 860 thousand ha (by 6.4%) – to 14.26 million ha. However, the dynamics of the process, against former years, slightly abated: in 1980-1990 the average annual drop amounted to ca. 25 thousand and in 1990-1996 – ca. 16 thousand. There were also considerable differences in change trends in the area structure of the group of farms (Table 5). In the 1980s, the group of farms above 15 ha grew in number and extended its area of used land, the group of farms of 10-15 ha basically stagnated (a slight increase in the number with minor decrease in the UAA) and the group of farms below 10 ha decreased in number and area. In 1990-1996, the area group of 1-2 ha (increase in the number of farms by 22% and area used by them by 15%) and 15-100 ha (respectively, by 30% and by 45%) grew significantly. In this period, only the area group of 2-15 ha decreased (respectively, by 14% and 16%). The development of the group of large-area farms of 30-100 ha was especially beneficial (almost 2.4 times in number and 2.7 times in UAA). The most spectacular, however, was the formation, almost from scratch, of the area group of over 100 ha of UAA<sup>24</sup>. According to PSR, in 1996 there were 3,364 farms of natural persons of more than 100 ha (including 503 farms of 500-1,000 ha and 134 above 1,000 ha) using 1,125.2 thousand ha of UAA (including, respectively, 339.1 and 204.8 thousand ha). Given the fact that by the mid-1996, ca. 1,005 thousand ha of UAA was purchased and leased from the Property Stock as organised farms (more rarely agricultural parcels) of 100 ha and more, it is clear that these were in vast majority farms created based on agricultural property of the former state-owned farms.

Dynamics of the changes was very strongly differentiated in the regions (Map 3). Increase in the UAA of farms of natural persons was noted by 24 and decrease by 25 voivodeships. Of course, the highest increase in the area was typical of voivodeships having at their disposal the largest Property Stock (Szczecińskie by nearly 64%, Koszalińskie by 54%, Słupskie by 40%) and the lowest drop – voivodeships having small Property Stock and highly fragmented agrarian structure and significant possibilities of obtaining non-agricultural income (Warszawskie by 20%, Krakowskie by 14%, Bielskie by 13%, Radomskie by 11%).

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<sup>24</sup> According to PSR 1987, the area group of above 100 ha of land in total covered, officially, 71 individual farms cultivating 10.6 thousand ha, including 8.2 thousand of UAA. In fact, the group of such farms, already at that period, could have been much larger and by 1990 it could have grown considerably. It was assumed that in 1990 there were ca. 0.1 thousand farms using ca. 10 thousand ha of UAA.

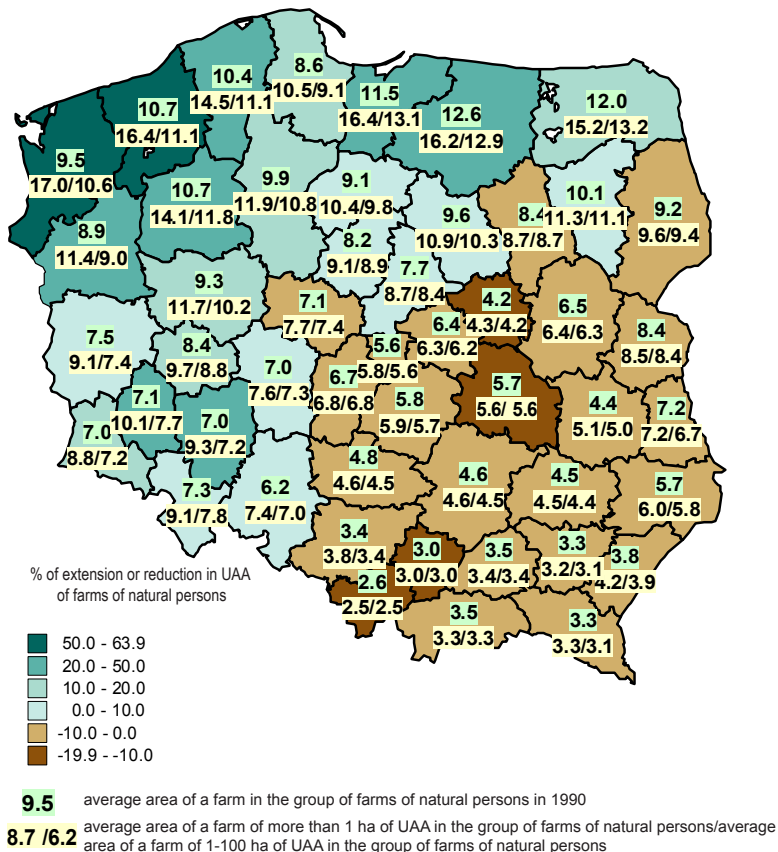
Table 5

**Changes in the number of farms of natural persons and their UAA by area groups**

Years	Total	Area groups in ha of UAA								
		1-2	2-5	5-7	7-10	10-15	15-30	30-50	50-100	>100
Number of farms in thousands										
1980	2,390.0	448.0	884.0	366.0	350.0	240.0			102.0	
1990 <sup>a</sup>	2,138.0	378.0	751.0	319.0	318.0	242.0	119.3	9.6	1.0	0.1
1996	2,038.0	462.2	667.6	260.7	260.1	217.2	145.1	19.6	5.5	3.4
UAA of farms in thousand ha										
1980	13,654.0	683.0	2,962.0	2,180.0	2,945.0	2,896.0			1,988.0	
1990 <sup>a</sup>	13,400.0	564.0	2,536.0	1,868.0	2,723	2,996.0	2,303.0	340.0	60.0	10
1996	13,134.3	650.6	2,199.1	1,541.8	2,171.5	2,631.5	2,852.7	719.3	367.8	1,125.1

<sup>a</sup> Number of farms and UAA in groups of farms of 15 ha and more; own estimate based on data concerning the structure of these farms by total area according to the data of Spis Rolny 1987. Source: own calculation and compilation based on: Rolnictwo i Gospodarka Żywnościowa 1986-1990. GUS, Warszawa 1992; Przemiany agrarne. PSR 1996, GUS, Warszawa 1997; Systematyka i charakterystyka gospodarstw rolnych. GUS, Warszawa 1998.

As far as farms of natural persons of 1 ha and more are concerned, the changes were highly varied in voivodeships of large Property Stock, given the previously stated conditions of Property Stock distribution. In some part of voivodeships the number of such farms increased (Koszalińskie by 7%, Słupskie by 6%, Gorzowskie by 2%), in part it remained at the same level (Gorzowskie, Pilskie) or decreased (Elbląskie by over 7%, Zielonogórskie by 5%, Legnickie and Olsztyńskie by ca. 3%, Szczecińskie, Gdańskie and Wrocławskie by ca. 2%). Whereas the average area of these farms in the whole group of voivodeships greatly increased (the growth was the highest in Szczecińskie – by 79% to 17 ha, Koszalińskie by 53% to 16.4 ha, Elbląskie by 43% to 16.4 ha, Słupskie by 39% to 14.5 ha, Gorzowskie by 29% to 11.4 ha, Olsztyńskie by 28% to 16.2 ha). This was primarily influenced by establishment of a group of farms above 100 ha of UAA and especially very high share of this group of farms in the UAA of the total number of farms of natural persons of 1 ha and more (Szczecińskie 38%, Koszalińskie 33%, Słupskie 24%, Legnickie 24%, Wrocławskie 23%, Gorzowskie 22%, Olsztyńskie 21%, Elbląskie 21%). This group was dominated by farms of over 500 ha. Their share in most of these voivodeships significantly exceeded 50% and in the Szczecińskie Voivodeship it reached 65.3%.



**Map 3.** Area changes in the sector of farms of natural persons of 1 ha and more of UAA

If the group of farms of 1-100 ha is considered, then their number increased slightly (ca. 1%) but their UAA increased much more (in total by several %). At the same time, their structure got highly polarised, namely a very significant growth in the number and share of farms of 1-2 ha (Koszalińskie from 13.3% to 21.4%, Słupskie from 12.4% to 19.4%, Szczecińskie from 17.5% to 22.3%, Gorzowskie from 18.5% to 25.5%) and a high growth in the number and share of farms above 15 ha (Legnickie from 6.7% to 11.1%, Szczecińskie from 19% to 23.6%, Elbląskie from 26.2% to 32.6%, Gorzowskie from 16.3% to 18.3%). Whereas in the group of farms of 1-2 ha the average area of a farm increased by only some percent, despite a significant growth in their number and share. It was primarily the effect of a very strong growth in the share of farms of 15 ha and more in the use of land in the analysed group of farms (in most of the voivodeships by over 60%) as a result of a large number of farms with the largest area in the group (500 ha and more).

In regions with the smallest Property Stock (up to 10% against the area of individual farms) the UAA of a farm of natural persons slightly increased only in a small number of them (Włocławskie by 0.5%, Łomżyńskie by 1.4%, Płockie by 1%, Kaliskie by 1.9%) characterised, above all, by a significant share of individual commercial holdings. In this group of voivodeships the average area of analysed farms increased by ca. 10%, mainly through extension of the existing farms and not due to setting up of new large-area farms (share of farms of 100 ha and more in the total UAA was from 1.5% in Łomżyńskie to 3.4% in Płockie). At the same time, the share of lands purchased and leased from the Property Stock to extend the farm, per 1 farm was differentiated (in the Łomżyńskie and Płockie Voivodeships it was minor, while in the Kaliskie and Włocławskie Voivodeships – significant). In the remaining farms of the group, the UAA in the analysed farms decreased. The decrease was the strongest for farms with unfavourable structure of individual farms and a large share of two-job farms (Warszawskie by 20%, Krakowskie by 14%, Bielskie by 13%, Radomskie by 11%) and only minor (by ca. 1 to several percent) at farms characterised by strongly fragmented area structure of farms and little possibilities of finding off-farm job (Nowosądeckie, Rzeszowskie, Tarnowskie, Tarnobrzesckie, Krośnieńskie, Częstochowskie, Kieleckie, Siedleckie). Average area of farms in most of these voivodeships slightly reduced (Bielskie, Częstochowskie, Nowosądeckie, Rzeszowskie, Siedleckie, Skierniewickie, Tarnowskie) or remained unchanged. Moreover, a small number of farms above 100 ha of UAA was formed in these voivodeships, but their share in UAA use was insignificant and, on average, it only slightly exceeded 1% (from 0.5% in Siedleckie, 0.8% in Nowosądeckie, Krakowskie and Radomskie up to 1.8% in Piotrkowskie, 3.4% in Płockie and 4.3% in Łódzkie).

From the presented analysis it follows that in the regions having at their disposal significant resources of land of the Property Stock and, consequently, a significant supply of land to the land market, only part of the land increased the sector of farms of natural persons. At the same time, most of the land was allocated not to extend the existing individual farms but to create a group of large-area farms (above 100 ha of UAA and especially 300 ha and more). A relatively small part of the Property Stock increased the number and share of farms in the smallest area groups and, in particular, in the group of 1-2 ha of UAA. Setting up and distribution of the Property Stock was not, however, aimed at development of this group of farms, because it is hard to classify a vast majority of such farms as individual family farms. Small-area farms do not ensure the basic livelihood for a family of the user and full-time employment even to the very user, while large-area farms (above 100 ha of UAA) are, in general, based on contractual employment. This is confirmed by the data from the PSR 1996 concerning farms above 100 ha of UAA, which extended their area in 1990-1996. Despite the fact that these farms were only in the start-up process or in the course of production extension (the value of sold production per 1 ha was for these farms by ca.

<sup>1</sup>/<sub>4</sub> lower than for farms of 20-50 ha), the definite majority of them was based on contractual employment. The average per 1 farm in the group of farms of 100-200 ha was 1.4 and in the group of 200-500 ha – 4.0; 500-1,000 ha – 12.4, and in the group of 1,000 ha and more it was as much as 38.1 of full-time contractual workers. These farms largely benefited also from seasonal workers (from 95 daily wages in the group of 100-200 ha to 366 daily wages in the group of 500-1,000 ha).

Whereas in voivodeships having at their disposal small Property Stock, the impact of distribution of these resources on extending the existing individual farms was minor. Farmers from these voivodeships did not decide to buy or lease land from the Agricultural Property Stock of the State Treasury and set up larger area farms from the scratch because of huge costs of such an enterprise and their attachment to their home.

### **Conclusions**

Faster ownership changes in agriculture through a top-down decision to liquidate the entire sector of state-owned farms, from the Agricultural Property Stock of the State Treasury and target it at distribution was to definitely extend and strengthen the sector of family farms. However, practice showed that in the conditions of, on the one hand, very low demand for agricultural property gathered in the Property Stock from individual farmers and lack of farmers willing to create, from the scratch, family farms and, on the other, provisions contained in the Act which stated that the Agency will be a self-financing unit, implementation of the objective that actuated faster ownership changes became of secondary importance. The basic objective was sale and lease of property gathered in the Property Stock to acquire funds to run the Agricultural Property Agency of the State Treasury, including maintenance of the property in the Property Stock. In fact, purchase of agricultural property, especially medium-sized and large-area, was, thus, done by investors having respective capital, largely from outside of agriculture, who did not intend to set up family farms. Whereas similar investors and workers of liquidated state-owned farms leased larger properties as for them it was the only way of keeping jobs.

Because of problems linked to distribution of the Property Stock and in conjunction with the growing unemployment in the areas occupied by former state-owned farms and financial difficulties of the Agency, at the end of the so-called primary distribution of the Property Stock:

- The sector of public farms, in particular state-owned farms, was still much larger than expected. What needs special note is the formation of commercial partnerships of the State Treasury and a large number of crop and livestock farming companies of the State Treasury on the grounds of former agricultural complexes. In the structure of state-owned farms the share of very large-area farms increased considerably. As part of the public sector a small group

of communal farms was also separated. In total, the share of the public sector in the structure of UAA used by the total of farms decreased from 18.9% to 7.2%. This also partly resulted from a significant growth in the sector of "UAA other than farms".

- A new – apart from the still functioning cooperative farms – relatively large, group of private farms of legal persons from the private sector was created (mainly on the basis of lease but also purchase and gratuitous transfer of agricultural property to different institutions). What should be especially noted is the formation of a new numerous group of farms, mostly of very large area organised in a form of capital companies, including companies of former workers of state-owned farms.
- A new (apart from RSP and the public sector)<sup>25</sup> group of private large-area farms (over 100 ha of UAA – 4.4 thousand of farms using 2,072 thousand ha of UAA, including over 500 ha – respectively, 1.56 thousand farms per 1,132 thousand ha of UAA) was formed in the area structure of farms, including 3,364 farms of natural persons of above 100 ha of UAA (637 above 500 ha) using 1,125 thousand ha of UAA. In a way, the private large-area land ownership was recreated. This, along with an increase in demand for land from individual farmers from the area of these farms, can give rise to social conflicts.
- The basic objective behind formation and distribution of the Agricultural Property Stock of the State Treasury – namely better area structure of the existing individual farms and extension and strengthening of the sector of family farms – was achieved only to a minor degree. The growth in the number of large-area farms of natural persons (30-50 ha) and very large-area farms (50-100 ha), and specifically a large growth in their UAA, undoubtedly, should be recognised as a manifestation of strengthening and extension of the sector on the basis of distribution of the Property Stock. It can be also assumed that some part of farms of over 100 ha, primarily from the group of 100-200 ha, can have features of family farms or can evolve into such farms<sup>26</sup>. However, a clear growth in these groups was noted only in voivodeships on the areas of former state-owned farms. At the same time, distribution of the Property Stock in these regions resulted in a significant extension of the group of small-area farms, especially 1-2 ha, which should be assessed negatively. As a result, the average area of a farm in the group of farms of more than 1 ha (but up to 100 ha) increased countrywide, only from 6.3 ha in 1990 to 6.4 ha in 1996, while in 1980-1990 in the group of farms thus calculated it increased from 5.7 ha to 6.3 ha. Even in the seven voivodeships with the largest resources of the Property Stock the growth was minor – from 10.3 ha to 10.8 ha.

<sup>25</sup> Farms of more than 100 ha: 1,188 RSP and 1,049 public, using, respectively, 0.48 million ha and 1.22 million ha of UAA, including farms of more than 500 ha, 263 RSP and 496 public, using, respectively, 0.24 million ha and 1.58 million ha of UAA.

<sup>26</sup> Of course, it can be assumed that this group of farms can evolve into typical agricultural enterprises.

The conducted analysis showed that the decision on rapid acceleration in the ownership structure without developing a clearly defined model of the future ownership, legal and organisational and area structure of agricultural holdings and lack of in-depth analysis of real possibilities of reaching such a structure (especially at times of strong regional differentiation of the area of land in the Property Stock against the UAA of individual farms, in economic conditions of a collapse of commercial farms) had to result in a lack of greater effects in the implementation of the assumed objective, at large economic and social costs of such an operation<sup>27</sup>.

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<sup>27</sup> Of course, assessment of changes in the structure of farms from the perspective of their production and economic efficiency requires a completely separate analysis.



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## WPŁYW UTWORZENIA I ROZDYSPONOWANIA ZASOBU WŁASNOŚCI ROLNEJ SP NA STRUKTURĘ GOSPODARSTW ROLNYCH

### Abstrakt

*Sektor gospodarstw rodzinnych w rolnictwie polskim wciąż cechuje bardzo niekorzystna struktura obszarowa. Umocnieniu tego sektora i poprawie jego struktury miało służyć przyspieszenie przemian własnościowych w rolnictwie, przede wszystkim poprzez transfer do tego sektora nieruchomości rolnych z Zasobu Własności Rolnej Skarbu Państwa, utworzonego przede wszystkim z mienia zlikwidowanych państwowych gospodarstw rolnych (PGR). W opracowaniu podjęta została próba oceny efektów realizacji tego celu. Badaniem objęto lata 1990-1996, a więc do zakończenia „pierwotnego” rozdysponowania Zasobu WRSP. Analizie poddano założenia w zakresie kierunków i zasad rozdysponowania Zasobu WRSP oraz efekty realizacji tych założeń. Następnie przeanalizowano zmiany w strukturze własnościowej, prawno-organizacyjnej i obszarowej gospodarstw rolnych, a w szczególności zbiorowość indywidualnych gospodarstw rolnych, które w okresie tym powszechnie określano jako rodzinne. Przeprowadzona analiza wykazała, że zakładane efekty przyspieszenia przemian własnościowych zostały zrealizowane w niewielkim stopniu. Sektor gospodarstw rodzinnych zmniejszył się. Nastąpiła wyraźna polaryzacja struktury obszarowej tego sektora. Średni obszar gospodarstwa w tym sektorze wzrósł nieznacznie. Bardzo silnie wzrósł natomiast sektor wielkoobszarowych prywatnych gospodarstw osób fizycznych i prawnych (poza istniejącymi do przemian systemowych spółdzielczymi).*

**Słowa kluczowe:** Zasób Własności Rolnej SP, struktura obszarowa, struktura własnościowa, PGR, gospodarstwa wielkoobszarowe

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