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ANALYSIS OF FARMERS' PREFERENCES IN THE FIELD OF ADVISORY SERVICES IN AGRICULTURAL FARMS OF THE MIŃSK DISTRICT¹

*ANALIZA PREFERENCJI ROLNIKÓW W ZAKRESIE USŁUG DORADCZYCH
W GOSPODARSTWACH ROLNYCH POWIATU MIŃSKIEGO*

Key words: advising, individual agricultural farm, Mińsk district

Slowa kluczowe: doradztwo, indywidualne gospodarstwo rolne, powiat miński

JEL codes: Q19

Abstract. The article covers the issue of preferences in the thematic area of consultancy in individual farms, provided by employees of agricultural advisory centers and private companies. Based on the results of a survey conducted in the eastern part of the Mazowieckie voivodeship in Mińsk county, it was found that more than half of the respondents used state and private advisory services, namely 52.5% of the farmers. Over 78% of the respondents were interested in financial support from the Rural Development Program for 2014-2020 (RDP), which improves the profitability of farms. Almost 15% of respondents are also interested in new technologies and technical equipment of farms. The current situation of Polish agriculture still requires support both through state and private counseling.

Introduction

The Masovian Agricultural Advisory Center in Warsaw (MODR) is the main institution providing consultancy services for farmers in the Mazowieckie voivodeship. MODR is a state organizational unit with legal personality, subordinate to the minister competent for rural development, acting on the basis of the Act of 22nd June 2016 amending the act on agricultural advisory units [Act 2016] and Regulation No. 30 of the MODR Directorate [Regulation 2016] in accordance with Regulation No. 34 of the Minister of Agriculture and Rural Development of 19th August 2016 conferring the Statutes on the Mazovian Agricultural Advisory Center with the headquarters in Warsaw.

The MODR advisory activity is mainly focused on improving the competitiveness of the Polish agricultural sector, improving the working and living conditions in the Polish countryside, and raising the level of professional qualifications of inhabitants of rural areas in the Mazowieckie voivodeship. The courses of MODR activities result from the development strategy of Mazovia, development programs for agriculture and rural areas as well as current needs and expectations of the rural community. To implement its tasks, the Mazovian Agricultural Advisory Center cooperates, among others with government and self-government administration institutions, farmers' organizations, scientific and research centers, schools and educational institutions [Niewęgłowski, Kacprzak 2017].

Dynamic changes related to political and socio-economic transformations affecting the level of agricultural development make it necessary to adapt agricultural advisory services to current needs. These changes lead to the evolution of the needs of consulting centers' clients. This entails transformations of the organization, scope of activity and financing of agricultural advisory services. Considering dynamic changes in the food economy, the centers specialized

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in agricultural consultancy are inspired to adapt the scope of their activities to the changing needs of farmers [Kujawiński 2012].

In recent years, due to a difficult financial situation, the service of Agricultural Advisory Centers (ODR) has been largely focused on assistance in completing applications, making investment business plans, as well as on benefits and other commercial services for farmers. The work of consultants greatly helps farmers overcome tangled procedures in applying for EU funds and subsidies. It is a very responsible and difficult task considering the financial and economic sanctions imposed by the European Union (EU) [Kujawiński 2003].

Private consulting services are conducted by commercial companies. These for example, trade goods or machinery for agricultural production and entities, and provide analogous advisory services [Zawisza 2008]. Trading companies provide technical advice relating to the range of products, resources and materials they offer. Along with the sale of, for example, mineral fertilizers, they provide knowledge on how to apply them to achieve the best results. Entities competing with state consultancy provide similar services as ODRs. They are mostly former employees of state entities who have started their own consulting activity.

The purpose of the research was to analyze preferences in the field of consultancy services for individual farmers provided by employees of state advisory services and private companies.

Material and research methods

The purpose of the work is based on surveys carried out in 2017, which covered agricultural producers in the district of Minsk, located in the Mazowieckie voivodeship. The study included a sample of 120 people, determined by random simple selection. The analyzed farms are located in an agricultural area with small, medium and large farms. In this area, service for farmers is provided by MODR in Warsaw, the Siedlce Branch and private entities.

The studies took into account expectations in the field of agricultural advisory services and their evaluation. Attention was paid to the tasks set before consultancy and the expected forms of assistance from agricultural advisory services were presented. The research used the direct interview method, conducted on the basis of a questionnaire with closed questions, with the possibility of choosing one or more proposed answers. Farmers who have used any assistance from state or private advisers over the last five years were qualified to the analysis.

Results of the research

The research sample of 120 farm owners was selected from a group of 200 farmers. The farmers were asked about the use of agricultural consultancy services. 40% (80 farmers) have had no contact with advisors and have not used their services over the last five years.

The structure of the respondents was varied. Most of the respondents were aged 35-44 (39.2%), with secondary education (51.7%). Only 42.5% of the respondents had agricultural qualifications. The highest number of respondents (37.5%) owned farms with an average area of 10-20 ha, with a predominance of plant production of 59.2% (tab. 1). Integration of Poland with European Union and late 20th-century social and political changes have a major influence on agricultural development, while creating demand for modern knowledge [Pocztą et al. 2009]. Receiving advice from Public Agricultural Advisory Centers exclusively were 15.8% of respondents (tab. 2). More than 34% of interviewed people use private advisory companies. From both forms of agricultural advisory were benefiting more than 52% of farmers.

State advisory service was the only one which was used by small farms of up to 10 ha (9.1%) and 10-20 ha (6.7%). As far as the use of consulting from private companies was concerned, this was observed mainly in larger farms of 20-50 ha (21.7%) and over 50 ha (4.2%) (tab. 2). Small subsistence farms, producing for their own needs, occasionally used the services of private companies. Whereas, large farms mainly use consultancy provided by private companies, which

Table 1. Characteristics of the respondents

| Specification | Number | Participation [%] |
|----------------------------|--------|-------------------|
| Age [years]: | | |
| -up to 24 | 9 | 7.5 |
| -25-34 | 16 | 13.3 |
| -35-44 | 47 | 39.2 |
| -45-55 | 20 | 16.7 |
| -over 55 | 28 | 23.3 |
| Education: | | |
| -primary | 46 | 38.3 |
| -secondary | 62 | 51.7 |
| -higher | 12 | 10.0 |
| Agricultural qualification | 51 | 42.5 |
| Area of the farm [ha]: | | |
| -up to 10 | 38 | 31.7 |
| -10-20 | 45 | 37.5 |
| -20-50 | 31 | 25.8 |
| -over 50 | 6 | 5.0 |
| Production: | | |
| -crops | 71 | 59.2 |
| -livestock | 8 | 6.6 |
| -mixed | 41 | 34.2 |

Source: own study based on questionnaire data

Table 2. Farmers' preferences regarding the type of advisory institution depending on the size of the farm

| Size of farm [ha] | State | | Private | | State and private | |
|-------------------|--------|------|---------|------|-------------------|------|
| | number | % | number | % | number | % |
| Up to/Do 10 | 11 | 9.1 | 3 | 2.5 | 24 | 20.0 |
| 10-20 | 8 | 6.7 | 4 | 3.3 | 33 | 27.5 |
| 20-50 | - | - | 26 | 21.7 | 5 | 4.2 |
| Over 50 | - | - | 5 | 4.2 | 1 | 0.8 |
| Total | 19 | 15.8 | 38 | 31.7 | 63 | 52.5 |

Source: own study based on questionnaire data

Table 3. Farmers' interest in particular groups of services provided by state consultancy

| Services/Uslugi | Number of responses | Percentage of responses [%] |
|-----------------------------------|---------------------|-----------------------------|
| Financial support from the RDP | 64 | 78.1 |
| Technological and technical | 12 | 14.6 |
| Non-agricultural entrepreneurship | 5 | 6.1 |
| Economic and organizational | 1 | 1.2 |
| Total | 82 | 100.0 |

Source: own study based on questionnaire data

render service or providing technologies necessary for production. In the analyzed group of farmers using state and private advisory services, these were mostly owners of farms 10-20 ha (27.5%) and small farms up to 10 ha (20%).

In the group of people using state consultancy services (82 people), it concerned those farmers who were mostly interested in consultancy allowing them to benefit from the financial support of the Rural Development Program (RDP) – 78.1%, followed by technological and technical consultancy (14.6 %). Other needs in the field of services related to non-agricultural entrepreneurship and economic and organisational consultancy accounted for 7.3% in total (tab. 3).

When assessing the service provided by state employees of agricultural advisory centers, the examined farmers claimed that 39% of advisors had very good knowledge and appropriate qualifications to provide services and disseminate progress in rural areas. 58.5% of advisors provide satisfactory services, and 2.5% do not have sufficient knowledge. Many factors contribute to such an assessment of the work of advisors. One of them is salary (basic wage), which fluctuates within the minimum wage or below. The low salary results from the fact that the best advisers frequently quit this job and go to other institutions or private companies involved in machinery, fodder, fertilizers, etc.

Employees of private companies are better rated. Very good grades are given to them by 73.3% of respondents, and good ones by 20.8%. These workers are negatively assessed by 5.9% of farmers.

The respondents listed help in completing documents, including those related to obtaining financial support from RDP activities, as the most-anticipated forms of assistance required from state consultancy (78.1%) (tab. 4). This answer was chosen most often also by farmers using

Table 4. Agricultural aid expected by agricultural producers

| Agricultural aid | State advisory services | | Private advisory services | |
|---|-------------------------|-----------------------------|---------------------------|-----------------------------|
| | number of responses | percentage of responses [%] | number of responses | percentage of responses [%] |
| Assistance in completing documents (e.g. related to financial support from RDP) | 64 | 78.1 | 69 | 68.3 |
| Individual advice | 11 | 13.4 | 32 | 31.7 |
| Courses and training | 7 | 8.5 | - | - |
| Total | 82 | 100.0 | 101 | 100.0 |

Source: own study based on questionnaire data

private consultancy (68.3%). A large part of them also indicated individual consultancy (31.7%), which was related to the purchase and use of agricultural production goods purchased by farmers.

Dissemination of progress in agriculture begins through organized activities leading to providing farmers with help in applying technological achievements in their farms, as well as in the field of the social life of the village. The scope of progress depends mainly on people disseminating it [Wawrzyniak 2000]. Producer advisers are particularly expected to be efficient, have wide knowledge and practical skills. A good adviser should be available and open to the problems of farmers.

Table 5. Kinds of progress in agriculture, which the respondents are mostly interested in

| Kinds of progress | Number of responses | Percentage of responses [%] |
|-----------------------------|---------------------|-----------------------------|
| Technological and technical | 64 | 53.3 |
| Biological | 37 | 30.8 |
| Production | 11 | 9.2 |
| Economic and organizational | 8 | 6.7 |
| Total | 120 | 100.0 |

Source: own study based on questionnaire data

Polish consultancy. This is not surprising because private companies are focused on making profit, but it also suggests that state consultancy is under financed [Parzonko 2016].

The remuneration from advice is associated only with such services that give the farmers specific financial results. They are usually services related to obtaining funds from the EU (55%). The farmers are also willing to pay fees for professional technology consultancy (35.8%). On the subject of free consultancy in MODR, respondents claim that advisors do not have adequate technological knowledge and therefore advice is preferred from private companies (16.7% of responses).

As regards the amount of fees for services rendered by private entities and ODRs, they remain at a similar level. In spite of this, private consultancy in relation to state counselling is more flexible as it refers to a level of established prices. Therefore, the respondents are more willing to use the services of private units. They find it easier to haggle for a better price offer, there is less bureaucracy, greater efficiency and the services provided are better suited to the needs of the beneficiary. The slower MODR response to price changes results from long-lasting procedures, through which the approval of a new price list must pass. This frequently results in extending the deadline even to a few or a dozen or so weeks [Nieweglowski 2015].

Farmers are mostly interested in information on technical and technological progress (53.3%) which is followed by advice on biological progress – 30.8% (tab. 5). The structure of responses is related to the fact that a farm's development in technical and biological terms – new plant varieties and animal breeds, will positively affect its production and economic results.

The division of the surveyed group of farmers into those using paid services (34.2%) and unpaid services (9.1%) indicates a commercial approach of the respondents to consultancy. Both forms were used by 56.7% of respondents.

Such results show the commercialization of Polish consultancy. This is not surprising because private companies are focused on making profit, but it also suggests that state consultancy is under financed [Parzonko 2016].

In the opinion of examined farmers using state consulting services, the essence of this consultancy gives certainty and stability of its functioning – 76.8% of responses. The respondents also notice changes taking place in state consultancy – 46.3%, which positively encourages them to use their service. They are mostly dissatisfied with the necessity of paying fees for using the services (eg filling out applications for additional payments) – 59.8%.

Summary

The information provided by the survey indicates that progress in the farms is expected in connection with the use of modern production technology and technologies. This should be provided thanks to adequate knowledge in this field and financial resources obtained from EU funds. Demand for rational support while selecting technical equipment for farms results from a wide range of agricultural machinery, various in terms of modernity, equipment, as well as operating and technical parameters, prices and other factors. Making a rational decision about equipping a farm with technical equipment is very difficult, but gives great opportunities, especially to private companies, to provide services that are usually associated with the sale of proper equipment.

Taking into account consultancy in the sector of improving agricultural production in farms is very complex. The continuous increase in competition and specialization of production on farms constitutes a factor which supports strengthening the importance of advisory services, especially commercial ones, in the process of implementing biological progress related to new plant varieties and animal breeds. The respondents depend on this issue to obtain high production and economic results.

The situation of Polish agriculture is characterised by a low level of agricultural development, insufficient financial support from the state, as well as relatively low incomes of farms. It requires some support from state advisory units, which should be supplemented by private consultancy.

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Streszczenie

Podjęto zagadnienie preferencji w zakresie tematycznego obszaru doradztwa w indywidualnych gospodarstwach rolnych, świadczonego przez pracowników ośrodków doradztwa rolniczego i firmy prywatne. Na podstawie wyników ankiety przeprowadzonej we wschodniej części województwa mazowieckiego w powiecie mińskim stwierdzono, że ponad połowa ankietowanych rolników korzystała z doradztwa państwowego i prywatnego (52,5% rolników). Ponad 78% ankietowanych osób było zainteresowanych wsparciem finansowym z Programu Rozwoju Obszarów Wiejskich na lata 2014-2020 (PROW), które wpływało na poprawę rentowności gospodarstw. Prawie 15% respondentów było też zainteresowanych nowymi technologiami oraz wyposażeniem technicznym gospodarstw. Obecna sytuacja polskiego rolnictwa wymaga w dalszym ciągu wsparcia, zarówno przez doradztwo państowe, jak i prywatne.

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