

JERZY WILKIN

## AGRICULTURE IN THE NEW MEMBER STATES – EXPECTATIONS AND LESSONS LEARNED

*A Budapesti Corvinus Egyetemen rendezték meg 2007. szeptember 6. és 8. között az Agrárközgadászok Nemzetközi Szövetsége (IAAE) és az Agrárközgadászok Európai Szövetsége (EAAE) közös konferenciáját. A konferencia témái az agrárközgazdaságtan és a közép-kelet-európai átmenet agrárközgazdasági hatásai, tapasztalatai voltak. Folyóiratunk a későbbiekben a konferencián elhangzott plenáris előadások közül többet is közöl majd. Ebben a számunkban Jerzy Wilkinnek, a Varsói Egyetem professzorának tanulmányát adjuk közre, amelyben az új EU tagállamok agrárgazdaságát veszi szemügyre.*

Eight post-socialist countries which joined the EU in 2004, form a heterogeneous group, especially when agriculture is considered. Present structure of agriculture in the new member states is a result of communist legacy, strategy of post-communist transformation and adjustment to the EU conditions. May 1<sup>st</sup> 2004 could be treated as a symbolic date of the end of post-communist transformation in eight above mentioned countries. By joining the EU it was formally confirmed that these countries have built a political and economic system which is generally compatible with system existing in EU-15. Minor transformations and adjustments to the EU conditions will continue for many years, of course. From previous enlargements we may learn that full institutional adjustment to mechanisms and structures of the European Community, which allows for taking full benefits from integration, takes 10–15 years. New member states are in the first stage of this process.

In this paper I will present and discuss the main results of accession for agriculture mostly on the example of three new members: Poland, Czech Republic and Hungary.

The effects of integration with the EU in relation to agriculture may be presented in breakdown into three spheres:

- Real sphere: changes in production, profitability, incomes, exports, imports, etc.
- Regulatory sphere: new instruments of agricultural policy, liberalization of trade within the Union, support system for agriculture and rural areas, legal standards, etc.,
- Spheres of perception and evaluation of what is going on in our countries in respect to European integration: hopes and fears in connection with integration, range of support for accession to the EU, evaluation of benefits and concerns resulting from Community policy instruments, etc.

The agricultural situation in transforming economies has been difficult in most of the period between 1990 and 2004. It was due to necessary profound changes in structures and institutions both in agriculture and in its economic environment. Main developments in agriculture in countries discussed here were as follows:

- Decline or stagnation of agricultural production;
- Unfavorable price relations;
- Low rate of investments;
- Continuous changes in property rights structure;
- Growing pressure of foreign competition;
- Unstable and inconsistent agricultural policy.

Benefits from economic development which are a result of successful post-communist transformation are unevenly distributed among rural and urban areas. Disparities of incomes have been growing quickly during that time. Among the three discussed here, the new member states' (NMS) biggest disparities are observed in the Czech Republic and in Hungary, and lowest in Poland.

**Table 1: GDP per capita in three types of regions in 2001 on NUTS 3 level (EU-25 = 100.0)**

	PR	IR	PU	PU/PR ratio	MS value
Czech Republic	52.5	55.9	147.2	280.4	66.2
Hungary	40.6	48.0	116.1	286.0	56.2
Poland	36.4	38.8	73.9	203.0	45.9

Classification of regions: PR - Predominantly Rural, IR - Intermediate Regions, PU - Predominantly Urban

Source: Rural Development 2006: 48

The attitude of farmers in Central and Eastern European countries (CEECs) towards European integration before accession was dominated by fears rather than by hopes and optimistic views. This attitude had its roots in farmers' experience with post-communist transformation and market reforms. For many it was a traumatic experience.

## THE ROLE OF SAPARD

In the beginning of year 2000, 10 candidate countries in Central and Eastern Europe got access to pre-accession funds, including SAPARD, a special program aimed at supporting agriculture and rural development. SAPARD had two major goals: first, to contribute to building institutions which were necessary for successful integration with EU and second, to accelerate the modernization of agriculture, food industry and rural areas. Pre-accession programs were based on the rules and mechanisms used by the EU for governing structural funds. In this situation success in efficiently absorbing pre-accession funds depended on building institutions, including legal framework, similar to those existing in the EU. SAPARD played an important role in the adjustment to EU conditions and in mobilization of governments, farmers, agricultural and rural organizations for modernization of agriculture, food sector and rural areas. Efficient implementation of SAPARD has been an important factor for subsequent successful adaptation to the CAP framework - this was clearly visible in the case of Poland. SAPARD was an important learning process for central and local governments, farmers and their organizations, agricultural advisors, food industry managers and others. The program also contributed

positively to the attitudes of farmers towards European integration, although the beginning of the program implementation was difficult and often discouraging.

According to the SAPARD financial plan, resources allocated to the candidate countries were available since the year 2000. Practically, expenditures within the SAPARD programme started much later. In Bulgaria, Estonia, Latvia, Lithuania and Slovenia it was in 2001; in Hungary, Poland, Romania and Slovakia in 2002, but in Czech Republic not until 2004. In Hungary and in Romania after starting the programme in 2002, there was break in SAPARD expenditure in the year 2003. Bulgaria, which begun the programme in the earliest group of countries had difficulties with implementation of particular SAPARD measures. Bulgaria utilized by 2005 only 36 percent of SAPARD allocated money. The story of SAPARD implementation illustrates how important and difficult it was to build institutional capacity for efficient absorption of EU support.

**Table 2: SAPARD Expenditure by country, programming period 2000–2006 (1 000 EUR)**

Member State	2000	2001	2002	2003	2004	2005	2000–2005	Payment/Financial Plan
Czech R.	0	0	0	0	78 816	9 333	88 148	95%
Estonia	0	3 046	6 554	17 056	19 865	1 969	48 491	95%
Latvia	0	5 444	2 798	21 048	38 112	19 563	86 965	95%
Lithuania	0	7 433	3 200	24 922	52 155	31 466	119 176	95%
Hungary	0	0	9 483	0	26 119	108 585	144 257	90%
Poland	0	0	42 035	99 712	193 116	339 077	673 939	95%
Slovenia	0	1 579	94	5 549	11 738	6 358	25 318	95%
Slovakia	0	0	4 557	4 819	22 525	41 169	73 070	95%
NMS -8	0	17 503	68 721	173 105	442 516	557 519	1 259 364	94%

Source: Rural Development 2006

Polish farmers and local self-governments could seek Community support under the SAPARD pre-accession program since mid-2002. The number of applications submitted for this program grew at a very high rate and the funds allocated to Poland were distributed completely by 2004. In all, the funds allocated to the four measures under SAPARD amounted to EUR 1 084 million, of which about EUR 720 million were from the EU. Altogether 24 396 applications (from over 27 thousand potentially eligible farmers) were accepted for an amount of 4 805 million PLN, which made 100.7 per cent of the program limit.

There were 15 measures available in the SAPARD program. Each candidate country selected some of them according to its priorities in the field of agriculture, food processing and rural development. Most of 8 NMS have chosen measures supporting competitiveness of agriculture and food processing. Final allocation of SAPARD funds has been as follows:

- processing and marketing 33%
- rural infrastructure 29%
- investments in agriculture 23%
- diversification of agriculture 9%
- other measures 6%

In Poland priority was given to rural infrastructure, in Hungary it was investments in agriculture, but in Czech Republic, besides processing and investments in agriculture, relatively high priority was given to measures like land improvement and renovation of villages.

Selection of priorities for public support (both domestic and EU) and the process of building the institutional framework for efficient absorption of this support are a domain of politics and public choice. In some countries, instability of governments and agricultural policies, high political impact on the operation of agencies and other institutions implementing agricultural and rural development programs had negative effects on efficiency of SAPARD and similar programs. We can observe the same situation after accession. Although agricultural policy has become common (goals, principles, instruments, budgeting and so on) but implementation of the CAP plus setting up and operating rural policy still are in the domain of national policies.

#### **MAIN EFFECTS OF ACCESSION FOR AGRICULTURE AND RURAL AREAS IN NEW MEMBER STATES**

The Common Agricultural Policy is the most developed and comprehensive institutional system of European Community operation. The CAP is regarded as a special "glue" strengthening the integrity of the EU. It is also the most expensive EU policy. Attractiveness of the CAP has been an important part of general attractiveness of the EU for candidate countries. Analyses and simulations prepared before accession revealed significant benefits for agriculture in NMS coming from entering CAP<sup>1</sup>. In these circumstances, it is interesting how we can explain fears and negative attitudes of farmers towards accession in candidate countries before 2004. In my opinion, these attitudes were determined mainly by three factors:

- painful experience with market reforms and restructuring of agriculture during post-communist transformation;
- asymmetrical trade liberalization between EU and CEECs in the 1990s;
- complicated, bureaucratic, and not transparent nature of CAP.

In the 1990s almost all CEECs, except Hungary and Bulgaria, became net importers of agro-food products. Central and East European markets were flooded by subsidized agro-food products from the EU. Competitiveness of agriculture in CEECs was generally low in the 90s due to underinvestment, low profitability and unfinished institutional reforms. Majority of the farmers in the candidate countries were afraid that they could not face up to competition from EU-15 farmers after accession.

Scope and conditions for agricultural support in NMS were not clear until the end of negotiations about membership which was finished in December 2002. The

---

1 One of the studies on competitiveness of CEECs agriculture and on the impact of integration on agriculture and rural areas in accession countries was the IDARA project, summarized in Integrated Development of Agriculture and Rural Areas in Central European Countries. (2006) Edited by S. Davidova, K. Bauer, and M. Cuddy. Lexington Books

direct payment issue, reference quantities, milk and sugar quotas, co-financing of agricultural and rural measures, and level of financial resources devoted to NMS were among the most controversial topics during negotiations. Even in 2002, one year before the referendum on membership in EU, farmers in accession countries were afraid that they will be treated as "second class" participants of the CAP. Reluctance to extend direct payments in agriculture to new members, presented by EU-15 during the first phase of negotiations played an important role in building a negative attitude among CEEC farmers towards European integration. Another important aspect in this matter relates to high transaction costs of entering the CAP. These costs could be regarded as ex ante transaction costs which must be paid before entering the CAP and starting to benefit from it. Fortunately, part of this cost could be covered by the EU from pre-accession funds – PHARE and SAPARD.

**Table 3: Position of new member states in agricultural structures and general economy of the EU-25 (2005)**

	Agri-cultural land (1000 ha)	Number of agri-cultural holdings (1000 units)	Number of employed in agri-culture (1000 persons)	Share of agri-culture in total employment (%)	Value of agri-cultural production (Mio EUR)	Share of agro-food products in imports (%)	Share of agro-food products in exports (%)	Balance of agro-food trade (Mio EUR)
EU-25	163 706	9 900	9 541	4.9	311 569	6.0	6.1	- 2 453
Czech Rep.	3 603	42	195	4.1	3 419	4.3	3.9	- 182
Estonia	834	28	35	5.8	526	5.1	4.4	- 48
Hungary	5 863	715	187	4.8	6 129	2.5	10.7	574
Latvia	1 734	129	130	12.6	752	6.5	9.5	- 22
Lithuania	2 837	253	218	14.8	1 611	4.1	9.2	77
Poland	15 906	2 477	2 386	17.1	15 057	6.3	11.8	358
Slovak Rep.	1 941	69	108	4.9	1 693	2.8	2.9	- 49
Slovenia	509	77	83	8.9	1 073	7.6	5.8	54
EU-15	130 331		6 180		280 562	6.1	6.0	- 3 126

Source: European Commission (data from Eurostat, FAO and UNSO)

The NMS-8 contributed 10 percent of the total agricultural production of the EU-25 (2005). It is much below the production potential level in these countries. Contribution of NMS-8 to some branches of EU agriculture is significantly higher than is shown by the average index. In 2005 they accounted for [Institute of Agricultural and Food Economics 2007]:

- 29% in the production of cereals;
- 17% in the production of beet;
- 19% in the production of vegetables;
- 13% in the production of fruit;
- 16.5% in the production of meat, including: 17.3% of pork; 21 % of poultry
- 19.5 of the output of milk.

One of the main effects of accession was a significant increase in the support for agriculture from public finances (national and EU). In the Czech Republic support for agriculture increased from average CZK 18 008 billion in 1998-2003 to average



CZK 30 129 billion in 2004-2005 [Doucha-Jelinek 2007]. Direct area payments have become the main element of agricultural support.

**Table 4: Area payments in Czech Republic, Hungary, Poland and EU-15 (in EUR/ha)**

Country	2004	2005	2006
Czech Republic	145.7	159.0	172.2
Hungary	149.5	161.0	174.3
Poland	104.0	113.4	122.9
EU-15	300.5	300.5	300.5

Payments for Czech R., Hungary and Poland include also contribution from national budget.

Source: Popp 2007.

In Poland, support for agriculture and rural development increased from PLN 5 080 million in 2003 to PLN 18 515 million in 2006, i.e. almost four times.

**Table 5: Support for agriculture and rural development in Poland, 2003–2006, in PLN million<sup>2</sup>**

	2003	2004	2005	2006
Expenditures from the state budget	4 378	5 641	6 905	8 714
Expenditures from EU funds	702	5 352	8 808	9 801
Total expenditures	5 080	10 993	15 713	18 515

Source: Instytut Ekonomiki Rolnictwa i Gospodarki Żywnościowej 2007; Ministry of Agriculture and Rural Development.

Launching direct payments for farmers, based on a simplified scheme of implementation of Community support, was extremely important for improvement of the financial condition of Polish agriculture. In virtue of considerable mobilization of institutions which process Community programs in Poland, particularly ARMA (Agency for Modernization and Restructuring of Agriculture), and solutions adopted at the 2002 Copenhagen Summit, 1.4 million of Polish farmers, operating on 90 per cent of cropland in the country, could benefit from direct payments already in the first year of membership; these payments amounted to PLN 6 388 million. In 2005 PLN 6.8 billion were allocated to direct payments, granted to 1.5 million farmers. Among the new Community members, Poland was the country in which during the first year of membership direct payments were disbursed the earliest and probably most efficiently. Adoption of a simplified scheme for these payments and allowing almost all farmers to benefit from them was and still is controversial among economists and some politicians. It is emphasized that such form of Community support does not foster improvement of

<sup>2</sup> Amounts presented in the table 5 do not include expenditures from the Polish state budget aimed at support of social security system for farmers. This support amounted to 14 969 PLN million in 2006. This was much more than total transfer from EU to Polish agriculture. It is paradoxical that after accession expenditure from the state budget for agriculture has increased despite including Poland in the Common Agricultural Policy system. This is due to national complementary direct payments (top-up) and co-financing of other rural and agricultural programs.

the agrarian structure in Poland, does not prefer the most efficient and competitive holdings and may create a situation in which a large part of funds intended for modernization of agriculture may be finally used for increased consumption in peasant farms. There are several arguments in defense of the solution adopted in Poland:

- Payments were launched quickly and efficiently, which had a very positive impact on the farmers' attitude towards the EU. Farmers were the first beneficiaries of the Community funds after Poland obtained membership in the Community.
- Payment distribution was featured by general and easy access, but was far from the principle of equality; those farmers who manage vast areas of land received large funds and small farmers received relatively little.

In this situation owners of huge, commercial holdings received large amounts which allow increasing capital expenditures and enhancement of competitiveness. These funds shall also be accessible to them in the coming years on a growing basis (phasing-in principle).

In Hungary, direct payments for farmers were delayed due to some problems with the administration of agricultural transfers. It coincided with record harvests in 2004 and 2005 which caused difficulties in managing and storage of big amounts of grain. Dissatisfaction with implementation of CAP in Hungary took the form of massive demonstrations of farmers on the streets of Budapest. In 2005 around 210 thousand farms received direct payments in Hungary [Ministry of Agriculture and Rural Development 2007]. This is relatively small share of all farms operating in the country. The number of farms reached 660 thousand in 2005. There is a sharp polarization of farm structure in Hungary. The average area size of all farms in Hungary is 8.6 ha, but 70 percent of all individual farms are below 1 ha, and 93.4 percent below 10 ha. The position of large farms is still dominant in land use and production. Farms operating at least 100 ha constitute 1 percent of all farms but they use 72.2 percent of agricultural area in Hungary [Ministry of Agriculture and Rural Development 2007].

The first three years of Poland's membership in the EU were - on the whole - advantageous to Polish agriculture. However, this period is too short to become a turning-point in its modernization and to reduce the distance to west European agriculture. European integration, i.e. free access by Polish agricultural and food producers to the huge market for 450 million consumers and the opportunity to benefit from the extensive aid for agriculture and rural areas, funded from Community sources, provided a new, huge opportunity for remarkable improvement in the conditions of Polish agriculture and food economy as a whole, never encountered earlier. What use shall the Polish farmers make of it? The beginnings were promising: relatively good adjustment to Community standards by Polish producers, general absorption of funds allocated to direct payments, extraordinary dynamics of exports to Community markets, growth of investments in agriculture and food economy and similar phenomena. Despite the fears expressed earlier, Poland's accession to the EU did not prove traumatic to Polish farmers; small holdings were not eliminated, the Polish market was not flooded with foodstuffs from other EU members, foreigners did not purchase agricultural land en

masse and the Polish farmer had no grounds for feeling alien in the "European family". These positive developments influenced also attitude of farmers towards European integration.

**Table 6: Share of farmers supporting Poland's accession to the EU**

Year	1999	2002	2003	2005
Supporters (%)	23	38	66	72

Source: For 1999 and 2002 data: Institute of Public Affairs; for 2003 data: support for EU accession recorded during the referendum; for 2005 (February): CBOS data

One of the most positive outcomes of Poland's integration with the EU is the acceleration of agro-food trade as shown in table 7.

**Table 7: Agro-food trade in Poland**

Specification	2003	2004	2005	2006	2004	2005	2006
	EUR million				2003 = 100.0		
Export of agro-food products	4 010	5 242	7 028	8 291	130.7	175.2	206.7
of which to EU	2 617	3 782	5 191	6 314	143.5	198.4	241.3
Imports of agro-food products	3 557	4 406	5 373	6 174	123.9	151.1	173.6
of which to EU	2 176	2 764	3 338	3 796	125.1	155.7	174.5
Balance of trade in agro-food products	453	836	1 654	2 117	184.3	364.8	466.8
of which to EU	441	1 018	1 802	2 518	234.3	409.0	571.2

Source: Szczepaniak 2007

Poland and Hungary were the biggest agro-food trade net exporters among the NMS-10, but tendencies in both countries are different. In the beginning of transformation, agricultural and food products contributed 24.9 percent of total exports in Hungary. In 2006 it was only 7.2 percent, and the balance of agro-food trade has fallen from EUR 1 573 million to EUR 993 million in 2006. "Although imports are projected to increase further, the agricultural and food trade balance of Hungary is likely to remain positive; however, if improvements in the commercial infrastructure fail to take place, the trade surplus may slowly erode." [Potori - Nyars 2007: 101]. This tendency is clearly shown in the fruit trade in Hungary, where positive trade balance of EUR 62 million in 2000 turned to minus EUR 42 million in 2006 ." [Potori - Nyars 2007: 108]. Hungary also became a net importer of dairy products and pig meat.

In the Czech Republic, the agro-food trade balance has declined during the transformation period. This tendency has not been reversed after accession. Quite contrary: negative trade balance in agro-food products significantly increased in 2004-2006, especially in trade within EU-25 (Doucha 2007)

Inclusion of Polish farmers into the CAP forces revolutionary changes in relations between farmers and the financial and advisory institutions. In the late nineties only less than 20 percent of farmers had bank accounts and used bank services. In 2004 almost 90 per cent of farmers had to have a bank account to be able to receive direct payments and other forms of Community support. The



necessity to contract bridge and supplementing loans, required to absorb agriculture-oriented measures, was an additional impulse for popularization of the use of banks among farmers. The use of EU aid programmes requires considerable knowledge: technical, production, economic, legal, ecological and other. Therefore, demand for guidance in this respect also grew. Business plans, "cash flow", animal welfare, code of good agricultural practices or 12 ecological standards for investments and production became prerequisite components of farmer's knowledge if they wanted to benefit from the Community support system for agriculture. European integration forced Polish farmers to learn how to use modern financial and advisory institutions and how to harmonize the complex production and economic processes with requirements in respect of the use of the natural environment, in which agricultural activities are set.

Accession has had a big impact on land market in the new Member countries. In all these countries, except Czech Republic, prices of agricultural land increased significantly.

**Table 8: Change in real land sales prices**

	2003–2005 2003=100
Czech Republic	74
Estonia	150
Hungary	117*
Latvia	243
Lithuania	131
Poland	135
Slovak Republic	121

\* nominal prices

Source: Swinnen-Vranken 2007; Feher-Biro 2007

Land transactions in the Czech Republic are difficult due to complicated property structures and limited accessibility of plots. Former state and cooperative large farms have been divided between many owners who often do not work personally in agriculture. Part of the land does not have an identified owner. In the Czech Republic 86 percent of total agricultural land is rented. In Poland only 22 percent of agricultural land is under rental contracts. Attractiveness of agricultural land property in the new Member States has increased significantly after the extension of area direct payment scheme to these countries. There are also other payments available for operators of land (LFA, forestation etc.) New Member States established some transitional restrictions for acquisition of agricultural land by foreigners. These restrictions are in force during 12 years after accession in Poland and 7 years in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, and the Slovak Republic.

## CONCLUSIONS AND LESSONS LEARNED

Accession of the 8 former communist countries to the EU in 2004 was a historical turning point for these countries. Three years after this event we may say that

accession played an important and highly positive role in acceleration of economic development and modernization in the new Member States. Agriculture was among the first and biggest beneficiaries of this process. Not all outcomes of European integration are positive for farmers in the NMS but positive ones prevail. It is not possible to prepare a comprehensive evaluation of results of eastward enlargement of the EU after only 2-3 years of this event. The most important effects of enlargement will come later. In this paper I presented only selected aspects of processes initiated few years ago. Some conclusions drawn from this analysis are as follows:

- The attitude of farmers in post-communist countries towards accession was a mixture of fears and hopes, with fears prevailing in the beginning.
- Majority of farmers looked at the European integration through the lens of their experience with post-communist market reforms which brought to them many painful results.
- Market reforms and opening-up the CEE economies in the 1990s have revealed low competitiveness of agriculture and food economy in these countries. Most of them became net importers of agro-food products, including Poland, the biggest country in this region. Growing import of agro-food products came mainly from EU countries. This experience contributed to the fears related to expected full liberalization of trade with EU after accession.
- Institutional system in agriculture and in cooperating branches was a big concern in the CEECs before accession. Some important institutional reforms were not finished before integration with the EU, including land reforms, cooperation structures between farmers, organizational system for the promotion of progress in agriculture (research and advisory services) and marketing structures for agricultural products.
- Adaptation of a legal framework and building other institutions necessary for entering the CAP system was a big challenge for all candidate countries. This was also linked with high transaction costs related to accession.
- What did farmers in CEECs expected from the accession?
  - substantial increase of the support for agriculture and rural development;
  - higher prices of agricultural products and better incomes from farming;
  - easier access to the EU markets and equal treatment of producers from old and new Member Countries;
  - stabilization of agricultural policy and relatively clear vision of policy framework for coming years.
- Most of the expectations have come true but some disappointments remain. Efficient and quick absorption of EU support needs adequate institutional capacity. Institution building necessary for comprehensive implementation of the CAP has been delayed in some cases. For example, in Hungary farmers received direct payments later than it was expected due to institutional problems. Higher agricultural incomes and growing demand have induced increase of agricultural input prices. Unfavorable terms of trade in agriculture have not been changed after accession. There was much faster increase in agricultural input prices than in agricultural outputs prices: in the Czech Republic agricultural price index reached 40 percent of the 1990 level

[Doucha 2007], in Poland it was 69 percent of the 1995 level [Instytut Ekonomiki Rolnictwa i Gospodarki Żywnościowej 2007]. Significant part of agricultural support has been transferred to other branches of the economy. CAP payments play an important role in the stimulation of agribusiness and consumption spending in rural areas.

- Agricultural policy in the EU is common but the institutional framework for implementation of CAP measures in a particular member country is a subject of the national political game. This factor strongly determines the effects of CAP in each member state. Unfortunately, the political situation in some new Member States is unstable and this has negative impact on the efficient implementation of the CAP and other EU programs<sup>3</sup>. Governance structures for implementation of EU support have become an area of intensive politicking. This phenomenon contributes to lowering the efficiency of EU support.
- Eastward enlargement of the EU has made additional pressure for reforming CAP. Even before enlargement it was clear that the CAP for EU-15 does not fit to EU-27. Some steps toward reforming the CAP have been made since the adoption of Agenda 2000 but fundamental and comprehensive reform of CAP is still ahead.
- Growing significance of rural development measures in the framework of CAP inclines to better coordination of this policy with other EU-sponsored policies and programs.
- New Member States do not participate sufficiently in the European dialogue about CAP reforms in connection with reforming other important elements of the EU.

## REFERENCES

- Doucha, T. (2007): *Czech Agriculture after EU Accession*, Paper presented at international seminar "A future vision for European agriculture. The New Member States perspective. 19-20 February 2007, Warsaw Poland
- Doucha, T.-Jelinek, L. (2007): *Land Market in the Czech Republic after 1989*, Prague, Unpublished paper
- Feher, I. - Biro, S. (2007): *Review of the transitional restrictions maintained by new Member States with regard to the acquisition of agricultural real estate in Hungary*, Unpublished paper
- Institute of Agricultural and Food Economics (2007): *Changes in the Food Sector after the Enlargement of the EU*, National Research Institute, Warsaw
- Instytut Ekonomiki Rolnictwa i Gospodarki Żywnościowej (2007): *Analiza produkcyjno-ekonomicznej sytuacji rolnictwa i gospodarki żywnościowej w roku 2006* (Analysis of production and economic situation of agriculture and food economy in 2006), Warszawa

---

<sup>3</sup> Chairman of the Agency for Restructuring and Modernization of Agriculture (ARiMR), the biggest public institution responsible for distributing direct payments and other agricultural support has been changed seven times during the past two years, due to political shifts in Poland.

- L. Kolarska-Bobinska, ed (2002): *Mieszkańcy wsi o integracji europejskiej: opinie, wiedza, poinformowanie (Rural inhabitants about European integration: opinions, knowledge, awareness)*, Institute of Public Affairs, Warsaw
- Ministry of Agriculture and Rural Development (2007): *New Hungary Rural Development Programme 2007–2013*, Budapest 2007
- Foundation for the Development of Polish Agriculture (2004): *Polish rural areas upon accession to the European Union*, Warsaw
- Sekcja Analiz Ekonomicznych Polityki Rolnej FAPA (2006): *Polskie rolnictwo – dwa lata po akcesji do UE (Polish agriculture – two years after accession to the EU)*, Warszawa
- Popp, J. (2007): *The Common Agricultural Policy beyond 2013 - should its objectives be modified?* Paper presented at international seminar "A future vision for European agriculture. The New Member States perspective. 19–20 February 2007, Warsaw Poland
- Potori, N. - Nyárs, L. (2007): *EU Integration Experiences of the Agri-Food Sector in Hungary*. In: *Changes in the Food Sector after the Enlargement of the EU*. Institute of Agricultural and Food Economics, Warsaw
- European Commission (2006): *Rural Development in the European Union. Statistical and Economic Information*, European Commission. Directorate for Agriculture and Rural Development
- Swinnen, J., Vranken, L. (2007): *Review of the Transitional Restrictions Maintained by New Member States with Regard to the Acquisition of Agricultural Real Estate*. LICOS and CEPS, Unpublished paper
- Szczepaniak, I. (2007): *Competitiveness of the Polish Food Sector after Accession to the European Union*. In: *Changes in the Food Sector after the Enlargement of the EU*, (2007), Institute of Agricultural and Food Economics. National Research Institute, Warsaw