



Agency for Restructuring
and Modernisation
of Agriculture

www.arimr.gov.pl

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About ARMA

Since 1994, the Agency for Restructuring and Modernisation of Agriculture (ARMA) has supported actions aiming at agriculture and rural development. The Agency deals with implementation of instruments co-financed from the European Union budget and provides aid from national funds. The Minister of Agriculture and Rural Development is responsible for delegating tasks to ARMA and supervising their realization.

Organizational Structure

The Agency for Restructuring and Modernisation of Agriculture is headed by the President appointed by the Prime Minister of the Republic of Poland upon the request of the Minister of Agriculture and Rural Development and the Minister of Finance. The structure of ARMA comprises three levels: Headquarters, 16 Regional Offices (ROs) in each voivodeship and 314 Poviats Bureaus (Local Offices-LOs).

Who are the beneficiaries?

ARMA's main beneficiaries are farmers, entrepreneurs from agri-food sector, inhabitants of rural areas, agricultural producer groups and representatives of the fisheries sector. Wide social groups are beneficiaries of projects co-financed by the Agency and their results can be seen and measured on the scale of both local and national economy.

ARMA's support instruments

In the pre-accession period, ARMA was granted the role of SAPARD Agency (Special Accession Programme for Agriculture and Rural Development), after Poland's accession to the EU, ARMA assumed the role of implementing institution and the paying agency within the framework of programmes co-financed from the European Union funds dedicated to agriculture and rural development.

Since 2004 both the scale of granting aid and the number of available support instruments increased. One of the key ARMA's tasks within the framework of implementing Common Agricultural Policy (CAP) is executing direct payments.

In December 2008, ARMA concluded realization of Rural Development Plan (RDP) 2004-2006 by achieving the level of full use of financial means allocated to Poland. In June 2009, last payments were executed under Sectoral Operational Programmes: "Restructuring and Modernisation of the Food Sector and Rural Development 2004-2006" and "Fisheries and Fish Processing 2004-2006".

During 2007-2013, ARMA is an implementing institution and paying agency for aid instruments financed from new European Union funds:

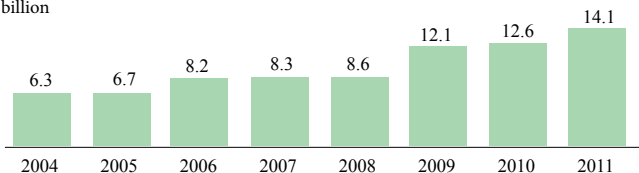
- EAFRD (European Agricultural Fund for Rural Development), from which all measures concerning the rural development within the framework of RDP 2007-2013 are financed;
- EAGF (European Agricultural Guarantee Fund), within the framework of which realization of aid instruments under the first pillar of CAP is continued (direct payments, common organization of the market for fruit and vegetables, common organization of the fisheries market);
- EFF (European Fisheries Fund), from which measures within the framework of the Operational Programme "Sustainable Development of the Fisheries Sector and Coastal Fishing Areas 2007-2013" are realized.

ARMA also continues the measures within the framework of the state aid, but since 2007 – under new Community guidelines for state aid in the agriculture and forestry sector.

Direct Support Schemes

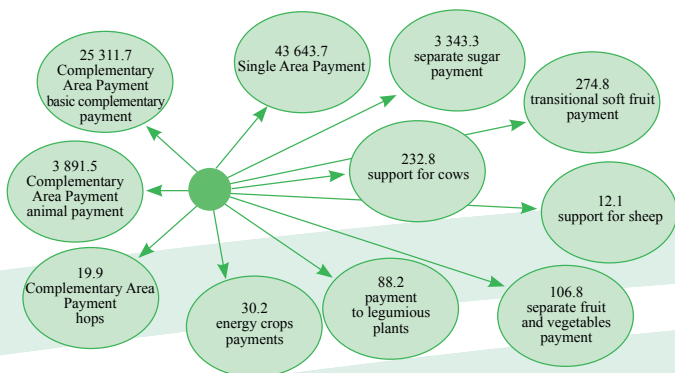
After Poland's accession to the EU, about 1.4 million of Polish farmers have been included into the agricultural income support scheme within the framework of Common Agricultural Policy. The basic aim of executed payments under direct support schemes is providing farmers with stable source of income and simultaneously guaranteeing accurate level of supply of agricultural products and ecologically sustainable use of natural environment. Payments under conducted campaigns increase regularly, starting with PLN 6.3 billion in the Campaign 2004 up to PLN 14.1 billion in the Campaign 2011 (table 1).

Table 1. Payments under direct support schemes in Campaigns 2004-2011, in PLN billion



By the end of June 2012, beneficiaries received payments in the total amount of nearly PLN 77 billion.

Table 2. Structure of payments under direct support schemes in Campaigns 2004-2011, in PLN million, as of 30.06.2012



Common Market Organization for Fruit and Vegetables

Within the framework of CMOFV, ARMA makes the following payments:

- financial aid for provisionally recognized fruit and vegetables producer organizations for the establishment costs, the costs of administration and for co-financing eligible investment costs included in the approved plan for achieving the recognition;
- financial aid for recognized fruit and vegetables producer organizations for co-financing the operational fund.

These instruments increase stability of the sector and organization of the fruit and vegetables market in our country.

By 30.06.2012, within the framework of CMOFV, ARMA granted financial assistance to its beneficiaries in the amount of PLN 3,1 billion.

RDP 2007-2013

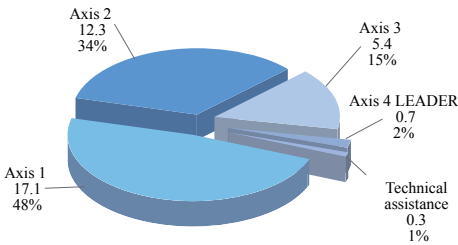
Among the EU members, Poland has been granted the highest allocation (EUR 13.4 billion) from the European Agricultural Fund for Rural Development (EAFRD) for the realization of tasks under RDP 2007-2013. These means are complemented by the contribution from the national budget amounting to EUR 4 billion.

Measures under RDP 2007-2013 are realised within the framework of strategic priority axes:

- Axis 1: Improvement of the competitiveness of the agricultural and forestry sector;
- Axis 2: Improving the environment and the countryside;
- Axis 3: Improvement of the quality of life in rural areas and diversification of rural economy;
- Axis 4. LEADER.

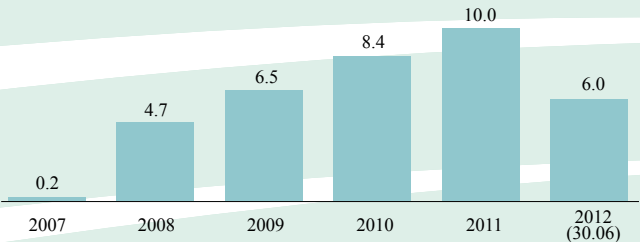
By 30.06.2012, over 1 million beneficiaries received payments in the total amount of PLN 35.8 billion, including PLN 10.2 billion within the framework of obligations from previous years. ARMA as the accredited payment agency executes payments for all measures under RDP 2007-2013.

Table 3. The amount of payments under RDP 2007-2013 broken down into axes, in PLN billion and in %, as of 30.06.2012



Dynamics of the Programme realization increases regularly, reflected by the level of disbursed payments in subsequent years. In 2011, ARMA paid to beneficiaries of RDP 2007-2013 the record amount of PLN 10 billion (table 4). Payments will be made until 2015.

Table 4. The amount of payments under RDP 2007-2013, in PLN billion, as of 30.06.2012



Among all the EU member states, Poland benefited from the highest amount of European funds (indirect payments and advance payments) within the framework of RDP 2007-2013 (as of 30.06.2012).

Operational Programme Sustainable Development of the Fisheries Sector and Coastal Fishing Areas 2007-2013

The Programme is financed by the European Fisheries Fund (EFR) and constitutes one of the components of the Common Fisheries Policy of the European Union. The amount of EUR 4.3 billion has been allocated for realization of the Fund in the whole Europe. Apart from Spain, Poland is the largest beneficiary of the aid within the framework of the Fund (EUR 734.1 million of the European Union contribution and EUR 244.7 million from the national budget).

This Programme supports undertakings for achieving sustainable balance among marine resources and the fishing capacity of the fishing fleet and creating modern and competitive fishing sector in Poland. The aforementioned goal is achieved by the means of among others adaptation and modernization of ships, inland fishing and pisciculture, increasing standards of ports and fish processing plants. ARMA is responsible for implementing three out of five axes of the programme:

- Axis 1: Measures for the adaptation of the fishing fleet;
- Axis 2: Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products;
- Axis 3: Measures of common interest.

By 30.06.2012 ARMA transferred PLN 1.6 billion to the representatives of fisheries sector.

State aid

ARMA grants support to farmers from the national budget within the framework of the so-called state aid. This aid at present is granted in the form of payments of subsidies to interest on various types of loans, guarantees and warranties of payment of preferential investment credits and preferential disaster credits, warranties for student credit payments, co-financing of costs incurred by agricultural producers for destruction of died animals, co-financing of costs incurred for preparation of the application for registration of geographical indications and designations of origin for agricultural primary products. Since the beginning of ARMA's activity, the agency within the framework of this aid paid the amount of PLN 18.5 billion, 65% of this amount was paid prior to Poland's accession in the EU.

Animal Identification and Registration System

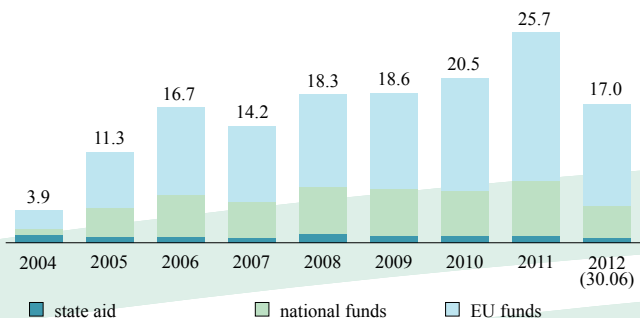
The Agency for Restructuring and Modernisation of Agriculture is also an institution responsible for keeping the system of identification and registration of animals in Poland. It aims at assuring food safety compliant to EU requirements and therefore leading to achieving full access to other EU member states' markets of products of animal origin. ARMA manages the register of tagged farm animals, that is bovine, caprine, ovine and porcine animals in the computer system. Database of this system contains information about animal holders (register of producers), animals and place of their stay (herd location register) and animal movement (registration of events concerning animals).

Based on information provided by farmers, ARMA updates the animal register with changes concerning herds of bovine, caprine, ovine or porcine animals.

ARMA in numbers

- funds paid by ARMA between 1994-2012 (by 30.06.2012) – PLN 159.0 billion, including:
 - ✓ direct support schemes – PLN 77.0 billion (since 2004),
 - ✓ RDP 2007-2013 – PLN 35.8 billion (since 2007),
 - ✓ state aid – PLN 18.5 billion (since 1994),
 - ✓ RDP 2004-2006 – PLN 10.9 billion (2004-2008),
 - ✓ Sectoral Operational Programme Restructuring and Modernization of the Food Sector and Rural Development 2004-2006 – PLN 6.6 billion (2004-2009),
 - ✓ SAPARD Programme – PLN 4.5 billion (2002-2006),
 - ✓ Common Market Organization for Fruit and Vegetables – PLN 3.1 billion (CMOFV) (since 2004),
 - ✓ Operational Programme Sustainable Development of the Fisheries Sector 2007-2013 – PLN 1.6 billion (since 2007),
 - ✓ Sectoral Operational Programme Fisheries and Fish Processing 2004-2006 – PLN 1.0 billion (2004-2009);
- funds paid by ARMA during 2004–2012 under programmes co-financed from the EU budget – PLN 139.7 billion;
- mid-year ARMA's transfers to beneficiaries between 2004–2012 – PLN 17.2 billion;

Table 5. Annual payments of funds by ARMA under programmes co-financed from the EU funds and state aid during 2004-2012 in PLN billion



- funds paid by ARMA within the framework of programmes co-financed by the EU funds calculated for an average agricultural farm of above 1 ha – PLN 85 thousand;
- number of animals registered in the Central Data Base of the Animal Identification and Registration System (bovine, caprine, ovine and porcine animals) – 18.9 million;
- number of beneficiaries of direct payments served annually by ARMA – 1.4 million;
- number of entities registered in the Register of Producers – over 2.1 million;
- number of conducted on-the-spot checks (annually):
 - ✓ 135 thousand – direct payments,
 - ✓ 115 thousand – remaining instruments.

1 EUR = 4 PLN