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Planting Seed Market in Poland - Outlook 2015

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Report Highlights:

Poland is one of the major agricultural plant producers in the EU, with great potential for future planting seed market development. The currant planting seed market value is very low and inadequate for Poland's agricultural productive potential. Sales of certified planting seed show a growing tendency in the last few years, but the dynamics of growth is very slow. Poland is a net importer of planting seeds. In the last five years the average planting seed imports value amounted to U.S. $210 million. The great majority of planting material is sourced from European Union countries, but the U.S. is the main supplier of grass and clover planting seeds for meadows and golf course developments.

General Information:
General Planting Seed Market Characteristics in Poland

Poland is one of the major agricultural plant producers in the EU, with great potential for future planting seed market development. Poland is the third larger producer of grains in the European Union, with production reaching over 30 MMT per year. Poland's accession to the European Union and the EU renewable energy policy created a strong incentive for biofuel and rapeseed market development. In 2014 Poland harvested 3.2 MMT of rapeseed, placing the country as the third largest rapeseed EU producer after Germany and France. Poland is also the European leader in production of apples and berry fruits like blackcurrants. The country plays a significant role in growing ground vegetables like onions, cabbages and cauliflowers. Poland's total vegetable production amounted to 5.6 MMT in 2014.

According to the State Plant Health and Seed Inspection (PIORIN) in 2013 the planting seed cultivation area amounted to 115.5 thousand hectares. The Polish seed industry has a 50 percent market share despite very strong competition from foreign companies. The strongest competition is in foreign plant varieties which have not been registered in Poland, but which are in the European Common Catalogue of Varieties of Agricultural Plant Species. According to the Polish Ministry of Agriculture there have been 1286 varieties registered in the National Register of Agricultural Plant Varieties in Poland. In 2013 the share of foreign varieties in the Register exceeded 50 percent. Foreign varieties have the largest share, over 70 percent, in oil and fibrous plants, corn and sugar beets; in these groups of plants hybrid varieties dominate. National varieties still dominate in the Polish register in cereals, potatoes and fodder plants, all traditionally cultivated in Poland.

Sales of certified planting cereal seed in Poland, (000)MT

Plants	**MY 2009/10 (MY begin July 2009)**	**MY 2010/11 (MY begin July 2010)**	**MY 2011/12 (MY begin July 2011)**
Total Cereals	137.6	150.3	175.2
Winter wheat	48.7	54.6	61.9
Spring wheat	13.8	14.6	22.5
Winter barley	5.8	7.1	6.5
Spring barley	20.7	23.1	29.6
Rye	10.8	10.9	12.5
Oats	9.4	9.9	10.6
Triticale	28.4	30.1	31.6

Source: Economical Institute in Wroclaw after Plant Breeding and Acclimatization Institute

Sales of certified planting seed show a growing tendency in the last few years, but the dynamics of growth is very slow. In Poland there is a very high level of on-farm subsistence in planting seeds, mostly on small farms where certified material is not used. Due to very low use of certified seed average plant yields are much lower than in the EU. Avoidance of certified seed by farmers brings less effective and high consumption of planting seed. The share of grains for planting in total grain production amounts to more than 7 percent (two times higher than in the EU), due to low yield of non-qualified seed sowing material.

The average value of the planting seed market in Poland is estimated at U.S. $280-300 million according to the industry. The Polish planting seed market has great development potential. The currant planting seed market value is very low and inadequate for Poland's agricultural productive potential.

Strengths and opportunities for Poland's seed market

- Very low share of certified seed used in planting seed in Poland means there is great opportunity for development in this part of the Polish agricultural market;
- Huge potential for increasing effectiveness of agricultural production by using biological and genetic improvements in plant developing industry;
- Supportive institutional and organizational environment;
- Active organizations providing support for reliable seed companies preparing high quality seed for farmers and making settlements in compliance with intellectual property rights;
- Ongoing process of improvements in Polish legal system like implementation and realization of FSS (Farm Saved Seed) control, which means that farmers can use protected varieties of particular agricultural species under condition of providing remuneration to the owner of the variety;
- Development of a licensing system,
- Implementation (in 2007) of aid mechanism for farmers using certified seeds under CAP de minimis measure
- Companies bringing to the market certified seeds or potatoes or investing in wholesale infrastructure on seed market will be able to apply for reimbursement of a portion investment costs from the state and EU (mixed) funds in the new budgetary program for 2014-20,
- State budgetary financial support for breeding seed industry (but only for basic research, not for advanced technologies);
- market opportunities for U.S. sowing seeds industry can be found for oilseeds, grass seeds, legumes, herbaceous and trees and also for corn if there are changes in GMO legislation;
- Increasing lupine, legumes and protein plants seed demand due to integrated agricultural production requirements (lower mineral fertilizers consumption, rotation in plant cultivation), enhanced by government support program for high-protein plants.

Weaknesses and threats for Poland's seed market

- Very low share of certified seed in crops in Poland negatively effects competitiveness of Polish farming on international market (only 8-15 percent of total arable area is planted with certified seeds);
- Illegal trade on seed market – according to some industry sources it can include up to 30 percent of total planted seed in Poland;
- Financial and economic losses as the consequence of illegal trade for breeders', farmers' and the whole seed market. According to the industry losses can reach 100 million PLN (U.S.$28 million) per year;
- Episodic violations and infractions concerning legal protection of plant varieties;
- According to the industry, insufficient execution of existing legal measures on intellectual property rights on planting seed market;
- The lack of some farmers' awareness of legal protection of plant varieties due to the common and long history of on-farm use seeds without focus on the source of origin of their planting seeds;
- The necessity of promotion of legal knowledge and active educational programs on benefits

from using the more effective certified sowing seeds;
- Strong political opposition against GMO sowing seeds, resulting in weakened market opportunities mostly for corn and soy in Poland,

Trade

Import-Export value of planting seeds – Poland, (000)USD

	2011/12	2012/13	2013/14	2014/15 (10 months)
Market Year Begin	**July 2011**	**July 2012**	**July 2013**	**July 2014**
Import				
World	220,122	201,811	235,490	191,145
EU-28	212,006	192,502	228,379	185,615
Non EU	8,116	9,309	7,111	5,530
Export				
World	77,428	43,152	49,460	44,861
EU-28	68,312	32,760	36,746	35,401
Non EU	9,116	10,392	12,714	9,460

Source: Global Trade Atlas

Poland is a net importer of planting seeds. In the last five years the average planting seed imports value amounted to U.S. $210 million. The great majority of planting material is sourced from European Union countries. The main suppliers for Poland are the Netherlands, France and Germany, with almost 70 percent of total import value. Vegetable seeds constitute the majority of import value. Hybrid maize seed and sugar beet seeds are the next largest group of planting seeds imported to Poland.

The United States is the biggest planting seed supplier among non EU countries. Total import value from the U.S. to Poland amounted to U.S. $2.7 million in MY 2013/14. The U.S. is the main supplier of grass and clover planting seeds for meadows and golf course developments. The total value of Poland's imports of grass planting seed from the U.S., like Fescue seed, Rye Grass seed and Kentucky Blue Grass seed for sowing, amounted to U.S. $1.8 million, 50 percent of non EU deliveries of this seed variety to Poland. Vegetable seeds are the second biggest group imported from the U.S. The third group of seeds sourced from the U.S. consists of forest-tree seed for nurseries. Small amounts of planting seeds are sourced also from other non EU countries like New Zealand, China and Canada.

Import sources of planting seeds – Poland, $(000)

	2011/12	2012/13	2013/14	2014/15 (10 months)
Market Year Begin	**July 2011**	**July 2012**	**July 2013**	**July 2014**
World	**220,122**	**201,811**	**235,490**	**191,145**
Netherlands	54,003	54,903	62,503	45,955
France	32,935	38,886	47,549	58,009
Germany	38,800	38,398	47,434	25,916
Hungary	20,993	9,360	17,564	18,072
Denmark	9,798	11,662	12,731	6,349

Austria	4,381	9,815	9,675	6,090
Slovakia	19,838	10,535	9,518	11,618
Belgium	5,787	5,609	5,893	4,490
United Kingdom	1,923	2,792	5,236	1,471
Czech Republic	16,898	4,858	3,316	2,055
Italy	3,272	3,834	2,838	1,925
United States	2,235	2,841	2,747	1,588
Romania	646	1,100	2,286	2,952
New Zealand	1,601	1,649	1,774	278
Estonia	-	-	1,042	-
China	1,888	2,164	858	694
Canada	1,592	1,470	658	600

Source: Global Trade Atlas

Import of planting seeds by plant varieties– Poland, $(000)

		2011/12	2012/13	2013/14	2014/15 (10 months)
Market Year Begin	**HS code**	**July 2011**	**July 2012**	**July 2013**	**July 2014**
World	**Total**	**220,122**	**201,811**	**235,490**	**191,145**
Vegetable seeds for sowing	120991	51,203	51,872	60,093	46,250
Simple Hybrid Maize Seed	10051015	37,252	41,386	53,147	45,848
Sugar Beet Seed for Sowing	120910	24,759	27,991	30,902	22,353
Maize Seed (Excl. Hybrid)	10051090	13,149	18,024	26,082	27,641
Three-Cross Hybrid Maize Seed	10051013	9,109	13,046	15,628	16,493
Seed Potatoes	07011000	6,922	9,400	11,379	5,702
Seeds of Forage Plants	120929	6,167	6,990	8,625	7,021
Fescue Seed for Sowing	120923	6,525	6,392	5,021	3,421
Rye Grass Seed for Sowing	120925	4,443	4,253	3,911	1,351
Peas, 'Pisum Sativum' for Sowing	07131010	2,098	2,416	3,589	2,583
Seeds of Herbaceous Plants	12093000	3,873	3,936	3,121	2,266
Dried Sweetcorn, Hybrid, for Sowing	07129011	1,875	1,769	2,084	1,826
Clover (Trifolium Spp.) Seed for Sowing	120922	1,969	1,555	1,768	1,358
Alfalfa Seed For Sowing	12092100	1,837	2,845	1,318	1,901
Kentucky Blue Grass (Poa Pratensis L.) Sowing Seed	120924	829	1,040	931	831
Forest-Tree Seed For Sowing	12099910	145	343	338	324

Source: Global Trade Atlas

Import of planting seeds from United States to Poland, $(000)

		2011/12	2012/13	2013/14	2014/15 (10 months)
Market Year Begin	**HS code**	**July 2011**	**July 2012**	**July 2013**	**July 2014**
Total import from U.S.	**Total**	**2,235**	**2,841**	**2,747**	**1,588**
Vegetable seeds for sowing	120991	513	714	499	388
Seeds of Forage Plants	120929	49	-	60	108
Fescue Seed for Sowing	120923	1,036	1,260	1,225	700
Rye Grass Seed for Sowing	120925	365	451	540	28
Seeds of Herbaceous Plants	12093000	108	93	77	86
Clover (Trifolium Spp.) Seed for Sowing	120922	60	-	129	124
Kentucky Blue Grass (Poa Pratensis L.) Sowing Seed	120924	48	178	64	81
Forest-Tree Seed For Sowing	12099910	35	78	52	45

Source: Global Trade Atlas

Policy Developments

Polish Main Regulatory Acts

Organizational production and marketing systems for seed in individual EU member states are regulated by EU Community law and constructed in accordance with Union Directives. Member states are obliged to implement Directives by local regulatory Acts and regulations.

The Polish main regulatory acts for the seed market are:

1. Act of March 8, 2013 concerning plant protection products Dz.U. 2013, No 0, pos.455
2. Seed Act of November 9, 2012, No 0, pos. 1512
3. Act concerning legal protection of plant varieties of June 26, 2003, Dz.U. 2003 No 137, pos.1300

All Acts are available at: www.isap.sejm.gov.pl (Polish language)

CAP Support Measurements in Poland

The Polish Agricultural Market Agency provides financial support to agricultural producers from the state budget under de minimis aid in agriculture. Producers who use certified sowing seed can apply for assistance. Since April 2015 payments per 1 hectare of planted area amount at:

- grain, mixed grain, fodder grain - 80 PLN (U.S. $22.22)
- legumes – 130 PLN (U.S. $36.11)
- potatoes – 400 PLN (U.S. $111.11)

The total amount of aid granted to a farmer during a 3 year period cannot exceed 15,000 EUR. In 2014 support was granted to 1.0 million ha planting area where certified seed was planted. Total arable area amounted to 10.3 million ha. Total value of support for certified seed users amounted to 120 million PLN (U.S. $33 million).

Neonicotinoid update

The European Commission restricted the use of 3 pesticides from the neonicotinoids group (clothianidin, imidacloprid and thiametoxam) for a period of 2 years, (EU Regulation No 485/2013). Poland adopted the regulation but with strong opposition from producers. Restricted pesticides are used

mostly for chemical treatment of corn and winter rapeseed in Poland. Farmers' organizations and those of corn and rapeseed producers, and representatives of the seed industry, protested actively against implementing this Directive. The restrictions went into force December 1st, 2013. The 2014/15 MY was the first year under these new regulations. According to the industry, the risk of economic losses for the industry increased rapidly. Polish farmers point to many other factors contributing to bee population decline. The year 2014 was a record harvest year and increased costs of production were offset by good yields due to very favorable weather conditions. Nevertheless farmers evaluated their losses due to pest activity at 15%-20 percent in comparison with the profits they would get if not restricted by the new regulation.
The EU Commission' partly restricted also use of fipronil - the fourth pesticide from the same neonicotinoid family, mostly used by Polish corn, sunflower and vegetable producers. It can be still applied for vegetable seeds planted under cover.

Biotechnology Approval Process Update

Many Polish scientists and representatives of the industry like commercial farmers and the meat processing industry are for new technologies like GMO, but the subject of biotechnology has a very strong political aspect in Poland.

The basic legal act regulating the GMOs in Poland is the Act on Microorganisms and Genetically Modified Organisms of June 22, 2001 (Journal of Laws of 2007 No. 36 pos.233, 2009 No. 18 pos.97 and 2015. Pos.277)

In Poland there are no commercial plantings of GMO crops. Several research institutions are conducting research projects under confined conditions. Research programs consist of basic research, plant breeding and experiments gauging the influence of GMO plants on the environment.

- Genetically modified varieties must not be registered in the national register;
- Planting GMO seeds is forbidden, including corn MON810;
- Trading on Polish territory planting seed of genetically modified varieties is not forbidden, but under condition that it was produced and packed out of Poland and it cannot be used on Polish territory;
- Marketing and use of genetically modified feed is temporary permitted - until 2017.

In 2006, the Polish parliament adopted a law on animal feed aimed at adjusting the Polish legislation to the EU legislation. At the same time it introduced a provision prohibiting the importation and manufacturing GMO ingredients in feedstuff. Introduction of the ban for marketing GMO feedstuff in Poland would have jeopardized the existence of the Polish meat and especially the poultry industry. Due to this threat the Polish Parliament implemented moratorium on the GMO feed ban, which remains in force until 1 January 2017. In Poland it impacts mostly to soybean meal and corn. Poland's imports of GMO soybean meal amount to 2 million MT per year. Soybean meal dominates in the consumption of oil meals in Poland.

For more information on GMO in Poland please look for:

1. FAS/Warsaw GAIN Report "Amendment to the Act on Genetically Engineered Organisms" of 2/20/2015,
2. FAS/Warsaw GAIN Report "Agricultural Biotechnology Annual. Poland" of 7/10/2015.

Main State Institutions and Organizations on Polish Seed Market

1. **Ministry of Agriculture and Rural Development**

00-930 Warsaw, Poland, Wspolna str. No 30
http://www.minrol.gov.pl
e-mail: tpi@arr.gov.pl
phone: +48 22 661 72 72

1. **State Plant Health and Seed Inspection Service**

00-930 Warsaw, Wspolna str. No 30
http//www.piorin.gov.pl
e-mail:gi@piorin.gov.pl
phone: +48 22 623 23 02

1. **Polish Seed Trade Association**

60-845 Poznan, Kochanowskiego str. 7/603
www.pin.org.pl
e-mail: pin.poznan@post.pl
phone: +48 61 848 49 54

1. **Research Centre for Cultivar Testing (COBORU)**

63-022 Slupia Wielka,
www.coboru.pl
e-mail: sekretariat@coboru.pl

1. **Plant Breeding and Aclimatization Institute. National Research Institute**

05-870 Blonie, Radzikow
www.ihar.edu.pl
e-mail:postbox@ihar.edu.pl
phone: +48 22 725 36 11

1. **Seed Agency Ltd.**

64-100 Leszno, Jana Dekana str. No 6E
www.agencjanesienna.pl
e-mail: zarząd@agnas.pl
phone:+48 65 529 31 61

Great Variety of Plant Seed Breeders on Polish market:

In Poland there is a great variety of seed companies representing different scale of production, forms of ownership, capital origin and scope of activity. Polish and foreign seed market stakeholders have equal formal access to the market and they act on equal rules. They can trade sowing seed material of varieties registered in State Plant Varieties Catalogue or in the EU Community Catalogue.

End of Report