

9. Жук В.М. Облікові технології у забезпеченні інвестиційної привабливості та фінансової безпеки сільськогосподарських підприємств / В.М. Жук, Ю.С. Бездушна, О.С. Вдовенко // Облік і фінанси. – 2013. – № 4 (62). – С. 32–38.

*Отражены проблемы финансовой безопасности предприятий и аграрной отрасли Украины в целом. Предложены теоретические и методические подходы к решению проблем финансовой безопасности на стыках финансовой и бухгалтерской науки. Раскрыта сущность и полезность идеологии научного империализма на примере бухгалтерского империализма. Уточненная сущность понятий «финансовая безопасность предприятия» и «макроэкономический уровень финансовой безопасности». Приведен пример научного обеспечения решения проблем экономической безопасности аграрных предприятий Украины в сочетании учетной политики и действия специальных режимов налогообложения.*

**Финансовая безопасность, исследования на стыках наук, бухгалтерский империализм, специальные режимы налогообложения, учетная политика, финансовая отчетность**

*In the article the problems of financial security enterprises and the agricultural sector in Ukraine as a whole are covered. The theoretical and methodological approaches are proposed that solving problems at the interface between financial security and financial accounting science. The essence and usefulness of scientific imperialism ideology are disclosed for example accounting imperialism. The essence of the concepts of 'financial security company' and 'macro level of financial security' is specified. An example of a scientific software solving the problems of the financial security of agricultural enterprises in Ukraine combined accounting policies and actions of special tax regimes is shown.*

**Financial security, research on the intersection of science, accounting imperialism, special tax, accounting policies, financial reporting.**

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## **CREDITING OF AGRICULTURAL FARMS IN POLAND**

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*The analyses showed that in Poland credit infrastructure is well developed so farmers have rather easy access to bank services. As far,*

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*cooperative banks play the main role in granting agricultural credits however, their position is diminishing as commercial banks are more and more interested in crediting farmers. Accession to EU increase this interest mainly because of the fact that farmers were encompassed huge support under Common Agricultural Policy. In structure of credits investment and long term credits prevail what is a result of support for investment in period before EU accession as well as in conditions of EU membership. Farmers are very creditworthiness clients.*

**Agricultural credit, preferential credit, commercial credit, cooperative bank, creditworthiness**

Like other enterprises, the agricultural farms need credits for conducting current and investment activity. The scope, availability and terms of external financing depend largely on the level of development of economy and especially on development of financial sector. For farms and small enterprises the banking sector is the most important part of financial sector.

The aim of the paper is to evaluate the scope and tendencies in bank credits granted to Polish farmers after Poland's accession to European Union (EU). To achieve this goal, the following problems are examined in the paper: (i) level and dynamics of credits, (ii) credit structure, (iii) the quality of agricultural debt.

**Materials and methods:**

The study covers generally 8 years (2005-2012). It was very important time for the Polish agriculture because with the accession to European Union the agriculture has become part of European agriculture and has been encompassed by Common Agricultural Policy.

The data to investigation is taken mainly from The Central Statistical Office, Polish Financial Supervision Authority, National Bank of Poland.

In the paper the descriptive analysis, supported widely by the quantitative analysis is applied.

The paper starts with the short characteristics of the credit market in Poland. Next, the size scope and structure of the credit for agriculture are studied. In the third part of the paper, the problem of the quality of the agricultural credit is examined. At the end of analysis, the conclusions are drawn out.

**The characteristics of the credit market in Poland**

The banking sector was a leader in economy in adjusting to the conditions of the market economy after 1989. It consists from commercial banking and cooperative banking. At the beginning of transition, many private commercial banks were established. The peak in their number was in 1993 when 83 banks conducted operations (table 1). Next, the number was falling mainly due to the process of the mergers and acquisitions and in result in 2013 the number was two times lower. In 2004 the branches of credit foreign institutions appeared on the market and since that year their number has been rising gradually. In cooperative sector of banking the process of consolidation

was observed too. The number of cooperative banks decreased from 1664 in 1989 to 571 in 2013. The share of cooperative banks in credit market is estimated at 6%.

The banking sector is controlled largely by foreign investors. Their market share measured by assets was amounted to 77.3% in 2008 but in following years decreased noticeably to 63%. Italian investors plays dominant role. It is worth to underline that the cooperative banking is fully under domestic control.

### 1. Change in number of banks by ownership in 1989-2007 (31 XII)

Specification	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of banks:	649	647	645	649	643	646	642	642	640
Of which									
1.commercial banks	54	51	50	52	49	49	47	45	41
2.branches of credit institutions	7	12	14	18	18	21	21	25	28
3.cooperative banks	588	584	581	579	576	576	574	572	571
Share of the foreign investors in banking sector assets (%)	70	69.7	70.9	72.3	68.1	66.2	65.0	63.6	63.2

**Source:** Summary Evaluation of the Financial Situation of Polish Banks in Half of 2007, General Inspectorate of Banking Supervision National Bank of Poland Warsaw, October 2007, Reports on the Conditions of Polish Banks in 2009,2011, 2012, 2013. The Polish Financial Supervision Authority

The role of banks and bank credits in economy estimated by indicator: credits for non financial sector/GDP has been growing steadily from 24% in 1999 to 51% in 2013. The structure of credit market is dominated by credits for households (table 2), mainly due to housing real estate loans of which share in credits for nonfinancial sector is estimated at about 40%. The share of agriculture in banks credits is rather small. It can be said that it reflected the participation of that sector in creating GDP.

### 2. The structure of the credits for non financial sector by group of lenders (%)

Specification	2005	2006	2007	2008	2009	2010	2011	2012
Enterprises	46.9	42.8	40.3	37.5	33.9	30.2	31.4	31.8
Households	52.8	56.8	59.4	62.1	65.7	69.3	68.1	67.6
Non profit institutions serving households	0.3	0.4	0.3	0.4	0.4	0.5	0.5	0.6
Farmers	4.4	4.4	3.8	2.9	2.8	3.0	2.9	3.1

**Source:** Own calculations based on data from Monitoring of banks 2005-2010, 2012, Central Statistical Office, Warsaw, 2011, 2013.

### Size scope and structure of the credit for agriculture

Farmers face the strong competition on global agricultural product which makes them to invest in modernization of technological processes. Reyes et al (2012) point out that market-oriented farmers need more capital for three

main reasons: to invest in new technologies, to meet the requirements of international regulations on quality and food safety and to obtain scale and scope economies. There are some sources of financing the investment. Credit is one of them. However, it is worth to underline that in European Union farmers are offered vast ranges of subsidies to different kinds of investment. Moreover, in market economy, farmers use credit for financing the current operations.

As data in table 3 show, the cooperative banks were the main source of credit for farmers. Their share was rising in some first years of examined period but since 2008, it has went down noticeably. As far, these banks still remain the basic source of credits for farmers however, they face growing competition from commercial banks. Danilowska (2012) explaining the advantage of cooperative banks indicate their local character and tradition. But this advantage is diminishing because of growing competition on credit market. Kata (2014) point on inflow of foreign banks after accession (one common capital market). Siudek et al (2013) state that commercial banks have competitive advantage on cooperative banks resulted from widely using internet banking by commercial banks. The better equipment is another important factor.

In Poland, farmers has been offered two kinds of credits: commercial and preferential. The importance of the preferential credit for farmers is illustrated by its high share in total credit. Till EU accession preferential credit was the basic tool of agricultural policy (Danilowska 2005).

### 3. Characteristic of the farmers' debt

Year	Value of farmers debt (billions PLN)	Dynamic of farmers' debt (previous year=100)	Debt due to preferential credit/ farmer's debt	Dynamic of debt due to preferential credit (previous year=100)	Proportion of cooperative banks in farmers' debt
2003	9 765.6	-	85.4	-	66.6
2004	10 388.3	106.4	85.1	100.9	67.4
2005	11 965.7	115.2	77.9	125.8	67.1
2006	14 785.3	123.6	79.8	117.9	70.1
2007	17 375.7	117.5	81.2	102.4	69.3
2008	18 658.7	107.4	78.4	99.6	68.7
2009	19 421.9	104.1	75.6	98.0	68.7
2010	19 764.9	101.8	66.9	106.2	64.5
2011	21 911.1	110.9	64.1	103.2	63.4
2012	23 614.6	107.8	61.4	106.1	62.1

**Source:** like in table 2

During examined years, the farmers' debt was growing steadily but the rate of growth differs noticeably. It was especially high in three first years of Poland' s accession to EU. It stemmed partly from the fact that in the these years the preferential credits (which had very big share in farmers' credits)

were granted on unchanged terms. Since May of 2007 the system of preferential credits was adjusted to EU domestic support rules. Moreover, in 2008 the support in the form of subsidies for investment activity has started under financial perspective 2007-2013. Farmers were offered many measures supporting investment activity in the form of subsidies. The dynamics of preferential credit decreased noticeably but the dynamics of commercial was quite good. Farmers have been interested in taking credits, even commercial, because not all aims can be financed by preferential credits. What more, they need money for own share in financing the investment supported by EU subsidies (Danilowska 2013)

#### 4. Structure of agricultural debt by purpose and time

Year	Aim of credit		Credit currency		Maturity period		
	Operating credits	Investment credits	In PLN	IN other currencies	<1 year	1-5 years	>5 years
2005	19.6	62.4	99.80	0.20	16.7	19.8	63.5
2006	21.3	61.5	99.89	0.11	13.1	24.7	62.2
2007	20.5	63.0	99.95	0.05	12.3	23.4	64.3
2008	20.4	62.4	99.89	0.11	13.1	22.5	64.4
2009	20.0	62.1	99.87	0.13	13.8	22.1	64.1
2010	28.0	64.3	99.87	0.13	14.8	18.8	66.4
2011	27.0	65.9	99.80	0.20	15.5	16.6	67.9
2012	27.5	65.8	99.89	0.11	16.9	15.0	68.1

Source: [http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna\\_i\\_bankowa](http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna_i_bankowa)

The analysis of the structure of agricultural credits for farmers indicate the importance of investment credit in this sector of economy. The share of these credits has increased on some percentage points since 2005 and was amounted at nearly 66 % in 2012. It is a result of the long period of granting investment preferential credit while operating preferential credits were granted till 2005. Contrary to the other group of borrower, farmers have taken credits in Polish zlotych. The proportion of credits in other currencies was very slightly. The structure of credits by the aim determines the structure by maturity period. The long-term credits (maturity > 1 year) prevails.

#### Quality of the agricultural credit

The agricultural production in Poland is carried mainly by farmers. The agricultural production is risky business as beside market risk there is a risk of environmental character like exposing for drought, flood, heavy rains and other natural disasters. More over, farmers caring agricultural activity face strong barrier of leaving the sector in the form of sunk costs and lack of alternative activity and the same sources of income. In such circumstances, the perspective of loss of the farm is strong incentive to repayment of credit. The data (table 5) confirms the presumption.

## 5. Proportion of impaired farmers' credits in total farmers' credits (%)

Specification	2010	2011	2012
Impaired credit/credits	3,18	3,17	3,33
Impaired operating credit / operating credits	3.6	3.6	3.8
Impaired investment credit / investment credits	2.8	2.9	2.9

**Source:** like in table 2

The analyses shows the very high level of farmers' creditworthiness. The proportion of impaired credits in total farmers' credits is very low. It is remarkable that the indicator for investment credits is lower than for operating credits. It is much lower than for other group of creditors like individual entrepreneurs, and small, medium and large enterprises as well. The aforementioned factors of this phenomenon are supported by well designed rules on granting and repayment of preferential credits and general income and investments support for farmers under Common Agricultural Policy of EU.

**Conclusions.** In Poland, credit infrastructure is well developed so farmers have rather easy access to bank services. As far, cooperative banks play the main role in granting agricultural credits however, their position is diminishing as commercial banks are more and more interested in crediting farmers. Accession to EU increases this interest because farmers have been encompassed huge support under Common Agricultural Policy. In structure of credits investment and long term credits prevail what is a result of the support for investment in period before EU accession as well as in conditions of EU membership. Farmers are interested mainly in credits in Polish currency. Farmers are very creditworthiness clients. The proportion of impaired credits is very low.

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*Аналіз показав, що в Польщі інфраструктура кредитного ринку добре розвинена, тому фермери мають досить легкий доступ до банківських послуг. Кооперативні банки відіграють значну роль у наданні сільськогосподарських кредитів, проте їх позиція зменшується, в той же час комерційні банки все більше і більше стають зацікавлені в кредитуванні фермерів. Вступ до ЄС підвищив цей інтерес в основному тому, що фермери були охоплені значною підтримкою в рамках Спільної аграрної політики. У структурі кредитів переважають інвестиційні і довгострокові кредити, що є результатом підтримки інвестицій в період до вступу в ЄС, а також в умовах членства в ЄС. Фермери характеризуються високою кредитоспроможністю.*

***Сільськогосподарські кредити, пільгові кредити, комерційні кредити, кооперативний банк, кредитоспроможність.***

*Анализ показал, что в Польше инфраструктура кредитного рынка хорошо развита, поэтому фермеры имеют легкий доступ к банковским услугам. Кооперативные банки играют значительную роль в предоставлении сельскохозяйственных кредитов, однако их позиция уменьшается, в то же время коммерческие банки все больше и больше становятся заинтересованы в кредитовании фермеров. Вступление в ЕС повысил этот интерес в основном потому, что фермеры были охвачены значительной поддержкой в рамках Общей аграрной политики. В структуре кредитов преобладают инвестиционные и долгосрочные кредиты, что является результатом поддержки инвестиций в период до вступления в ЕС, а также в условиях членства в ЕС. Фермеры характеризуются высокой кредитоспособностью.*

***Сельскохозяйственные кредиты, льготные кредиты, коммерческие кредиты, кооперативный банк, кредитоспособность.***