

COMMON AGRICULTURAL POLICY AND THE SUSTENABLE DEVELOPMENT OF FARMS IN POLAND AFTER ACCESSION TO THE EUROPEAN UNION

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Abstract:

The purpose of the article was to determine the impact of Common Agricultural Policy (CAP) instruments on the sustainability of agricultural holdings in Poland in 2004-2014. For this purpose, a panel analysis was used based on farm accountancy data (FADN). The first part of the study discusses the importance of sustainable development of agriculture as a strategic goal of the European Union, emphasizing economic and environmental dimensions as priorities of sustainable development of agriculture. The next section of the study shows the evolution of the Common Agricultural Policy of the EU and the change of its instruments to create sustainable growth in agriculture. The last part of the study evaluates the impact of individual agricultural policy instruments on the sustainable development of the agricultural sector in Poland in 2004-2014. In order to determine the direction and strength of the impact of CAP tools a panel analysis was used. It has been shown that agri-environmental subsidies are an instrument that positively influences the economic and environmental sustainability of farms in Poland. In addition, it has been proven that replacing subsidies for agricultural production with single area payments does not affect the increase in the sustainability of agriculture in Poland, although this process is perceived as the main factor creating sustainable development. In relation to this, it can be concluded that agri-environmental subsidies are the most beneficial instrument in the pursuit of increasing the sustainability of agriculture in Poland.

Keywords: *sustainable development, Polish farms, Common Agricultural Policy, influence*

JEL codes:: *H2, Q12, Q18, Q56*