

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 5/28/2010 GAIN Report Number:

Poland

Post: Warsaw

Damage assessments emerge after worst flooding in 140 years

Report Categories:

Grain and Feed

Agricultural Situation

Livestock and Products

Approved By:Eric WenbergPrepared By:A. Kingsbury, P. Rucinski & J. Figurska

Report Highlights:

Poland has experienced torrential rainfalls over the last weeks that resulted in swollen river drainages and substantial damage to some towns and villages. While Poland can experience flooding in its Southern regions each year, this year rainfall and drainages filled fast enough to cause some of the worst conditions in waterways in more than 140 years by some reports. The assessment of damage to agriculture is only now emerging, with farms washed out along main rivers but also with water damage in low lying areas. Public Polish news sources report that 50,000 farms and over 400,000 hectares of cropland was affected by floods and accumulations of water in low lying areas.

General Information:

Poland has announced roughly 50,000 farms have been affected by water damage, and an initial assessment of acreage damage is around 400,000 hectares of arable land. Poland has roughly 16.2 million acres of arable land, including 11.5 million hectares for grains, oilseeds, and vegetables. While this number is quite high, most farms have experienced just larger than normal levels of water with standing water destroying some crops. Some farmers near swollen waterways lost everything in the deluge and will require years to restore their lands and farms.

Attached to this report are three maps from the Polish Meteorology Center from May 21-24-27, with red in the water systems showing how the high water is moving northwards. It is fairly typical in May for the rivers in Southern Poland to swell, but the size of the extra water in the drainage this year is pushing flooding further North. The most worrisome element to watch for the future is the impact of the flooding in the North and Western Poland's major areas of grain and oilseeds. Persistent flooding in those regions is the only way an appreciable crop loss might result and experts are still waiting for that. USDA's assessment is that the flooding is localized and the extra water this year is not a nationwide problem. Assistance is needed to affected farms, but until more facts are known and a crop assessment more clear the nation's basic crop, feed, fruit, and vegetable remains substantially unharmed. Poland has sufficient grain stocks from past years and in fruits and vegetables for there to be no big increase in prices. After the damage is fully assessed the greatest damage is in vegetable and root crops. Psychology took over fruit and vegetable wholesale markets this week with a price jump.

In parts of Poland such as Pomorskie, Kujawsko-Pomorskie and Wielkopolskie (north and west) large farmers (for example 100 ha farmers) report that they expect good quality and high yields, especially for rapeseed and wheat. That was reported at the beginning of this week when the flood did not reach these regions (it was raining for last 2 weeks out there, but it was fairly warm). Many farmers say that the flood will not affect grain and oilseed production levels but that quality will be lower due to the poor weather.

Poland's Government has asked the EU for permission to use grain and non fat dry milk from its stocks to give as aid to people in affected areas and to farmers lacking feed with animal populations that may have some short term feeding difficulties. As well, the Agriculture Ministry may delay or postpone some infrastructure developments with EU Common Agricultural Policy (CAP) investments will be redirected to water retention improvements. There is the potential that the very smallest farmers affected, those subsistence farmers with just a few animals may face long term difficulties. They fall below the thresholds of typical assistance through the Common Agricultural Policy. These are farms with just a few cows, pigs, or chickens with farms to feed themselves. Polish farmers with more than one hectare and registered for CAP payments receive roughly 50 percent of their income from subsidies so have a welfare net in place to handle some losses. Farmers flooded out will need more help to get back into business. Farmers have ten days from May 26 to report damage to the payments agency, the Agricultural Agency for Restructuring and Modernization of Agriculture.