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DEMAND FOR MECHANIZATION SERVICES IN POLISH AGRICULTURE IN 2005-2017

Abstract:

The use of mechanization services makes it possible to reduce investment expenditures on the purchase of agricultural machinery, more efficient implementation of field works and enables the use of the most modern technical solutions. The research was aimed at identifying trends on the market of mechanization services for agriculture in Poland in 2005-2017. The dynamics of the value of purchased mechanization services and the share of services in total expenditures incurred on agricultural production were analyzed. It was found that in 2005-2017 there was a slight decrease in demand for mechanization services in Polish agriculture. In the discussed period, the value of mechanization services in current prices increased by 36.9% to EUR 505 million. However, the increase in the value of services was primarily related to higher prices. For comparison, the value of services expressed in constant prices (from 2010) decreased by 7.0% to 453 million euros in the analyzed period. The decrease in demand for mechanization services is also confirmed by data on the share of the value of services in total outlays on agricultural production. The share of mechanization services in intermediate consumption decreased by 0.5 percentage point to 3.6%. The declining demand for mechanization services, especially in recent years, is probably a consequence of earlier investments related to the modernization of agricultural equipment supported by financial resources of the European Union and the related certain saturation of farms with modern and more efficient agricultural equipment.

The ratio determining the share of mechanization services in intermediate consumption in Poland was among the lowest in comparison with the majority of European Union countries. For comparison, on average in EU countries in 2017 it amounted to 7.4%, for example in the Netherlands it was 13.6%, in Italy 12.0%, in France 9.9%, in Hungary 9.1%, in Denmark 7.6%, and in Germany 6.4%. Lower than in Poland share of agricultural services in intermediate consumption was recorded, among others, in Romania, Slovenia and Lithuania (below 3%). A small share of agricultural services in intermediate consumption in Poland can be associated with the fact that Polish farmers are usually difficult to persuade to alternative forms of agricultural machinery use, such as neighborly assistance services, specialized services or team-operated machinery, which may partly result from the past history.

Keywords:

agricultural services, mechanization services, services market