

AgroWe

Tak się żyje na tej wsi!

Insurance and Polish Agriculture

Łukasz Czech
08.04.2025



My Perspective



Family Farm – 250 ha + 150 sows in closed cycle
2018–2019 – Economist for livestock sector and analyst for IT development in biggest agricultural bank in Poland
2020 – present – consulting and advice for agriculture – team of 30 remote farmers, 28 EPI Groups, 400+ farmers in service, few consulting projects for corporate and public sector

Main topics to talk about insurance in Poland:

1. Characteristics of crop and animal production in Poland
2. CAP and agriculture insurance in Poland
3. Impact of development of agri value chain
4. Information from farmers social insurance

Crop structure in Poland



In 2024, the cultivated area of basic cereals with cereal mixtures in Poland was approx. 5.7 million hectare – about 2% less than the previous year.

The main crops included wheat, rye, barley, oats, triticale, and cereal mixtures. Winter cereal harvests were estimated at 21.2 million tons – a decrease of 5%, while spring cereals reached 4.4 million tons – an increase of 3%.

The area of rapeseed and turnip rape decreased by 6% to around 1 million ha, with production estimated at 3.4 million tons – a decline of 9%.

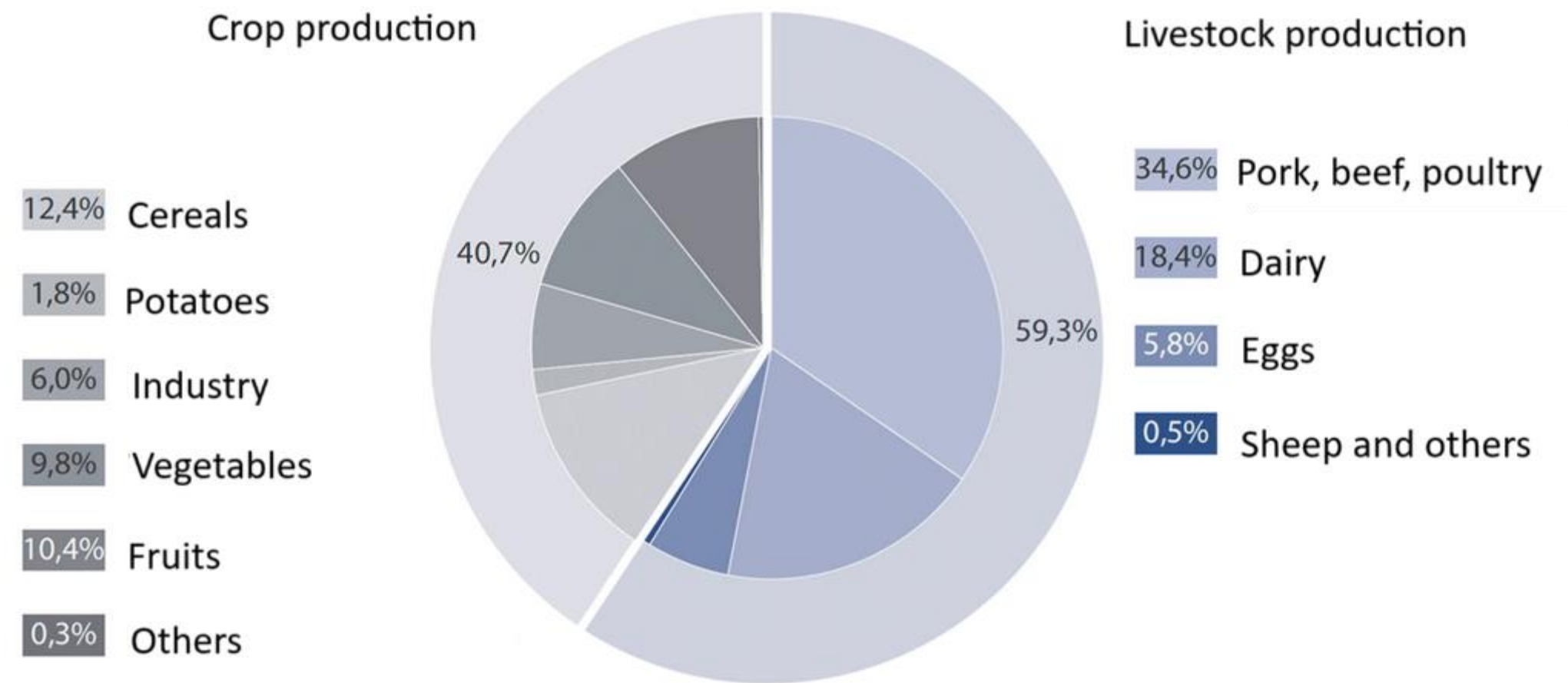
Field vegetable production rose by 2% to 3.8 million tons. Potato and sugar beet cultivation areas increased to approximately 0.2 million ha and 0.3 million ha, respectively.

Fruit production from trees was estimated at 3.6 million tons – a decrease of 17%, while fruit from shrubs and berry plantations totalled 501k tons – a decline of 11%.

Adverse weather conditions, including spring frosts, droughts, and extreme local weather events, negatively impacted crop yields and quality.

- Wheat – 2.4 million ha
- Rye – 0.7 million ha
- Barley – 0.7 million ha
- Oats – over 0.5 million ha
- Triticale – 1.2 million ha
- Cereal mixtures – 0.3 million ha
- Rapeseed and turnip rape – 1.0 million ha
- Potatoes – 0.2 million ha
- Sugar beets – 0.3 million ha

Despite crop structure, production is livestock, vegetable and fruit oriented



<https://www.kongresobywatelski.pl/pomorski-thinkletter/wszystkie-teksty/polskie-rolnictwo-w-liczbach-co-zmienilo-sie-w-ciagu-ostatniej-dekady/>

Due to this structure of production, a lot of liquidity problems are related to fire accidents, animal disease and export issues.

Due to CAP and Polish CSP – farmers are more interested in crop insurance

- EFRG – 80% of collateral guaranteed in specialized products
 - rising popularity
- 65% of refunds for livestock insurance – mainly animal diseases
 - 65% of refunds for crop insurance for chosen crops

Medium size–farmers are attracted to insurance by refunds.

Larger farmers are interested by scale of activity.

Insurance companies feel that farmers are underinsured about hail.

The maximum insurance payments in Polish CSP

Per hectare of agricultural crops

- **16,100 PLN – for cereals,**
- **13,200 PLN – for maize,**
- **12,000 PLN – for rapeseed and turnip rape,**
- **51,000 PLN – for hops,**
- **58,500 PLN – for tobacco,**
- **412,500 PLN – for field vegetables,**
- **178,500 PLN – for fruit trees and shrubs,**
- **99,400 PLN – for strawberries,**
- **63,100 PLN – for potatoes,**
- **23,800 PLN – for sugar beets,**
- **23,600 PLN – for leguminous plants;**

Per animal

- **16,000 PLN – for cattle,**
- **26,300 PLN – for horses,**
- **1,300 PLN – for sheep,**
- **800 PLN – for goats,**
- **2,900 PLN – for pigs,**
- **60 PLN – for chickens, guinea fowls, and quails,**
- **65 PLN – for ducks,**
- **250 PLN – for geese,**
- **210 PLN – for turkeys,**
- **2,000 PLN – for ostriches.**

Drought insurance in Poland



In recent years, farmers in Poland have increasingly shown interest in drought insurance, especially during election periods when government support for agriculture becomes one of the main political topics. High insurance costs and uncertainty regarding compensation payments make many farmers remain skeptical about this solution, although the number of people seeking crop protection continues to grow.



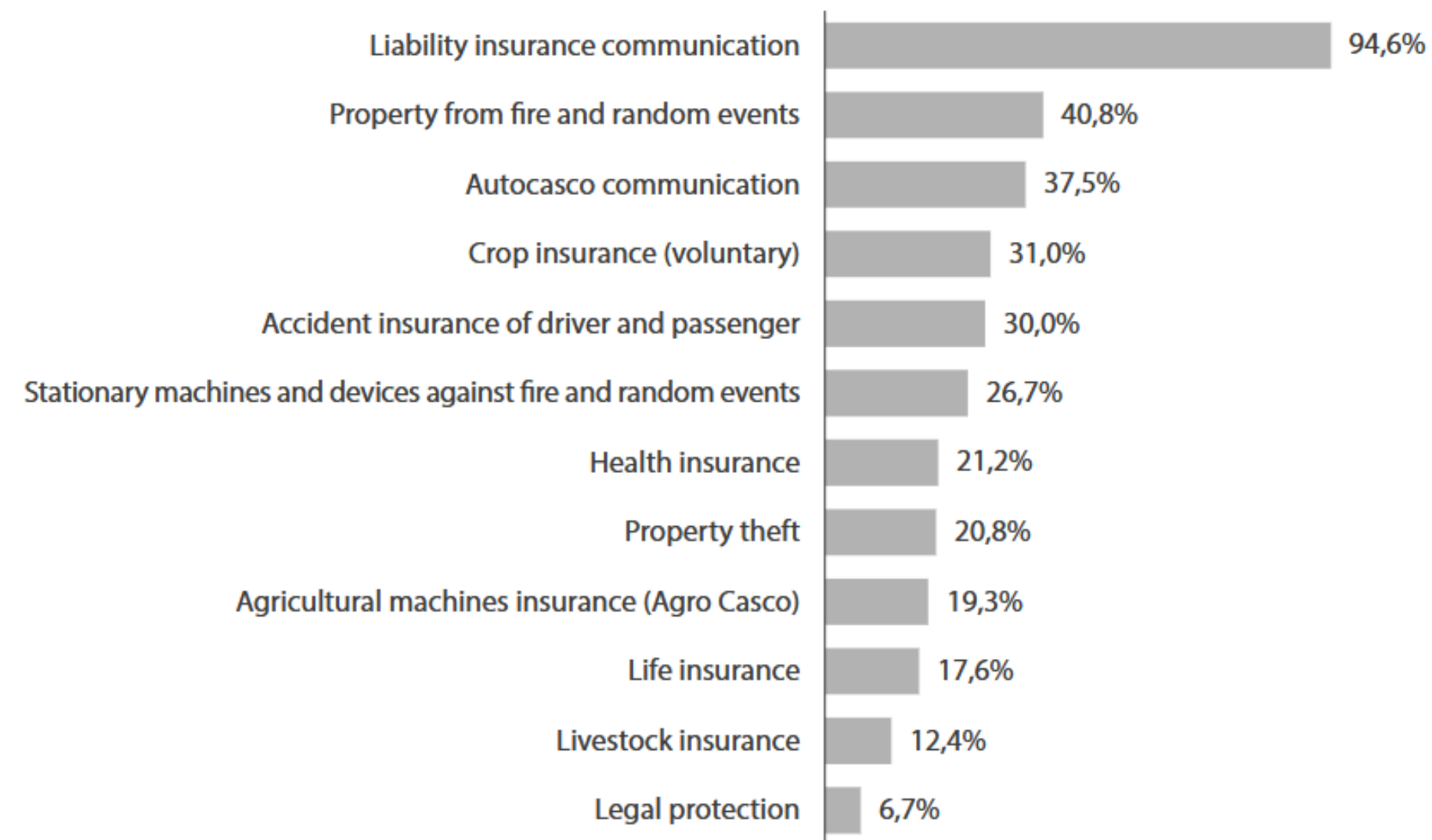
In 2024, as many as 170,000 farmers submitted applications for drought damage assessment through the drought application system. The main problem, however, is the dependency on the Institute of Soil Science and Plant Cultivation, which must confirm the occurrence of drought in a given region, which does not always correspond to the actual situation in the fields. As a result, even if an expert confirms the losses, the lack of a decision from IUNG means no compensation will be paid.



In 2025, additional regulations are planned to be introduced, including allowing drought damage assessment by commissions appointed by provincial governors, as well as additional damage confirmations by IUNG upon the governor's request.

The fact that having drought insurance increases the chances of receiving drought assistance from the state is a key motivator for many farms to decide to purchase a policy, despite its high cost and the uncertainty of payments.

Graph 2. Popularity of selected types of insurance in the agricultural segment (in total)



Source: Own elaboration based on empirical research.

Development of agri-value chain



In 2024, the gross written premium in the bancassurance channel reached PLN 3.3 billion, representing 16.7% of the life insurance market. This marks an increase of 0.7 percentage points compared to the previous year. Such steady growth reflects the increasing popularity of bancassurance as a strategic tool for delivering insurance products, particularly those complementing credit services.



In Poland we have currently quite high interest rates (around 8%), which attract farmers to agri-value chain financing – which has lower interest rates, where premium insurance is demanded by provider of buildings or equipment.



Rising popularity of contract fattening introduces the same trend among livestock farmers – not in terms of livestock insurance but about insurance from fire and similar hazards.



Agrivalue chain financing is expected to grow, we observe this trends in smaller and smaller credit tickets (even <25%). Banks also reduce costs of capital for farmers, when they buy insurance.



State of Agricultural Safety in Poland – Accidents, Compensation, and Regional Risk

In 2024, 9,930 agricultural accidents were reported to Agricultural Social Insurance Fund (KRUS), representing a 7.3% decrease compared to 2023. Out of these reports, 9,378 were recognized as agricultural work accidents, highlighting the significant safety issues on Polish farms. The most common causes of accidents are falls, animal-related incidents, and contact with moving machine parts. Reported incidents resulted in 7,835 one-time compensations, which is a 7% decrease compared to the previous year. Despite preventive and educational efforts, the problem of agricultural accidents remains serious, particularly in regions with a high concentration of farms.

While physical accidents are a serious issue, they are not the only tragedy impacting rural areas. Suicides among farmers have emerged as a critical and often neglected crisis, with approximately 2,000 farmers in Poland committing suicide every year. This alarming statistic reflects the immense psychological and financial pressures faced by individuals in the agricultural sector.

Additionally – some 2000 suicides among farmers. (about 40% total suicides in Poland)

Key statistics:

- ◆ Total number of accidents reported to KRUS: 9,930
 - ◆ Number of recognized agricultural work accidents: 9,378
 - ◆ Accident rate: 7.8 accidents per 1,000 insured farmers.
 - ◆ Fatal accidents: 38 cases, with a rate of 3.8 per 100,000 insured farmers.
- ### Most common causes of accidents:
- ◆ Falls: 52.2% of all accidents
 - ◆ Hits, crushes, bites by animals: 12%
 - ◆ Seizures and hits by moving machine parts: 10.4%
 - ◆ Other (cuts, fractures, burns): 8.7%
 - ◆ Highest accident rates by region – Kuyavian-Pomeranian: 10.7 per 1,000 insured farmers.



Let's talk about agriculture!

Łukasz Czech
+48 508-744-899
lukasz@agrowe.pl



Visit our website
www.agrowe.pl

