

# **DEVELOPMENT STRATEGIES OF SERVICE ESTABLISHMENT IN A COMMUNE**

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## **Summary:**

A system of productive services for agriculture should be analyzed in connection with other elements of spatial development, especially territorial units. In a commune, two levels of service agriculture can be distinguish: 1. major productive services located in the village; 2. specialized services located at the site of the commune. The transformation of agricultural service system and its privatisation have been taking place very slowly because of the relatively strong position of cooperative units on the service market.

## **Anotace:**

System produktivních služeb pro zemědělství by měl být analyzován v souvislosti s jinými prvky rozvoje prostoru, zvláště s ohledem na územní jednotky. V obci můžeme rozlišit 2 úrovně služeb v zemědělství: 1. větší výrobní služby, které se nacházejí ve vesnici, 2. specializované služby, které jsou na parcele obce. Transformace systému zemědělských služeb a jeho privatizace postupuje velmi pomalu kvůli silné pozici zemědělských družstev na trhu služeb.

## **Key words:**

Agricultural service sector, spatial location, service network, service providers, rural development

## **Klíčová slova:**

Sektor zemědělských služeb, poloha, síť služeb, dodavatelé služeb, rozvoj vesnice

## **1. Introduction**

The system of agricultural services is an important element of rural market which includes various activities increasing intensity, raising the standard of farming efficiency and working capacity in agriculture. Those activities are connected with growing, sowing, cultivation, harvesting, chemicalization of agriculture, veterinary services, transportation, and insemination.. It is worth to stress that development of agricultural services determines progress in agriculture. The main feature of the Polish system of agricultural services is nearly complete dominance of agricultural cooperatives and individual crafting in this area (87,7 %).

## **2. Changings of agricultural service sector in 1989 - 1994**

There were very essential changing in the market of agricultural services. Characteristic for this period occurred phenomena as follows:

- severe fall of agricultural services and then the bullish tendency,
- limited demand as a result of the collapse of farm buying power,
- changes of duty performance of service establishment caused by adjustment process,
- use economical criterion in arriving prices of services,
- changing of market structure.

The level of agricultural services demand is also changed. It depends on various factors, i.e. on rural population incomes, on prices of services and their supply. Farmers incomes decreased because of low profitability farm produce. Prices of services increased several times, however supply strongly decreased. All these factors caused decline in agricultural service demand.

### **3. Location of agricultural service centres**

A service network is an important element of economic infrastructure in rural areas. There are many factors of service units location, i.e. frequency of a service request occurrence and functions of administrative units. In a commune two levels of agricultural services are distinguished:

1. Primary level, so called a productive village, which includes approximately 100-150 holdings with land use of 700-1000 ha. In this area various service units (cooperative units, cooperative's agencies on commission, private units) should be located and following services should be available: agricultural engineering, running repair of equipment, repairing automotive vehicles, insemination, transport of farm tractor, smithing, locksmithing, installation services, bricklaying, and woodworking.
2. Commune's centre, which also includes various service units characterized by complexity and less frequency of request, i.e. veterinary and sanitary services, building, specialistic agricultural services, automobile transport, repairing and diagnostics of farm tractors and agricultural equipment, lending machines and farming tools, etc. [1; 132-133] The range and kinds of agricultural services depends on a type of a commune (i.e. agricultural, industrial and agricultural) and on a place of commune centre in agribusiness environment.

### **4. Research of transformation process of agricultural service sector**

The survey of 4385 farmer's households and 3651 non-farmer's families being conducted by Institut for Agriculture and Food Economy [3; 9-29, 4; 8-10, 15-17] reflects the changing in agricultural service sector. The research shows that in the financial year 1991/1992 in nearly all examined villages (97 % of total) mechanisation services were provided by farmers themselves and they constituted the most significant group of

agricultural service providers. Farmer's Circles Cooperatives ranked second providing services in approximately 80 % examined villages. At the same time in 25 % of examined villages licenced private establishments and other service providers (farm productive cooperatives and state farms) operated in 22 % of villages, It is worth to stress that recently changes of the composition of service providers mainly are caused by reduction of the role of farmer's circles cooperatives and increasing the role of services providing directly by farmers themselves, and also increasing number of licenced private establishments providing mechanisation services. It is very important that development of agricultural services, especially the mechanisation ones, is conducive to entrepreneurship and creation of small business in rural areas.

Apart from mechanisation services the survey includes establishments of agricultural service, i.e. agricultural advice centres, vet clinics, animal insemination stations, plant protection agents, building materials stores, fuel stations, etc. In 1988-92 only the distance to the vet clinics, building materials stores and fuel station became shorter. In other cases the average distance from a village to other establishment providing supply and agricultural services became longer, especially in the North East, North and South West of Poland. Despite transformation difficulties respondents passed favourable opinions on performance of most establishments providing agricultural services. In most cases they rated services performance as fair and good.

## **5. Final notes and conclusions**

A concept of development of services for agriculture comprises proposals concerning both organizational and economic sphere. Along with the changing socio-economic situation also evaluate the role and place of farmer's circles cooperatives (SKRs) in the model of

services for peasants. The subject of SKRs functioning should be two basic groups of services;

1. requiring expensive and highly productive equipment and qualified staff;
2. services organized at a full and rational utilization of labour and technical means throughout the whole year, and particularly in the post-campaign periods [2; 71-87]

At present, the agricultural service sector is developing definitely from command to market economy. This conclusion is supported by objective data of mass statistics and results of mentioned research. However, the scale of transformation of particular segments of agricultural service sector is largely differentiated. The picture is better in the group of establishments and facilities which are private or municipal property while state-owned and cooperative service workshops find it difficult to adapt to requirements of market economy. In this process it is necessary to meet a number of conditions. Some of them play a crucial role, namely maintaining favourable economic conditions for effective modern farms, developing local self-government, and strengthen local and regional government finance.

### **Synopsis**

Agricultural service system is an important element of spatial development. At present, it is developing from command to market economy.

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