Some impacts of the EU accession on the new member states' agriculture

Judit KISS*

Abstract

The main aim of the paper is to analyse the impact of the EU accession on the New Member States' agriculture with special regard to production, employment, farmers' income and intra-EU trade in agricultural goods on the basis of the latest statistical data of Eurostat. According to our findings, accession has provided incentives to agricultural production and to utilize natural endowments (mainly agricultural land); however, agricultural employment decrease could not be halted. Nevertheless, the economic situation of the farmers improved due to increasing incomes. Though the enlarged EU provided markets for the NMS agricultural products, the competition on their domestic markets increased significantly, resulting in massive import penetration. Consequently, most of the NMS agricultural trade balance deteriorated considerably. Concerning future prospects, it highly depends on the reformulation of the Common Agricultural Policy, the new budget of the EU and the domestic economic and agricultural situation of the NMS.

Keywords: EU accession, NMS agriculture, farmers' income, intra-EU agricultural trade

JEL Classification: Q10, Q18

1. Introduction

Though, in historical terms, only some years have passed since the first Eastern enlargement of 2004, let alone the second one in 2007, it might be instructive to draw the preliminary balance of accession. Especially in the case of agriculture which was one of the most hotly debated and negotiated part of the accession. The main aim of this article is to reveal the impact of the EU accession on the 12 new member states' (hereinafter NMS-12) agriculture with due regard to production, farmers' income and external trade in agricultural

* Judith Kiss is research director at the Institute for World Economics of the Hungarian Academy of Sciences, Budapest, Hungary, jkiss@vki.hu.

goods. The topic is all the more current as the Common Agricultural Policy of the EU is going to be reformed in the coming years. In the course of reformulating the CAP the interests and concerns of the NMS should also be taken into consideration.

2. The agriculture of the NMS in the EU

As in most of the NMS, agriculture is an important sector of the economy and therefore agricultural accession was a great challenge both for the EU and the acceding countries. At the moment of accession the NMS' agricultural land equalled 55 million hectares and consequently, accession increased the EU's total agricultural land by 40%. As the agricultural potential of the newly acceded countries have not been fully utilised and their productivity is much lower than the EU-15 average, their joining increased the EU's agricultural production by only 10-20% for most products. However, the greatest burden of accession derived from the high number of farmers in the newly acceded countries: "…a further 7 million farmers have been added to the EU's existing farming population of 6 million of the former 15 Member States."[1] Not to speak of the fact that most of the NMS are less urbanised than the old member states, 34% of the NMS' population lives in rural areas where unemployment rates are generally higher, job opportunities and incomes are lower.

It derives from the above mentioned facts that the NMS had high expectations concerning EU accession. They expected:

- free and unlimited access to the enlarged EU single market of 500 million,
- reliance on relatively stable and high agricultural prices,
- benefit from the intervention and the export refund systems of the Common Agricultural Policy,
- access to direct payments and various rural development measures.

However, they were aware that the old member states would also like to benefit from accession mainly in the form of the further opening up NMS' markets. As the NMS could not enjoy totally the benefits of the Common Agricultural Policy from the very first day of accession, especially in the case of direct payments, a significant difference remained between the old and the new member states' agricultural subsidy level. As this gap was accompanied by the high productivity difference, the competitive edge of the old member states has been reserved.

[1]New Member States, new challenges…, http://ec.europe.eu/agriculture/capexplained/challenge/index, accessed on 30/08/2011.

3. Agricultural production performance

The first issue to be analysed is whether agricultural production has increased after accession. As the NBS' agricultural production is dominated by **crop production** to a degree of 58.5% of total agricultural goods output[2] due to the high (almost 70% share) percent of arable land, we start our analysis with crop production (See Table 1).

Table 1. Crop output

Production value at basic price (million EUR)

geo\time	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	168855.0	174359.7	173798.7	176310.7	189092.6	169479.3	168625.3	192177.7	201163.8	173473.5	187428.5
Bulgaria	1304.7	1515.4	1667.6	1628.8	1762.7	1627.5	1757.8	1565.8	2489.5	2012.6	2039.8
Czech Republic	1397.9	1623.9	1653.1	1379.4	1975.8	1677.6	1746.0	2391.5	2505.8	1931.1	2162.4
Estonia	150.0	156.7	182.8	165.5	167.3	204.5	211.0	336.2	249.7	226.5	255.0
Cyprus	0.0	0.0	0.0	288.0	312.7	326.0	320.6	327.4	304.5	312.0	331.1
Latvia	198.7	226.6	257.5	264.7	308.2	346.0	384.8	525.3	529.7	434.9	470.4
Lithuania	634.4	572.0	625.3	676.9	681.8	792.1	703.3	1147.0	1238.4	1004.7	1017.2
Hungary	2404.1	2679.4	2827.7	2772.5	3804.5	3315.9	3333.0	3896.1	4655.5	3232.7	3799.5
Malta	48.8	52.0	50.5	43.2	44.5	43.6	45.3	48.0	52.7	51.3	50.1
Poland	6059.3	7163.7	6394.7	5758.0	7399.7	6973.7	7810.7	10399.2	11539.0	8643.8	9800.7
Romania	4974.7	6722.7	5783.2	6902.4	9404.4	7721.6	8885.1	8612.0	12421.2	8428.4	10154.6
Slovenia	464.0	431.1	534.4	431.4	572.2	530.8	517.1	598.9	600.1	547.2	576.2
Slovakia	462.2	665.3	660.0	629.7	954.3	752.7	792.9	951.3	1108.5	850.6	929.7
NBS-12	16700.9	21808.8	20636.8	20940.4	27388.1	24311.9	26507.9	30798.5	37694.6	27675.9	31586.6
Per cent	9.9	12.5	11.9	11.9	14.5	14.3	15.7	16.0	18.7	16.0	16,9

Source: own composition and calculations based on Eurostat data

As it can be seen from the above data the value of crop production has a tendency to grow in the NMS. There was a significant increase in each New Member States in the first year of accession (2004, and 2007 respectively), followed by some fluctuations afterwards. As a consequence, the share of the NMS in the EU-27 crop production increased from around 10% in 2000 to almost 17% in 2010, meaning that crop production in the NMS increased at a higher speed in value terms than crop production in the EU-15. The main factors behind the increasing tendency are the price rises (see Table 2), and, in some cases the volume increase due to higher yields[3] and productivity. At the same time, the utilised agricultural area in the NMS has decreased by 3%, from 54.3

[2] See: Farming structure and accounts at regional level – Statistics explained …http://epp.eurostat.ec.europe.eu/statistics_explained/index.php?title=Farming_structure, accessed on 30 August 2011.

[3] In the case of cereals the Polish and Hungarian yields increased by 8% and 35%, respectively from 2000-2003 to 2004-2007 (Csáki-Jámbor, 2009).

million hectares in 2003 to 52.8 million hectares in 2007, while the share of arable land has increased by 2 percentage points, from 67% in 2003 to 69% in 2007.[4] Not only land input decreased in the NMS, but labour input as well (see below) leading to increasing per hectare and per worker output.

As both land and labour inputs decreased and value of production increased, consequently the per hectare and the per worker agricultural output increased, meaning a slight productivity growth. However, the difference between the EU-15 and NMS-12 productivity level remained significant: in 2007 the agricultural gross value added per annual work unit (AWU) in the EU-15 was 4-4.5 times higher than in the NMS (Csáki-Jámbor, 2009).

Table 2. Producer price indices, crop products (2000 = 100)

geo\time	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	101.8	98.9	100.0	105.7	106.7	114.7	113.0	107.7	116.6	133.1	136.1
Bulgaria	94.4	90.6	100.0	103.7	92.5	107.8	112.2	93.0	103.8	148.3	153.3
Czech Republic	104.5	88.7	100.0	115.6	107.1	106.2	115.4	92.6	99.1	131.6	147.2
Estonia	:	:	100.0	:	:	:	125.0	121.2	133.7	163.7	176.4
Cyprus	:	:	100.0	:	:	:	112.8	113.0	138.5	146.5	171.0
Latvia	106.6	104.8	100.0	102.1	111.6	106.4	122.8	133.4	143.6	197.6	199.2
Lithuania	102.1	105.1	100.0	113.3	127.5	114.8	106.8	120.5	157.8	197.6	187.2
Hungary	69.9	76.5	100.0	91.3	94.6	113.7	98.0	97.4	114.9	161.4	137.3
Malta	:	:	100.0	121.8	125.2	119.1	96.9	98.7	99.3	115.0	111.3
Poland	95.4	92.2	100.0	97.1	96.5	103.6	102.3	99.5	117.5	141.9	131.1
Romania	49.6	66.3	100.0	119.7	154.9	182.8	232.9	188.4	233.9	309.4	334.5
Slovenia	100.3	94.9	100.0	109.6	114.5	126.2	114.1	115.6	127.0	150.4	169.5
Slovakia	96.5	93.3	100.0	111.7	109.8	108.8	115.1	102.7	103.8	128.7	130.7

Source: own compilation based on Eurostat data

As far as **animal output** is concerned, its value varied significantly (see Table 3). Generally there was an increase in the year of accession and a trend to decline starting in 2008. As a consequence, the share of the NMS in the EU-27 animal output increased slightly, by 3 percentage point only from 12% in 2000 to around 15% in 2010. The best position has been gained by Poland with a relatively steady animal output value growth, while the worst situation has occurred in Hungary. In the case of Poland, the animal output value increased by 16% in 2004 compared to the previous year, and by almost 42% between 2004 and 2010. In contrast, in the case of Hungary, animal output value decreased by almost 6% in the first year of accession and the value in 2010 was lower than in the years prior to accession (2001, 2002, 2003). The main factors behind the

[4] See Csáki-Jámbor, 2009.

above changes are price increases (see table 4) and the changes in animal output volume due to livestock and productivity changes.

Table 3. Animal output

Production value at basic price (million EUR)

geo\time	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	132809.1	142587.1	135364.5	132138.8	135733.3	135797.7	135515.7	142277.0	151453.5	134996.9	140677.9
Bulgaria	1448.2	1530.5	1186.9	1018.7	1087.9	1129.5	1109.4	1246.5	1375.2	1131.6	1184.1
Czech Republic	1420.0	1579.6	1568.6	1456.3	1532.4	1601.6	1686.4	1770.2	2101.2	1598.2	1643.1
Estonia	189.1	242.7	216.7	211.0	268.7	278.0	295.8	300.9	342.4	280.7	318.1
Cyprus	0.0	0.0	0.0	292.5	306.1	301.2	284.0	279.4	297.8	321.5	331.7
Latvia	227.9	286.6	260.9	228.0	275.2	301.7	350.0	396.2	404.0	346.1	369.2
Lithuania	486.5	563.8	532.8	515.0	641.3	750.1	803.6	820.0	901.5	687.7	806.2
Hungary	2089.7	2571.8	2711.2	2302.1	2169.0	2233.0	2151.1	2260.3	2563.8	2136.8	2241.5
Malta	76.6	79.9	80.7	76.3	72.7	71.6	70.5	71.5	77.7	72.0	71.0
Poland	5885.9	7136.8	6399.2	5499.6	6383.2	7586.1	7773.3	8965.9	9639.0	8297.6	9029.1
Romania	2992.7	3863.0	4201.8	3759.6	3465.4	4202.4	4207.5	4374.6	4262.0	4229.6	3855.6
Slovenia	501.6	535.3	522.9	512.8	504.7	515.8	529.6	509.2	563.8	484.0	495.3
Slovakia	772.9	732.9	808.7	798.7	763.9	765.5	780.9	889.5	1038.1	813.4	780.0
NBS-12	16091.2	19123.0	18490.3	16670.4	17470.5	19736.5	20042.1	21884.0	23566.5	20399.0	21124.9
Per cent	12.1	13.4	13.7	12.6	12.9	14.5	14.8	15.4	15.6	15.1	15.0

Source: own compilation and calculation based on Eurostat data

Table 4. Producer price indices, animals and animal products (2000=100)

geo\time	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	97.1	92.0	100.0	107.4	101.5	101.2	104.1	105.3	107.7	111.9	122.2
Bulgaria	111.3	83.9	100.0	124.0	109.0	102.8	119.2	105.0	104.2	110.5	125.9
Czech Republic	103.4	92.7	100.0	108.5	96.4	91.4	96.4	98.2	94.4	96.0	100.9
Estonia	:	:	100.0	:	:	:	127.9	132.8	133.5	141.5	159.9
Cyprus	:	:	100.0	:	:	:	129.8	131.7	118.2	121.9	142.0
Latvia	107.4	92.5	100.0	112.6	103.6	103.6	124.9	144.5	149.3	161.7	178.3
Lithuania	117.9	105.4	100.0	116.3	99.3	87.4	98.5	111.7	114.2	127.5	141.4
Hungary	93.3	89.0	100.0	121.2	114.4	107.1	111.3	113.3	117.8	122.0	138.6
Malta	:	:	100.0	101.2	100.5	98.2	99.5	97.4	96.4	99.1	106.7
Poland	88.5	83.1	100.0	106.2	93.0	89.4	109.1	108.0	105.5	113.4	117.2
Romania	:	:	100.0	173.7	207.2	201.6	228.1	252.3	239.0	248.1	287.3
Slovenia	95.0	93.8	100.0	108.8	107.9	107.9	111.3	112.8	115.3	118.9	134.2
Slovakia	94.5	93.4	100.0	106.6	106.0	99.1	99.4	100.8	100.1	98.1	103.3

Source: own compilation based on Eurostat data

4. Agricultural employment and income

Prior to accession, one of main concerns was related to the **social consequences** of accession: whether accession would lead to decreasing rural (agricultural) **employment** and/or the better off of the farmers. Both expectations came true. According to the latest statistics of the EU (see Table 5) agricultural employment measured in annual work unit (AWU)[5] decreased by more than one third to 5.8 million in the NMS-12 between 2000 and 2009,[6] while real agricultural income increased by more than 60% between 2000 and 2009. In 2009, agricultural labour input represented 12.2% of the NMS active population, while the share was 17.3% in 2000. (*Agricultural labour input*…, 2011).[7]

Table 5. Agricultural employment and real agricultural income

	Agricultural employment		Real agricultural income per worker (%)	
	AWU[1)] (1000) 2009	2009/2000 (%)	2009/2008	2009/2000
EU-27	11 223	-24,9	-11,6	5,3
EU-15	5 424	-16,7	-11,6	-9,6
NMS-12	5 799	-31,2	-12,5	61,2
Bulgaria	400	-48,1	-10,0	35,4
Czech Republic	134	-19,0	-17,0	54,4
Estonia	29	-55.0	-17.6	131.4
Cyprus	26	-15.6	0.9	-7.9
Latvia	92	-38.2	-14.8	139.6
Lithuania	147	-21.1	-16.4	69.8
Hungary	441	-34.8	-32.2	33.5
Malta	4	-10.6	7.8	1.5
Poland	2 214	-11.3	-0.7	107.3
Romania	2 148	-41.1	-18.3	37.2
Slovenia	82	-21.1	-15.2	16.6
Slovakia	82	-42.5	-12.8	51.7

[1)] In order to take into account the part-time and seasonal work, agricultural labour is measured in annual work unit (AWU), which is the equivalent of a full-time worker engaged in agricultural activities over an entire year.

Source: Employment in the agriculture sector down by 25% between 2000 and 2009, *Eurostat, News Release*, 66/2010 – 7 May 2010, p. 3.

[5] In order to take into account the part-time and seasonal work, agricultural labour is measured in AWU, which is the equivalent of a full-time worker engaged in agricultural activities over an entire year.

[6] The actual number of farmers working in agriculture is higher due to the high number of self-employed and part-timers.

[7] The respective figures for the EU-15 are 2.8, and 3.8%, respectively.

The highest agricultural employment decrease occurred in Estonia, Bulgaria, Romania and Slovakia, while the lowest occurred in Poland. It has something to do with the restructuring and/or the consolidation of farm structure. In 11 out of the 12 NMS, the number of agricultural holdings decreased significantly between 2000 and 2007[8] due to the concentration of the holdings, while in the case of Poland their number increased by 10% between 2003 and 2007 (see Table 6) due to the consolidation of the small farm structure.[9] Despite some structural changes, the farm structure of the NMS is still characterized by the high share of small farms: in 2007, 58% of the holdings cultivated less than 2 hectares, and 34% between 2 and 10 hectares, that is 92% of the farms are still relatively small.

Table 6. Number of agricultural holdings (1000)

geo\time	2000	2003	2005	2007
EU-27	:	15021.0	14482.0	13700.4
Bulgaria	:	665.6	534.6	493.1
Czech Republic	:	45.8	42.3	39.4
Estonia	:	36.9	27.8	23.3
Cyprus	:	45.2	45.2	40.1
Latvia	140.8	126.6	128.7	107.8
Lithuania	:	272.1	253.0	230.3
Hungary	966.9	773.4	714.8	626.3
Malta	:	11.0	11.1	11.0
Poland	:	2172.2	2476.5	2391.0
Romania	:	4484.9	4256.2	3931.4
Slovenia	86.5	77.2	77.2	75.3
Slovakia	71.0	71.7	68.5	69.0
NMS-12		25806.6	25122.9	23745.4

Source: Eurostat

As far as income growth is concerned, in the case of the NBS-12 it has increased by more than 60% between 2000 and 2009 (see table 5), and by 7.2% between 2009 and 2010 (see Table 7) followed by a decrease of 12.5% in 2009 compared to 2008. The per worker income increase is due to:

- the decreasing agricultural labour input,
- the increasing output values of both crop and animal production due to production volume increase and price adjustment, and

[8] In Hungary by 35%.

[9] In Poland in 2007 only 0.3% of the farms cultivated more than 100 hectares, while 44% cultivated less than 2 hectares.

- EU subsidies,[10] mainly direct payments and national support (top-up).

Between 2004 and 2007, the total direct payments to the 10 countries having acceded in 2004 increased from EUR 1.4 billion to EUR 1.9 billion. The highest per hectare amount was paid in the Czech Republic, Hungary and Slovenia (EUR 52-84), while the lowest in the Baltic countries (EUR 17-44).

Despite the relatively lower subsidies, the highest income growth occurred in the Baltic countries and Poland. It is interesting to note that Poland managed to reach an optimum result: the lowest agricultural employment decrease was accompanied by one of the highest income increase. This double success is due to the relatively high amount of EU support (in the form of direct payments and rural development measures) plus the consolidated structure of agricultural holdings (less out-migration from rural areas).

Table 7. Indices of Indicator A of agricultural income in the NMS-12 (2005 = 100)

geo\time	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	94.9	104.3	105.8	101.6	110.2	100.0	104.0	114.8	109.9	98.9	111.1
Bulgaria	105.1	118.0	94.7	88.6	87.4	100.0	97.5	98.8	161.2	125.3	158.7
Czech Republic	66.4	85.0	68.8	59.2	93.2	100.0	102.7	118.6	125.1	98.5	113.9
Estonia	40.5	53.2	51.6	57.6	94.8	100.0	100.4	142.1	112.1	94.5	138.2
Cyprus	95.0	105.9	107.3	98.7	96.6	100.0	90.4	90.2	85.7	92.3	92.0
Latvia	41.1	53.4	52.5	57.6	96.0	100.0	131.8	137.8	117.2	102.4	127.8
Lithuania	60.8	56.4	52.3	58.7	92.5	100.0	89.0	133.4	123.4	106.6	121.8
Hungary	75.1	79.3	62.7	65.4	99.1	100.0	106.6	114.3	153.4	107.2	123.3
Malta	78.7	91.2	90.7	85.9	82.6	100.0	97.5	94.5	90.3	101.0	114.4
Poland	61.0	70.2	63.4	58.5	110.3	100.0	110.5	134.9	108.9	134.7	145.2
Romania	66.9	114.2	106.8	121.2	175.2	100.0	99.3	76.8	114.4	92.4	89.1
Slovenia	71.5	62.1	81.9	64.6	99.5	100.0	97.4	109.6	99.1	86.7	92.8
Slovakia	82.4	93.7	88.6	82.9	107.3	100.0	122.1	128.9	143.5	110.5	115.2

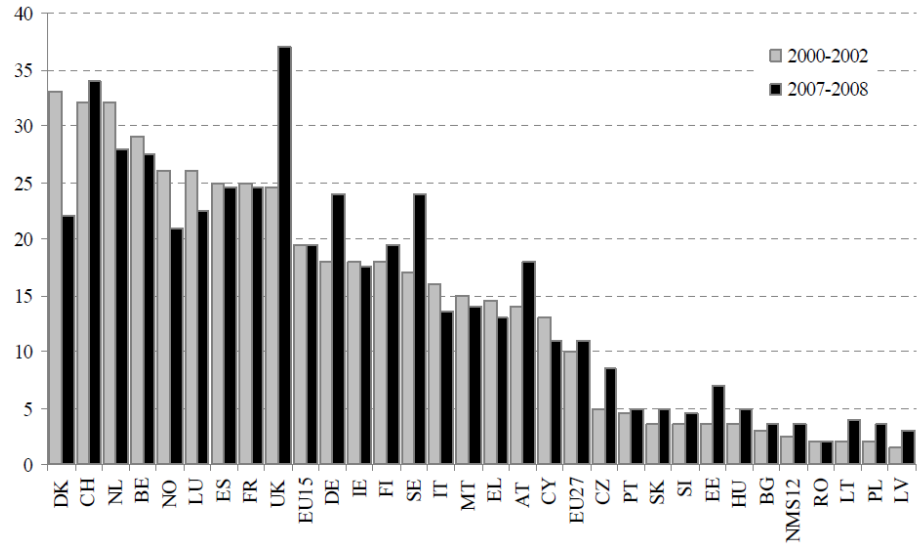
Note: Indicator A = combines the development in net value added at factor costs (factor income) and the development in agricultural labour input.
Source: own composition based on Eurostat

While the agricultural income has increased considerably in the NMS and the real factor income per annual work unit (AWU) also increased from around EUR 2000 in 2000-2002 to around EUR 3000 in 2007-2008, there is still a significant though decreasing difference between the old and new member states (see Figure 1). While the difference was 9.5 times in 2000-2002, it has decreased

[10] In 2010 at the level of EU-27 EU subsidies of 55 billion euro represented 42% of the factor income.

to 6.4 times by 2007-2009 (*Agricultural labour input...*, 2011) which was to a large extent due to the decrease in labour input.

Figure 1. Factor income over labour input



Source: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Agricultural_labour_input

5. Foreign trade in agricultural products

As it was expected, the NMS agricultural exports (SITC 0+1) to the EU market increased significantly by more than 70% between 2005 and 2009 (see table 8). However, the share of NMS in the EU-27 intra-trade has increased only slightly, by 3 percentage point, from 6.8% in 2005 to almost 10% in 2009. The biggest agricultural exporter is Poland, followed by Hungary and the Czech Republic. However, one should note that the figures in Table 8 include the agricultural exports of the NMS not only to the old member states (EU-15), but to the acceded countries as well. For instance, in the case of Hungary intra-EU27 agricultural exports increased significantly (by almost 50%) in 2007 as a consequence of Romania's joining the EU. Furthermore, the structure of agricultural exports should also be taken into consideration as, according to some sources (Csáki-Jámbor, 2009, Jámbor, 2010), it has changed towards an unfavourable direction: the share of raw materials has increased *vis-à-vis* processed goods.[11]

[11] The performance in the two markets needs further research.

Table 8. NMS intra-EU agricultural trade (Dispatches/Export)

	Value (Mio ECU/Euro)					Share of EU total by SITC (%)				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
EU-27	187 995	201 229	223 178	240 825	227 101	100.0	100.0	100.0	100.0	100.0
Bulgaria	436	492	629	912	1130	0.2	0.2	0.3	0.4	0.5
Czech Republic	2081	2308	2835	3487	3134	1.1	1.1	1.3	1.4	1.4
Estonia	296	328	394	461	405	0.2	0.2	0.2	0.2	0.2
Cyprus	117	121	137	133	127	0.1	0.1	0.1	0.1	0.1
Latvia	314	383	525	602	539	0.2	0.2	0.2	0.3	0.2
Lithuania	828	966	1307	1337	1327	0.4	0.5	0.6	0.6	0.6
Hungary	2109	2353	3462	3850	3476	1.1	1.2	1.6	1.6	1.5
Malta	21	18	20	26	17	0.0	0.0	0.0	0.0	0.0
Poland	5139	6347	7608	8847	8716	2.7	3.2	3.4	3.7	3.8
Romania	383	403	646	944	1332	0.2	0.2	0.3	0.4	0.6
Slovenia	273	448	591	640	705	0.1	0.2	0.3	0.3	0.3
Slovakia	983	1249	1480	1540	1520	0.5	0.6	0.7	0.6	0.7
NMS-12 total	12980	15416	19634	22779	22428	6.8	7.7	9.0	9.6	9.9

Source: own composition and calculations based on Eurostat data

As far as agricultural **imports** from the EU are concerned, they increased by more than 70% between 2005 and 2009 (see Table 9) and the share of the NMS in the intra-EU trade increased by 3.5 percentage point, from almost 8% to 11.4%. Consequently, the NMS are more important as markets for the EU than exporters. The main markets are Poland, Czech Republic, Hungary, Romania and Slovakia.

Table 9. NMS intra-EU agricultural trade (Arrivals/Imports)

	Value (Mio ECU/Euro)					Share of EU total by SITC (%)				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
EU-27	184 335	198 797	219 424	235 516	225 296	100.0	100.0	100.0	100.0	100.0
Bulgaria	330	413	889	1221	1190	0.2	0.2	0.4	0.5	0.5
Czech Republic	2796	3317	3970	4393	4273	1.5	1.7	1.8	1.9	1.9
Estonia	585	667	910	948	794	0.3	0.3	0.4	0.4	0.4
Cyprus	447	504	587	646	634	0.2	0.3	0.3	0.3	0.3
Latvia	646	812	1003	1188	1059	0.4	0.4	0.5	0.5	0.5
Lithuania	734	1006	1311	1762	1462	0.4	0.5	0.6	0.7	0.6
Hungary	1891	2172	2562	3081	2767	1.0	1.1	1.2	1.3	1.2
Malta	307	326	389	404	388	0.2	0.2	0.2	0.2	0.2
Poland	3695	4276	5544	7222	6665	2.0	2.2	2.5	3.1	3.0
Romania	991	1212	2216	3052	2722	0.5	0.6	1.0	1.3	1.2
Slovenia	772	874	1040	1211	1175	0.4	0.4	0.5	0.5	0.5
Slovakia	1492	1624	2143	2451	2482	0.8	0.8	1.0	1.0	1.1
NMS-12 total	14686	17203	22564	27579	25611	7.9	8.7	10.4	11.7	11.4

Source: own composition and calculations based on Eurostat

If we compare the NMS agricultural export and import performance in the case of the intra-EU 27 trade, it turns out that the agricultural trade balance of the NMS deteriorated significantly between 2005 and 2009 (see table 10), the deficit increased from 1710 million euro to 3184 million euro and only two countries, Poland and Hungary managed to reserve and slightly increase its positive agricultural trade balance. It is all the more shocking as the NMS - as a whole – have a positive agricultural trade balance in their extra-EU 27 agricultural trade.

Table 10. NMS extra – and intra-EU agricultural trade balances (Mio ECDU/Euro)

	Extra – EU27					Intra – EU27				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
EU-27	-11012	-10067	-13581	-12446	-11061					
Bulgaria	92	0	85	252	43	105	76	-260	-309	-60
Czech Republic	-12	10	-30	-36	-8	-718	-1009	-1136	-907	-1139
Estonia	40	109	191	161	128	-289	-339	-516	-487	-390
Cyprus	-58	-72	-100	-167	-107	-330	-383	-450	-513	-507
Latvia	52	89	129	276	271	-332	-429	-479	-585	-519
Lithuania	982	724	147	17	534	94	-40	-4	-425	-135
Hungary	469	593	501	634	483	217	182	900	769	709
Malta	47	71	78	56	12	-286	-308	-370	-378	-372
Poland	550	431	295	499	671	1443	2071	2064	1624	2051
Romania	-709	-778	-551	-74	-211	-607	-809	-1570	-2108	-1390
Slovenia	-21	-122	-222	-164	-278	-498	-427	-449	-571	-470
Slovakia	-23	-16	-13	3	-10	-509	-375	-664	-910	-962
NMS-12 total	1409	1039	510	1457	1528	-1710	-1790	-2934	-4800	-3184

Source: own composition and calculations based on Eurostat

6. Conclusions

As it is emphasised by the latest statistical data, the NMS accession to the EU had a diverse impact on their agriculture. Accession provided incentives to agricultural production and to utilize natural endowments (mainly agricultural land); however, agricultural employment decrease could not be halted. Nevertheless, the economic situation of the farmers improved due to increasing incomes. Though the extended EU provided markets for the NMS agricultural products, the competition on their domestic markets increased significantly, resulting in massive import penetration. Consequently, most of the NMS agricultural trade balance deteriorated considerably. In order to get a deeper

insight into the enlisted consequences of agricultural accession, further and more detailed research is needed.

As far as future prospects are concerned, it highly depends on the reformulation of the Common Agricultural Policy, the new budget of the EU and the domestic economic and agricultural situation of the NMS. (New member states …, 2011)

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