

## How will Brexit affect Polish agriculture?



### **Britain's departure from the European Union may affect Poland's agriculture, though its actual impact is hard to predict, says a local expert.**

According to Szczepan Wójcik, head of Polska Ziemia (Polish Land), a foundation that supports Polish farmers, the United Kingdom's exit from the EU may lead to long-term fluctuations in exchange rates and will thus have a major impact on Poland's exports and imports of agricultural products.

Food and agricultural products constitute a lion's share of Poland's overall exports, and the country's foreign trade revenue will naturally be affected if the Polish zloty currency loses ground against the dollar and euro, coupled with a continued depreciation of the British pound, Wójcik says. While a more expensive dollar and an appreciating euro is good news for Polish exporters, the plummeting pound is not, given that Poland exports EUR 1.5 billion worth of food and agricultural products to Britain a year.

Wójcik points out that the terms of Britain leaving the EU will remain unclear for a long time to come. "It's hard to say to what extent the yet-to-be negotiated bilateral and multilateral agreements will retain the regulations that safeguard the four EU freedoms," he says, referring to the free movement of goods, services, people and capital. "We may expect that some British regulations will be discriminatory to services and capital from abroad and, above all, foreign goods and employees. But it is totally unfounded to argue that Polish laborers and professionals will be kicked out of Britain. What we can anticipate instead are cuts in certain social benefits, especially financial aid for family members who do not in fact reside in Britain."

Wójcik also believes that Poland should do its best to promote its food now that British consumers recognize it as the most natural food available. "Otherwise, we will find it increasingly hard to market our food in British stores," Wójcik says.

The British government is on Poland's side as far as security issues are concerned, according to Wójcik, but in terms of the EU's Common Agricultural Policy, Britain has traditionally opposed payments for farmers. It has, in fact, frequently challenged the policy as a whole. Even though EU outlays on agriculture will decrease dramatically after 2020, funds for farmers were a controversial issue during heated debates leading up to the current EU budget and the one before it, Wójcik says. "And it is worth noting that the British government took a totally different stance to that of Poland in those debates," he adds.

According to Wójcik, Brexit could also have a strong impact on EU-U.S. negotiations concerning the Transatlantic Trade and Investment Partnership (TTIP). It is in Poland's best economic interest to see the partnership formed as late as possible, Wójcik argues. He also observes that the EU "is sure to lose some of its appeal" once Britain leaves it. "In a bid to dissuade Britain from leaving the EU, the Americans said a long time ago that there would be no negotiating of a separate, post-Brexit agreement with Britain, which for obvious reasons will remain outside the partnership," Wójcik says. "The question is what the United States is going to do now. After all, the TTIP is a tool meant to strengthen the U.S. economy at the expense of all

EU member states except Germany. Slowing down these disquieting negotiations could turn out to be the main upside of Brexit.”

There is also a social aspect to Brexit, Wójcik notes. Many young citizens of Poland and other EU member states made the tough decision to leave for Britain in search of a better life, and their decisions need to be respected. Still, while there will be “no throwing of Poles out of Britain,” Poland would actually benefit if some of the emigrants chose to return home. This beneficial effect would extend to agriculture, Wójcik argues.

According to Wójcik, a crucial test awaits the Polish government, which should start working hard to make sure that Brexit actually benefits Poland and its people in the long term rather than harms them. “Unlike [European Commission President Jean-Claude] Juncker and [European Parliament President Martin] Schulz, we cannot hold a grudge against the British for their rather unexpected decision,” Wójcik concludes.

Source: Polish Press Agency