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CONTRACT FARMING AS AN INSTRUMENT AGAINST FOOD WASTAGE

Abstract

The subject of the paper is the problem of prevention of food wastage at the production stage. A contract farming agreement is the legal instrument that performs the function of prevention of food wastage at this stage. The conclusion of a contract farming agreement affects the food wastage caused by both natural and climate related and economic causes. The primary function of this agreement is to plan and organize production by providing the agricultural producer with the ability to sell his agricultural products and the contracting party with access to feedstocks of a specified quantity and quality. Other functions of this agreement, such as modernizing the production process and providing economic support to the producer, also contribute to a reduction of food wastage.

KEYWORDS

food wastage, contract farming

SŁOWA KLUCZOWE

marnowanie żywności, umowa kontraktacji

1. INTRODUCTION

A contract farming agreement and the functions it performs have already been the subject of interest of representatives of the doctrine of both civil and agricultural law. Traditionally, two basic functions of contract farming are indicated: to provide the agricultural producer with the ability to sell agricultural products from his farm and to provide food processing businesses with feed-stocks for the production of appropriate characteristics.¹ In more contemporary approaches, other new but equally important functions are indicated, such as, for example, organization and modernization of agricultural production, innovation of production processes in agriculture, stabilization of agricultural markets and counteracting the unfair use of contractual advantage in the trade in agricultural products.² The inclusion of these functions has become the basis of a new view of contract farming and its increased popularity.³ In addition, its importance has been recognized for ensuring food security⁴ by influencing the organization of the production process and thus adjusting the quantity and quality of agricultural production to the needs of the market and by preventing losses of agricultural products, but also overproduction at the initial stages of the production process.

The purpose of the paper is not to analyze the overall problem of food waste, which is a global issue and takes place throughout the food chain, 'from field to table', especially during the production, distribution, and consumption of food. Due to the subject of the paper and the editorial requirements, the considerations will be limited to the first stage of the food chain, i.e. the stage of agricultural production and the attention will be focused mainly on the contract farming

¹ Cf.: A. Stelmachowski, *Zagadnienia prawne kontraktacji* [The legal problems related to contract farming], PiP 1954, No. 7-8; A. Stelmachowski, *Kontraktacja produktów rolnych* [Contracting of agricultural products], Warsaw 1960; A. Szpunar, *Charakter prawny umowy kontraktacji* [The legal nature of contract farming], NP. 1955, No. 7-8; A. Klein, *Pojęcie umowy i stosunku zobowiązaniowego kontraktacji według kodeksu cywilnego* [The concept of an agreement and the obligatory relationship of contract farming according to the civil code], S.C. 1972, Vol. XIX.

² Cf. the comments of A. Stelmachowski supplemented by M. Korzycka, (in:) Z. Radwański (ed.), *System prawa prywatnego. Prawo zobowiązań – część szczegółowa* [The private law system. Law of obligations - specific part], Vol. 7, Warsaw 2011, pp. 295ff.

³ The growing interest in contract farming is also evidenced by the fact that the International Institute for the Unification of Private Law (UNIDROIT), the Food and Agriculture Organization of the United Nations (FAO), and the International Fund for Agricultural Development (IFAD) have jointly developed the Legal Guide on Contract Farming (Rome 2015). The regulations adopted therein do not directly affect the national legal systems of individual countries, but they can provide a legal model for national regulation of contract farming.

⁴ For more information on food security, cf. P. Wojciechowski, *Bezpieczeństwo żywnościowe a ograniczenia w nabywaniu nieruchomości rolnych w kontekście strategii „Od pola do stołu”* [Food security and restrictions in the purchase of agricultural property in the context of the 'field to table' strategy], Przegląd Prawa Rolnego No. 1, 2021, pp. 147ff.

agreement, as an instrument of agricultural law that helps adjust the quantity and quality of production to market requirements.

The need to provide citizens with access to food of sufficient quantity, adequate quality, and affordable price⁵ supports the formulation of the hypothesis that it is necessary to ensure food security also by preventing the loss of agricultural products, or food wastage, at the stage of agricultural production. This is one of the biggest contemporary challenges not only for the Common Agricultural Policy but also for national agricultural legislation, and the role of the contract farming agreement in this regard is invaluable.

2. CAUSES OF FOOD WASTAGE

Food security issues considered in the context of countering food wastage generally go beyond the legal framework. These are social and economic phenomena that need to be defined taking into account why they occur. In addition, the demand for adequacy of normative construction requires that one should not lose sight of the economic approach, and in order to more clearly show the scale of the problem, one should cite some facts about food wastage.

There are many causes of food wastage. They vary according to the different stages of the agri-food chain, the type of agricultural or food product, and the place where the wastage occurs. Incorrect practices occur at all stages of the food chain, from agricultural production, through storage and processing, to inappropriate distribution and bad consumer habits.⁶ In industrialized countries, most food is wasted at the final stages of the food chain, i.e. distribution and consumption, and the reasons for this are overproduction and lack of proper respect for food. This issue, however, is outside of the scope of this paper. In developing countries, on the other hand, most losses can be seen in the initial stages of pro-

⁵ 'Field-to-table' strategy, p. 2.

⁶ Every year, about one-third of the total amount of food produced worldwide, or about 1.3 billion tons, is wasted, and rational management of this food would feed an additional population of 2 billion people. In the EU, about 89 million tons of food are wasted annually. This shows that, on average, each EU citizen wastes about 173 kg of foodstuffs a year, and this figure is gradually increasing year after year. Poland ranks an infamous fifth in the EU in this ranking (247 kg of food per person). Households account for the largest share of food wastage (47 million tons), but food is wasted at virtually all stages of the food chain – by producers (about 17 million tons), processors (about 10.5 million tons), retailers and caterers (about 5 million tons), and in primary production (about 9 million tons). This information comes from the FAO Report, *Global food losses and food waste. Extent, causes, and prevention*. FAO 2011, and from official data available at www.europarl.europa.eu/news/pl/headlines/society/20170505STO73528/marnowanie-zywnosci-w-ue-miliony-ton-jedzenia-do-kosza-infografika (accessed 20 January 2023).

duction and are related to inadequate organization of food production and storage of agricultural products.

In general, the causes of food wastage at the initial stage of the food chain can be divided into **natural-climatic** and **economic**. The first category of causes is closely related to the dependence of the quality and quantity of agricultural production on natural external factors such as weather, climate, and biological factors. Yields are affected by weather conditions (extreme temperatures, droughts, floods, hailstorms, frosts, hurricanes, and disasters), as well as pests and plant and animal diseases, among others. It has been repeatedly emphasized in the doctrine of agricultural law⁷ and jurisprudence⁸ that agricultural operations involve additional risks. This determines the distinction of production units in agriculture based on the agri-biological cycle, defined as the biological production cycle. In addition to the usual risks that accompany any economic activity, agricultural activity has additional biological and natural risks, and the quantity and quality of agricultural production depends on the potential inherent in the plants grown and animals raised. Although people cannot completely eliminate this risk, with expertise and the right approach they can influence the production process.

The second category of causes of food wastage at the production stage is **economic** causes. These causes are closely related to a lack of demand for a particular agricultural product, poor identification of customer needs and overproduction, which makes it unprofitable for producers to harvest their products.⁹ The extent to which farms are equipped with means of agricultural production, such as land, capital, labor, and production organization, is also important. In particular, the choice of the crop to be grown should be correlated with the size of the acreage owned and the type (quality) of the soil, and the selection of the right variety should be appropriate for the location and should meet the requirements of the market. Food losses also occur due to insufficient capital, which often leads to a delay in harvesting during the harvest season (e.g. low mechanization rates and insufficient labor).¹⁰ Food losses are also related to the level of infrastructure for

⁷ The concept of 'agrarieta' has been widely adopted in Western European doctrine, A. Carrozza, *Problemi generali e profili di qualificazione del diritto agrario*, I, Milano 1975, pp. 74ff, and in Polish doctrine, including R. Budzinowski, *Koncepcja gospodarstwa rolnego w prawie rolnym* [The concept of a farm in agricultural law], Poznań 1992, p. 26.

⁸ Judgement of the Supreme Administrative Court of 8 February 2007, II OSK 1555/06, Lex No. 338885.

⁹ *The state of food insecurity in the world: strengthening the enabling environment for food security and nutrition* (electronic document, Rome FAO 2014), <https://reliefweb.int/report/world/state-food-insecurity-world-2014-strengthening-enabling-environment-food-security-and> (accessed 20 January 2023).

¹⁰ D. Kumar, P. Kalita, Reducing Postharvest Losses during Storage of Grain Crops to Strengthen Food Security in Developing Countries. *Foods*, 6, Article No. 7, 2017; D. K. Grover, J. Singh, Post – harvest losses in the wheat crop in Punjab: Past and Present, *Agricultural Economics Research Review* 2013.

the storage of agricultural products and the available means of transportation.¹¹ Other important causes of food wastage at the food production stage include the selection of the wrong variety for the location and for the market requirements. Some plants are not harvested or are discarded immediately after harvest because they do not meet the quality standards, such as shape, size, color, and weight, which are required by the processing companies or the target markets.

3. DEFINITION OF FOOD WASTAGE

Even though the seriousness of the problem has been recognized, no definition of food wastage has been formulated in EU law.¹² At the EU level, however, a number of measures have been taken to prevent food wastage and these have been reflected in acts that are non-binding for the member states.¹³ A number of initiatives have therefore been taken to counter food wastage throughout the food chain, as only the joint efforts of farmers, processors, retailers and consumers can contribute to effective resource management and food security. However, special attention has been paid to the stages of food sales and consumption.

The same is true of the Polish legal system. The concept of food wastage is defined in the Act of 19 July 2019 on the prevention of food wastage¹⁴ and is quite narrow. According to Article 2(1) of the Act, food wastage should be understood as the withdrawal from the distribution stage of food that meets the requirements of the food law, including those set forth in Regulation (EC) No. 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down

¹¹ B. Dziliński, *Jak uniknąć marnotrawstwa żywności, koncepcja Parlamentu Europejskiego* [How to avoid food wastage, the concept of the European Parliament], INFOS, No. 7, 2012, Sejm Analysis Office, p. 2.

¹² For this reason, in its resolution titled “How to avoid food wastage: Strategies for a more efficient food chain in the EU,” the European Parliament called on the Commission to put forward a legislative proposal that includes a definition of this concept.

¹³ This is the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 20 September 2011. The Roadmap to a Resource Efficient Europe, COM(2011)571; European Parliament resolution of 19 January 2012. How to avoid food wastage: Strategies for a more efficient food chain in the EU (OJ C 227E); Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 31 January 2013, Setting up a European Retail Action Plan, COM(2013); Council Conclusions of June 28, 2016, Food losses and food waste, <https://data.consilium.europa.eu/doc/document/ST-10730-2016-INIT/pl/pdf> (accessed 31 January 2023); cf. Ł. Sokołowski, *Przeciwdziałanie marnowaniu żywności jako wyzwanie współczesności – studium porównawcze prawa polskiego i niemieckiego* [Counteracting food wastage as a modern challenge - a comparative study of Polish and German law], *Przegląd Prawa Rolnego*, No. 2, 2022, pp. 100ff.

¹⁴ Consolidated text: Journal of Laws of 2020, item 1645.

the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety,¹⁵ in particular, due to the approaching expiry of the use-by date or date of minimum durability, or due to defects in the appearance of these foodstuffs or their packaging and their designation for disposal as waste. Such a fundamental narrowing of the scope of the meaning of the term ‘food wastage’ is reflected in the restriction of the subjective scope of the Act. In fact, the application of the provisions of the Act has been limited to food business operators selling foodstuffs in a retail or wholesale unit or units with an area of more than 250 m², where the revenues from the sale of foodstuffs account for at least 50% of the revenues from the sale of all goods. Thus, the problem of countering food wastage has not been comprehensively regulated in the Polish legal system, which omits not only the extremely important stage of food wastage at the level of consumers but also the stages of production, purchase and processing of agricultural products, which are interesting from the point of view of these considerations.

In the absence of a legal definition of food wastage at the agricultural production stage, it is necessary to refer to the views expressed in the resolution of the European Parliament and the views formulated by the doctrine, which has developed both a narrow and a broad understanding of the concept. The term food wastage is understood narrowly (classically) as food products discarded outside the agri-food chain for economic or aesthetic reasons, or because they are approaching their use-by date, but which are still fit for consumption and can be designated for human consumption, but which, for lack of a possible alternative use, are designated for elimination and disposal, resulting in negative external effects in terms of environmental impact, economic costs and lack of income for companies.¹⁶ Thus this definition limits the phenomenon of food wastage to the last stages of the food chain, specifically to the processes of distribution and consumption and only to products fit for human consumption. This approach is an oversimplification that does not allow for an effective and comprehensive fight against the negative consequences of food wastage. What is therefore more appropriate is a broad approach that will reduce losses arising throughout the food chain. A broad understanding of food wastage also includes ‘food loss’ understood as a reduction in the edible weight of food that results from irregularities in processes such as agricultural production, harvesting, processing, transportation and storage.¹⁷ Food wastage – in the narrow sense – occurs in the final stages of the food chain and is beyond the scope of this paper, while food loss occurs

¹⁵ OJ L 31, 1 February 2002, p. 1, as amended.

¹⁶ European Parliament resolution of 19 January 2012 “How to avoid food wastage: Strategies for a more efficient food chain in the EU”, OJ C 227 E, item 14.

¹⁷ A. Marszałek, *Czy możliwe jest przezwyciężenie problemu marnotrawstwa żywności? [Is it possible to overcome the food wastage problem]*, “Nierówności Społeczne a Wzrost Gospodarczy” 2018, No. 2, p. 474.

in the initial stages of the chain. It is the stage of food production, purchase, and processing that is the focus of the search for legal instruments aimed at countering food wastage.

4. FUNCTIONS OF THE CONTRACT FARMING AGREEMENT THAT COUNTERACT FOOD WASTAGE

The issue of contract farming and the functions it performs are not anything new. The functions of a contract farming agreement have been the subject of numerous legal considerations, under both the Civil Code and the agricultural law. So far, however, the contract farming agreement has not been seen as an instrument for ensuring food security, particularly by preventing food wastage. Of course, entering into a contract farming agreement will not eliminate the risk of adverse events related to climate, weather, biological factors, or economic conditions. However, it can make a significant difference in minimizing the occurrence of such events and their impact on the agricultural producer.

At this point, it is worth recalling that, according to Article 613 of the Civil Code, by concluding a contract farming agreement, the agricultural producer undertakes to produce and deliver to the contracting party a specified quantity of agricultural products of a specified type and the contracting party undertakes to collect these products at the agreed time, pay the agreed price and provide certain additional services if the agreement or special provisions include the obligation to provide such a service. Thus, the very *essentialia negotii* of that agreement indicate the two basic functions of contract farming, namely **providing feedstock with certain quality parameters for the processing industry** and **providing the agricultural producer with the ability to sell agricultural products from his own production process even before the process begins**. Indeed, the primary obligation of an agricultural producer is to produce at his farm and deliver to the contracting party a designated quantity of agricultural products of a certain type. *The subject matter of the contract farming agreement is therefore future benefits that do not yet exist at the time the agreement is concluded. Manufacturing means producing, usually “from scratch”, an agricultural product.*¹⁸ This requires proper **planning and organization of agricultural production**, which should translate into **the** elimination of wastage of agricultural products. Another

¹⁸ This feature of contract farming was pointed out by the Supreme Court in the reasoning of its resolution of 22 October 1957, 2 CO 10/57, OSN 1958, No. 2, item 59, as well as by common courts in subsequent rulings, including the judgment of the Court of Appeal in Szczecin of 13 May 2015, I ACa 26/15, Lex No. 1785301.

important aspect is the provision of **protection for the agricultural producer, but also for the contracting party.**

In this context, the contract farming agreement is also **a legal instrument for adjusting the type and volume of production to the needs of food producers and processors, as well as consumers.** Entering into a contract farming arrangement makes an agricultural producer more resilient to fluctuations in the supply and demand for the food produced and the preferences of food consumers. In a contract farming agreement, the parties agree on the quantity and quality standards applicable to the agricultural products, as well as the collection date and price. The quantity of crops is determined by indicating the number pieces and weight or the area from which these products are to be harvested.¹⁹ The price, on the other hand, can be specified in the contract by indicating the basis for its determination. However, it should be very precise and it should be considered insufficient to refer only to the prices in effect on the date of the planned delivery of crops, without indicating additional grounds for their determination.²⁰ This way of determining the price does not sufficiently protect the agricultural producer, for whom the supply of agricultural products could prove unprofitable. In addition, it is important that the contracting party may not refuse to collect the agricultural products, and if the object of the contract farming agreement is divisible, the contracting party may not refuse to accept partial performance, although the parties may make a stipulation to the contrary (Article 620 of the Civil Code). Determination of the time of collection of products and the price affects the economic situation of the producer. It provides the producer with the ability to sell his agricultural products at the right price. Therefore, unharvested crops should not be left in the field or destroyed because it is unprofitable to store and sell them.

It is also necessary to recognize **the protective function of the contract farming agreement for both the agricultural producer and the contracting party. It is manifested in the distribution of the risk related to events (the principle of shared risk).** Although this principle does not directly lead to the prevention of food wastage at the agricultural production stage, it is important for popularizing the contract farming agreement among agricultural producers. According to this principle, the producer is not responsible for certain events for

¹⁹ The Supreme Court has held that it is fully sufficient to designate the quantity of agricultural products by indicating that it is the 'total' product produced at a given time, on a designated farm known to the contracting party; judgment of the Supreme Court of 4 March 2015, IV CSK 437/14, database of Supreme Court's judgments.

²⁰ This was pointed out by the competition and consumer protection court in its judgment of 1 September 2004, in which it emphasized that *"as a result of such agreements, the contracting party is guaranteed the quantities of the commodity it needs to buy without the risk that the price it will have to pay for it may turn out to be higher than the purchase price on the free market. On the other hand, the producer does not have certainty as for the price and bears the same risk as if he had not entered into the contract farming agreement.* Judgement of the Competition and Consumer Protection Court of 1 September 2004, XVII Ama 90/03, Commentary of 2005, No. 1, item 89.

which no fault can be attributed to him (drought, insect infestation), but which affect the volume of the production.²¹ It is also necessary to recognize the risk to the contracting party, which will not be reimbursed for the resources involved in the production (knowledge and means of production) and, more importantly, in the event of failure of the producer to fulfill his obligations under the contract farming agreement, there will be a shortage of feedstocks for production. The normative expression of the principle of shared risk is Article 622 of the Civil Code. If, as a result of circumstances for which neither the agricultural producer nor the contracting party is responsible, the producer is unable to deliver the object of the contract farming agreement, the producer is obliged only to repay the advances received and the bank loans taken. The risk distribution is, therefore, the following: the agricultural producer bears the costs of agricultural production (means of production, labor), is obliged to repay advances and loans taken, and does not make a profit from the contract farming agreement, while the contracting party does not receive the contracted agricultural products and loses the additional benefits in kind provided to the agricultural producer (cost of instruction, means of production provided to the agricultural producer). The need to mitigate the risk to the producer in the event of events for which neither party is responsible prompts some farmers to plan agricultural production using the legal instrument of the contract farming agreement. On the other hand, the contracting party cooperates in the performance of the contract farming agreement, shares its experience and provides possible support to avoid the indicated circumstances.

What is important for **organizing and modernizing agricultural production** is the additional services that the parties may provide for in the contract farming agreement. They allow modernization of the production process through access to the latest knowledge and technology. Although additional services are not the *essentialia negotii* of a contract farming agreement, they are precisely the decisive element for an agricultural producer to enter into such an agreement and according to the jurisprudence, they determine the economic sense of the contract and distinguish it from other agreements.²² Additional benefits on the part of the contracting party may include, in particular, providing the producer with the opportunity to acquire certain means of production (supply of seeds of the variety suitable for the climate conditions, seedlings, lending agricultural equipment) and

²¹ The concept of *circumstances for which neither party is responsible* is broader than the concept of force majeure and also includes such events as drought or insect infestation. The Supreme Court has repeatedly noted that force majeure is a general cause that excludes liability based on fault; see the judgment of the Supreme Court of 28 September 1971, II CR 388/71, LEX Polonica No. 296084. However, Article 622 of the Civil Code does not use the premise of force majeure at all, and provides that it is sufficient that there is a situation where fault cannot be attributed to the parties to the contract farming agreement; see the judgment of the Supreme Court of 11 May 2007, I CSK 45/07, LEX No. 322027.

²² I. Lipińska, *Współczesna rola umowy kontraktacji* [The modern role of the contract farming agreement], Journal of Agrobusiness and Rural Development, p. 7, www.jard.edu.pl.

to obtain financial assistance (granting a loan, a guarantee, assistance in taking a loan, making an advance payment), agrotechnical and zootechnical assistance (instruction), monetary bonuses (bonuses for quality, for early delivery of products, and storage, as well as in-kind bonuses, for example in the form of means of production). The catalog of additional services is not exhaustive and there may also be other services that are relevant to the agricultural producer and allow him to fulfill his contractual obligations and eliminate some of the economic causes of food wastage, such as insufficient means of production or capital necessary for the smooth production process. The role of instruction, which is a source of knowledge about new plant varieties suitable for specific soil conditions and agricultural production technologies, also cannot be overestimated. It should be seen as an opportunity to adapt food production to local natural conditions (climate, soil, as well as plant and animal diseases).

For proper, efficient and quality-compliant organization of the production process, the right of the contracting party to supervise and control the performance of the contract farming agreement by the producer is of particular importance (Article 617 of the Civil Code). **The contracting party is, so to speak, the ‘coordinator’ of the legal and factual actions taken by the agricultural producer.** Included in the scope of these powers is the inspection of the performance of the contract farming agreement and, therefore, the inspection of the area, seed and crop protection products used as well as animal feed. In this regard, the contracting party may give instructions to the agricultural producer.²³ This provision has a significant impact on the determination of the liability of the parties to the agreement for non-performance or improper performance of an obligation,²⁴ but more importantly, in the context of prevention of food wastage, it supports the conduct of agricultural production in the right quantity and with the right parameters.

The adjustment of the volume and quality of agricultural production to the requirements of the market is also influenced by the obligation to keep the contract farming agreement in writing. The obligation to conclude such agree-

²³ What is disputed in the doctrine, however, is the power of the contracting party to control the producer's legal actions undertaken with respect to third parties. One should agree with the position on the admissibility of control in this regard, as stated, among others, by J. Nadler (in:) E. Gniewek, *Kodeks cywilny. Komentarz* [Civil Code. A commentary], Warsaw 2011, p. 1105, although some authors raise the argument about the restriction of the principle of freedom of contract through the possibility of the contracting party interfering with the sphere of the producer's legal relations with other entities, as stated by E. Niezbecka, *Komentarz do art. 617 k.c.* [A commentary to Article 617 of the Civil Code], LEX version.

²⁴ An agricultural producer is free from liability if he failed to perform the agreement for reasons related to inadequate supervision (see: judgment of the Supreme Court of 5 September 1957, 4 CR 527/56, OSNCP 1959/1, item 16) or if no significant deficiencies in the production process were found during an inspection, or if the producer followed the instructions of the contracting party (see: judgment of the Supreme Court of 31 July 1969, I CR 190/69, OSNCP1970/5, item. 90).

ments was introduced by the Act of 10 July 2015 amending the Act on the Agricultural Market Agency and certain agricultural markets.²⁵ Subsequently, thanks to an amendment to the act, fines were introduced for violations of this obligation and as of 1 September 2017, the tasks of the Agricultural Market Agency were taken over by the National Agricultural Support Center.²⁶ The intention of the legislator in making written agreements mandatory was to protect agricultural producers who, in the course of their business, carry out commercial transactions with entities with a stronger market position. Agricultural producers, by entering into contracts before the start of production, are assured that the sale of their products will be performed under specific conditions. The conditions for the sale of agricultural products are then not dependent on temporary fluctuations in supply and demand and the negotiating position of the agricultural producer is also strengthened. In addition, the conclusion of a contract farming agreement is designed to avoid certain unfair trade practices, as well as to improve price transmission and adjust the supply to the demand. This is because the introduction of the regulation in question is intended to prevent situations where farmers are forced on the day of purchase of agricultural products to conclude contracts on terms imposed by the purchasing company.

5. CONCLUSION

Countering food wastage is indeed an essential element of food security, traditionally understood as all the conditions that must be met to ensure food sufficiency, i.e. the availability and stability of the supply of food adequate for an active and healthy life, necessary to feed the population of the world, a region, or a country. Food wastage should therefore be reduced at every stage of the agri-food chain ‘from field to table’. This is because it is a negative phenomenon for economic, social, environmental, and ethical reasons.

The contract farming agreement is the legal instrument that performs the function of preventing food wastage at the stage of agricultural production. Its conclusion can contribute to the countering of the food wastage caused by both natural and climate-related, as well as economic causes.

The primary, traditional function of this agreement is to plan and organize production by providing the agricultural producer with the ability to sell his agri-

²⁵ Journal of Laws of 2015, item 1419.

²⁶ Act of 15 December 2016 on counteracting unfair use of contractual advantage in the trade of agricultural and food products, Journal of Laws of 2017, item 67; now repealed and replaced by the Act of 17 November 2021 on counteracting unfair use of contractual advantage in the trade of agricultural and food products, Journal of Laws of 2021, item 2262, as amended.

cultural products and the contracting party with access to feedstocks of a specified quantity and quality. Other functions of this agreement, such as modernizing the production process and providing economic support to the producer, also contribute to a reduction of food wastage. The obligation of the parties to the agreement to cooperate in agricultural production, including, in particular, through the provision of additional services such as instruction, a suitable variety of seeds and seedlings, or assistance in obtaining loans and the payment of advances at an appropriate level, has a positive impact on the fulfillment of obligations under the contract farming agreement.

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