

**AGNIESZKA BEZAT-JARZĘBOWSKA
WŁODZIMIERZ REMBISZ**

**THE PRODUCTION FACTORS
RELATIONSHIP CHANGE
IN AGRICULTURE**

WARSAW 2021

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Introduction

In the publication, we have shown in the deductive and logical approach with the use of analytical approaches, with the use of formulas, the mechanism of changes in the relationship between production factors in agriculture. Our assumptions were: given demand conditions; market under conditions of competitive balance and the impact of agricultural policy instruments which determine the choices of agricultural producers. Then, we assumed that agricultural producers behave rationally, maximising their goal function. We showed the logic of changes in the relationship between a given relation and the productivity of production factors and their remuneration in relation to their prices and support. This has the features of a certain system of balance and organic relations. It is in fact the microeconomics of these changes and relations both in the sense of the method of studying and explaining, and the problem.

From the point of view of the main problems of economics, the considerations were related to the allocation, i.e. the relationship between the applied factors of production and their productivity; and to the division, or remuneration of these factors. The studying of these relationships and mechanisms allows us to understand and explain the economic results achieved by farms from the microeconomic perspective. Subsequently, this may allow acting on these relationships through policy.

The work is useful for all those who conduct empirical research as a theoretical and methodological basis as well as those analysing and making decisions in the field of agricultural policy. It is, as we believe, a certain contribution to microeconomics and modern agricultural economics, the merger of approaches used in them.