

COMPARISON OF SELECTED CAP MEASURES IN THE CZECH REPUBLIC AND REPUBLIC OF SLOVENIA

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Abstract

Czech Republic and Republic Slovenia are the members of European Union for four years already. Membership in EU required the adoption of European legal order, in agriculture the adoption of Common agricultural policy (CAP) which brought many changes into agricultural sector. The article deals with selected measures of CAP and tries to describe their settings and differences in both countries. A case study is also included – the comparison of selected measures in one Czech and one Slovenian region.

Key words: less favoured areas, organic farming, early retirement, agro-tourism, Common agricultural policy, Czech Republic, Slovenia

PRIMERJAVA IZBRANIH UKREPOV SKUPNE KMETIJSKE POLITIKE MED ČEŠKO REPUBLIKO IN SLOVENIJO

Izveček

Češka republika in Slovenija sta že štiri leta članici Evropske zveze, kar med drugim tudi pomeni, da sta prevzeli evropski pravni red in se prilagodili skupni kmetijski politiki (SKP), ki je v obeh državah prinesla številne spremembe kmetijskega sektorja. Izpostavljeni so izbrani ukrepi SKP, njihova vzpostavitev in razlike med državama, za boljše pojasnitev je bila v raziskavo vključena študija dveh primerov v Sloveniji in na Češkem.

Ključne besede: območje z omejenimi možnostmi za kmetijsko dejavnost, ekološko kmetovanje, zgodnje upokojevanje kmetov, turizem na kmetiji, skupna kmetijska politika, Češka, Slovenija

I. INTRODUCTION

Slovenia and the Czech Republic joined EU on May 1, 2004. By joining the EU both countries had to adopt its legal order and common policies, including the Common agricultural policy (CAP). The commitment of the CAP led to unprecedented changes in agricultural sector of both countries. By implementing the CAP, both countries are directing the further development of the agriculture and food-processing industry to boost the competitiveness of the sectors, considering the diversity and distinctive features of the rural areas and the multifunctional role of agriculture.

Although contemporary agriculture is still an important factor for social stability and management with natural sources in rural areas, the situation in both countries is not very favourable. Demographic situation and the aging structure of the rural population became worse due to emigration of young people and high percentage of the people above the age of 65. CAP includes measures which support early retirement, encourage younger people to stay in agricultural sector or helps to improve infrastructure in rural areas.

Next aim of CAP is to prevent traditional cultivated landscape from devastation. This is provided by financial stimulation of food production in environmental-friendly way. Relatively low intensity of farming in Slovenia means fewer burdens for environment and higher quality of products – safe food, which is not the case in the Czech Republic because of traditional large-scale farming.

Programmes of CAP also help to maintain or even improve economic situation – the number of supplementary activities is increasing, as is the number of ecological farms and farmers implementing agro-environment programmes (Perpar 2007, 231). Key issue should be diversification of the rural economy and maintenance of the quality of life in rural settlements and communities. However, it has to be stressed that the real economic impacts depend on the amount of financial resources per individual measure and on the input of resources within the measures for different purposes.

CAP concerns the balance between the competitiveness of agriculture, food industry and forestry, environmental protection and the conservation of natural landscape as well as the improvement of the quality of life in rural areas and the promotion of diversification. It is evident that agriculture should uphold the principles of sustainable development and remains indispensable and irreplaceable activity in rural areas, even from economical and social point of view. The maintenance of cultural landscape and biodiversity or environment protection is also important.

I.1 Materials and methods

The aim of this article is to evaluate and compare the four-years period of Czech and Slovenian membership in the EU and in CAP and the ways, how the Czech and Slovenian agriculture were integrated into the CAP conditions. Although the comparison of both countries is quite difficult due to differences in area, population, history and other factors, we try to compare the impact of several CAP measures. The focus is mainly on following topics: less favoured areas, organic farming, retirement policy and agro-tourism in both countries. This will be shortly illustrated on examples of the Jihlava district and the Gorenjska region.

Data for this article have been obtained from the Czech statistical office (CSO), Statistical office of the Republic of Slovenia (SORS), Ministries of agriculture (MA) of both states, State agricultural intervention fund (SAIF) and Agency of the Republic of Slovenia for agricultural markets and rural development (AAMRD) which are administrators of financial subsidies both from the European Union and from the national financial funds. Also the literature which deals with EU integration or CAP impacts in both countries has been used, e.g. from Slovenian authors Knific, Bojnec (2007), Lampič (2005), Perpar (2007) from Czech Republic e.g. Červená, Menzlová, Pohlová (2004), Johanovská, Štolbová (2007), and strategic documents of both countries (Rural development programme (RDP) of the Republic of Slovenia 2007–2013 and Rural development programme of the Czech Republic for the period 2007–2013).

2. BASIC FACTS ABOUT SLOVENIAN AND CZECH AGRICULTURE

Slovenia is a small European country with a surface area of 20,273 km² and 2,010,377 inhabitants (SORS 2006). It is situated at the crossroads of Central Europe, the Mediterranean and the Balkans. Despite its limited territory, Slovenia is a country with a highly diversified landscape and varied climatic conditions.

Slovenia became independent in 1991 following the violent break-up of Yugoslavia. A direct impact of independence was reflected in the loss of Yugoslav markets, which has contributed to sluggish economic growth in the early 1990s. However, due to relatively high levels of economic development attained before its independence, no such radical economic policy reform was needed as was the case with other Central and Eastern European countries. In contrast to other ex-socialist European countries, there was always a predominant share of privately-owned farm land. This was the result of an agricultural policy that allowed the existence of small family farms, because the collectivization efforts were not that strong. Just before the independence, there was more than 90 % of all land in the hands of private farmers and merely 8 % of land was occupied by large state-owned farms, now called agricultural enterprises which operate as share-holding companies (Turk, Rozman et al. 2007, 209).

Slovenian agriculture is just as specific, preserving settlement even in the most remote areas. Farming is not easy in a country where more than three quarters of its surface belong to areas classified as less favoured with factors that limit farming – either because of the altitude and sloping terrain or karst features or any other limiting factors – and where more than half of the territory is covered by forests. (Slovenian agriculture... 2008, 3). It is typical by large number of farms. According to data from the 2003 just above 77,000 agricultural holdings with 485,430 hectares of agricultural land are engaged in agriculture (SORS). The share of agriculture in the gross domestic product (GDP) is slightly lower than the European average and totals about 2.2 %. The average size of farms is 6.3 hectares in mountainous terrain, only about 6 % of farms have more than 10 hectares, which is one of the reasons for low productivity of farms.

Czech Republic (CR) is a country in Central Europe with total area of 78,866 km² and 10,325,941 inhabitants (CSO 2007). In a Europe-wide context, it can be characterized as a mountain to sub-mountain area. Mutual pervasion and mixing of oceanic and continental effects are characteristic for the climate of the Czech Republic.

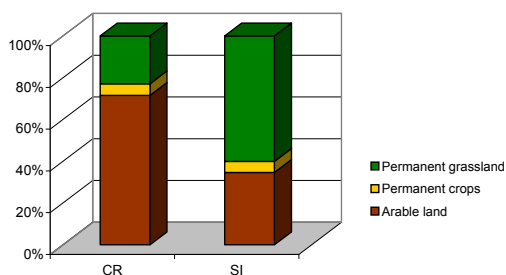
Before 1989, the Czech agriculture was controlled by the central directive system. The main role in enterprises structure have large cooperative farms, which were situated in nearly every municipality, and state farms, situated in border localities or in localities with unfavourable conditions for agricultural production. Private sector was strongly repressed. After the change of regime in 1989, the agricultural sector went through many changes. The most important were: transition of cooperative farms, privatization of state farms and restitution of property. Decline of production volume and decrease of employment in agriculture was also typical.

According to the Eurostat there are 42,250 agricultural holdings in the Czech Republic which are farming on 3,557,790 hectares of agricultural land; an average size of agricultural enterprise is about 71.0 hectares. The sector of agriculture, together with forestry and fishery, accounted in current prices for 4.5 % of gross value-added in the national economy in 2002 and the workers in agriculture accounted 4.1 % of the overall employment.

Due to different surface area (Czech Republic is about four times larger than Slovenia) and history, the animal stock and agricultural production are quite different. Also the land use in both countries varies (Figure 1). In the Czech Republic more than 71 % of used agriculture land is arable land, which is the heritage of Czech history (production in cooperatives was very important), but only 23 % of agricultural land is classified as permanent grassland. Compared with other European countries this share is low and that is why Czech government supports set asides. In Slovenia, the situation is quite different: percentage of arable land is low (35 %), but on the other hand, proportion of permanent grassland is high (59 %).

Figure 1: Land use in the Czech Republic (CR) and Slovenia (SI)

Slika 1: Primerjava rabe tal med Češko in Slovenijo



Source/Vir: Eurostat (<http://epp.eurostat.ec.europa.eu>)

3. COMPARISON OF SELECTED CAP MEASURES IN THE CZECH REPUBLIC AND IN THE REPUBLIC OF SLOVENIA

3.1 Less favoured areas

Less favoured areas (LFA) are areas, such as mountainous or hilly areas, within the European Union where farming is made more difficult by natural handicaps. They encompass

economic, social and environmental principles: compensation of higher production costs due to unfavourable natural conditions, combating the abandonment of farming and emigration from the remote rural areas, preservation of the cultural landscape and integrated rural development. In these areas farmers may receive compensatory allowances (The Common agricultural policy – a glossary of terms).

In Slovenia up to 449,000 hectares (74.2 % of Slovenia's surface) are defined as less favoured areas. These are hilly and mountainous areas, areas with karst features or other factors that limit possibilities of farming. Only 10 % of Slovenian municipalities have no LFAs within their boundaries (Table 1, Figure 2). It is expected that the measure shall capture 45,000 agricultural holdings using 300,000 hectares of agricultural land. In the Czech Republic half of the agricultural land is located in LFAs (mountainous, specific and other LFA).

*Table 1: Less favoured areas in Slovenia and in the Czech Republic
Preglednica 1: Območja z omejenimi dejavniki za kmetijstvo v Sloveniji in na Češkem*

Type of LFA	Czech Republic		Slovenia	
	Hectares	% of agr. land	Hectares	% of agr. land
Mountainous areas	512,400	14.6	328,000	54.2
Other LFA	1,039,100	29.6	23,000	3.8
Areas with specific handicap	200,400	5.7	98,000	16.2
Total LFA	1,751,900	49.9	449,000	74.2
Non-LFA	1,761,300	50.1	156,000	25.8
Total agricultural land	3,513,200	100.0	605,000	100.0

Sources: Rural development programme (RDP) of the Republic of Slovenia 2007–2013; Rural development programme (RDP) of the Czech Republic for the period 2007–2013.

Vira: Program razvoja podeželja (PRP) Republike Slovenije za obdobje 2007–2013; Program razvoja podeželja (PRP) Češke republike za obdobje 2007–2013.

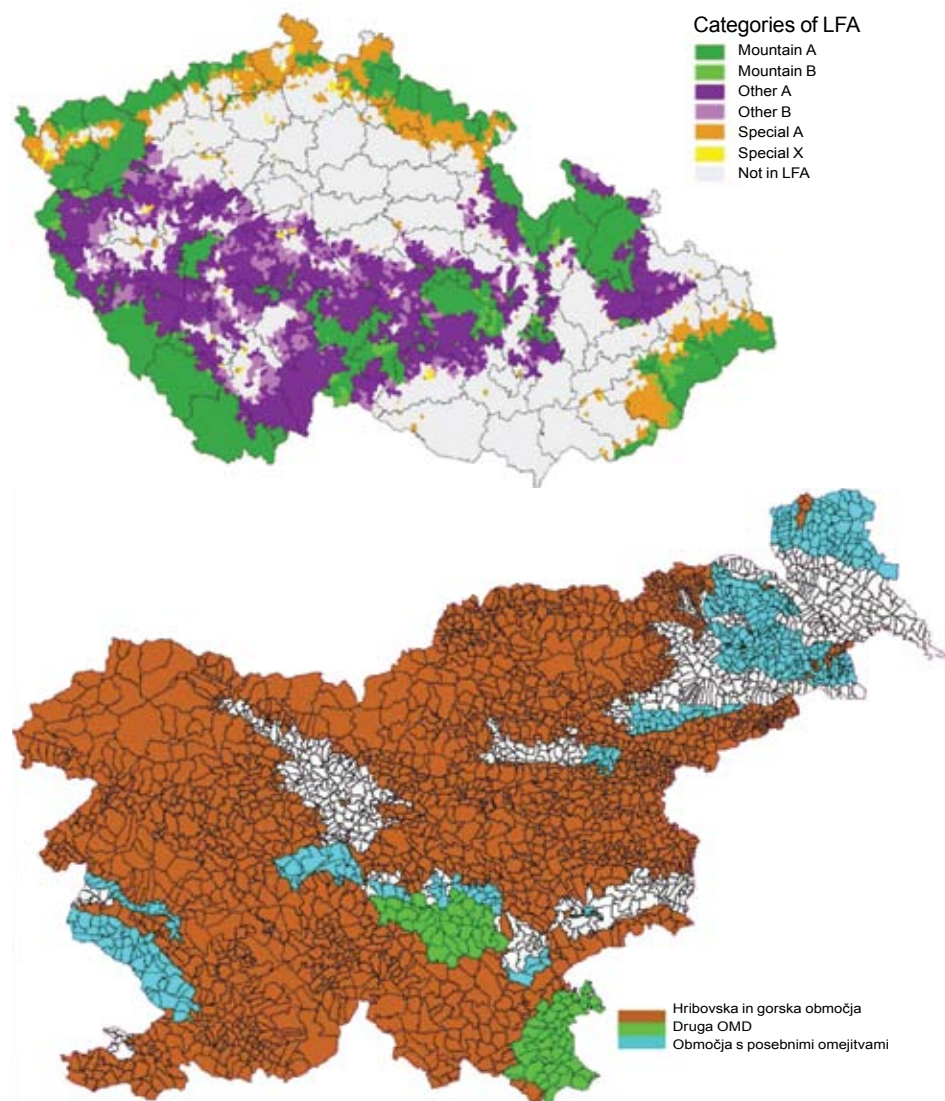
In the Czech Republic, most of mountain LFAs are situated along the state borders where the highest mountain ranges are. LFAs with specific handicap are also situated along the state border. 29.6 % of CR's area is defined as other LFAs, these areas are mostly located in northern part of Bohemia (Figure 2).

Location of LFAs in Slovenia is different – 54.2 % of country's area is defined as a mountain LFA. These areas cover almost three quarters of agricultural land, except of north-eastern part of Slovenia and some scattered smaller parts. 16.2 % of Slovenia's area is defined as area with specific handicap. Only 3.8 % are defined as other LFAs (mainly karst areas).

When comparing the amount of finances for LFAs in both countries, some differences can be observed. Amount of money for LFA measures in the Czech Republic from 2004 to 2006 is still increasing, while in Slovenia it fluctuates (Table 2). In total, Slovenia obtained between 2004–2006 40.9 % of subsidies of the Czech Republic, which is quite high sum when area of agricultural land and LFA in both countries is compared. However, this is because because

Figure 2: Less favoured areas in the Czech Republic and in Slovenia

Slika 2: Območja z omejenimi dejavniki za kmetijstvo na Češkem in v Sloveniji



Sources: Rural development programme (RDP) of the Republic of Slovenia 2007–2013; Rural development programme (RDP) of the Czech Republic for the period 2007–2013

Vira: Program razvoja podeželja (PRP) Republike Slovenije za obdobje 2007–2013; Program razvoja podeželja (PRP) Češke republike za obdobje 2007–2013

the conditions for providing LFA's payments differ in EU member countries. Member states have crucial role in setting the amount of subsidy for LFA. In the Czech Republic average height of subsidy in 2004 was 125 € per hectare, in Slovenia 136 € per hectare, in EU-25 only 74 € per hectare (Johanovská, Štolbová 2007, 24).

Table 2: LFA expenses 2004–2006 in the Czech Republic and Slovenia (mil. €)

Preglednica 2: Izdatki za območja z omejenimi dejavniki za kmetijstvo na Češkem in v Sloveniji (v mil. €)

	2004		2005		2006		Total	
	Public expenditure	EU contribution	Public expenditure	EU contribution	Public expenditure	EU contribution	Public expenditure	EU contribution
Czech Republic	99.5	79.6	101.7	81.3	103.5	82.8	304.7	243.7
Slovenia	42.0	33.6	47.3	37.8	35.2	28.1	124.5	99.5
Index	42.2	42.2	46.5	46.5	34.0	34.0	40.9	40.9

Sources: Červená, M., Menzlová, J., Pohlová, K. 2004; Rural development programme (RDP) of the Republic of Slovenia 2007–2013

Vira: Červená, M., Menzlová, J., Pohlová, K. 2004; Program razvoja podeželja (PRP) Republike Slovenije za obdobje 2007–2013

Subsidies for LFAs are economically important for farmers, however, not for implementation of sustainable systems of farming. Current rules for subsidies providing in member states does not lead to transparent and effective aiming of finances into areas where strengthening of multifunctionality is needed and where the risk of leaving agricultural land is most presumable. LFAs are set for individual farms but, it should be set on simple rules applicable for specific region, with stress on principles of sustainable agriculture (Johanovská, Štolbová 2007).

3.2 Organic farming

Organic farming is a sub-measure of agro-environmental measures which are applied by EU to support specifically designed farming practices that are going beyond the baseline level of 'good farming practice'. This should help to protect the environment and maintain the countryside (The Common agricultural policy – a glossary of terms).

Organic farming has been developing in the CR since 1990, however, until 1997 the number of organic farmers was very low (0.47 % of agricultural land). Since 1998, we have registered a boom of organic farming in the CR (1.67 % of agricultural land). In 2004, 836 agriculture enterprises managed environmental-friendly 263,299 hectares (Table 3), what constitutes about 6.2 % of agricultural land, and received subsidies amounted to 11,107,143 €. The largest part of the organic farming in the Czech Republic has been carried out in regions

with high share of grassland. On the other hand, in fertile regions (Central Bohemia and South-East) the measures carried out on smaller area, but mostly with higher intensity.

In Slovenia in year 2000, 115 agriculture enterprises were managed environmental-friendly 5,440 hectares, what constitutes about 1.1 % of the total area of agricultural land. In recent years, the share of land under organic production increased to 4.2 %. In 2006, organic farming was carried out on 1,876 agricultural holdings (26,830 hectares of agricultural land). In 2004, the total amount of finances for organic farming in Slovenia was 3,771,891 €.

Given its natural features, Slovenia has excellent opportunities for further development of organic farming. Hence, based on the European action plan, Slovenia drew up the national action plan for a long-term development of organic farming by 2015. Organic farming has developed quite successfully in recent years. The expansion is more evident in Slovenia: from 2000 to 2006 the area of agricultural land under organic farming increased by 493.2 %, while in the Czech Republic only by 146.2 %. In Slovenia, more farmers than in Czech are engaged in organic farming but relative area of land under organic farming is lower; it means that in Czech Republic the average area of farms under organic farming is higher. In the Czech Republic, the largest number of organic farms was in 2004, since that year the number has slightly decreased, most probably because the farmers have no certificate for organic farming anymore.

In both countries organic farming is evaluated as a perspective for agricultural sector, one that creates a new market with organic farming products. It also contributes to the development and maintenance of rural landscape, as well as to the protection of natural environment, in line with the concept of sustainable land management.

In the Czech Republic, and also in Slovenia, the supply of organic products (meat, cereals) does not comply with the market requirements (vegetables, fruits, dairy products, wine, etc.), and the consumption and import have grown in recent years, so we can expect the spread of farms engaged in organic farming. The future of organic farming success is associated with the production of high quality products, promotion and various information for consumers, proper labeling etc.

3.3 Early retirement of farmers

Aim of this measure is to enhance structural changes on agricultural holdings, improving the age structure of farm operators and increasing the development capacity of the transferred farms and thus contributing to increase of labour productivity in agriculture.

A specific problem faced by Slovenian agriculture is the age structure of farmers on family farms. The average age of farm holders in Slovenia is over 56 years. The share of those younger than 45 years is only 43.2 %, whereas the majority of farmers is above 45 years old (56.8 %; Table 3). It is also a fact that on farms with more than 10 hectares of land the ratio between the age groups is more favourable: 60 % of farmers are younger than 55.

Similar problem is in the Czech Republic. Since 1989, there has been an ongoing process of age structure worsening. While in 1989, workers under 30 years made up more than a fifth (21.4 %) of all agricultural workers, by 2004 their proportion had dropped by more than half to 9.9 %. Almost two thirds of workers (63.8 %) were older than 45 in 2005.

From Table 3 it is evident that share of family labour force aged under 45 in the Czech Republic is lower than in Slovenia. Larger differences are also evident in older age groups – in the Czech Republic there are only 15.6 % of family labour force aged above 65, but in Slovenia there are 21.9 % of family labour force aged above 65, what considerably exceeds the EU average (11 %).

Table 3: Family labour force by age in the Czech Republic and Slovenia in 2005

Preglednica 3: Starostna sestava delovne sile na družinskih kmetijah na Češkem in v Sloveniji v letu 2005

Years	CR			SI		
	Abs.	%	%	Abs.	%	%
Less than 35 years	12,810	19.1	36.2	54,210	26.6	43.2
Between 35 and 44 years	11,490	17.1		33,830	16.6	
Between 45 and 54 years	16,360	24.3	63.8	38,390	18.8	56.8
Between 55 and 64 years	16,050	23.9		32,830	16.1	
65 years and over	10,480	15.6		44,760	21.9	
Total	67,190	100.0	100.0	204,020	100.0	100.0

Source/Vir: Eurostat (<http://epp.eurostat.ec.europa.eu>)

Conditions for early retirement in the Czech Republic are set for farmers older than 55 years which hand over the farm to farmer who is younger than 40 years. Annually subvention is 2679 € (fixed part) plus variable part of 161 € per each hectare of agricultural land up to 30 hectares. Maximum support is 7,500 €. Conditions for early retirement in Slovenia are set similarly but, annually subvention amounts to 5,000 € per farm and a variable part of 300 € per hectare annually (at maximum of 20 hectares of agricultural land). The total amount of the annuity obtained in the entire period may not exceed 110,000 € per transferor.

As it is obvious from Table 4, Slovenian farmers obtained 91.7 % of finances if compared with Czech farmers. In the Czech Republic, 327 farmers applied for early retirement during 2005–2006 and got 1,380,151 €. In 2007, 269 farmers applied and gained 454,589 € (State agricultural intervention fund). In Slovenia, this measure started in 2006 when 82 farmers applied for early retirement and obtained 869,557 €. It is evident that the outlay per one farmer in Slovenia is higher than in the Czech Republic: in Slovenia in 2006 on the average 10,604 € per one early retired farmer was distributed, while in the Czech Republic only 3,750 €.

As farm retirement plays a crucial role in determining the characteristics of structural change in agriculture, it is important to establish the factors which determine an ‘exit’ from farming among older farmers. Early retirement should act as an incentive for those who want to transfer their farms to younger farmers. Their maximum pension is increased by this decision. However, a setting of support is not similar in compared countries. Relatively low support for Czech farmers should not be a satisfactory motivation for early retirement. Second thing is that the payments are frontloaded to suit farmers with a smaller number of hectares, which is again a disadvantage for Czech farmers.

Table 4: Early retirement from farming 2004–2006 in the Czech Republic and Slovenia (mil. €)
 Preglednica 4: Zgodnje upokojevanje kmetov na Češkem in v Sloveniji v obdobju 2004–2006 (v mil. €)

	2004		2005		2006		Total	
	Public expenditure	EU contribution	Public expenditure	EU contribution	Public expenditure	EU contribution	Public expenditure	EU contribution
CR	2.2	1.8	3.0	2.4	3.7	3.0	8.9	7.1
SI	1.8	1.4	2.8	2.2	1.3	1.0	5.9	4.6
Index	81.8	77.8	93.3	91.7	35.1	33.3	66.3	64.8

Sources: Červená, M., Menzlová, J., Pohlová, K. 2004; Rural development programme (RDP) of the Republic of Slovenia 2007–2013

Vira: Červená, M., Menzlová, J., Pohlová, K. 2004; Program razvoja podeželja (PRP) Republike Slovenije za obdobje 2007–2013

3.4 Agro-tourism

Agro-tourism is defined as a tourist or recreational stay in rural areas or at family farms while the main content is getting to know alternative way of life with close contact to nature, direct involvement in agricultural activities and active leisure. Agro-tourism is using already existing sources, local goods and close contact of residents with visitors. The place of agro-tourism need not to be only a farm but also other agricultural facilities. The goal of visitors is to get to know the local way of life. One of important aspects for farm keepers is the economical aspect. However, the main aim of agro-tourism is sensitive approach to landscape, environment, protection and development of cultural and natural heritage in rural areas and its sustainability. As well as other forms of tourism it is trying to be an instrument for rural areas revitalization.

In Slovenia, tourism on farm has a long tradition; it was registered already in 1930s in alpine and mountainous areas of Slovenia which were used as places of relaxation for town inhabitants during summer period. After the World War II tourism on the farm disappeared – farms were limited by many regulations (the area of the farm could not exceed 10 hectares, farm activities were limited). Farm tourism appeared again in 1970s in the period of general liberalization. According to Ministry of agriculture, forestry and food of Republic of Slovenia, in 2004 there were 446 farms registered, in 2008 even 790 farms.

Agro-tourism in the Czech Republic has started to develop in present form from the early 1990s. Earlier development was not possible because of the situation in agriculture after the World War II (mass collectivization of agricultural production and absence of small private farms). Although rural tourism in the Czech Republic has big potential, it has not found appropriate response yet. It is also facing many problems, such as slow adaptation of private enterprises, poor services in many regions, lack of management or insufficient infrastructure. It is probable that the demand is also lower due to competition of agro-tourism

In the Czech Republic, the list of farms with agro-tourism does not exist. There are only some partial data (Svaz venkovské turistiky, Sdružení podnikatelů v agroturistice ČR, Pro-bio). Besides of this, also entrepreneurs which are not registered and run 'grey' agro-tourism, have to be taken into account. According to Králová (2001) 424 farmers with capacity of 9,336 places for accommodation (4,168 beds) applied for running agro-tourism in the Czech Republic but these numbers have surely grown.

Even if conditions for agro-tourism in the Czech Republic are quite suitable and the future growth of its number and quality is expected, it is not supposed that agro-tourism will develop to such dimensions as abroad (mainly in other EU countries). It is assumed that the Czech Republic will aim to other forms of rural tourism than agro-tourism, e.g. wine paths, cyclo-tourism, folk festivals, visiting of folk architecture.

The situation in Slovenia is different. Number of farms with agro-tourism has grown rapidly in recent years and future growth could be expected. A lot of Slovenian farmers with small plots of agricultural land are not competitive and they need supplementary activities to increase their incomes. However, investments for reconstructions of farms and apartments and for equipment of farms are needed.

4. CASE STUDY AREAS – JIHLAVA DISTRICT AND GORENJSKA REGION

The Jihlava district is situated in the southern part of the Bohemian-Moravian border. The land consists mainly of hills of the Czech-Moravian Highlands, with average altitude of about 540 m and rather harsh climate. The area covers 1180 km² and has 109,437 inhabitants, with quite low population density (93 inhabitants per km²). The territory of the Jihlava district comprises 123 municipalities.

Although the district's natural conditions are not very favorable for agriculture (altitude and slope of the territory limit the production ability of lands), the Jihlava district continues with its tradition of agricultural production. Total area of agricultural land is 69,845 hectares (CSO 2004). For some agricultural commodities and activities the territory of the Jihlava district is optimal (production of potatoes, oil plants, pastoral farming). However, what is missing, is economic and technical base for agricultural producers. After a difficult transformation period, the agriculture in the district still practices a large-scale way of farming.

Gorenjska region, as a statistical unit, is region of high mountains, of almost entirely alpine character. It is situated in north-western part of Slovenia. A large part of this region is protected as a national park. The region has 199,085 inhabitants and area of 2,137 km², density of population is 93 inhabitants per km².

Although agriculture in this region is not among the most important activities, agricultural holdings are among the largest in the country both in terms of average utilised agricultural area and in terms of the number of livestock units per hectare of agricultural land. The size of used agricultural area is 33,402 hectares (Slovenske regije v številkah 2007, 48).

About 95 % of the Jihlava district is included into LFA due to unfavourable natural conditions (Figure 4). Only the town of Jihlava and its surroundings is not in LFA, the rest of

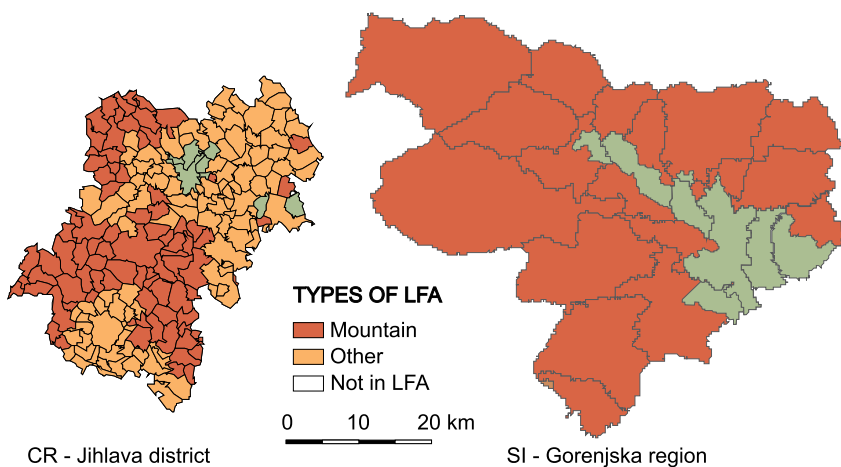
the district is in mountainous or other type of LFA. In Gorenjska region, only the flat area along the Sava River is not included into LFA, the rest of the region is set into mountainous areas.

Total amount of money for LFAs in Gorenjska region was 3,025,839 € in 2004, what is quite a large sum compared with Jihlava district (1,898,363 €). For the Jihlava district it is important that the main role is played by large-scale enterprises with large areas of arable land (approx. 77 % of LFA support for all district). Although data for Gorenjska region are not available for all chosen years, it is possible to state that the amount of finances does not differ in individual years.

Although conditions for organic farming in the Jihlava district are very good, only six certified farmers with about 600 hectares (one farmer has 500 hectares, other farms are smaller – about 20 hectares) are engaged. Two of them are devoted only to animal breeding (horses, goats, sheep, pigs, cattle), two of them to plant production (potatoes, pulses, cereals, vegetables, herbs) and two combine production. It was already mentioned that organic farming is only one sub-measure of agro-environmental measures (other sub-measures in the Czech Republic are: care for grassland, landscape care and cultivation methods in protection zones around caves). During 2004–2006, for all measures in the Jihlava district a total of 4,126,455 € (in 2004: 1,244,275 €) was spent, for organic farming about 20 % of this amount. It is expected that in the Jihlava district the organic farming will develop in the future.

Figure 4: Less favoured areas in the Jihlava district and in the Gorenjska region

Slika 4: Območja z omejenimi dejavniki za kmetijstvo v okrožju Jihlava in v Gorenjski statistični regiji



Sources: *Sbirka zákonů č. 75/2007, p. 1058–1064; Rural development programme (RDP) of the Republic of Slovenia 2007–2013*

Vira: Sbirka zákonů č. 75/2007, p. 1058–1064; Program razvoja podeželja (PRP) Republike Slovenije za obdobje 2007–2013

In Gorenjska region, the conditions for organic farming are also very favourable. Additional advantage is suitable structure, size of farms and tradition of private and environmental methods used in agriculture. About 20 farmers are practicing certified organic farming. In Gorenjska region the amount of 353,568 € was paid for organic farming in 2004.

Even though conditions for agro-tourism in the Jihlava district are quite suitable, it is not very developed. Underdevelopment of agro-tourism in the district has several reasons: historical development – agro-tourism has no tradition, insufficient infrastructure, lack of interest of local people. According to available lists of farms with agro-tourism, there are only 13 agro-tourist farms in the Jihlava district (Figure 3). All of them are eco-farms, all provide tasting of eco-products and run eco-shop. In addition, one of the farms offers horse riding and hippotherapy, next farm runs museum in old mill and other supplementary activities.

In Gorenjska region there are 96 farms with tourism. The reason for such high number of agro-tourist farms is simple – long tradition and suitable location of this region in pre-alpine area. All these farms also offer supplementary activities which could be divided into two main groups: activities connected with food and drinks (e.g. farms with camping, ...) and other activities (e.g. tour of the farm and surroundings, horse riding, lending of sport equipment).

5. CONCLUSION

The support of less favoured areas significantly increased financial situation of farmers in these areas. It should also protect agricultural land and have the positive effect on the preservation of the settlement in areas with low population density. However, rules for providing subsidies are still not leading to strengthening of multifunctional and sustainable agriculture.

Organic farming should reduce the negative effects of agriculture on the environment and ensure the implementation of sustainable farming methods. Both, Czech Republic and Slovenia have large potentials for future organic farming development. Demand for products of organic farming has grown in recent years and it is not fulfilled. Organic farming development could be connected with development of other supplementary activities, such as horse riding, agro-tourism etc. which could also improve situation of private farmers in both countries.

The measure of early retirement was targeted at improving the age structure on farms. Since this measure has started in Czech Republic in 2005 and in Slovenia in 2006, the number of applications has not been very high but it is important to encourage older farmers in the future. Important is setting of appropriate amounts of money, which could be motivation for farmers to retire (mainly in Czech Republic).

Agro-tourism is a supplementary activity on a farm. This activity is highly developed in Slovenia because of the traditional small-scale farming. In the Czech Republic, development started later because of political situation and absence of small private farms before 1990. Nevertheless, the number of people who would like to spend holiday on a farm is growing so that agro-tourism has good outlook.

Slovenia is more successful in obtaining money from EU but the needs for subsidies (e.g. for LFA) are higher than in Czech Republic, although agricultural sector in both countries need modernization, new equipment and information technologies. On the other hand, although both countries are heading towards sustainability, reinforcement of the multifunctional role of agriculture and diversification of activities is needed, which should definitely preserve settlement in rural areas and bring new dimension of agriculture.

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COMPARISON OF SELECTED CAP MEASURES IN THE CZECH REPUBLIC AND REPUBLIC OF SLOVENIA

Summary

Slovenia and the Czech Republic joined EU on May 1, 2004. Both countries had to implement European legal order; for agricultural sector the so called Common agricultural policy (CAP) which caused many changes in agriculture. Four years after the EU entrance, it is possible to evaluate positive and also negative effects (financial, structural, etc.) which were brought by implementation of CAP, and to outline the future development in some fields—this article deals with less favoured areas, organic farming, early retirement and agrotourism.

Slovenia is small country but geographically very diverse. Also, the agricultural sector is specific due to unfavourable conditions. Just above 77,000 agricultural holdings with 485,430 hectares of agricultural are engaged in agriculture, typical are private farms with small average size (6.3 hectares). Situation in the Czech Republic is quite different – large-scale farming is still typical; 42,250 holdings are farming on 3,557,790 hectares of agricultural land (average size of farm 71 hectares). Private farming appeared only after 1990.

As for less favoured areas, in Slovenia 74.2 % of agricultural land is classified as less favoured (mountainous areas prevail with 54.2 %), in Czech Republic 49.9 % (main share have other LFAs – 29.6 %). When expenditures for LFAs during 2004–06 are compared, it is obvious that Slovenia obtained 40.9 % of amount of finances of the Czech Republic, what is a high sum but this is caused by higher payments for LFAs in Slovenia. In both countries, LFA subsidies are effective for ensuring farming but the main goal should be different – implementation of sustainable farming and multifunctional agriculture.

Next part of the article is devoted to organic farming. Both countries have good conditions for organic farming development. In Slovenia in 2006, there was 4.2 % of agricultural land used for organic farming, in the Czech republic is the percentage slightly higher (5.7 %). In

the future, further development of organic farming is expected, because the demand for organic products is growing and it is not fulfilled.

Early retirement of farmers started in 2005 in the Czech Republic and a year later in Slovenia. Since the age structure of farmers in both countries is not convenient (63.8 % of family labour force in the Czech Republic is older than 45 years and 56.8 % in Slovenia), it is necessary to encourage farmers to hand over the farms to younger. A question is if the support is sufficient motivation for farmers to retire, mainly in the Czech Republic because the support is lower than in Slovenia.

Agro-tourism is an alternative way of spending holiday. Agro-tourism has a long tradition in Slovenia, not in the Czech Republic (because of the political situation before 1989, absence of private farms). Development of agro-tourism in the Czech Republic started in 1990s. In the Czech Republic, the conditions for agro-tourism are not favourable at the moment, it is faced with many problems and competes with traditional Czech weekends on cottages. In Slovenia, the situation is better, the number of farms has grown rapidly in recent years. However, modernization and investments are needed, because agro-tourism as a supplementary activity on farm increases the income of farmers.

Final part of the article is a case study which compares introduced measures in the Gorenjska region in Slovenia and the Jihlava district in the Czech Republic. Although these regions are quite different, problems in agriculture are similar. The biggest problems mentioned in both regions are high inputs into agriculture in time of low prices for agricultural products.