

Implementation of the CAP in previous period and readiness in the future period 2023-2027 in Slovakia

Pavol Schwarcz

Institute of European Policies and Public Administration

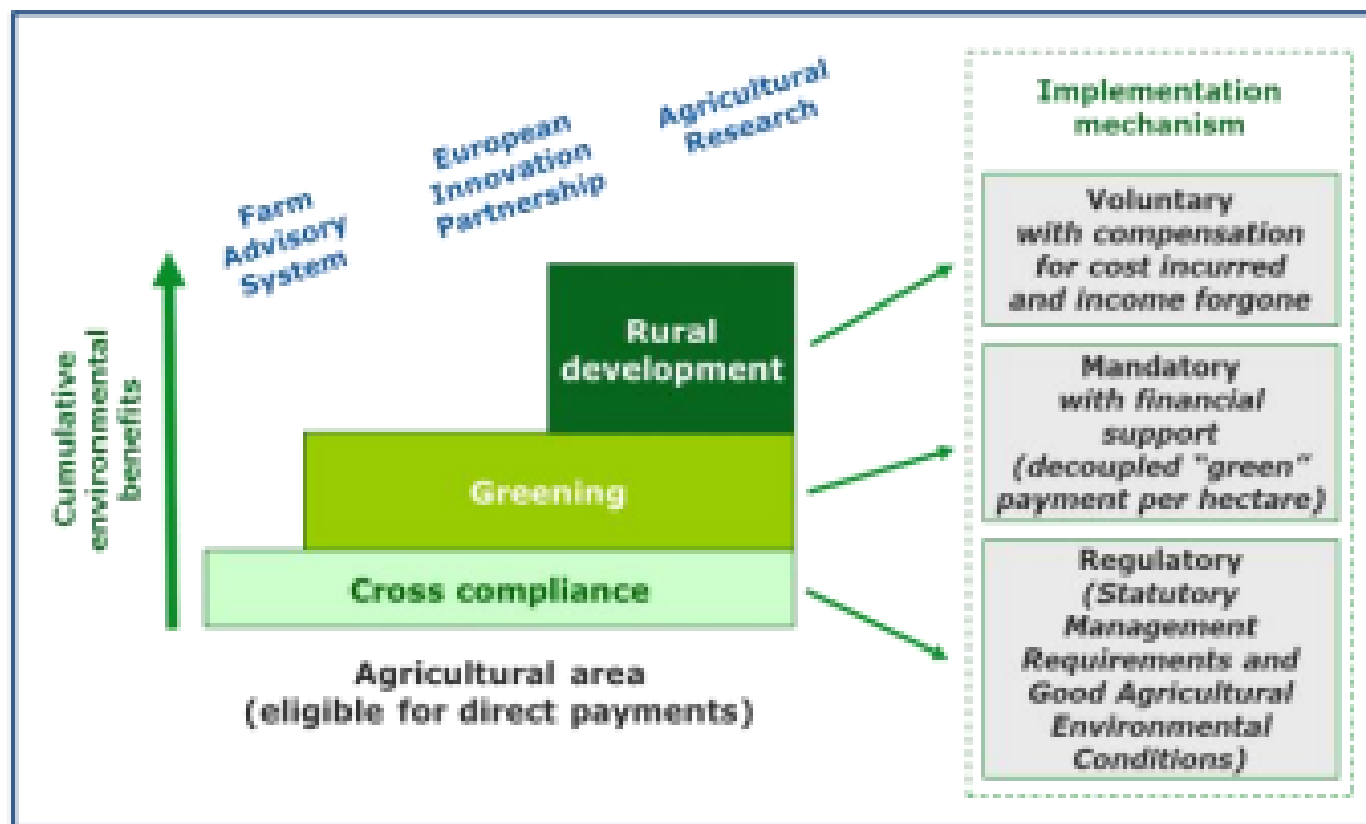
SUA Nitra

June 16, 2022

Basic data – agricultural land

Total area of the SR (ha)	4 903 405
Water area (ha)	95 250
Land area (ha)	4 808 155
Forest lands (ha)	2 027 852
Other land area (ha)	870 265
Utilized agriculture land (ha)	1 910 038
Arable land (ha)	1 346 047
Permanent crops (ha)	17 742
Permanent meadows and pastures (ha)	519 166
Utilized of arable land - Cereals (%)	56,56
Utilized of arable land - Green fodder from arable land (%)	15,88

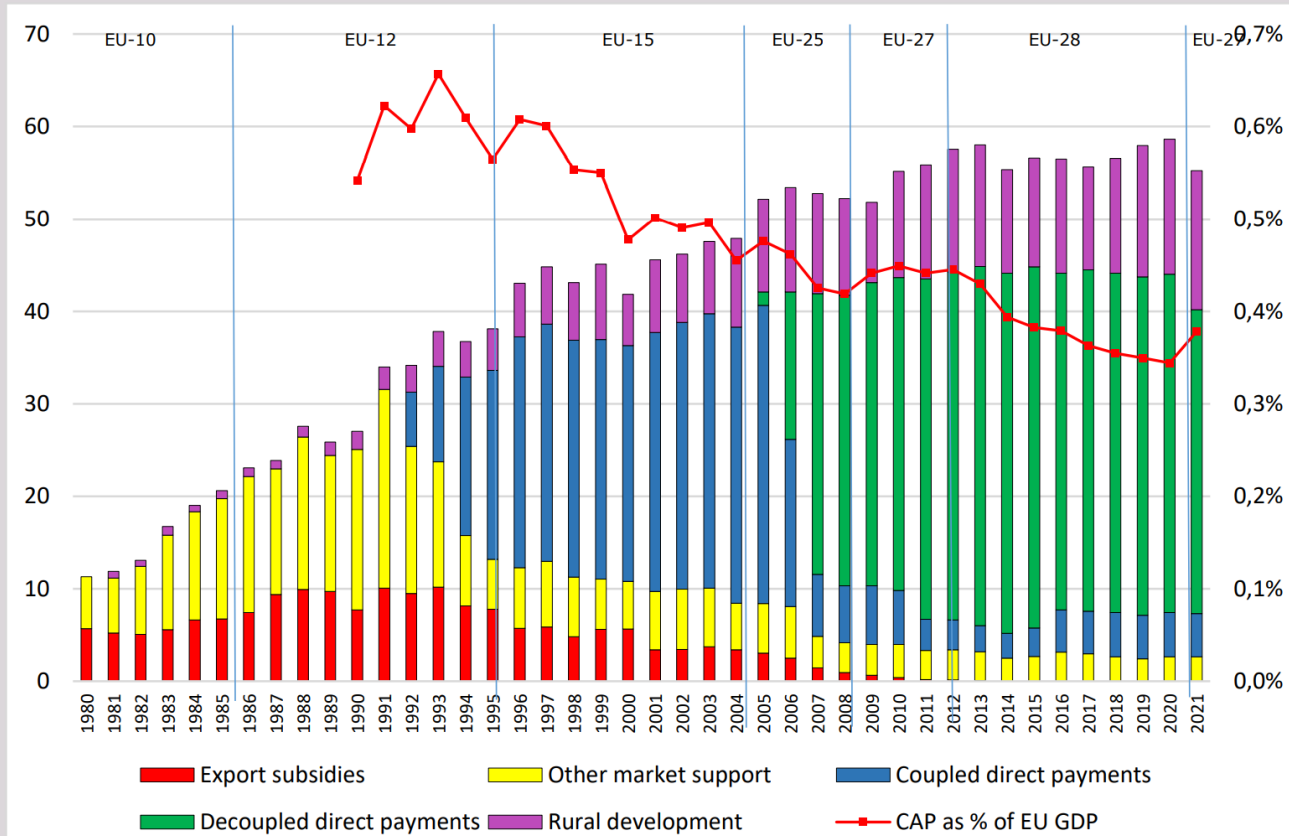
The new greening architecture of the CAP



Source: DG Agriculture and Rural Development.

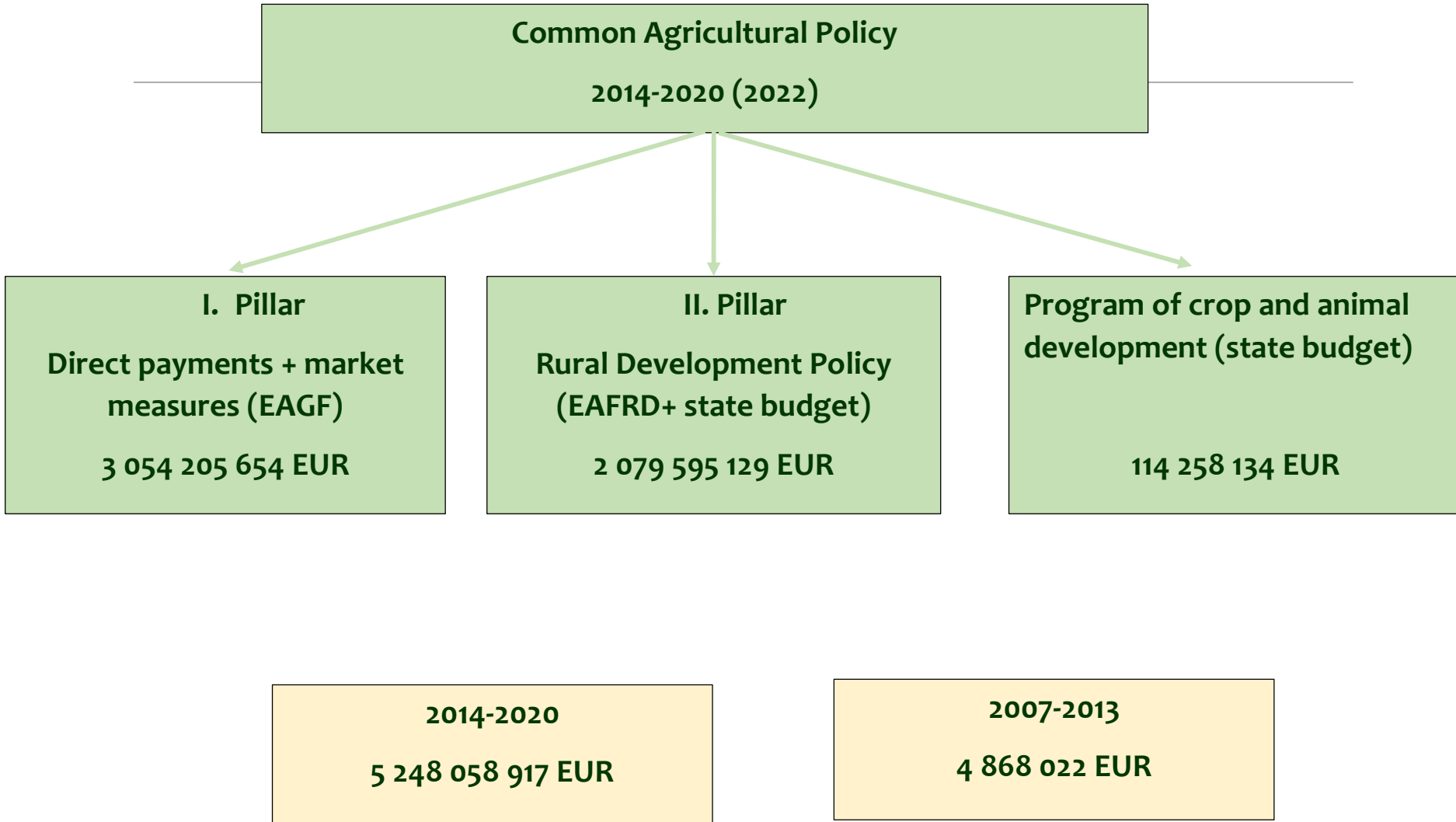
CAP Expenditures

CAP expenditure and CAP Reform path (current prices)



Sources: CAP expenditure: European Commission, DG Agriculture and Rural Development (Financial Report). GDP: Eurostat. Annual expenditure in current prices.

CAP Expenditures - Slovakia



CAP expenditures

Total budget for Slovakia – app. 4,7 bil. EUR from EU sources (2014-2020)

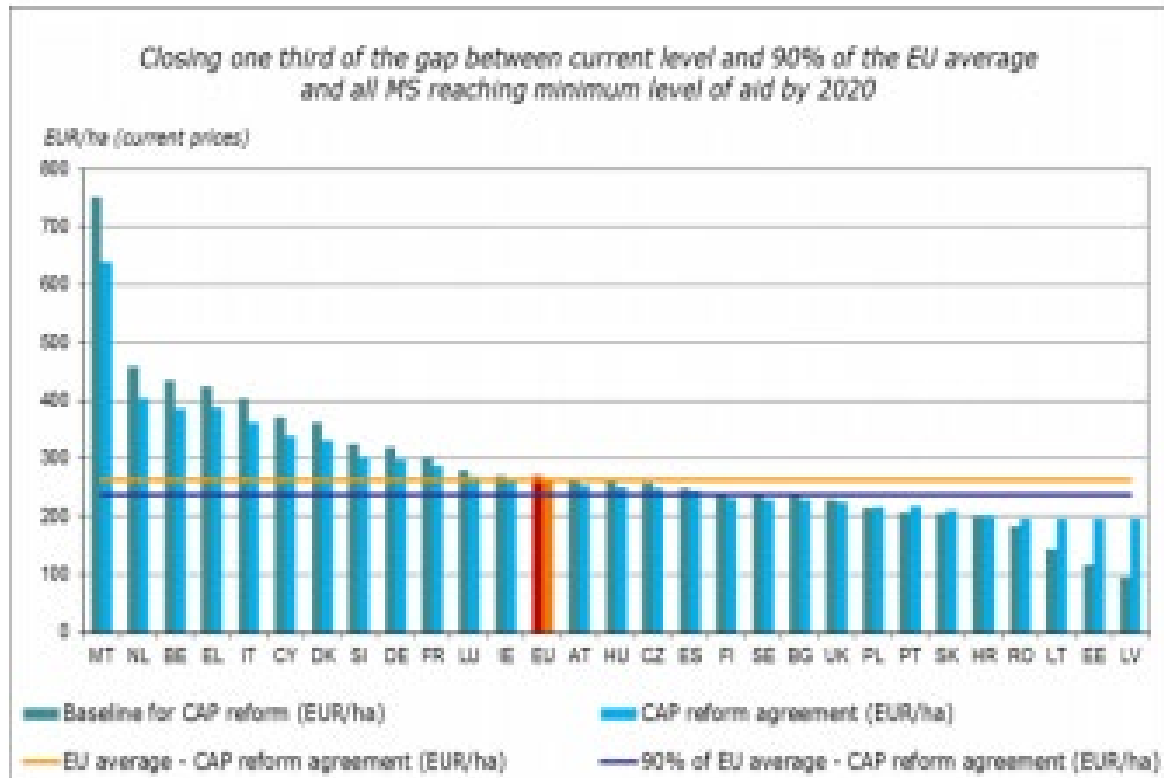
2 pillars:

- Direct payments and market measures - 67,6% (2019-2020)
- Rural Development – 32,4% (2019-2020)


I. Pillar



Changes in the Distribution of Direct Payments



Source: DG Agriculture and Rural Development.

Cross Compliance	**Coupled Support	**Natural constraint support	O R 	**Small Farmer Scheme up to 10% max. 1250 EUR simplified
	up to 10% or 15%	up to 5%		
	**Redistributive Payment			
	<ul style="list-style-type: none"> ○ up to 30% ○ max 65% of average direct payments (first ha) 			
	*Young Farmers Scheme			
	<ul style="list-style-type: none"> ○ up to 2% ○ +25% payments (max 5 years) 			
	*Green Payment			
	<ul style="list-style-type: none"> ○ mandatory 30% ○ greening practices or equivalent 			
*Basic Payment Scheme				
<ul style="list-style-type: none"> ○ no fixed percentage ○ 5% degressivity over 150 000 EUR 				

*** Compulsory ** Voluntary**

Source: DG Agriculture and Rural Development.

Table 1: Flexibility between pillars

From DP to RD in % of national ceilings (max percentage 15%)

Financial year	2015	2016	2017	2018	2019	2020
Claim year	2014	2015	2016	2017	2018	2019
FR	3.0%	3.3%	3.3%	3.3%	3.3%	3.3%
LV	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
UK	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
BE		2.3%	3.5%	3.5%	4.6%	4.6%
CZ		3.4%	3.4%	3.4%	1.3%	1.3%
DK		5.0%	6.0%	7.0%	7.0%	7.0%
DE		4.5%	4.5%	4.5%	4.5%	4.5%
EE		6.1%	14.3%	15.0%	14.9%	15.0%
EL		5.0%	5.0%	5.0%	5.0%	5.0%
NL		4.0%	4.1%	4.2%	4.2%	4.3%
RO		1.8%	2.3%	2.2%	0.0%	0.0%

From RD to DP in % of national ceilings (max percentage 15% or 25% for some MS)

Financial year	2015	2016	2017	2018	2019	2020
Claim year	2014	2015	2016	2017	2018	2019
HR	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
MT	0.0%	0.8%	1.6%	2.4%	3.1%	3.8%
PL	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
SK	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%
HU		15.0%	15.0%	15.0%	15.0%	15.0%

NB: Figures appear here rounded to one decimal (notifications include more decimals).

Table 2: Main policy decisions

	SAPS	Regionalised BPS in accordance with Article 23	Redistributive payment	No reduction of payment	Payment for areas with natural constraints	VCS	SFS
BE			✓ ⁴	✓ ⁵		✓	
BG	✓		✓			✓	✓
CZ	✓					✓	
DK					✓	✓	
SI						✓	✓
SK	✓					✓	
FI		✓				✓	
SE						✓	
UK		✓ ⁶	✓ ⁷			✓	
	10	6	9	6	1	27	15

European Commission, 2016

Table 3: Financial allocations amongst the schemes for the year 2015-2016 (in terms of percentages of Annex II)

	BPS¹¹		SAPS		Redistributive		YFP		ANC	VCS	
	2015	2016	2015	2016	2015	2016	2015	2016	2015 2016	2015	2016
BE	42.1%	42.2%			9.3%	9.5%	1.9%	1.7%		16.7%	16.7%
BG¹²			47.5%	47.8%	7.1%	7.1%	0.5%	0.1%		15.0%	15.0%
CZ			54.8%	54.8%			0.2%	0.2%		15.0%	15.0%
DK	64.9%	66.2%					2.0%	0.6%	0.3%	2.8%	2.8%
RO⁹			50.7%	50.7%	5.2%	5.3%	1.8%	0.8%		12.3%	13.1%
SI	54.0%	53.5%					1.0%	1.5%		15.0%	15.0%
SK			56.5%	56.7%			0.5%	0.3%		13.0%	13.0%
FI	49.0%	49.4%					1.0%	1.0%		20.0%	19.6%
SE	55.0%	55.5%					2.0%	1.5%		13.0%	13.0%
UK	66.2%	65.8%			0.5%	1.0%	1.6%	1.6%		1.7%	1.7%
TOTAL	55.4%	54.8%	10.9%	11.2%	3.1%	4.0%	1.3%	1.2%		10.0%	10.0%

NB: Figures appear here rounded to one decimal (notifications include more decimals).

European Commission, 2016

Table A.3: Voluntary coupled support – Claim year 2015 - Sectors supported

Sector	AT	BE	BG	CY	CZ	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	Share of total VCS
Beef and veal	√	√	√		√	√	√	√	√	√	√	√	√		√	√		√	√	√	√	√	√	√	√	√	√	42%
Cereals								√		√	√				√			√							√			2%
Dried fodder																												0%
Flax																					√							0%
Fruit and vegetables			√	√	√		√	√	√	√	√	√	√		√	√		√	√		√	√	√		√	√		5%
Grain legumes								√	√						√						√	√						0%
Hemp											√										√		√					0%
Hops					√						√										√	√				√		0%
Milk and milk products		√	√	√	√		√		√	√	√	√	√		√	√		√	√		√	√	√		√	√		20%
Nuts									√																			0%
Oilseeds															√			√										0%
Olive oil															√													2%
Protein crops			√		√			√	√	√	√	√	√	√	√	√	√	√			√		√		√			10%
Rice								√	√				√		√							√	√					1%
Seeds								√			√							√					√					0%
Sheepmeat and goatmeat	√	√	√	√	√		√	√	√	√	√	√	√		√	√		√	√	√	√	√	√			√	√	12%
Silkworms								√															√					0%
Starch potato					√					√	√							√			√							0%
Sugar beet					√			√	√	√		√	√		√						√		√			√		4%
Cane & Chicory																												0%
Short rotation coppice																												0%

Type of payments - SK

Decoupled direct payments schemes are:

- transitional simplified regime of the basic payment (i.e. Single area payment scheme) (€117,92 in 2021),
- payment for farmers observing agricultural practices beneficial for the climate and the environment (€48,31 in 2021), and
- payment for young farmers (€113,70 in 2021)

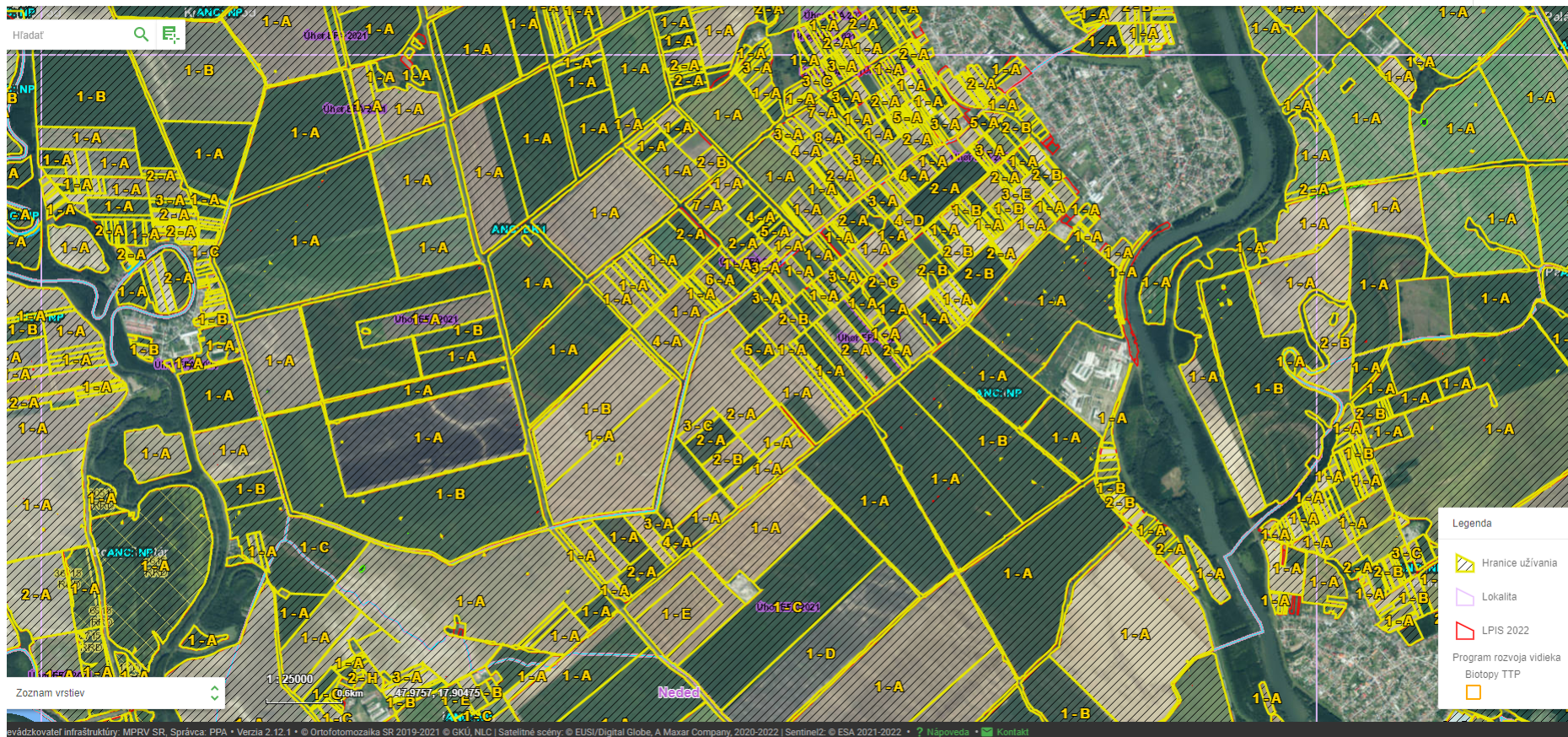
Coupled direct payments schemes are:

- payment for the cultivation of sugar beet,
- payment for the cultivation of hops,

Type of payments - SK

- payment for the cultivation of selected species of fruits with high labour input,
- payment for the cultivation of selected species of fruits with very high labour input,
- payment for the cultivation of selected species of vegetables with high labour input,
- payment for the cultivation of selected species of vegetables with very high labour input,
- payment for the cultivation of tomatoes,
- payment for breeding of ewes, ewe lambs and goats,
- payment on fattening of selected categories of cattle, and
- payment on cows bred in the system of market milk production.

Geospatial application for support in agriculture



II. Pillar

Type of measures

- Project measures
- Non-project measures
- Other measures

Project measures

Project measures	Public budget expend. (EUR)	% from RDP
Knowledge transfer and information activities	14 330 000	0,69
Advisory services	4 000 000	0,19
Investments in Tangible assets - farms	227 752 740	10,95
Investments in Tangible assets - processors	200 000 000	9,62
Investments in tangible assets - land consolidation	85 000 000	4,09
Investments in Tangible assets - infrastructure / access to forest land	30 000 000	1,44
Restoration of agricultural potential - prevention	70 000 000	3,37
Farm development - start-up aid for young farmers	30 000 000	1,44
Development of agricultural holdings - aid for small farmers	4 950 000	0,24
Development of agricultural holdings - development of non-agricultural activities	85 910 000	4,13
Basic services and village renewal in rural areas	119 500 000	5,75
Investments in the development of forest areas and improving the viability of forests - support for prevention and restoration	85 000 000	4,09
Investments to improve the resilience of the environmental value of forest ecosystems	21 500 000	1,03
Investments in new forest technologies	30 800 000	1,48
TOTAL (project measures)	1 008 742 740	48,51

Non-project measures

Measure	Budget	Share from the RDP budget
Agro-environmental and climate measure	143 750 000	6,91%
Ecological production	90 000 000	4,33%
Areas with national constraints	482 650 000	23,22%
Animal welfare	108 000 000	5,19%
Agro-forestry payments	4 950 000	0,24%
Total	838 090 000	40,31%

Other measures

Other measures	Public budget expenditures (EUR)	% from RDP
Cooperation	48 500 000	2,33
LEADER	104 783 019	5,04
Technical assistance	79 055 720	3,80
1st afforestation of agricultural land (continuous commitments)	383 650	0,02
TOTAL (project measures)	232 722 389	11,19

Type of payments – non-project

Payments for areas with natural or other special constraints:

- mountain areas,
- areas facing significant natural constraints,
- areas affected by specific constraints;

NATURA 2000 payment:

- on agricultural land,
- on forest land;

Type of payments – non-project

payments for an agri-environment-climate measure which includes the following operations:

- integrated production in fruit growing,
- integrated production in vegetables,
- integrated production in viticulture,
- multifunctional field edges - biozones on arable land,
- protection of habitats of natural and semi-natural grasslands,
- protection of the grazing ground squirrel habitat,
- protection of the bearded bustard habitat,
- protection of water resources - Protected water management area Žitný ostrov,
- breeding and maintenance of endangered species;

Type of payments – non-project

payments for organic farming, the measure includes the following payments:

- payments for the transition to organic farming practices and methods,
- payments to maintain organic farming;

animal welfare payments, the measure includes the following operations: dairy, pigs, sows and piglets, poultry

payments for the first afforestation of agricultural land.

Development of chosen economic indicators

Gross crop production (in mil. €)

	2014	2015	2016	2017	2018	2019	2020
Gross agricultural output in total	2192,72	1944,47	2179,84	2160,90	2048,12	2003,86	2086,07
Gross crop output in total	1300,06	1160,81	1392,59	1294,16	1262,37	1238,20	1319,07
Cereals (excluding rice)	647,13	598,44	650,82	473,87	605,87	613,59	660,90
Oil seeds	256,12	200,30	272,24	274,74	266,80	234,14	266,25
Fresh vegetables	133,55	152,78	126,15	140,00	61,05	79,18	64,91
Sugar beet	39,34	31,87	39,46	33,23	33,72	31,92	32,13
Fresh fruit	22,57	20,64	10,10	19,21	23,63	20,30	20,20

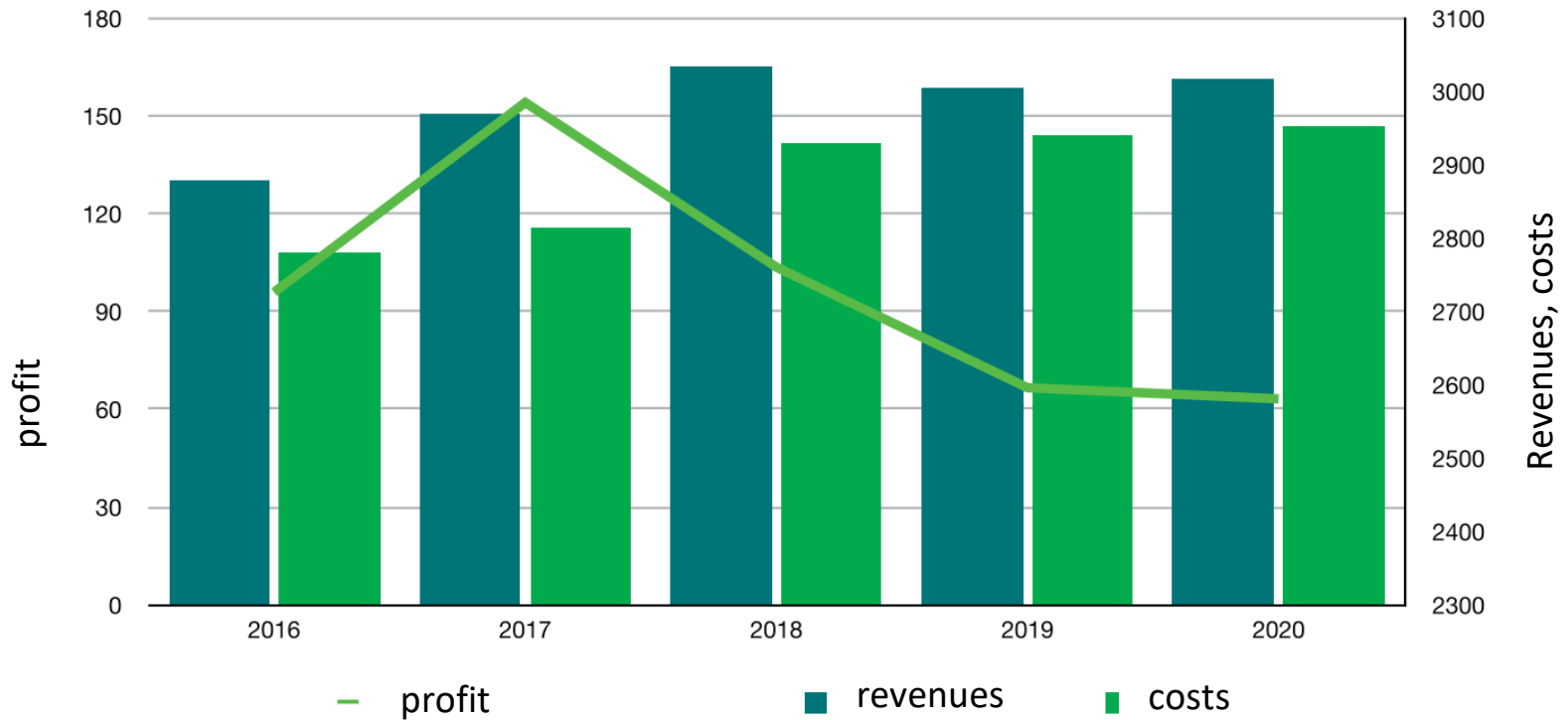
Statistical Office of SR, 2022

Gross animal production (in mil. €)

	2014	2015	2016	2017	2018	2019	2020
Gross agricultural output in total	2 192,72	1 944,47	2 179,84	2 160,90	2 048,12	2 003,86	2 086,07
Gross animal output in total	877,13	783,67	787,25	866,74	785,75	765,66	767,00
Animals	383,63	319,88	357,25	391,06	358,41	357,40	367,16
Animal products in total	493,50	463,79	430,00	466,49	427,35	408,25	399,84
Total cattle	149,90	114,46	113,85	101,77	113,87	97,54	104,59
Total pigs	127,63	129,05	134,02	140,23	125,09	144,73	131,30
Total sheep and goats	8,44	5,11	6,86	7,04	6,93	8,41	6,27
Poultry	97,61	71,22	91,08	107,33	106,02	99,10	118,52
Milk (cows)	311,64	264,72	242,17	285,44	280,33	276,20	285,29
Hen eggs	106,72	95,03	123,49	101,10	99,27	87,92	67,38

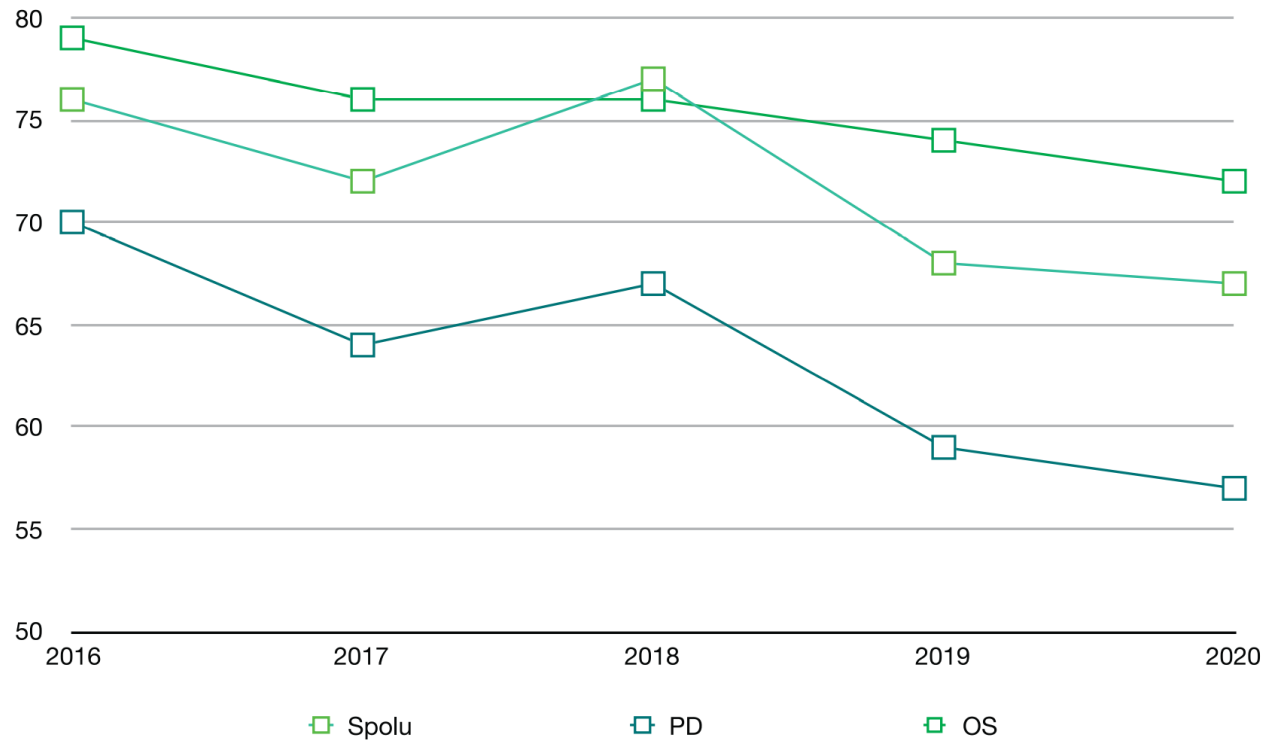
Statistical Office of SR, 2022

Costs, revenues and profit



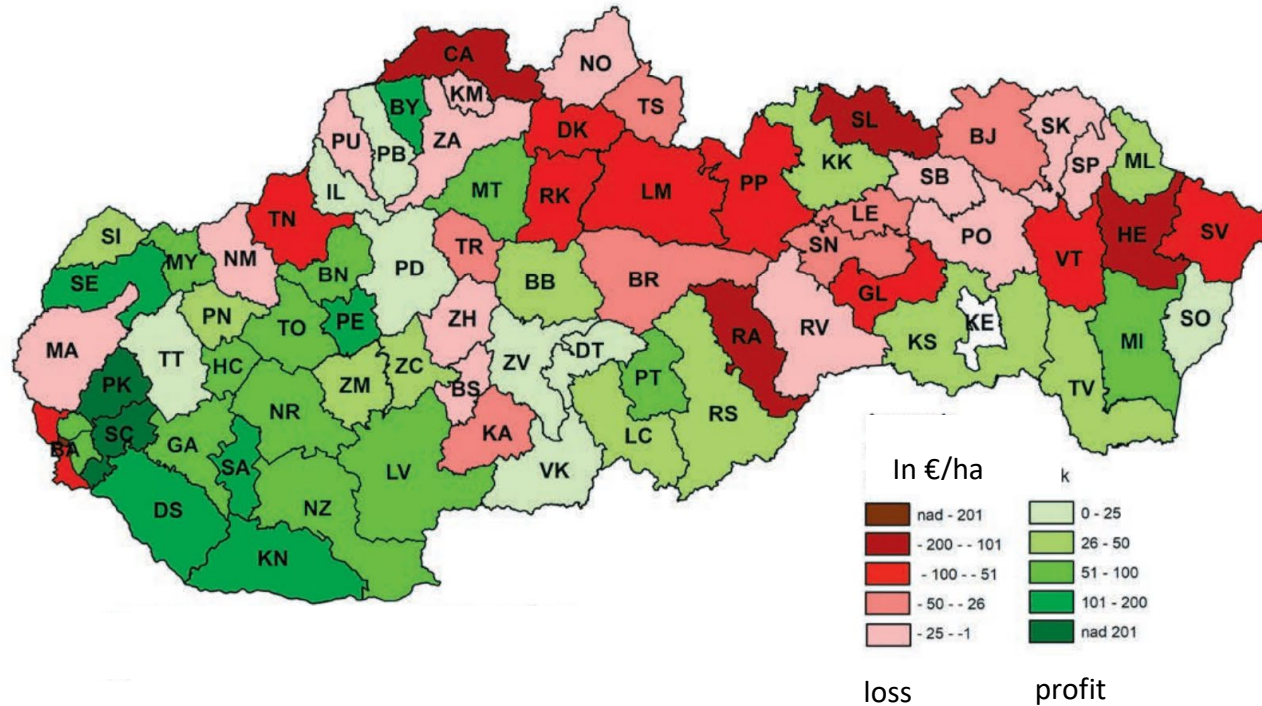
RIAFE, 2022

Share of profitable farms



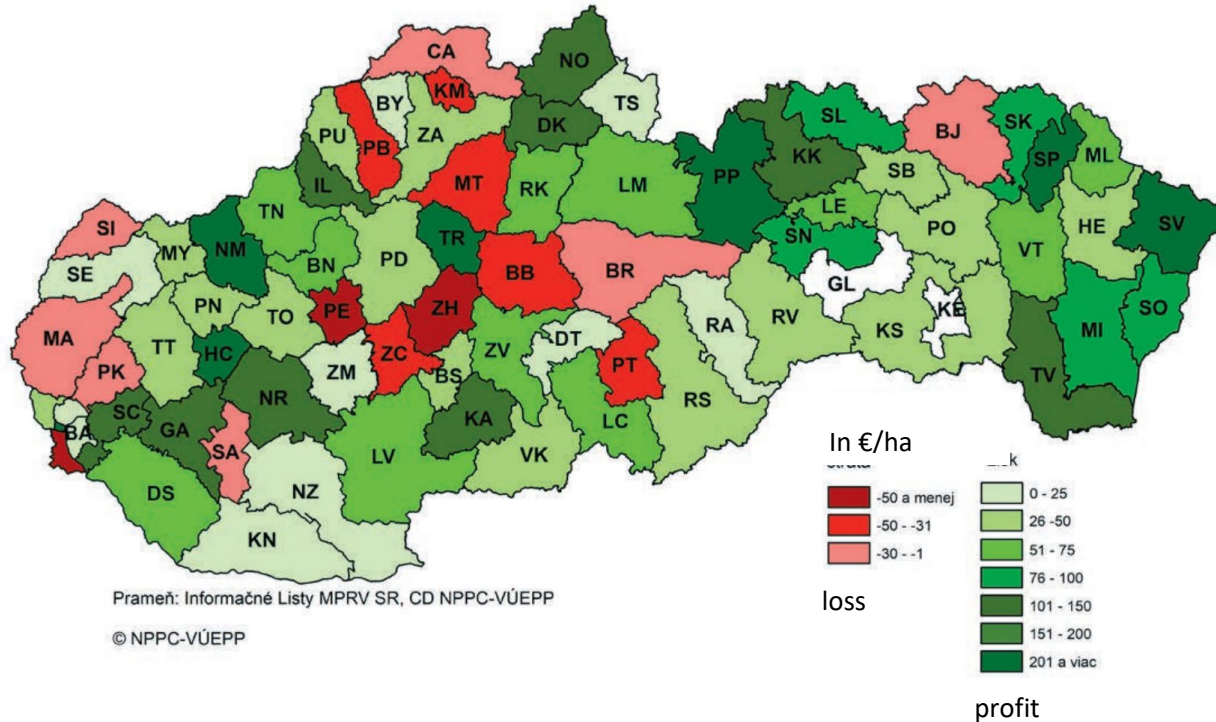
RIAFE, 2022

Profitability of farms (Legal companies)

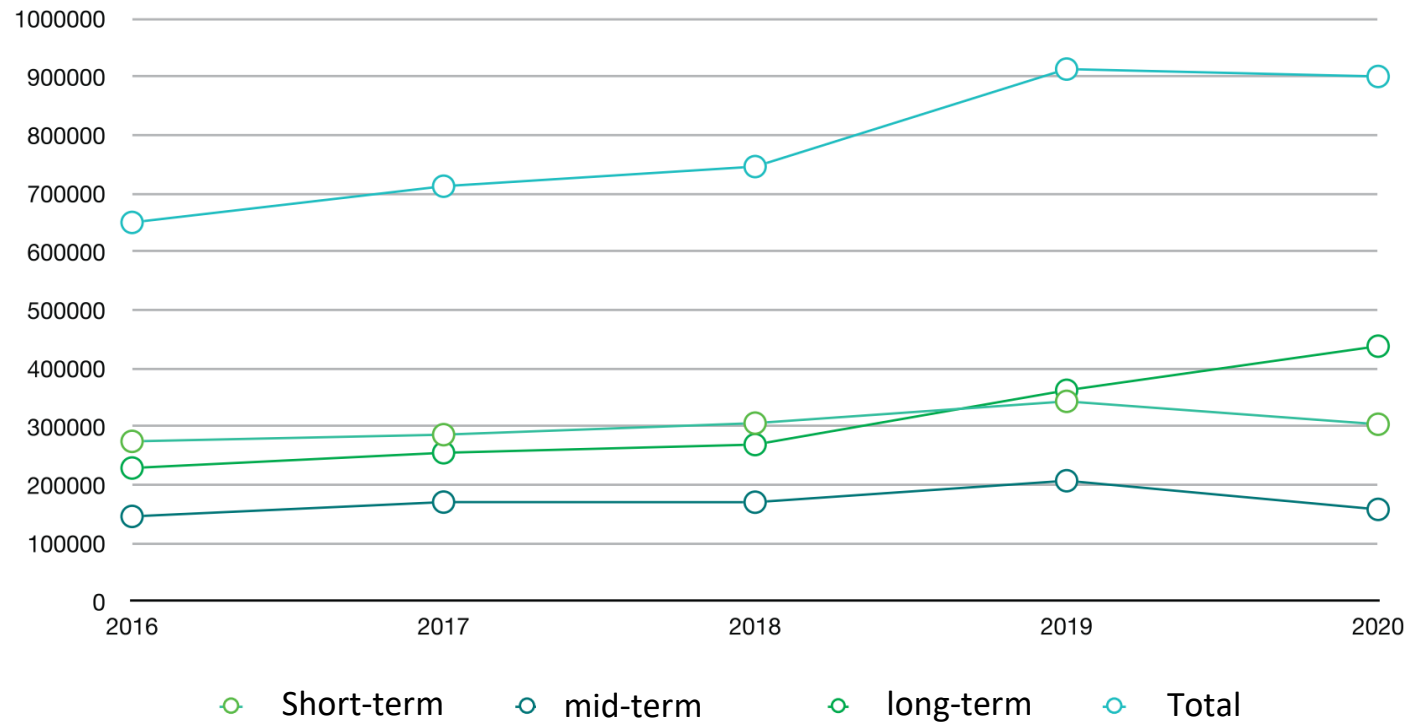


RIAFE, 2022

Profitability of farms (individual farmers)



Loans



RIAFE, 2022

Strengths of Slovak agricultural sector

stabilized farm incomes (60-80% of profitable farms), growing AFI (agricultural factor income) and ABI (agricultural business income) indicators,

farms managing more than 86 percent of the land in Slovakia are large and have a diversified income,

the size structure of agricultural holdings represents a competitive advantage for certain commodities, cereals, oilseeds dominating crop production in Slovakia

Strengths of Slovak agricultural sector

growing demand for local food production

functioning producer organizations in the fruit and vegetables sector, existing producer organizations in the dairy sector as well as sheep and goats

growing share of organic farming on agricultural land

high share of protected areas and NATURA 2000 areas, which represent a basic precondition for biodiversity conservation

Weaknesses of Slovak agricultural sector

lower wages in agriculture compared to other sectors of the national economy

high dependence of farm incomes on CAP support

low incomes of small and medium-sized agricultural enterprises

lower incomes of holdings operating in areas with natural handicaps and in Natura 2000 areas

an inefficient land market preventing small and new farms from gaining access to land

Weaknesses of Slovak agricultural sector

in terms of vertical relations, there are very significant disproportions in the economic power between the actors in the supply-customer chain (primary producer-processor-trade)

low level of involvement of agricultural holdings in the processing of primary agricultural products

Significant share of monocultures on agricultural land

CAP - 2023-2027



European comission, 2022

CAP - 2023-2027

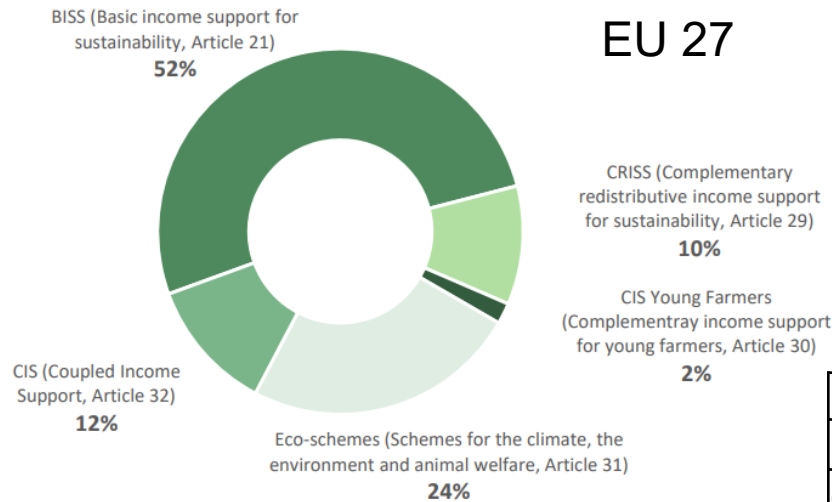
Programming:

National CAP strategic plan, combining funding for income support, rural development, and market measures.

When designing their strategic plans, EU countries shall contribute to the ten specific objectives

CAP - 2023-2027

EU 27



Slovak republic

Payment scheme	Total	Share (%)
Basic income support	943 343 866	46,63%
Coupled income support	303 471 000	15,00%
Complementary income support for young farmers	12 240 126	0,60%
Complementary redistributive payment	204 946 249	10,13%
Support related to the climate, the environment and animal welfare - eco-schemes	559 160 149	27,64%
Total	2 023 161 389	

European commission, 2022

CAP - 2023-2027

EAGF	Direct payments	2 023 161 389
	Market measures	49 599 508
EAFRD	Rural development	1 315 389 545
	out of:	
	Leader	8%
	Environmental and climate objectives	39,8%

European comission, 2022

Thank you for your attention

Pavol Schwarcz

Faculty of European Studies and Regional Development

Slovak University of Agriculture in Nitra

pavol.schwarcz@uniag.sk