

Environmental protection measures in Czech agriculture

Umweltschutzmaßnahmen in der Tschechischen Landwirtschaft

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Zusammenfassung

Der Beitrag beschreibt jene Herausforderungen, die sich im Zusammenhang mit der Implementierung von Umweltschutzmaßnahmen in der tschechischen Landwirtschaft ergeben. Der Umweltschutz in Tschechien basiert auf Vorgaben, welche im Landwirtschaftsgesetz Nr. 252/97 enthalten sind und welche die Nichtproduktions-Funktionen der Landwirtschaft betonen. Der Artikel gibt einen Überblick über die öffentlichen Mittel, die für Umweltschutzmaßnahmen in der Landwirtschaft zwischen 1999 und 2003, das heißt vor dem EU-Beitritt der Tschechischen Republik aufgewendet wurden. Die dem Biolandbau im Rahmen des Budgets beigemessene Bedeutung wird eingehender analysiert. Seit dem EU-Beitritt kann die Tschechische Republik auch auf die Strukturfonds der EU zugreifen, um die Non-Commodity-Outputs der Landwirtschaft zu fördern. Außerdem werden die Bedingungen, die Landwirte erfüllen müssen, um in den Genuss von Subventionen kommen zu können, und die in den Regierungsverordnungen Nr. 241 und 242/2004 festgelegt sind, näher erläutert.

Schlagerworte: Umweltschutz, Biolandbau, ländliche Entwicklung, Landschaftspflege

Abstract

This contribution describes the challenges involved in implementing measures leading to the protection of the environment in Czech agriculture. Environmental protection is based on a provision within the Agricultural Law No. 252/97 Col. emphasising the non-production functions of agriculture. The paper reviews the budget allocated to environmental protection measures in agriculture between 1999 and 2003, i.e. before EU-accession of the Czech Republic. The importance given to organic farming in the budget is analysed. Since joining the EU, the Czech Republic can also access EU structural funds to support the non-productions of agriculture. The conditions which must be fulfilled for farmers to be able to apply for

funding, as defined in the Government Regulation No. 241 and 242/2004 Col., are also presented.

Key words: Environment, organic agriculture, rural development, landscape maintenance

1. Introduction

In advanced European states the non-production functions of agriculture are emphasised. These include above all the influence of agriculture on the cultural landscape and role of agriculture in protecting the environment through a reduction of the ecological load stemming from agricultural production. This approach to understanding agriculture as having a wider role is a part of the European agricultural model, which is anchored in the Common Agricultural Policy of the European Union.

This paper aims at delimiting and characterising the budgetary implications of environmental protection in Czech agriculture. The analysis starts with determining the legal regulations anchoring the non-production functions of agriculture both in the Czech Republic and in the European Union. The types and level of payments provided for these purposes in Czech agriculture during the years from 1999 till 2003 are analysed, before assessing the role of organic agriculture for protection the environment. Finally, possible sources of funds for financing multifunctional agriculture through programmes of the European Union are analysed.

2. Legal and budgetary framework for environmental protection measures

The legal base for upholding the non-production functions of agriculture in the Czech Republic are provided in the Law on Agriculture No. 252/97 Col. which was adopted on September 24, 1997.

According to § 1 of the Law on Agriculture, the purpose of agriculture is:

- The creation of conditions securing the ability of the Czech agriculture to provide the basic nutrition of the inhabitants, to ensure food safety and provide the non-food raw materials needed;
- The creation of conditions to support the non-production functions of agriculture which contribute to the protection of the environment such as land, water and air; and to preserve settled and cultural landscape;

- To determine duty of compensating farmers for disadvantages resulting from ordered regimes of management and imposed legal limits.

In the "Positional documents to chapter 7 - Agriculture", the Czech Republic asserts its support of the European model of agriculture. Its bearing principles are: environmentally friendly production methods and procedures, landscape preservation, development of quality of life and activities of rural communities, as well as the creation and conservation of work opportunities.

The Czech Republic intends to develop agricultural production even in areas where the conditions are less favourable for agriculture. In these areas agriculture provides important non-production functions such as maintaining and improving the landscape, providing and enlarging the activities of rural inhabitants and rural life generally, as well as preserving ecological biodiversity.

3. Financial support provided by the Ministry of Agriculture

Before EU-accession, the Czech Ministry of Agriculture was the main source of supports and subsidies for agriculture, forestry and water resource management. Transfers were provided to farming enterprises based on governmental regulations and through principles which were announced in the annual subsidy programmes. Two laws provided the legal base for the subsidy programmes and the particular endowment titles for agriculture: Law No. 252/1997 Col. on agriculture and Law No. 218/2000 Col. on budgetary rules. Supports and subsidy programmes were approved annually by the parliamentary Chamber of Deputies, when it passed the law on the state budget.

The Law on Agriculture was amended during the preparations for the accession to the European Union in 2000, 2003 and in 2004. In these amendments, the non-production functions of agriculture were taken into account. Especially the Government Regulation No. 505/2000 Col. - which was subsequently amended by the Government Regulation No. 500/2001 Col. - included provisions defining programmes to support the non-production functions of agriculture and activities aiming at landscape maintenance, as well as establishing a programme to support less favourable areas. The financial support provided from 1999 until 2003 for environmental protection measures following the Government Regulation are shown in Table 1.

Tab. 1: Subsidy programmes and financial support provided following the Government Regulation in 1999-2003 (in mil. CZK)

Type of support	1999	2000	2001	2002	2003
Forestation and planting of fast growing evergreen tree species	46	77	70	64	82
Maintaining agricultural land	3755	3307	1748	1651	1507
Support for meat cattle breeding	426	0	0	0	0
Support for sheep breeding	54	0	0	0	0
Support for beekeeping	0	0	80	77	72
Maintaining of permanent grasslands by pasturage	0	0	761	828	890
Organic agriculture	84	89	168	211	262
Liming	11	7	16	13	9
Use of organic fertilisers	0	75	0	0	0
Grassing	0	39	23	10	14
Ecological stability and de-silting of ponds	0	85	2	4	1

Source: Ministry of Agriculture, CR

The support provided following the Government Regulation decreased by 16% between 1999 and 2000, i.e. from 4 376 mil. CZK to 3 679 mil. CZK. This was mainly result of a decrease (by 12%) for the maintenance of agricultural land. The year 2001 saw a further decrease in the funds available for the programmes within the Government Regulation, as supports for the maintenance of arable land was shifted to be included in the competences of the State Agricultural Intervention Fund (SZIF). In the following years the total funds available were approx. 2 858 mil. CZK. Since 2001 there has been a slight growth in the funds available to support non-production functions of agriculture at the expense of support to maintain agricultural land.

Following the accession of the Czech Republic to the European Union in May 2004, support measures were harmonised with the requirements of the Common Agricultural Policy. Some of the support measures mentioned in Table 1 were kept within the Operation Program for agriculture, e.g. forestation and the support for beekeeping. Measures focusing on environmental protection were included in the Horizontal Plan for Rural Development 2004-2006.

4. Organic agriculture as an environmentally friendly management approach

Organic agriculture represents a system of management which uses environment -friendly methods to inhibit weeds, pests and diseases; forbids

use of synthetic pesticides and fertilisers; puts an emphasis on welfare of animals in breeding of farm animals; is in harmony with the ecosystem and its biological diversity; and prefers renewable sources of energy and recycling of raw materials.

Since several years, organic agriculture is being supported worldwide as an approach which can lead to sustainable development and environmental protection. The European Union defined this way of management in 1991 through the Council Regulation No. 2092/91. Organic agriculture is supported within the European Structural Policy.

Organic agriculture corresponds to the principles of sustainable development of agriculture, since it not only fulfills the production function, but also the non-production functions. Organic agriculture is seen as a possible solution to the problem of depopulation of the countryside, of the brain-drain from agricultural basic industry, and partially also for regional development. Organic agriculture is closely connected to the EU structural policy in frame of the Council Regulation No. 1257/1999 (EEC) in support of rural development.

On 1.1.2001 the Law No. 242/2000 Col. on organic agriculture has come in force in the Czech Republic. This law defines the conditions of management in organic agriculture and conditions for production of bio-foods. It also amends the system of certification of bio-products and bio-foods and their labelling. It determines a system for the performance of supervision and check on keeping this law. In the period after the EU-accession of the Czech Republic, the main purpose of the law was to implement the Council Regulation No. 2092/91, especially in the area of administrative procedures. The law is administered by the Ministerial Notice No. 53/2001 Col. (effective from February 13, 2001), and the Ministerial Notice No. 263/2003 Col. (effective from September 15, 2003). Financial support is provided to all organic farmers in the Czech Republic. It is not limited to the conversion period, i.e. the period of transition of the farm to organic farming.

The Ministry of Agriculture prepared a programme document entitled 'Horizontal Rural Development Plan' (HRDP), which was established in accordance with the Council Regulation No. 1257/99 on support of rural development. This enables the Czech Republic to draw financial resources to support rural development from the guarantee section of the European Agricultural Guarantee and Guidance Fund (EAGGF). Co-financing from the EAGGF is possible up to 80% of calculated payments.

Before EU-accession of the Czech Republic, the programme in support of organic agriculture was part of the environmental protection measures

funded by the Ministry of Agriculture. The payments are 3,520 CZK/ha of arable land, 1,100 CZK/ha of grassland, 12,235 CZK/ha for permanent cultures, and 11,050 CZK/ha of vegetables and herbs on arable land.

On June 19, 2001 the Council of Ministers of the EU concluded that organic agriculture was a way towards sustainable development and calls for the elaboration of an Action Plan of the European Union to support organic agriculture. Following this, the Ministry of Agriculture of the Czech Republic decided to elaborate a National Action Plan to cover the period until 2010. The elaboration of the Action Plan was organised by the Ministry of Agriculture and included experts from the Ministry as well as representatives of organic farming associations (PRO-BIO, Libera), certification agencies (Department of Ecological Agriculture), agricultural universities, research institutes, as well as organic farmers, processors and businessmen involved with organic food.

Between 1998 and 2004 the number of organic farms as well as the acreage of agricultural land under organic management increased gradually. In 2004 already 836 farms managing 263,299 ha of agricultural land were organic, representing 6.16% of the total agricultural land of the Czech Republic. However, this area is mainly permanent grassland, which represents 90% of the agricultural area under organic management. This structure is not suitable for the production of organic food of plant origin.

5. Use of funds from the EU to support agri-environmental measures in agriculture

Agri-environment measures are defined in the Council Regulation (EC) No. 1257/1999 from September 17, 1999 on support of rural development from the EAGGF. The implementation rules of Reg (EC) 1257/1999 are defined in Commission Regulation (EC) No. 445/2002 from February 16, 2002. Also important is the Commission Regulation (EC) No. 2419/2004 which determines implementation rules for the integrated administration and controlling system for some regimes of supports of the Community introduced by the Council Regulation (EEC) No. 3508/1992.

The mentioned regulations were implemented by the Czech Republic in 2004. The Czech Government Regulation No. 241/2004 Col. from April 21, 2004 defines the conditions to support less favourable areas and areas with ecological limits. The second regulation is the Czech Government Regulation No. 242/2004 Col. from April 24, 2004 which defines the conditions for implementing measures to support the development of non-production functions of agriculture, especially the implementation of the agri-

environment measures. These regulations are published in harmony with provisions of the law No. 252/1997 Col., which was subsequently amended.

The Czech Government Regulation No. 241/2004 Col. adjusts criteria for determining less favourable areas and areas with ecological limits and the conditions for providing subsidies to compensate economic detriments arising in these areas. The Regulation lists criteria for determining several types of less favourable areas (LFA): mountain areas (H); less favourable areas (O); areas with specific limits (S); and areas with ecological limits – bird areas and natural sites (E). The compensation payments are provided for a calendar year for land bloc, eventually its part with grasslands. The compensation levels for 1 ha of grassland, depending on the type of LFA are: H^A 4,680 CZK, H^B 4,014 CZK, O^A 3,490 CZK, O^B 2,820 CZK, S 3,420 CZK and E 2,800 CZK.

The direct payment is provided following an application sent to the State Agricultural Intervention Fund. If an applicant, which can be an individual or a legal entity, fulfills the criteria required for the direct payment mentioned in the regulation, a title for this payment will be provided.

An application for the direct payment can be sent by an applicant who farms in less favourable areas, eventually in areas of the type E, and who manages at least 5 ha of agricultural land registered in land register; 2 ha if it is within a national park, or 1 ha in case of organic farming. Also, the applicant should manage a farm that has not been declared bankrupt and the applicant must state that he/she will farm the minimum acreage required for at least five calendar years after the payments are provided for the first time. The payments are made providing that the principles of good agricultural practice are kept on the entire managed acreage as well as in buildings and equipments serving for agricultural production. Furthermore, the intensity of animal husbandry is to be kept between 0,15 and 1,5 gross livestock unit per hectare of agricultural land, calculated within the period from January 1 to August 31. Also the use of substances listed in the regulation is prohibited.

The Czech Government Regulation No. 242/2004 Col. mandates closer conditions for implementing measures in support of the non-production functions of agriculture. These are especially targeted at measures to protect the environment. These agri-environment measures include following sub-measures:

- sub-measure of organic agriculture,
- sub-measure of treating grasslands,
- sub-measure of care of landscape (divided into 6 titles),
- sub-measure of cropping pattern in protective zones of caves.

An application for participating in agri-environment measures can be filed by an individual or a legal entity, if he/she fulfills conditions given by this regulation. The application for a measure is to be presented to the State Agricultural Intervention Fund for period of five calendar years in the determined term.

There are a number of detailed conditions of implementation for each sub-measure within the agri-environment measures. Also payment levels are defined for each sub-measure. Payments for organic agriculture have already been discussed. Payments for treating grasslands range from 1,920 CZK/ha for meadows to 4,330 CZK/ha for pasturages under the conditions given in the regulation. Payments for the sub-measure care of landscape - grassing of arable land the payments range from 7,265 CZK/ha to 9,210 CZK/ha depending on the determined conditions. In the year 2004, the agriculture resort disposed of 3,04 mld. CZK for all measures within the Government Regulation No. 242/2004 Col.

In the regulation a number of transgressions of conditions are listed which lead to decreased or withholding payments in the specific calendar year or may even lead to dropping out of agri-environment measures.

The experiences from 2004 show a great interest by applicants from agricultural enterprises in all measures listed in both the Regulation No. 241 and the Regulation No. 242. Nevertheless, it is necessary to keep within the financial frame defined by the European Commission and avoid possible sanctions from the Commission's side.

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