

Support of the use of agricultural land in less-favoured areas of the CR

Podpory využívání zemědělské půdy v méně příznivých oblastech ČR

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Abstract: Horizontal Rural Development Plan is one of the programme documents for taking advantage of the EAGGF – European Agricultural Guidance and Guarantee Fund. One of the measures are payments for farmers producing in less-favoured areas. The payments contribute to sustainable use of agricultural land, maintaining of land and support of sustainable agriculture in these areas. This contribution concerns the support for less favourable areas in the CR in 2004–2006 and analyses their impact on the use of land fund in confrontation with the proposed changes of the Regulation of the Commission on support for the development of countryside through European Agricultural Fund for Rural Development for next programme period 2007–2013.

Key words: Horizontal Rural Development Plan, less favoured agricultural areas, compensatory contributions, permanent grassland

Abstrakt: Horizontální plán rozvoje venkova je jeden z programových dokumentů pro využití prostředků z EAGGF – Evropského zemědělského orientačního a záručního fondu. Jedním z opatření jsou platby pro zemědělce, hospodářící v méně příznivých oblastech. Platby přispívají k trvalému užívání zemědělské půdy, k údržbě krajiny a podpoře udržitelného zemědělství v těchto oblastech. Příspěvek pojednává o podporách pro méně příznivé oblasti v ČR pro roky 2004–2006 a analyzuje jejich působení na využití půdního fondu v konfrontaci s navrhovanými změnami v Nařízení Rady o podpoře pro venkovský rozvoj prostřednictvím Evropského zemědělského fondu pro venkovský rozvoj na příští programové období 2007–2013.

Klíčová slova: Horizontální plán rozvoje venkova, méně příznivé oblasti, vyrovnávací příspěvek, trvalé travní porosty

INTRODUCTION

Entry of the Czech Republic into the European Union triggered transformation of all instruments of policy for support of the development of agriculture, i.e. also the support program for less favourable areas. The basic norm of European Union dealing with these problems is the Council Regulation (ES) No.1257/1999 on support of the development of countryside by European Agricultural Guidance and Guarantee Fund – EAGGF). This Regulation stipulates, among others, basic general criteria for delimitation of less favoured areas and areas with environmental restric-

tions, the frame of computation for establishment of compensatory allowances and basic conditions for granting such contribution.

In 2004, the first proposition of the European Commission for wording of the new Regulation of the Council for support for rural development through the European Agricultural Fund for Rural Development, further only “Order” was issued. This “Regulation” will replace the current normal regulation No. 11257/1999 (ES) in the next program period in 2007–2013. It will become the guidance for the preparation of programme documents of the member states in the next programme period. Granting of compensatory allowances to moun-

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Table 1. Rates of compensatory allowances for individual types of LFA in the CR for 2004–2006

Type of LFA	Mountainous areas		Other LFA		Specific limitation
	HA	HB	OA	OB	S
CK/ha permanent grassland	4 680	4 015	3 490	2 820	3 420
EUR/ha permanent grassland	147.26	126.23	109.62	88.74	107.55

Source: Ministry of Agriculture CR, Horizontal Rural Development Plan CR 2004–2006

tainous and other less favoured areas belong to the priority axis 2 “land management”, the measures concentrated on sustainable use of agricultural land together with the payments NATURA 2000 for agro-ecological measures and measures in the area of animal protection. As can be discerned from the published “Proposal”, the priority motive behind compensatory allowances is not any more the preservation of high proportion of agricultural population in less favourable areas. It is being replaced by sustainable use of agricultural land and proper care of it. Analyses of hitherto influence of instruments for equalisation of detrimental influence of less favourable natural conditions are becoming the foundation for future propositions in this area. Compensatory allowances have been granted in the Czech Republic already during the process of the convergence of the subsidy system for the less favoured areas in the CR to the practices of the EU countries. This practice began in the year 2000, but only for permanent grassland areas. This policy continued in the elaborated Horizontal Rural Development Plan in the CR for the years 2004–2006, which was approved by the Commission at the beginning of 2004. Size of the compensatory contributions for less favoured areas paid out in 2004 is in the Table 1.

The purpose of limiting payments only to grasslands is to diminish high percentage of arable land especially on slope land in mountainous and foothill areas. The praxis in the individual EU countries is not united in this regard. Limitation of payments to grasslands and fodder crop area is practised for example in England, Ireland, Sweden, and Hungary, while Poland, Baltic countries, and also Slovakia pay for ha of agricultural land regardless of the mode of its use. Authors of policy document for the support of the rural development in the Czech Republic will have to either solve the question of preserving the current base for compensatory allowances or to widen it.

MATERIALS AND METHODS

We use data on potential endangering of cadastral areas by erosion, elaborated by the Research Institute

of Ameliorations and Soil Conservation, data on delimitation of less favoured areas in the CR since 2004 elaborated by the Research Institute of Agricultural Economic (RIAE) Prague, data on the structure of the use of land fund according to the Czech Cadastral Office in Praha, and the statistics of the register of Land Parcel Information System of Ministry of Agriculture (LPIS) as of October 18, 2004 and the economic results of the companies in the network of test companies for the years 1999–2001.

The work analyses support granted to less favoured areas of the CR from the point of view of their influence on usage of agricultural land in right direction and fulfilment of the EU requirements to prevent overcompensation in the system of compensatory payments.

RESULTS

There was a comparison of erosion in endangered cadastral areas, percentage of grassland in these areas and their categorisation into LFA.

According to the Research Institute of Ameliorations and Soil Conservation¹, there are 3 813 cadastral areas where more than one half of agricultural land is potentially or very strongly endangered by water erosion in the Czech Republic. Altogether 2 562 of these cadastral areas are situated in the areas eligible for LFA compensatory allowances, which can be used also for stimulation of implementation of anti-erosion measures. One of the most important measures is covering the part of the area with grass.

Out of the overall number of potential erosion-endangered cadastral areas in LFA, there are 1 296 cadastral areas with grassland covering more than 50% of agricultural land. But the average share of grassland of the territory of the CR is relatively low, especially in the category designated as other less favoured areas (see Table 2).

There are 654 cadastral areas in the less favoured areas, where agricultural land covered by grass is less than 30% and at the same time more than a half of agricultural land is potentially strongly and extremely

Table 2. Area of LFA in the CR and the use of agricultural land in LFA

LFA	Area of the CR		Agricultural land		Arable land		Permanent grassland	
	1 000 ha	%	1000 ha	%	1000 ha	% of arable land	1000 ha	% of permanent grassland
H	1 763	22.3	622	14.6	254	40.9	350	56.2
O	2 204	28	1 219	28.5	889	72.9	287	23.5
S	608	7.7	298	7	150	50.2	127	42.6
LFA	4 575	58	2 139	50.1	1293	60.4	764	35.7
CR	7 887	100	4 273	100	3068	71.8	968	22.7

Source: Ministry of Agriculture CR, Horizontal Rural Development Plan of the CR 2004–2006

strongly endangered by erosion. The districts, with a significant share of this “inappropriately used” agricultural land, are for example: Benešov, Bruntál, Česká Lípa, České Budějovice, Český Krumlov, Domažlice, Havlíčkův Brod and others. From the point of view of soil protection, the emphasis on grassy areas of the agricultural enterprise for compensatory payments appears to be rational.

The answer to the question whether this policy is effective was attempted by analysing the data on real

use of agricultural land with the help of registry of the Land Parcel Information System. The data from the statistical yearbook of the land fund of the Cadastral Office are based on the data from the cadastre where the transfer of arable land into permanent grassland category is not only lagging behind the fact, but also marked by the uneasiness of land owners to agree with the change of land category.

The comparison of data on land usage given in Table 3 shows that the share of grasslands is really

Table 3. Comparison of share of grasslands according to the COSMC and according to the LPIS by regions of the CR

Regions	COSMC			LPIS			Share of agricultural land in LFA
	agricultural land (ha)	permanent grasslands (ha)	grassing down (%)	agricultural land (ha)	permanent grasslands (ha)	grassing down (%)	
Praha	21 047	868	4.1	12 694	319	2.5	0.0
Středočeský	668 151	70 626	10.6	557 820	50 329	9.0	32.0
Jihočeský	495 375	160 153	32.3	428 164	148 658	34.7	80.7
Plzeňský	383 864	105 982	27.6	327 641	104 262	31.8	80.0
Karlovarský	124 614	63 985	51.3	102 314	63 767	62.3	89.1
Ústecký	278 015	69 303	24.9	214 859	53 730	25.0	31.3
Liberecký	140 789	62 068	44.1	97 677	51 866	53.1	61.0
Královéhradecký	280 062	70 238	25.1	235 535	60 932	25.9	37.1
Pardubický	274 059	59 697	21.8	233 887	49 248	21.1	40.5
Vysočina	419 899	83 905	20.0	366 759	74 644	20.4	83.4
Jihomoravský	426 289	28 319	6.6	354 400	16 259	4.6	8.4
Olomoucký	276 460	51 967	18.8	239 820	51 163	21.3	34.2
Zlínský	195 838	55 825	28.5	150 610	50 188	33.3	40.0
Moravskoslezský	284 713	87 673	30.8	216 312	83 072	38.4	55.5
CR total	4 269 175	970 609	22.7	3 538 493	858 436	24.3	50.1

COSMC = Czech Office for Surveying, Mapping and Cadastre, LPIS = Land Parcel Information System of Ministry of Agriculture CR

Source: COSMC, Ministry of Agriculture CR, RIAE, author's own computations

Table 4. Gross value added without subsidies for area of agricultural land (CZK per ha)

FADN CZ	I. share of grass \geq 35%		II. share of grass < 35%		Difference group II–group I	
	FO	PO	FO	PO	FO	PO
1999	1 228.07	5 373.83	6 047.90	7 629.55	4 819.82	2 255.72
2000	3 649.80	5 622.28	6 963.22	10 163.06	3 313.42	4 540.78
2001	2 848.73	7 470.16	6 343.39	13 288.75	3 494.66	5 818.59

FP – enterprises belonging to physical persons, LE – enterprises of legal entities

Source: RIAE Prague

increasing, especially in the regions with the higher proportion of less favoured areas. They are first of all the regions of Karlovy Vary and Liberec (rise by 11 and 9 percentage points), where there are areas with specific handicaps, followed by regions of Moravskosleský (difference of 8 percentage points) and Zlín (5 percentage points). There was also slight rise in share of grasslands in south Bohemia and Plzeň (rise up to 5 percentage points). There is so far little response in Vysočina region with the share over 80% of land in LFA areas. It comprises a traditionally agricultural area handicapped by absence of big industrial centres and for that reason lesser possibility of employment outside agriculture.

For the quantification of the influence of lower intensity farming on the economy of agricultural enterprise (necessity of compensations), we used the economical results of the enterprises monitored in the Farm Accountancy Data Network (FADN) CR the enterprises situated in mountain and submountain areas were rejected. These enterprises were categorised into mountainous less favoured areas and they provide also substantial part of other LFA and the areas with specific disadvantages. Our goal was to eliminate the influence of natural conditions on the results of analysis as much as possible. Remaining enterprises were divided into two groups. The enterprises with more than 35% of grassland on the agricultural land and the enterprises with share of grassland below 35% of agricultural land. For both groups of enterprises,

the average gross value added without subsidies for area of agricultural land was computed.

The result confirmed significant impact of the shrinking of arable land area on the economical performance of the enterprises.

CONCLUSION

The analysis proved that there are still problems in increasing the share of grasslands on agricultural land in some areas in the Czech Republic. In some areas, the system of support of less favoured areas through extra payments conditioned by area of grassland, together with other factors, helps to rise the share of grassland in agricultural land.

It cannot be expected, though, that without a significant support of increasing the share of grassland this will continue and that the enterprises will use this practice as important anti-erosion measure without economical stimulus. It proves the necessity of continuing this already familiar praxis, under the CR conditions, into the next program period, eventually even widening the base for granting compensatory allowances and to add fodder crop areas. This last measure takes into account the significance of the cattle and sheep rising for the maintaining of countryside in mountain and submountain regions.

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