



European
Commission

SLOVAKIA

CAP IN YOUR COUNTRY

The **Common Agricultural Policy (CAP)** is Europe's answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing Direct Payments aimed at stabilising farm revenues and finances projects responding to country-specific needs through national (or regional) Rural Development Programmes, which also cover the wider rural economy. The CAP also provides a range of market measures, including

tools to address market difficulties, and other additional elements such as quality logos or promotion for EU farm products, which complete CAP action to support farmers. The CAP budget fixed for the period from 2014-2020 provides a total of EUR 408.31 billion in EU funds with EUR 308.73 billion intended for Direct Payments and market measures (the so-called First Pillar) and EUR 99.58 billion for Rural Development (the so-called Second Pillar). Having joined the EU in 2004, Slovakia will hold the Council Presidency for the first time in the second half of 2016.



SLOVAKIA

- covers an area of just over **49 000 km²** of which **around 48% is agricultural land** and 40% is covered by forests. Roughly 71% of the farmland is arable and 28% permanent grassland.
- has a total population of approximately **5.5 million**, more than half of whom live in rural areas.
- has a farming sector characterised by **large farm holdings** - the average farm size in Slovakia is 77.5 hectares, relative to the EU average of 14.4 ha. However, historical policies of collectivisation and subsequent privatisation have complicated land ownership issues and mean that more than **3/4 of farmland is rented**.
- has a **high level of mountain and/or forest coverage** with 65% of agricultural land classified as affected by natural constraints limiting its production potential, and 16% of agricultural land is classified under Natura 2000.

INVESTING

in Slovakia's agriculture 2014-2020



In the period to 2020, the new CAP is going to invest **EUR 4.6 million**¹ from the EU budget in Slovakia's farming sector and rural areas. Key political priorities have been defined at European level such as: jobs and growth, sustainability, modernisation, innovation and quality. In parallel, flexibility is given to Slovakia to adapt both Direct Payments and the Rural Development Programme to its specific needs.

Fairer and greener direct payments

The new Direct Payments are to be distributed in a fairer way between Member States, and between farmers within the same Member State, putting an end to allocations on the basis of "historical references" prevalent in the EU-15. This means a small increase in the envelope allocated to Slovakia. Given the sensitivities of such redistribution, Member States also have more flexibility to take into account specific sectors in particular regions. The total budget available for Slovak farmers in the form of Direct Payments is **EUR 3.03 million**, including EUR 345 million (21.3%) which the national authorities chose to transfer from the Slovak rural development envelope for the years from 2015-2020.

A key change in the new CAP is the application of new 'Greening' rules, in order to highlight the benefits farmers provide to society as a whole on issues such as climate

change, biodiversity loss and soil quality. Under this system, 30% of the Direct Payment envelope, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5% of areas of ecological interest or measures considered to have at least equivalent environmental benefit.

The [Single Area Payment Scheme](#) (SAPS) has been extended until end of 2020 as the system to distribute the resources among Slovak farmers: this system links the amount of support to the area that each farmer declares with simpler administration. The Slovak authorities have decided to earmark 13% of the Direct Payments envelope (the maximum permitted) for **voluntary coupled support** (targeting dairy cows, breeding of selected cattle categories, breeding of ewes and goats, fruit, vegetables on arable land, tomatoes, hops, sugar beet). On the question of achieving a **fairer distribution of the support**, the Slovak authorities are applying the 5% reduction in Direct Payments for amounts above EUR 150 000 on an individual farm, but not using any of the further available options.

Other changes introduced in the 2013 CAP reform include stricter rules on **active farmers** eligible for Direct Payments and a new 25% aid supplement for **young farmers** for the first 5 years, in addition to already existing installation grants.



¹ Total allocation of Direct Payments and Rural Development for the period 2014-2020 (in current prices).

Farmers at the heart of the food supply chain

To improve the balance of the food supply chain in Slovakia, EU instruments (such as [Producer Organisations](#)) help farmers to get better organised and to market their products better.

Moreover, the EU organic logo helps consumers choose food produced in a sustainable way.



Supporting key priorities for Slovakia's rural development

For the period 2014-2020, Slovakia has been allocated around **EUR 1.56 billion** for measures benefiting its rural areas. Based on the options available, the Slovak authorities have fixed the priorities for the coming period in its national Rural Development Programme.

The [2014-2020 Rural Development Programme for Slovakia](#) focuses on the following 3 main objectives:

-  Improving competitiveness of the agricultural sector (investments in 1 250 farms and 400 food enterprises)
-  Preserving ecosystems and an efficient use of natural resources (20% of agricultural land managed to protect biodiversity, soil and water resources)
-  Creating conditions for the economic and social revitalisation of rural areas (creation of 2 000 jobs through investments in enterprises, infrastructure and human resources)

Most funds go to productive investments, payments for areas with natural constraints, agri-environment climate measures, forestry measures, and farm and business development.



KEY ACHIEVEMENTS



Between 2007 and 2013 the CAP invested **EUR 3.9 million²** from EU funds in Slovakia's farming sector and rural areas with the objective of stabilising farmers' incomes, modernising and increasing the sustainability of Slovakian farms and securing the supply of safe, affordable and quality food for its citizens.

Slovak farmers benefit from the CAP

In recent years, Direct Payments have been a key safety net. For example, in 2014, Direct Payments worth **EUR 372 million** were paid out to some 17 010 beneficiaries in Slovakia, 62% of whom received a payment below EUR 2 000. Moreover, in 2014, Slovakia received a further **EUR 9 million from the CAP on market measures**, primarily targeting the wine and fruit and vegetables sectors.

Fostering growth and jobs in Slovakia's rural areas

The Rural Development Programme for the period 2007-2013 invested almost **EUR 2 billion** in Slovak agriculture and rural areas. In concrete terms, the injection of public resources into the farming sector, environmental actions and local development helped Slovakia to:

- modernize more than **1 500 agricultural holdings**, generating a total investment (public and private) of EUR 780 million, and thus contributing to the development of agricultural sector;
- create **780 jobs** in agriculture and other related sectors, plus nearly **300 seasonal jobs**;
- invest in **1 100 municipalities** for new and upgraded rural infrastructure, including the provision of basic services to facilitate economic growth and improve the quality of life in rural areas;
- implement nearly **30 local development strategies** on 17% of the Slovak territory, covering 620 000 citizens.

Rural Development funds have also supported the rich natural resources and biodiversity in Slovakia and promoted **more sustainable farming practices**:

- more than 6 500 holdings received compensatory **support for farming in less-favoured areas**;
- more than 750 holdings received support for **voluntary agri-environment commitments** to help maintain biodiversity; improve the quality of water, mitigate against climate change, and more;
- nearly 320 000 ha of damaged **forests** were revitalized with EAFRD funding.



Example of a Rural Development project supported by the CAP

Increasing the Production and Quality of Soya Products in Slovakia

The ALFA BIO Company was established in 1991 and introduced the production of tofu from soya in the former Czechoslovakia. It started as a small family business and then turned into a soya food product company, exporting to neighbouring countries. The main objective of the investment funded via the Rural Development Programme was to increase production through installing new equipment for the production of fermented and unfermented beverages, leguminous spreads and prepared meals. The company increased its competitiveness in the soya food market and was able to adapt its products to consumer preferences. [See more information here](#). (Total cost: EUR 1 337 881 - EAFRD contribution: EUR 501 705)

Adding value with Quality schemes

Through the [Quality Policy of the CAP](#), the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1 300 protected food names which are classified as a **Protected Designation of Origin (PDO)**, a **Protected Geographical Indication (PGI)** or a **Traditional Speciality Guaranteed (TSG)**. The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protect local knowledge, skills and jobs.



At present [Slovakia has registered 18 products](#) such as Oravsky korbacik, Slovenska parenica and Skalicky trdelnik.

Responding to new market difficulties

Following the prolongation of [the Russian ban on the EU agricultural imports](#) and the specific market conditions of the summer 2015, the European Commission adopted in October 2015 a [support package worth EUR 500 million](#) to help those farmers affected most by the difficulties. A total budget of EUR 420 million was made available for national envelopes to support especially **the dairy and livestock sectors**, with flexibility to Member States to decide how to target this support. The remainder was earmarked for other short and medium term measures such as the provision of private storage aid for certain products and to promote the expansion of export markets. Under this new package, Slovakia gets

EUR 2.5 million, to be distributed to the milk and pig meat sectors. Moreover, the Slovak authorities have decided to double the EU envelope with national money, so that the total envelope becomes EUR 5 million.

In spite of the Russian ban, global EU agri-food exports to third countries have performed well, increasing by EUR 6.8 billion in the first 12 months since the ban, relative to the EUR 5.2 billion drop in trade with Russia compared to the same period of the previous year. Major gains have been achieved in exports to the USA, China, Switzerland and other key Asian markets such as Hong Kong and South Korea.

What do the Slovaks think of the CAP?

According to the most recent [Eurobarometer](#) survey, published in January 2016, **80% of Slovaks think that the financial support given by the EU through the CAP is either enough or too low (only 3% consider it “too high”)**. The main preferred objectives of the CAP are ‘ensuring that agricultural products are of good quality healthy and safe’ (58%), ‘ensuring reasonable food prices for consumers’ (62%) and ‘ensuring a fair standard of living for farmers’ (48%). **Moreover, 87% is totally ‘in favour’ of the greening measures.**

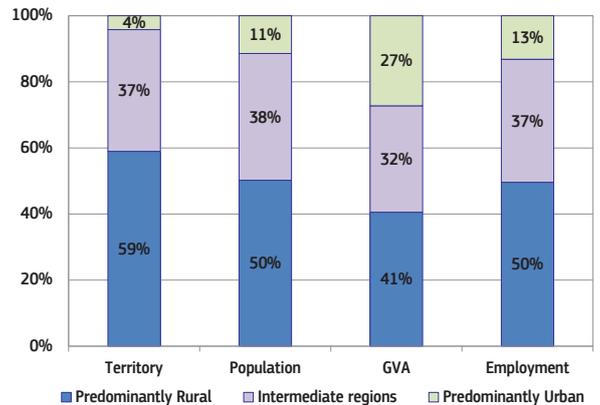


AGRICULTURE AT A GLANCE

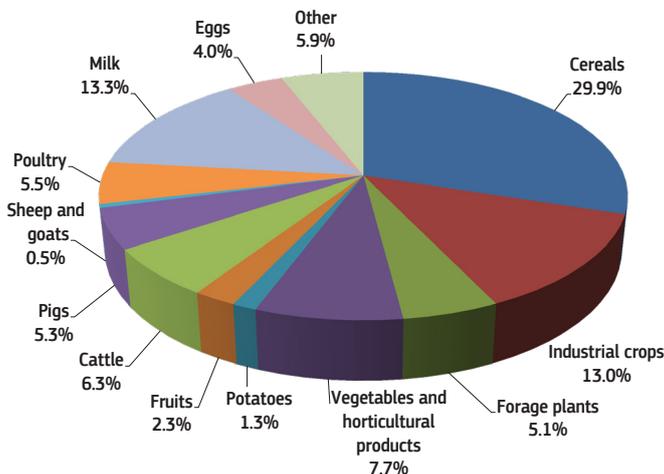
Slovakia's agriculture is characterised by:

- **large-sized farms** (the average size of holdings is 80.7 ha compared to 16.1 ha in EU-28).
- rather **old farmers** (only 8.1% of Slovak farmers are under 35 years old)
- a contribution to the Slovak **economy** with 4.4% of the total GVA (EU-28: 1.6%) and to employment with 3.5% of total employment (4.7% in EU-28).

Importance of rural areas

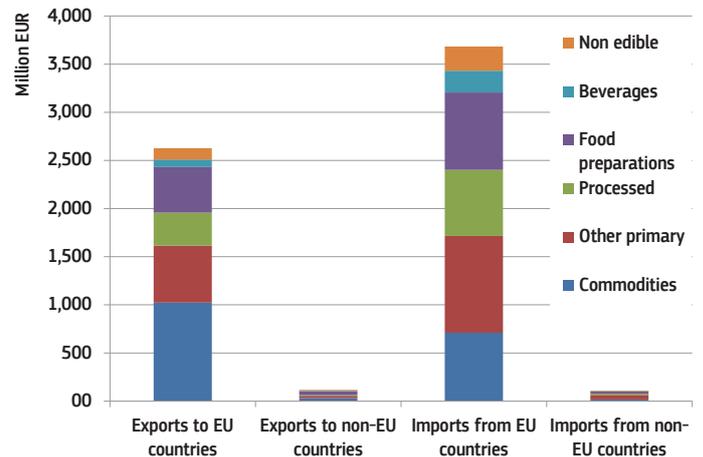


Very diversified production



Output components (2013-2015 average); values at constant producer prices

Agricultural trade with other EU Member States is highly important for Slovakia (2014 data)



Farmer income has experienced a very positive evolution in the last years

