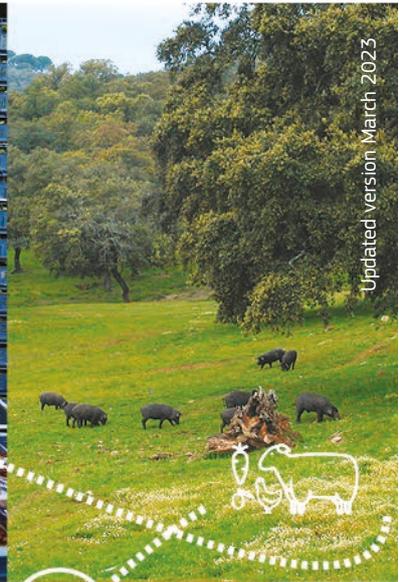




European
Commission



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At a glance:

CZECHIA'S CAP STRATEGIC PLAN

Agriculture
and Rural
Development

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions, addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The impacts of both the Russian aggression against Ukraine and the extreme weather conditions caused by climate change, highlight the integral link between food security and the need of transition to sustainable and resilient food systems. In this context, the CAP Strategic Plans offer opportunities: e.g. to reduce dependence on synthetic fertilisers and scale up production of renewable energy without undermining food production; and to transform the sectors' capacity in line with more sustainable production methods.

Czechia submitted its proposal for a CAP Strategic Plan on 28 January 2022, after consultation with stakeholders. On 03 November 2022, Czechia submitted a revised proposal, addressing the Commission observations on the first draft. The Commission approved this proposal on 24 November 2022. This document presents some of the main features of the CAP Strategic Plan of Czechia.

1. DID YOU KNOW?



Czechia's agricultural production is predominantly focused on crop production, with the cultivation of cereals and oil seeds, but also the cultivation of grain, potatoes, sugar beet, hops, fruit and vegetables and grapevines is present. Approximately 78% of the country's population live in rural areas. Livestock production is largely focused on bovine animals, pigs, poultry, sheep and goats.

- **Farmland represents nearly 45% of the total land area** of Czechia, accounting for 3.5 million hectares.
- **Forests represent approximately 33% of the total land area**, the majority of them being coniferous forests.
- There are around **26 530 agricultural holdings** in the country, with around 75% of farmland cultivated by large farms.



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF CZECHIA

The Czech Plan aims at ensuring the sustainable competitiveness and resilience of farms while at the same time improving the protection of natural resources and the climate. It substantially contributes to improving the redistribution of financial support to small- and medium-sized farms, strengthening the position of organic farming and improving the vitality and quality of life in rural areas through investments.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

A key objective of the Czech Strategic Plan is the **fairer distribution and more effective targeting of income support** (direct payments). Therefore, the Plan foresees the redistribution of funds from large to small- and medium-sized agricultural holdings to improve their profitability. This type of support will be granted for the first 150 hectares of all agricultural holdings.

Approximately EUR 618 million is dedicated to sector-specific support that is linked to production, such as for the milk and beef sectors. This financial support will cover around 54% of Czech farms. In addition, some farmers will receive **specific aid to compensate for the loss of income due to farming under disadvantageous conditions**. Such conditions may include an altitude where agricultural activity is difficult, steep slopes that prevent the use of standard farming equipment, extreme dryness, limited soil drainage, stoniness or poor soil properties. These limitations concern more than 2 million hectares of agricultural land.

The support for investments will allow farmers to modernise their farms, in order to increase their efficiency as well as the quality of the products from primary agricultural production and to foster access to new technologies. Approximately 4 900 farms will receive support for farm restructuring and modernisation.

- ➔ *Processing of agricultural products through participation in producer organizations, short supply chains and quality schemes will be supported. For instance, packaging and labelling of products as well as investments related to placing them on the market will be supported. Around 1 000 farms will participate in these schemes.*
- ➔ *Farmers can also receive financial support for non-agricultural activities in order to diversify their income, such as non-food use of agricultural production, retail, wood processing or agro-tourism. Around 860 rural businesses are expected to be developed with this form of support.*

2.2 A GREENER CAP

Czechia is applying strengthened good agricultural and environmental conditions (GAECs), which farmers need to meet in order to benefit from the entire income support. Through these practices, **farmers will deliver a higher environmental benefit**; they will contribute

to the protection of water, soil and biodiversity, and to the reduction of greenhouse gas emissions from agriculture. In addition, farmers will be incentivised to further environmentally improve their agronomic practices through eco-schemes, which will be implemented on the entire agricultural area.



The protection of biodiversity is one of the environmental priorities of the Plan. In order to achieve this goal, farmers will be able to receive support for measures they chose to implement. For example, dedicating 7% of arable land to non-productive areas will contribute to stronger protection of biodiversity. In addition, farmers will be rewarded if they manage their meadows with certain mowing techniques, if they plan sustainable animal grazing or if they limit the application of fertilisers and pesticides. The shift to a more sustainable meadow management is expected on more than 25% of the agricultural land. One of the main aims

of the implemented measures is to protect natural ecosystems, consisting of rare species of plants, birds or butterflies.

Another objective of the Plan is to **encourage integrated production**, as it limits the use of pesticides and, where appropriate, replaces them with biological preparations, which will have a positive impact on a number of animal species in these areas, especially insects. The Plan aims at deploying the integrated production method on more than 40 000 hectares.



- ➔ *Special attention is put on improving water quality. For this reason, farmers will be incentivized not to apply pesticides in 12-metre buffer strips around water courses. In addition, financial support will also be used to take protective measures in the vicinity of four large drinking water reservoirs in Czechia, covering an area of 25 000 hectares, where only limited use of pesticides is allowed.*
- ➔ *Czechia already has one of the highest shares of organic production in the EU and intends to keep this positive growth. With the help of the CAP Plan, this share will be further increased from the current 15.6% to 21.3% of the agricultural land.*



2.3 SOCIALLY SUSTAINABLE CAP

Rural areas in Czechia struggle with depopulation and lack of employment opportunities. Through different support measures, the Plan's objective is to **stabilise rural employment, slow down the depopulation and raise the standard of living** of the rural population. With the support of the CAP, more than 1 700 jobs will be created.

Moreover, the local community-led LEADER approach gives an opportunity to Local Action Groups (LAGs) to play an important role in the development of their areas, as they are best equipped to understand the needs and challenges of their surroundings and can more accurately assess them. In Czechia, almost 80% of the rural population will be reached by LEADER and by the 180 Local Action Groups that have already been approved.

There is also a need to improve the living conditions of animals and to reduce the use of antibiotics in agriculture. For this reason, the Plan foresees various **measures to improve animal welfare**, for example larger housing for dairy cattle, calves and pigs, actions to improve animal hygiene, investments to improve the quality of life of sows and alleviate stress on weaned piglets. Approximately one third of all livestock units in Czechia will benefit from measures improving animal welfare. In addition, specific budget is reserved for the phasing out of the use of cage systems for certain animals, such as laying hens. Finally, in order to reduce the use of antimicrobials in pig farming, vaccination will be deployed to develop immunity against established bacterial and viral agents of animal diseases.

→ *More than 1 700 young farmers will benefit from setting-up support, which will contribute to the integration of more young people into agriculture and thus to reduce depopulation of rural areas.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Plan offers **support for various training and advisory activities**. The Agricultural Knowledge and Innovation System (AKIS) will be expanded and strengthened, expecting participation of almost 40 000 beneficiaries. These will include knowledge transfer activities via vocational training, information actions and integrating knowledge from research to provide innovative solutions to increase the sustainability and productivity of agriculture and the food industry.

The establishment of Operational Groups of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) will also be supported, as 75 groups will be established. They will bring together different innovation actors at the EU level (farmers, advisors, researchers, businesses, NGOs and others) to **jointly tackle a particular problem or opportunity and look for innovative solutions**.

Furthermore, the implementation of digitalisation, innovation and artificial intelligence will also be supported. The aim is to achieve a more sustainable agricultural sector, reducing its impact on the environment and climate. For instance, digital technologies can help minimise in an efficient way the consumption of water, fuel and fertiliser.

→ 40 000 persons will benefit from advice, training or knowledge exchange, or from participating in EIP operational groups supported by the CAP concerning environmental or climate-related performance.





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	4 117 668 073	n/a	4 117 668 073
Sectoral support	118 517 918	10 152 574	128 670 492
Rural development	1 410 633 807	2 356 159 078	3 766 792 885
Total	5 646 819 798	2 366 311 652	8 013 131 450

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR	%
Environmental and climate objectives under rural development	756 391 168	54%¹
Eco-schemes under direct payments	1 235 280 052	30%²
LEADER	70 532 348	5%¹
Complementary redistributive income support	947 063 660	23%²
Young farmers (generational renewal)	136 082 097	n/a³

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115. The Complementary redistributive income support under Direct Payments may be lower than 10%, in line with Article 29 of Regulation (EU) 2021/2115.

¹ as compared to rural development envelope set out in Annex XI of Regulation (EU) 2021/2115

² as compared to direct payments envelope set out in Annex IX of Regulation (EU) 2021/2115

³ not applicable as the minimum contribution to young farmers is set as absolute amounts in Annex XII of Regulation (EU) 2021/2115

More financial information can be found in section 6 and in Annex V of Czechia's CAP Strategic Plan.

