
CONDITIONS FOR FARMING AND AGRICULTURAL ENTREPRENEURIAL ACTIVITIES IN SLOVAKIA



Lifelong
Learning
Programme

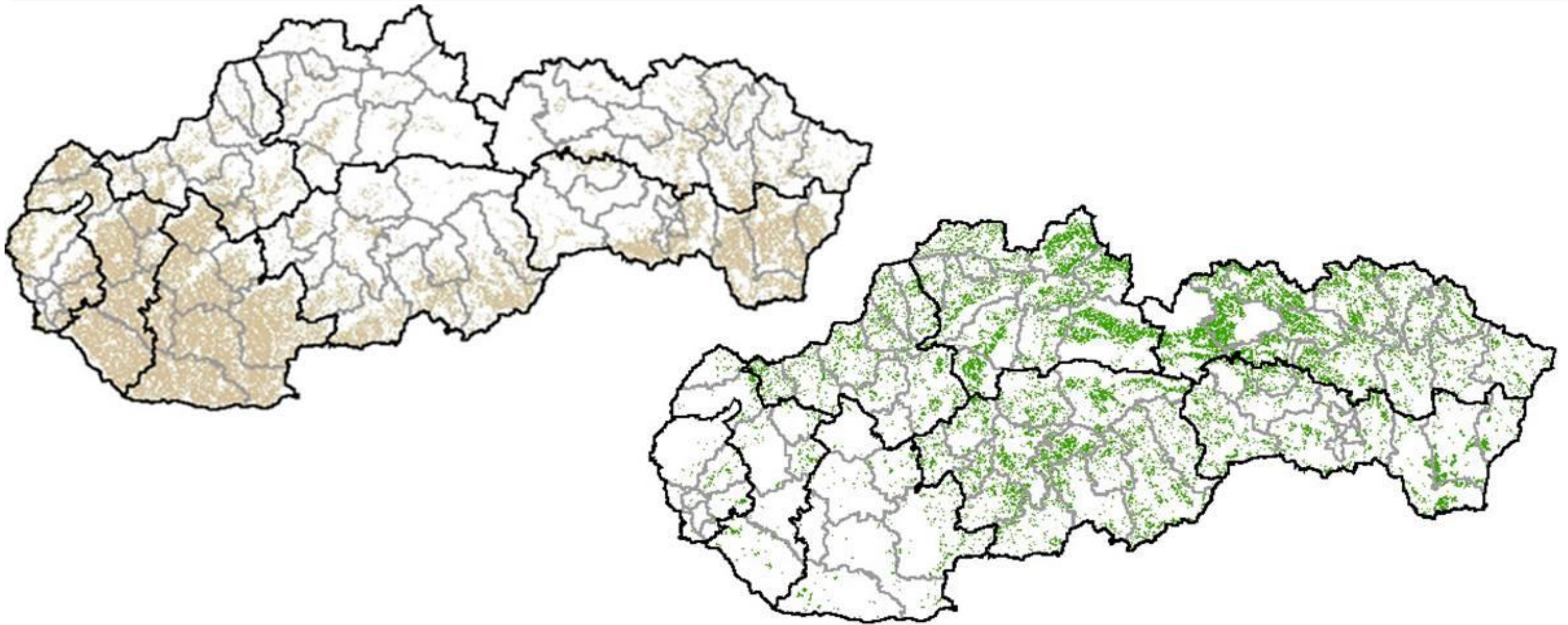
ERASMUS+



GENERAL INFORMATION

- area of 49 000 km² - 48% is agricultural land, 40% is covered by forests
- roughly 71% arable farmland and 28% permanent grassland
- total population of about 5.5 million, more than half live in rural areas
- farming sector is characterised by large farm holdings - the average farm size is 77.5 hectares, relative to the EU average of 14.4 ha
- high level of mountain and forest coverage - 65% of agricultural land classified as affected by natural constraints limiting its production potential, and 16% of agricultural land is classified under Natura 2000

PRIMARY & SECONDARY AGRICULTURAL LAND



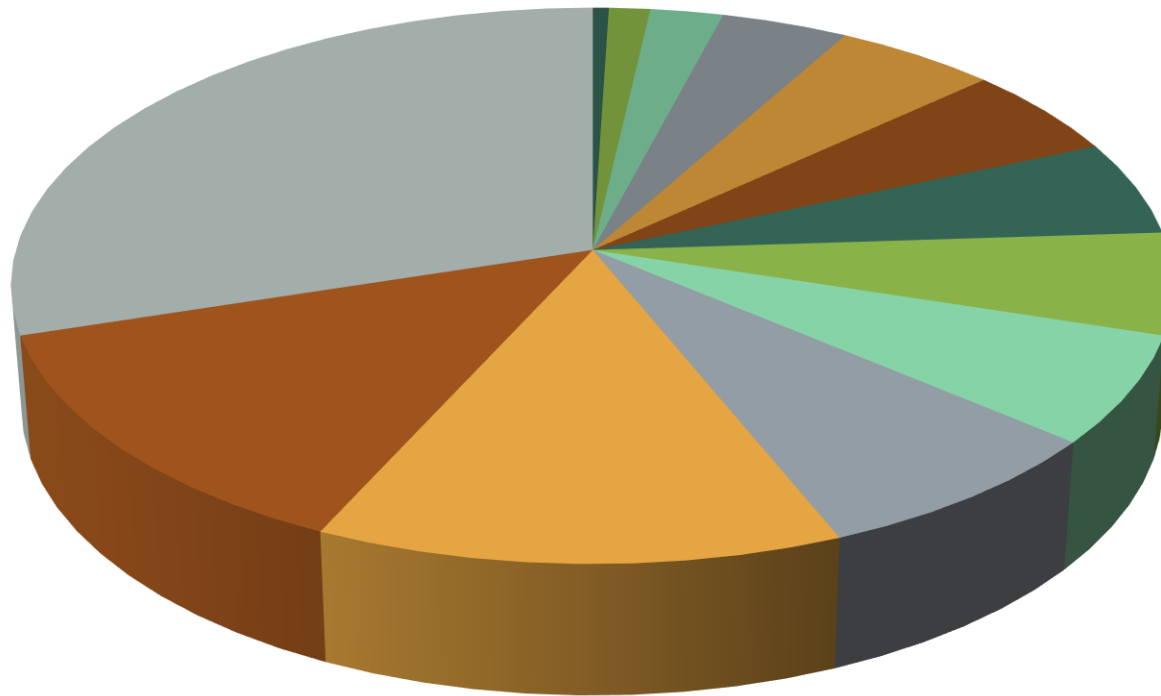
STRENGTHS



- Rich diversity and availability of natural resources
- Good quality and safety of the food commodities
- The diversity of the local, regional and traditional food (sheep cheese).
- Animal production dominates
- The southern part of Slovakia is known for its rich farmland, growing: rye, wheat, corn, potatoes, grains, fruits and sunflowers
- The biggest share of total food production is dairy production (18%) meat production (17%) and brewing (8%)



STRENGTHS VERY DIVERSIFIED PRODUCTION



- Goats 0,5%
- Potatoes 1,3%
- Fruits 2,3%
- Eggs 4,0%
- Forage plants 5,1%
- Pigs 5,3%
- Poultry 5,5%
- Other 5,9%
- Cattle 6,3%
- Vegetables 7,7%
- Industrial crops 13,0%
- Milk 13,3%
- Cereals 29,9%

STRENGTHS ORGANIC PRODUCTION



- Organic way of production from the 90s of the 20th century
- Rapid development in domestic organic farming since entering EU
- There are more than 350 organic farmers and 50 organic food producers
- Organic production is oriented towards **cereals** (wheat, rye, barley, oat, corn), **oil seeds** (sunflower), **legumes** (peas), **aromatic and medical herbs**, **beef production**, **fruit** (apple, pear peach) and **vegetable production**
- More than 90% of organic production are oriented towards export markets to western European countries



ORGANIC PRODUCTION IS ORIENTED TOWARDS



STRENGTHS CAP



- The Common Agricultural Policy (CAP) is Europe's answer to the need for **a decent standard of living for farmers** and **agricultural workers** and a **stable, varied** and **safe food supply**.

The CAP has helped to:

- modernize more than 1 500 agricultural holdings
- create 780 jobs, plus nearly 300 seasonal jobs
- more than 6 500 holdings received compensatory support for farming in less-favoured areas



STRENGTHS MARKS OF QUALITY



- SK QUALITY MARK
 - Domestic products are labeled by the SK mark to support them in the competition
- SK GOLD QUALITY MARK
 - Marks the products of extra quality



- EU ORGANIC LOGO

- Helps consumers choose food produced in a sustainable way



Protected Designation of Origin

Protected Geographical Indication

Traditional Speciality



- 1 300 protected food names
- 18 registered products such as „Oravsky korbacik“, „Slovenska parenica“ and „Skalicky trdelnik“



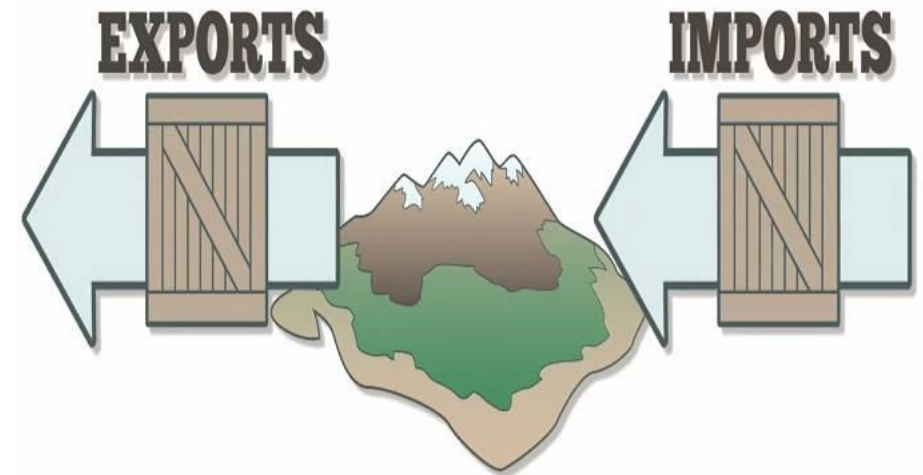


WEAKNESSES



- Sharp decline of the food security
 - In **1994** the food security in Slovak Republic was secured on the level of **87 %**
 - In **2012** dropped onto **45-47 %** as the consequence of the open market
- In the pork meat and milk production was noticed the **lowest farm gate prices**
- There is significant increase of negative trade balance of agricultural commodities

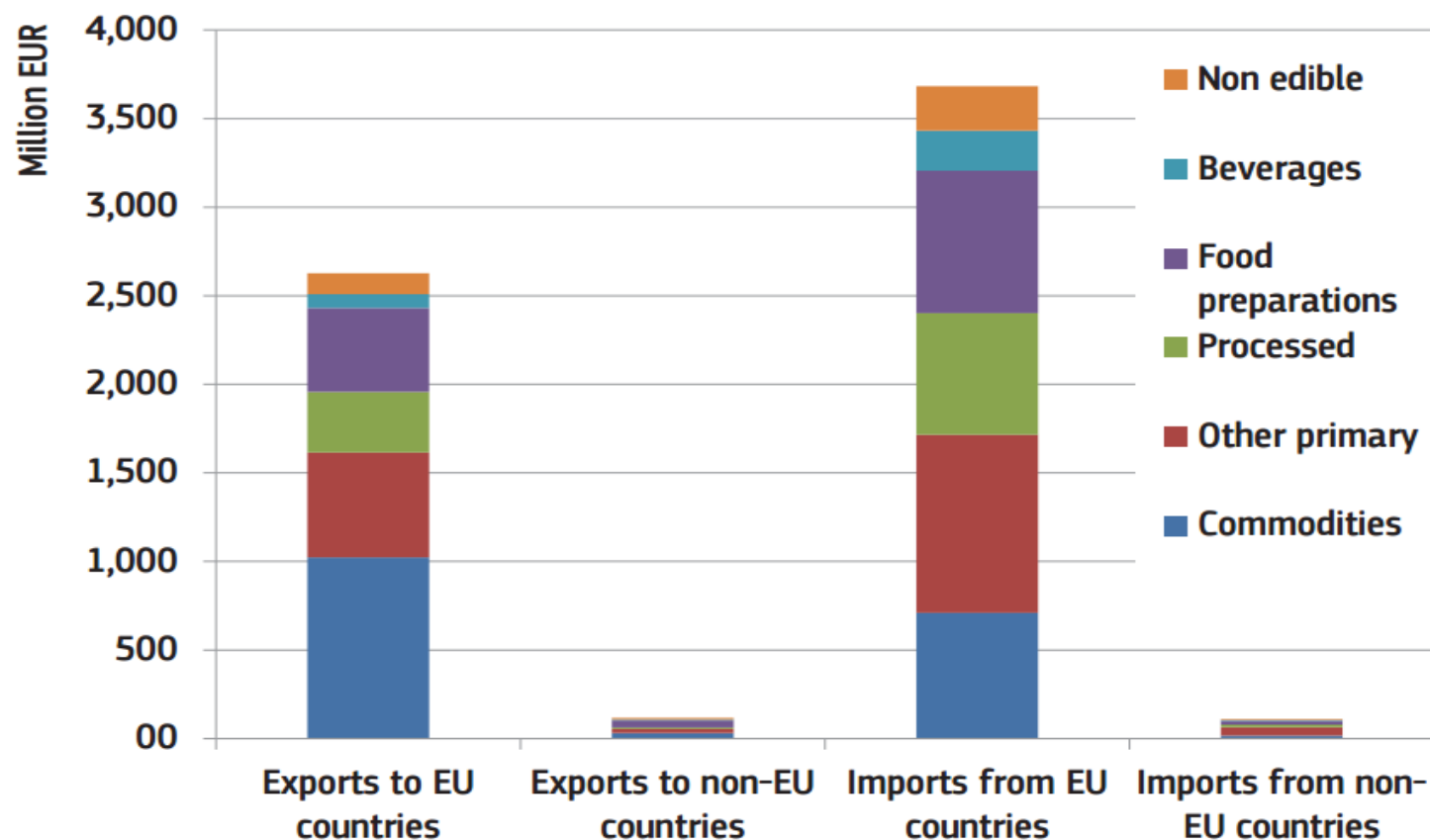
import > export



WEAKNESSES



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



WEAKNESSES RUSSIAN BAN



- The prolongation of the **Russian ban** on the EU agricultural imports - an immediate problem in the **fruit** and **vegetables sector** - a high dependence on the Russian market

RUSSIA'S FOOD IMPORTS

Russia has banned food and agricultural imports from countries that have imposed sanctions against it. See what items could disappear from Russian menus, and how much are they worth.



OTHER WEAKNESSES



- **High interest rates** and limited access of farmers to the credits
- **High input prices**, low farm gate prices and high **insolvency**
- **Low profitability**, lower performance, particularly in animal production
- **Stagnant production** farm system characterized by old and outdated buildings and equipment
- **Lack of** interest and **investment for opportunities** of increasing value in the food processing
- Young people moving from the countryside in some areas creates an **unfavourable demographic structure**



OPPORTUNITIES CAP



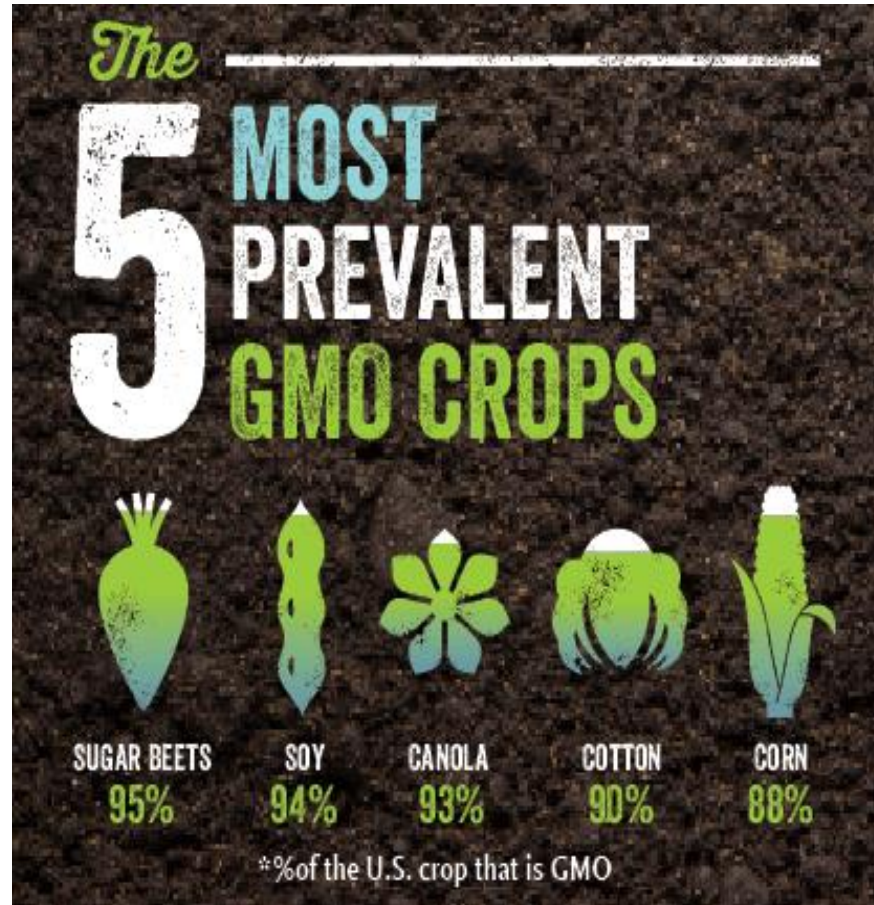
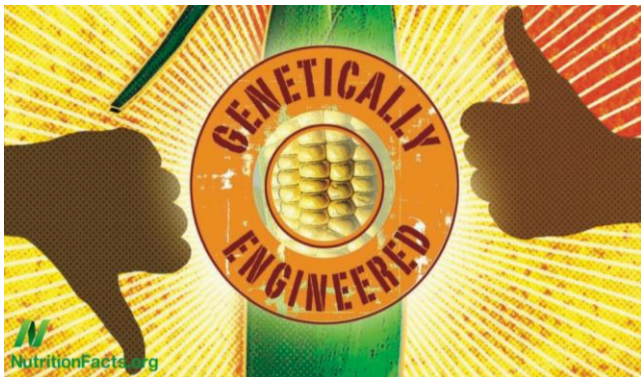
- 2014-2020, Slovakia EUR 1.56 billion from EU funds for rural areas
- 2014-2020 Rural Development Programme for Slovakia:
 - Improving competitiveness of the agricultural sector (investments in 1 250 farms and 400 food enterprises)
 - Preserving ecosystems and an efficient use of natural resources (20% to protect biodiversity of land, soil and water resources)
 - Creation of 2 000 jobs through investments in enterprises, infrastructure and human resources

OPPORTUNITIES



Organics versus GMOs

- Possible environmental risks
- Collateral damage
- Failure to yield
- No long term testing
- Allergies

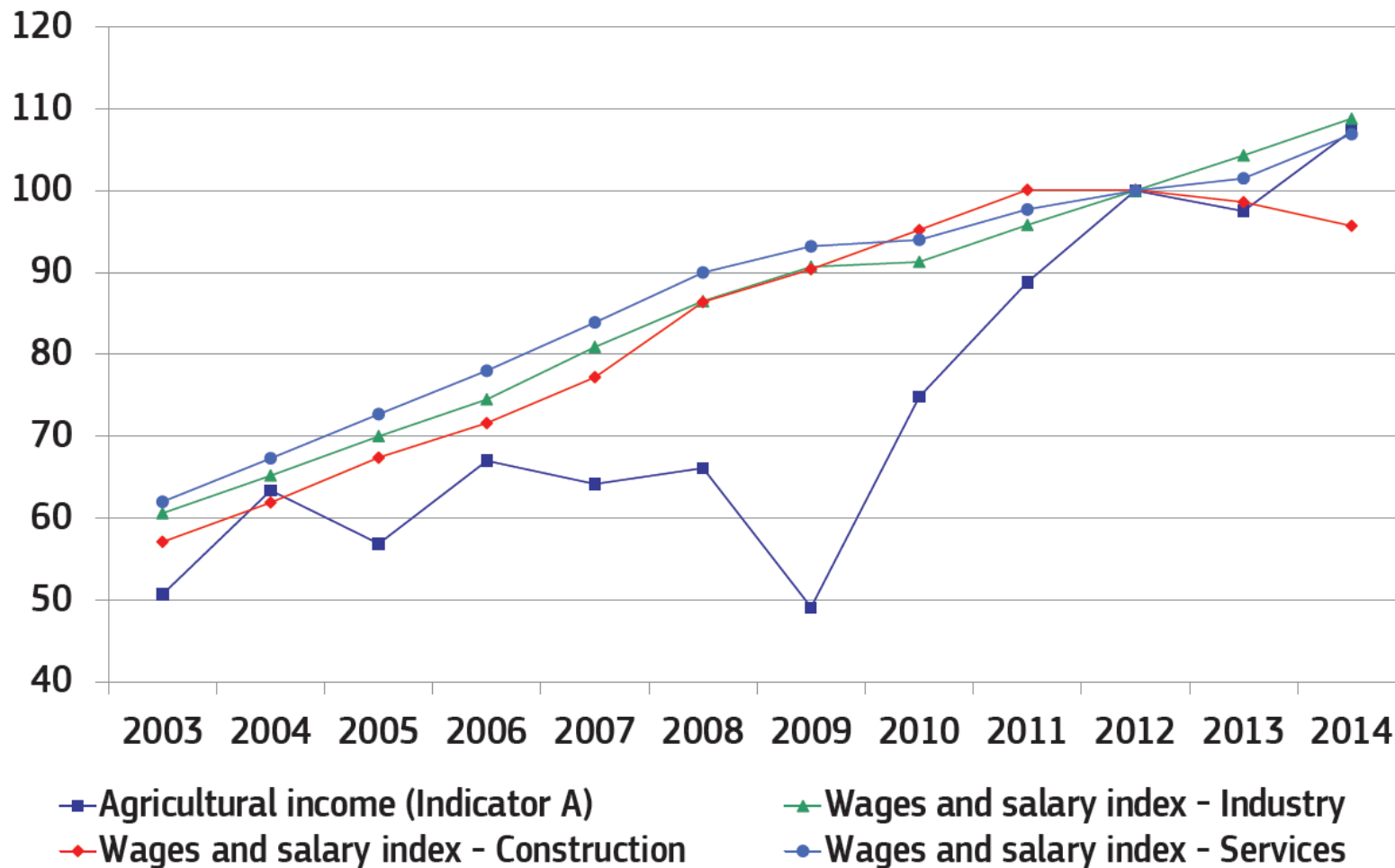


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- Better food quality and taste
- Fewer animal health problems
- More efficient production of food
- More benefits in the foods themselves

GMOs?

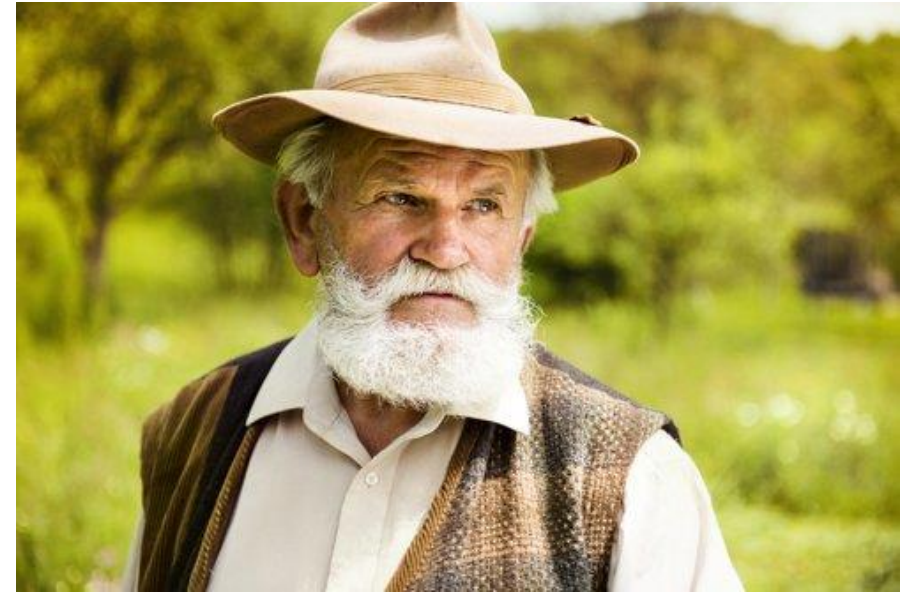
EVOLUTION OF FARMER INCOME IN SLOVAKIA



THREATS



- The expectation for Slovak agriculture and food industry is to produce high – quality products, unfortunately we process only **65% of domestic production**
- Continual **decline of agricultural labour** makes Slovakia one with the **lowest share** of agricultural **workers** in the total number of employees. (Only 8.1% of Slovak farmers are under 35 years old)



THREATS



- In Denmark the **direct payments** are achieving 70% of farmers' income. In the EU farmers' income in average form direct payments is achieving 31%, while in new EU member's states, including Slovakia just **19%**.
- The Russian market was the **second most important market** for EU agri-food exports after the US, with an export share of 10%.



THREATS



- Agriculture has to comply with the European regulations and law.
- Slovak efficiency of agricultural sectors is **sensitive to outside environment**.
- One of the threats of Slovak agriculture is also funding. Nowadays not many investors are interested in farms and rather choose industry.
- Vulnerability of some rural areas and agriculture systems connected with the **extreme weather changes**.







THE END

THANK YOU FOR YOUR ATTENTION