

Introduction

Organic farming has been developing in the Czech Republic since 1990. The number of these farms has grown significantly since that year, in which the Czech Republic had only three farms that applied organic farming methods. In the end of 2003, there were 810 organic farms, farming the area of 254,995 hectares, which represents 5.97% of the total agricultural land fund of the Czech Republic and exceeds the EU average, which is approximately 4%.

The largest expansion of lands used organic farming occurred in the years 1997 – 2003, particularly in connection with the renewal of government aid to organic farming in 1998, which represented a follow-up of the government aid provided in the years 1990 – 1993. This aid was provided in the form of direct subsidies distributed under a government regulation concerning support of non-productive functions of agriculture. A comparison of the funds provided in the years 1998-2003 shows that while the government subsidies to organic farming amounted in 1998 to approx. 48 million CZK (approx. 1.6 million EUR), the amount of these subsidies grew in 2002 to more than 210 million CZK (approx. 7 million EUR). The subsidies paid to organic farms in 2003 amounted to more than 230 million CZK (approx. 7.7 million EUR).

The financial aid is provided to organic farms in the Czech Republic over the entire organic farming period and is not limited to, for instance, the conversion period. The Ministry of Agriculture (MoA) has prepared a programme named “Horizontal Rural Development Plan (HRDP)”, which has been implemented in accordance with the Council Regulation No. 1257/99 on support for rural development and which will enable the Czech Republic to draw, after the entry into the EU, financial funds for support of rural development from the guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF). The amount of co-financing EAGGF may cover up to 80% of calculated payments. The programme of organic farming subsidies is one of the agro-environmental measures and represents a follow-up on the subsidizing policies implemented by the Ministry of Agriculture before the entry of the Czech Republic into the EU. The amount of these payments is 3,520 CZK per one hectare of arable land, 1,100 CZK per one hectare of grasslands, 12,235 CZK per one hectare of perennial crops and 11,050 CZK per one hectare of vegetables and herbs planted on arable land.

The foregoing indicates that some areas of the development of organic farming have been sufficiently provided for (by legislation or state support), while some other areas of the organic farming system are still underdeveloped and it is thus desirable to extend systematic support to their development. These areas include, for instance, research and education of farmers. At the same time, it is also desirable to support the domestic market with organic farming products. The general consumer public is not sufficiently informed about organic farming. Therefore, the MoA has prepared an Action Plan for the Development of Organic Farming up to 2010 (hereinafter only the “Action Plan”), which will support, in particular, those organic farming areas that have not been sufficiently developed.

The preparation of the Action Plan is also a response to the current developments in this area that have taken place in the EU. A reform of the Common Agricultural Policy that has been recently approved means an overall change of the method by which the EU provides support to the agricultural sector. The new Common Agricultural Policy will be focused on consumers and will provide to EU farmers at the same time the liberty to produce what is in demand on the market. The vast majority of subsidies paid in future will not depend on production volumes, and the quality of production will be given priority over its quantity. The provision of these subsidies will be bound to the compliance with the standards of

environmental protection, food safety and animal welfare. Due to a reduction of direct payments to larger farms, farmers will have more money to spend on programmes related to the environment, production quality and rural development. Individual elements of the reform will come into force in the years 2004 and 2005. It is evident that this reform, which is focused on support of environmentally friendly agriculture and on production of high quality and safe food products, will also contribute to a dynamic development of organic farming.

The necessity to prepare the Action Plan has also resulted from the conclusions of the international conference on organic farming held in 2001 under the name “European Summer Academy on Organic Farming”, which was attended by the Czech and by the Austrian Minister of Agriculture. At the same time, the Action Plan is being prepared in accordance with the conclusions of the meeting of the Council of Ministers of Agriculture of the EU, which was held on 19 June 2001. These conclusions considered organic farming as a path toward sustainable growth and called for the preparation of an Action Plan of the European Union for support of organic farming. The European Commission issued in 2002 a document called “Analysis of the possibility of a European Action Plan for organic food and farming”, in which it asked the Member States to prepare their own action plans. With regard to this fact, the Ministry of Agriculture of the Czech Republic prepared the national Action Plan until the year 2010. The plan, whose organizational and technical aspects were provided by the Ministry of Agriculture, the Ministry of Environment, the Research Institute of Agricultural Economy and the Institute of Agricultural and Food Information, was prepared particularly in cooperation with the representatives of unions of organic farmers (PRO-BIO, Libera), the controlling body KEZ o.p.s., agricultural universities, research institutes and with the organic farmers, processors and distributors of biofood.

The Action Plan consists of three main chapters. Chapter “A” lists the main principles of the preparation of the Action Plan and the principal arguments in favour of its adoption. Chapter “B” describes the current condition of organic farming in the Czech Republic and sets out the basic statistical data and issues relating to legislation, control and certification of organic farming. Chapter “C” sets out the basic targets and priorities of the Action Plan, which are divided into 6 topics:

1. Relation between organic farming, the environment and animal welfare
2. Strengthening customer confidence – promotion
3. Processing and marketing
4. Ability to do business and financial viability
5. Research, education, consulting
6. Policy tools and solutions

The material further contains a SWOT analysis of organic farming in the Czech Republic.

GOVERNMENT OF THE CZECH REPUBLIC

RESOLUTION OF THE GOVERNMENT OF THE CZECH REPUBLIC No. 236 of 17 March 2004

Regarding the Action Plan of the Czech Republic for the Development of
Organic farming
until 2010

The Government

- I. takes note of the Action Plan of the Czech Republic for the Development of Organic farming until 2010, included in Part III of the material ref. no. 237/04 (hereinafter only the “Action Plan”);
- II. entrusts
 1. to the Minister of Agriculture the preparation, in cooperation with the Minister of Environment, of the final wording of the Action Plan;
 2. to the Minister of Agriculture to initiate the formation of an inter-ministerial commission for the implementation of the objectives of the Action Plan and with coordinating its activities.

To be implemented by:

Minister of Agriculture
Minister of Environment

First Deputy Prime Minister
Per: Mgr. Stanislav Gross

Action Plan of the Czech Republic for the Development of Organic Farming until 2010

A. Background

Organic farming is a farming system that uses environmentally friendly methods of weeds, pests and diseases control, bans the use of synthetic pesticides and fertilizers, emphasizes animal welfare in animal breeding, takes care of the overall harmony of agri-environmental system and of its biological diversity and gives priority to renewable sources of energy and to recycling of raw materials.

Thus, organic farming conforms to the principles of permanently sustainable development of agriculture, which no longer performs just the productive but mainly the non-productive function. Organic farming is perceived as an alternative to the resolution of the problem of depopulation of the countryside, outflow of workers from primary agricultural production and partly also to the resolution of the uneven regional development. Organic farming is very closely linked to EU structural policies, as set out in the Council Regulation 1257/1999 (EEC) on support for rural development from the Agricultural Guidance and Guarantee Fund (EAGGF). The application of the structural policy, which has been implemented until now by EU countries, indicates that it is a specific, more and more important tendency, which will determine the direction of this policy in the next years.

Organic farming has been applied for several dozens of years as a worldwide strategy that has enjoyed extensive public support and that strives to achieve sustainable development and protection of the environment on the Earth. The European Union defined this farming system in 1991 and regulated it by the Council Regulation 2092/91, which supports its development with the use of instruments of the European structural policy.

During the last 13 years, organic farming has also become, thanks to the agricultural policy and to the interest of farmers and non-governmental organizations, a routine component of the Czech agricultural sector. At the beginning of 2004, there were 810 producers in primary agricultural sector who applied this farming method and who farmed 6 % of the agricultural land fund in the Czech Republic, and nearly 100 food producers and food producing plants and 1990 distributors who launch organic foodstuffs and organic farming products on the market. A domestic market for these products has already been built in the Czech Republic and a small part of organic farming products is also been exported. Organic foodstuffs have become part of the offer of the majority of large retail chains and a routine part of products offered by healthy food stores.

*Organic farming will be further developed and supported as a part of the European Model of Multi-functional Agriculture. Therefore, the **EU Council of Ministers of Agriculture** adopted at its meeting of 19 June 2001, which was presided over by Sweden, the following conclusions:*

The Council:

- (1) RECOGNIZES organic farming as one of the ways towards sustainable growth*
- (2) HIGHLIGHTS the importance of the Council Regulation 2092/91 of 24 June 1991 on organic production of food products*
- (3) UNDERLINES that EU member states have a chance to promote the development of organic farming within the framework of the rural development under the Council Regulation 1257/1999 of 17 May 1999*
- (4) RECOGNIZES the importance of efforts in the area of labelling fodder produced by organic methods and of organic farming controls in animal production*
- (5) EMPHASIZES the growing interest of consumers in Europe in organic food products*
- (6) CALLS upon the Member States, the European Commission and investors to cooperate in the preparation of suggestions for further development of the production, processing and trade in products of organic agriculture in Europe*
- (7) CALLS upon the European Commission to analyse the possibility of an Action Plan of the European Union to promote organic farming and food and to present the relevant proposals.*

Based on the above call of the Council of Ministers, the European Commission prepared a document called “Analysis of the Possibility of a European Action Plan for Organic Food and Farming”. The Czech Republic welcomes this decision. On the occasion of the Summer Academy of Organic Farming held in summer 2001 in Lednice, the Minister of Agriculture initiated the preparation of the Action Plan of the Czech Republic for the Development of Organic Farming. This plan is a strategic document of the Czech Republic as regards the development of organic farming until 2010.

Principal arguments in favour of the adoption of the Action Plan of Organic Farming in the Czech Republic are as follows:

- Organic farming is one of the fastest growing agricultural branches in the Czech Republic.
- Organic farming is environmentally friendly thanks to its methods and emphasis on agro-biodiversity and its regard to the multi-functional role of the countryside.
- Organic farming increases animal welfare beyond the framework of applicable laws.
- Due to its departure from quantity to quality and market stability, which complies with the reform of the Common Agricultural Policy of the EU, organic farming is a solution for excess production of food products.
- Organic farming contributes to the expansion of the food market offer and enables the consumers to elect between organic and conventional food products.
- Organic farming supports economic and social development of less favoured and handicapped rural areas.
- Higher work requirements of organic farming system contribute to job creation.
- The Czech Republic has a properly operating control and certification system, which is accredited, *inter alia*, under the Council Regulation 2092/91 and standards of IFOAM (International Federation of Organic Agriculture Movements), and which significantly increases the exports opportunities of organic produce and organic food from the Czech Republic to EU members and to other countries.

B. Current Stage of Development of Organic Farming in the Czech Republic

Current stage of development of organic farming in the Czech Republic in 2004

Organic farmers in the Czech Republic have managed to achieved only some of their goals that were set forth ten years ago. The state recognizes them and supports them. In 2004, organic farms cover 6% of the total area of agricultural land in the Czech Republic. Organic farming is mostly applied by agricultural enterprises in mountain and submontane regions on perennial grasslands designated in particular for landscape maintenance. In some regions, for instance in microregion Jeseníky, organic farms cover up to 25% of the total agricultural land area.

However, organic production, particularly finished products, vegetables and fruit, is not sufficient. The share of organic food products in the total food market in the Czech Republic amounts to mere 0.06% of. Research has not been sufficiently developed and does not have an adequate institutional framework; there is no specialized consulting and no systematic promotion and general public education. We can say that the past years have witness considerable progress in organic farming and the Czech Republic has caught up with western Europe in a number of aspects (harmonization of legislation and adoption of the Organic Farming Act, establishment of a control and certification system, stabilized system of subsidies, etc.). We occupy the first place among candidate countries in organic farming, particularly as regards the areas used by organic farming.

Legislation, control and certification

Act No. 242/2000 Coll. on Organic Farming and on the Amendment to Act No. 368/1992 Coll. on Administrative Charges, as amended, came into effect on 1 January 2001. This law sets forth the conditions of organic farming and of production of organic food products, regulates the system of certification of the origin of organic products and food and of their labelling. At the same time, this law sets up a system of control and supervision over the compliance with its provisions. The principal purpose of this law is to supplement, in the period following the entry of the Czech Republic into the EU, the Council Regulation 2092/91, particularly with regard to administrative procedures. The law is implemented by the Decree of the Ministry of Agriculture No. 53/2001 Coll., which came into effect on 13 February 2001, and the Decree of the Ministry of Agriculture No. 263/2003 Coll., which became effective on 15 September 2003.

The Ministry of Agriculture has entrusted the supervision over the compliance with the law to the organization named Kontrola ekologického zemědělství (KEZ) o.p.s. (Organic Farming Control), which also issues certificates to organic products and food. KEZ o.p.s. is accredited with the Czech Accreditation Institute as a control and certification organization. The European Commission has included the Czech Republic and KEZ o.p.s. in the List of Third Countries, whose system of control and certification of organic farming is compatible with the EU system. Thanks to its control and certification programme, KEZ o.p.s. has been granted worldwide accreditation under the IFOAM Accreditation Programme.

State support of organic farming provided since 1990

The fast development of organic farming and the growth of the number of organic farms in the past years have been due, in particular, to the reintroduction of the state financial support. The first financial funds to subsidize the establishment of farms using organic farming methods were released as early as in the end of 1990. These subsidies were provided until 1992 and were the main reason behind the growth of organic farming areas up to 15,000 hectares. The state support to organic farming stopped in the years 1993-1997 and was renewed in 1998. This was the main reason for the increase of the number of organic farms. The state support has been provided to organic farmers since 1998 under a government regulation setting up programmes of support of non-productive functions of agriculture.

Amount of financial subsidies provided to organic farming in 2003

Crop	Amount of subsidy (CZK/ha)
perennial grasslands	1,000
arable land	2,000
perennial crops	3,500
vegetable on arable land	3,500

Funds provided to organic farming in 1998-2003

Year	Paid funds (CZK)
1998	48,091,000
1999	84,168,000
2000	89,101,971
2001	167,966,104
2002	210,861,131
2003	230,810,809

Basic statistics

As of 1 January 2004, there were a total of 810 organic farmers, both large firms and small private farmers, who farmed a total of 254,995 hectares of agricultural land, i.e. 6 % of the total area of the agricultural land fund of the Czech Republic. A glance at the structure of the land fund used by organic farming shows that the largest area (90.86%) is covered by perennial grasslands; the share of arable land amounted to 7.70 %, perennial crops to 0.36 % and other areas to 1.08 % of the total area. Out of all registered lands, 59,779 hectares of soil were in the conversion period. As of the above date, the Czech Republic had a total of 96 registered producers of organic products and 189 persons were registered as distributors of

organic food and products (more statistical data are available at www.kez.cz). Two associations of organic farmers (Libera, PRO-BIO) are registered in the Czech Republic.

The offer of organic food includes mainly plant products (spelt and buckwheat products, pastry, pasta, dried and fresh fruit, vegetables, teas and spices, wine), milk products (yoghurts, cheese, white cheese, milk) and meat (beef, pork, lamb). Organic food is sold in supermarkets and in retail shops – in a total of approximately 300 points of sale throughout the Czech Republic. 10 to 40 percent of the range of products sold by 50 organic shops registered in the association of organic farmers PRO-BIO are organic food products.

C. Main Goals and Priorities of the Action Plan

Main goals of the Action Plan of the Czech Republic:

- To enhance the position of organic farming in the Czech Republic.
- To increase the positive influence of organic farming on nature and landscape.
- To ensure the viability of organic farms.
- To increase the competitiveness of Czech agriculture in the EU.
- To increase public confidence in organic farmers.
- To promote viable rural farms.
- To improve living conditions and welfare of animals kept at organic farms.
- To ensure protection of organic farming products from contamination of genetically modified organisms.
- To expand economic activities with higher added value.
- To contribute through organic production to the protection of consumer interests.
- To enhance positive perception of the quality of organic food products by consumers.
- To expand the market with organic food products and to increase, together with the growing market, the effectiveness of production and of processing of organic farming products.
- To improve specialised consulting, education and research in the organic farming sector.
- To achieve by 2010 an approx. 10% share of organic farming in the total agricultural land.

Priorities of the Action Plan of the Czech Republic

1. RELATION BETWEEN ORGANIC FARMING, THE ENVIRONMENT AND ANIMAL WELFARE

The link between organic farming and environmental protection is widely understood as a way toward sustainable development. It is, however, a fact that the public is not sufficiently aware of certain positive aspects of organic farming, which have to be continuously explained. Animal welfare is one of the basic principles of organic farming that

has acquired increasing meaning and importance in the past year. Therefore, the Action Plan puts an emphasis on the improvement of the living conditions and welfare of animals, particularly by means of improvement of breeding technologies and nourishment of the animals as factors that affect, for instance, the quality of production. The interest of consumers in the quality of food products in conjunction with the preservation and improvement of the environment and landscape has witnessed a significant increase. The public opinion of the Czech Republic has been changing in line with the change in priorities in the European agriculture, aiming to ensure production of high quality food products and to minimize risk of contamination by undesirable substances.

1.1 State administration priorities

- 1.1.1 To collect and to present to the public a set of data (impact studies) about the impact of organic farming on biodiversity and landscape formation and protection; this concerns, in particular, the MoA, the Ministry of Environment and the Research Institute of Agricultural Economy.
- 1.1.2. To organise public education about the role of organic farming in the protection of the environment and of animals.
- 1.1.3 To prepare a method of control of innocuousness of fodder produced by organic farming in cooperation with the State Veterinary Administration (SVA) and with the Central Agricultural Inspection and Testing Institute (CAITI). The above method shall be prepared with the use of the existing method applied by CAITI in the monitoring of the occurrence of alien substances in fodder.
- 1.1.4 To promote further development of breeding technologies at organic farms, including support of ethologic research.

1.2 Priorities of controlling organizations

- 1.2.1 To improve KEZ Standards in the chapter focusing on the relation between organic farming and the environment (IFOAM Programme).
- 1.2.2 To prepare proposals for stricter monitoring of innocuousness of fodder (by KEZ o.p.s. in cooperation with SVA and CAITI) and to include such monitoring in the controlling activities performed by KEZ o.p.s.
- 1.2.3 To prepare, after the entry into the EU, a material about animal breeding requirements, which will be based on applicable regulations.

1.3. Priorities of non-governmental organizations

- 1.3.1 To prepare for farmers a detailed analysis of the requirement of the Nitrate Directive of the EU and a comparison of the impact of such requirement on organic farming.
- 1.3.2. To prepare the “Code of Organic Farming, Production and Sale of Organic Products”, covering the issues of animal protection, the environment, the appearance of an organic farm and moral aspects of the organic farming business.
- 1.3.4. To collect impact studies concerning the positive impact of organic farming on the environment.
- 1.3.5 To permanently include animal welfare issues into farmer education and work with the public.
- 1.3.6 To propose systemic solution of certified slaughterhouses for animals bred at organic farms, particularly with regard to EU standards and to the number of slaughterhouses in connection with the transport of the animals and the slaughtering method.

2. STRENGTHENING CONSUMER CONFIDENCE - PROMOTION

Enhancing public confidence and permanent informing about organic farming issues and organic quality of food is considered a primary task. In this respect, it is important to explain to consumers the basic differences between organic and conventional farming and between organic and conventional food. At the same time, we have to prevent situations in which such confidence would be lost. It is necessary to gradually involve in trust building activities particularly representatives of the health sector, national statistics and education. Following our entry into the European Union, extensive opportunities in this respect will be provided under the programme of protection of consumers and food quality. In order to increase customer trust in organic farming, it is also important to ensure the absence of genetically modified organisms in organic farming to avoid loss of confidence of consumers, who mostly reject genetically modified food and request that such food is specially marked. Thus, it can be presumed that organic food will enjoy comparative advantage on the market, as it will be sought by consumers due to the absence of genetically modified organisms.

2.1. State administration priorities

- 2.1.1 To incorporate support to promotion and increased dissemination of information among agricultural and non-agricultural public in the proposed structural policy programmes with the aim of increasing consumer confidence in organic farming and organic quality of its products.
- 2.1.2 To ensure drafting and implementation of a strategy of protection of organic farming from contamination by genetically modified organisms.
- 2.1.3 To promote organic farming in strategic state administration documents, to ensure that state administration authorities have enough information about organic farming.
- 2.1.4 To guarantee the existence of a controlling system of organic farming (an ongoing task).
- 2.1.5 To carry out a communication campaign to promote the Action Plan and organic farming, organic food products and the protective label “BIO – organic farming product” (which has been recognized, *inter alia*, also by the government programme “Czech Quality”).
- 2.1.6 To use websites for regular distribution of information.

2.2. Priorities of controlling organizations

- 2.2.1 To increase dissemination of information about results of controls among consumers.
- 2.2.2 To intensify promotion and public education about labelling of organic food products.

2.3. Priorities of non-governmental organizations

- 2.3.1. To prepare and propose the implementation of an ethical code of organic farming and to promote it among consumers.
- 2.3.2. To motivate the interest in forming associations of farmers and processors (e.g. associations of production and marketing cooperatives, establishment of joint retail shops).
- 2.3.3. To ensure promotion and public education relating to organic farming.
- 2.3.4. To prepare a plan for resolution of potential emergencies in organic farming (like the occurrence of prohibited substances in organic farming products, the occurrence of BSE at an organic farm etc.).
- 2.3.5. To introduce such enhanced standards for the association of organic farmers, which will include, for instance, a requirement to introduce a closed organic farm system.
- 2.3.6. To motivate consumers for purchase of organic products.

3. PROCESSING AND MARKETING

The processing and marketing of organic farming products is considered as one of the weakest spots that has crucial importance for further development of organic farming in the Czech Republic. State administration authorities will use the efforts of the marketing department involved in the promotion of Czech food for the support or marketing of organic products. Non-governmental organizations propose in this respect to establish a “BIO Fond”, i.e. a joint fund for marketing of organic products, which would operate, for instance, as a voluntary association of members and in which 1% of revenues would be allocated to advertising. Furthermore, it is necessary to support the establishment of associations of producers and processors, to provide support to regional processors and to influence vendors. It is also desirable to promote investments into the processing of organic food products, to carry out market research and marketing surveys and to incorporate processing and marketing issues into the Code of Organic Farming, Production and Sale of Organic Food Products.

3.1. State administration priorities

- 3.1.1 To incorporate the promotion of the establishment of associations of producers and processors of organic farming products in the draft HRDP.
- 3.1.2 To incorporate organic farming in the tasks of the marketing department involved in the promotion of Czech food products; to prepare a strategy of support and promotion of organic farming products.
- 3.1.3 To ensure that organic farming projects become a priority in the determination of evaluation and selection criteria applied in regional development measures and in the production and processing of regional specialties (Operational programme).
- 3.1.4 To ensure regular collection of market data relating to organic farming.

3.2. Priorities of controlling organizations

- 3.2.1 To impose stricter controlling measures in the processing of animal production.

3.3. Priorities of non-governmental organizations

- 3.3.1 To prepare a detailed plan of coordination and of the establishment of associations of producers and processors with the aim to increase confidence in these associations.
- 3.3.2 To promote establishment of associations of vendors of organic food products and provide sufficient information to them.
- 3.3.3 To initiate communication and cooperation with representatives of retail chains.
- 3.3.4. To establish the “BIO Fond” for support of marketing of organic products and foodstuffs.
- 3.3.5. To improve (simplify) the distribution system of organic farming products, which will result in the reduction of consumer prices (e.g. to enhance direct sale of organic products by the farms to consumers).

4. ABILITY TO DO BUSINESS AND ECONOMIC VIABILITY

The most developed sectors of organic agriculture in the Czech Republic include production of cereals, herb teas and spices, milk and dairy products and beef. On the other hand, there are very few producers of vegetables, fruit, oiliferous plants, pork or poultry. The total area of arable land is also insufficient. Until now, the processing sector has not sufficiently responded to the current development of organic farming and to the available quantities and product offer; only very few enterprises have become involved in their processing. Agricultural enterprises and processors do not have enough experience with the

preparation of sound business plans or with SWOT analyses. This sector also lacks consulting. Increasing the viability of organic farms also requires the use of the regional dimension of organic farming, like the production of regional specialties and agro-tourism.

4.1. State administration priorities

- 4.1.1. To focus, during the elaboration of draft support programmes concerning organic farming and processing of organic food products that are being prepared as part of the structural policies on the support of processing of organic products (particularly fruit, vegetables and meat), animal breeding, diversification of activities (agro-tourism) and production of regional specialties.
- 4.1.2. To make use of viable organic farms in the system of education and consulting for the other farmers.
- 4.1.3. To monitor financial indicators and the effective use of subsidies in organic farming.
- 4.1.4. To support business management consulting activities.

4.2. Priorities of non-governmental organizations

- 4.2.1. To select and support suitable consultants for the preparation of business plans in organic farming, making use of accredited consultants kept in the MoA register.
- 4.2.2. To select viable organic farms as examples of well-prepared business plans in primary agricultural production.
- 4.2.3. To describe and present successful European models of exchange of experience between farmers, producers and dealers.
- 4.2.4. To elaborate an emergency resolution method and mechanism for the enterprises and marketing associations.
- 4.2.5. To expand production diversity in organic farming.
- 4.2.6. To ensure funds for financing of visits of farmers at model organic farms.
- 4.2.7. To support consulting focused on providing assistance to farmers in the fulfilment of the requirements of the administration and control of organic farming.

5. RESEARCH – EDUCATION – CONSULTING

The issue of education and consulting in organic farming is not being sufficiently dealt with. In order to improve this situation, it is necessary to expand the offer of educational and consulting activities, to ensure their good professional level and to stimulate the interest in participating in such activities; to use more ways of disseminating updated information about organic farming in order to make it generally available. To improve the coordination of activities between various sections of the MoA on the one side and research establishments and non-governmental organizations on the other side. At the same time, we recommend using, in the education and consulting sector, the technical and professional background of secondary agricultural schools and universities for the organization of specialized seminars, publication of textbooks etc.

5.1. State administration priorities

- 5.1.1 To provide systematic support to research, education and consulting activities related to organic farming; to regularly include organic farming among priorities of sectoral and national research programmes, like the topics elaborated by the National Agency for Agricultural Research.
- 5.1.2 To support consulting and education in organic farming in the form of short- and long-term programmes and to use in this respect also financing from structural funds (aid provided by Operational programme and HRDP).

- 5.1.3 To organize regular educational seminars for existing and potential organic farmers.
- 5.1.4 To coordinate the current research and educational activities focusing on organic farming and to participate in the preparation and implementation of research priorities, e.g. by initiating the establishment of a research centre for organic farming.
- 5.1.5 In accordance with the Government Resolution No. 1048/2000 on the State Programme of Environmental Training and Education, the MoA will cooperate in organic farming education and training with other ministries (particularly with the Ministry of Education, the Ministry of Health, the Ministry of Environment and the Ministry for Regional Development).

5.2 Priorities of controlling organizations

- 5.2.1 To participate, beginning with 2004, in research activities carried out in the Czech Republic, particularly by providing statistical data collected during the performance of controlling activities designated for research 2004.

5.3 Priorities of non-governmental organizations

- 5.3.1 To analyse educational and consulting requirements of organic farming. To ensure systematic education of farmers in organic farming; to give priority to practical training in these educational activities.
- 5.3.2 To determine priorities in organic farming research.
- 5.3.2 To seek available sources for the development of research and consulting activities in international projects.
- 5.3.4 To ensure the publication of a specialized organic farming journal and the presentation of research results; to consider a possibility to use the existing periodicals.
- 5.3.5 To use websites for regular distribution of information.
- 5.3.6 To establish further associations and to develop cooperation of farmers in ordering consultations in the area of organic farming.
- 5.3.7. To make use of published organic farming textbooks for training purposes and to ensure their update.

6. POLICY TOOLS AND SOLUTIONS

The Action Plan for organic farming is an important instrument of the state policy in the development of organic farming. Similar action plans have been or will be adopted in the nearest future by all EU member states. At the same time, the European Commission has prepared a European Action Plan of the development of organic farming. This is a new important strategy, which is directly linked to the proposed reform of the Common Agricultural Policy of the European Union. The adoption of the Action Plan of the development of organic farming provides to the Czech Republic an opportunity to defend its claim for increased subsidies from the common funds of the EU provided under Pillar II. of the common agricultural policy and the structural policy, and will also allow making full use of the “modulation” principle, thus creating conditions for promotion of competitiveness of the Czech agriculture in Europe. The payments per area, which we know from the existing agricultural policy, have been modified and supplemented by other instruments of the national agricultural policy, based on the new tendencies of the Common Agricultural Policy of the European Union. At the same time, there are proposals to use organic food products by the state administration authorities. Negotiations should be initiated between the employees of state administration authorities and representatives of shops and canteens with regard to the inclusion of organic food into their offer.

6.1 State administration priorities

- 6.1.1 To submit the Action Plan for comments and detailed discussion, particularly at the Ministry of Environment, Ministry of Health, Ministry of Education, Ministry of Industry and Trade and Ministry for Regional Development, and to ask for their active participation in the resolution of the proposed tasks.
- 6.1.2 To submit the Action Plan reviewed by the Government of the Czech Republic for information to the Standing Committee of the European Commission for Organic Farming.
- 6.1.3 The Ministry of Environment will initiate the incorporation of organic farming into the system of state subsidies (for instance subsidies provided by the State Environmental Fund) with the aim of harmonising the support provided to organic farming by the Ministry of Agriculture and the Ministry of Environment.
- 6.1.4 To monitor and assess statistical data about organic farming.
- 6.1.5 To use organic food products as part of the activities of the state administration authorities (e.g. in canteens, cafeterias, as refreshment during meetings, etc.).

6.2 Priorities of controlling organizations

- 6.2.1 To consult the Action Plan with foreign partner organizations and with IFOAM.

6.3 Priorities of non-governmental organizations

- 6.3.1 To cooperate with other European non-governmental organizations in the preparation and updating of the Action Plan. To monitor and request the involvement of non-governmental organizations in the process of preparation and review of the European Action Plan of the development of organic farming and in the negotiations about the future shape of the Common Agricultural Policy of the European Union.
- 6.3.2 To represent and promote the interests of organic farmers and non-profit non-governmental organizations and to inform the state administration authorities about their priorities, measures and needs.
- 6.3.3. To submit the Action Plan for general discussion and comments to all decisive non-governmental organizations, including those operating outside the agricultural sector, and to request their involvement in its implementation.

Appendix - SWOT Analysis of Organic Farming in the Czech Republic

1 Strengths

The strengths are represented by “internal” factors of the organic farming sector, which can be used as a support basis for the development of organic farming

- Many **representatives** of organizations that deal systematically with organic farming issues, are so **dedicated** and so responsible that they can be used as a platform for the implementation of the existing strategies (with a considerable potential for improvement).
- These representatives have adequate **technical background**.
- Organic farming has a functioning **controlling system** (KEZ o.p.s.), which is accredited on the national and on the international level and which also includes feedback mechanisms (dispute resolution etc.).
- There exists in the Czech Republic as **stable group of processors** of dry products (there still exists further potential for the expansion of capacities and the number of processors).
- There are rules **for compliance with the principles of animal welfare**.
- **Organic farming subsidies** have the form of payments per area.
- There exists a **legislative framework for organic farming** (the Organic Farming Act, Council Regulation 2092/91), the wording of which (as well as the wording of related laws and regulations) has to be continuously updated.

2 Weaknesses

The weaknesses are represented by the “internal” factors of the organic farming sectors, which have to be transformed into strengths necessary for the support of the development of organic farming

Weaknesses

- Insufficient degree of **coordination and unified conduct** of the principal players in the promotion of most of the key factors of the development of organic farming (low level of communication and organization; in a number of cases, non-governmental players are not adequate counterparts to the Ministry of Agriculture; the Ministry of Agriculture has only a small team involved in organic farming issues, etc.). The cooperation of the major players has not reached a stage that would enable them to join their experience (and to acquire new experience), as a basis for provision of effective help, advice and assistance to farmers, processors and vendors and to seek financial funds (sponsors, research and development projects etc.) and to finance activities in support of better performance of organic farming.
- There still much to improve in the **attitudes** and opinion of producers, processors, members of marketing organizations, vendors and other players, to put them in line with the organic farming principles (reliability, conviction, example for others etc.), which will facilitate the establishment of marketing links, cooperatives etc.
- **Advertising and promotion:** the logo “BIO – produkt ekologického zemědělství” (BIO-Organic Farming Product) is not familiar for the general public. The

dissemination of adequate lifestyle, the containers, appearance and level of the shops and products are not always helpful to the promotion. The public is not sufficiently familiar with the benefits of organic farming. Public education is not sufficient even inside organic farming. Cooperation with the health sector is also insufficient, the quality concept in organic farming is not sufficiently understood etc.

- **Research, education and consulting** are currently at its beginnings in the Czech Republic. Therefore, the knowledge of the situation and particularly of the causes of certain phenomena is still insufficient. This is reflected, for instance, in the insufficient knowledge of the scope and potential of the market of individual commodities, in the lack of specialized tutors, in the absence of a network of model/research farms and in the insufficient training system of farmers and controllers. It is also necessary to improve planting and animal breeding methods. There is no guidance in the nourishment and feeding of animals at organic farms and in alternative animal medicine, no suitable species and breeds have been tests as regards their suitability for certain regions etc. The above factors are also the causes of insufficient appeal to young people as future consumers.
- **Processing and marketing** have to be extensively developed, and the processing and marketing of certain commodities (meat, milk, etc.) has not exceeded its initial stage. The scattered production is not balanced by adequate marketing organizations (low level of market organization). New processing organizations are not stable research results are not available and marketing has not been sufficiently elaborated and mastered. Newly developed products and alternative methods of sale (e.g. “out of the yard”) are scarce. There are objective obstacles for the processing of certain products at the farm (like conditions for slaughtering and carving of animals at the farm etc.).
- **The relation to the environment** is not being sufficiently highlighted in the communication with consumers and not sufficiently emphasised in farmer training. Organic farming has significant opportunities for the increase of its positive impact on the environment and living nature.
- **Consumer confidence** in organic products and the entire organic farming system **have not been systematically built**, and can be therefore easily shaken in the case of rare failures of the system. There are ample opportunities for the increase of the quality of raw materials, for more focused publication of results of controls and for stricter prosecution of intentional breach of the rules (this requires better cooperation in the monitoring of hygienic quality of organic farming products).
- **Viability and ability of the farmers to do business** are key factors for organic farming as an emerging agricultural sector. A number of farms are unable to sufficiently ensure project financial and to effectively apply for support from structural funds and from the state budget. In brief, many farmers cannot be considered good businessmen.
- The support of **policy instruments** was not stable in the medium past and is not focused until now on certain weaknesses of the development of organic farming.
- The **animal welfare** principles are not complied with, in some cases, to the extent that would be expected in organic farming, which has a negative impact on public opinion and on the overall organic farming image.
- **Cooperation** with a number of important **organizations and state administration authorities** on the national and regional level must be improved (i.e. among regional and local self-government, research institutes and universities).

3 Opportunities

The opportunities are represented by “external” factors of the organic farming sector, which have to be used in support of the development of organic farming

- Application of foreign experience.
- Defence of the Action Plan before the European Commission.
- Consumer confidence and increased perception of organic products by consumers in the Czech Republic and EU countries (the development of consumer basket).
- Cooperation with media.
- Regional specialties (traditional local/regional knowledge or innovations, creation of new products, regional plant species and animal breeds).
- Stability of the policy (in the Czech Republic and in the EU).
- Public support.
- New possibilities to acquire financial support for organic farming.
- Use of conventional structures, particularly of the established market and retail network.
- Entry into the EU – opening of the market, use of new support programmes.
- Introduction of BIO (organic) commodities, opening BIO shops.

4. Threats (risks)

The threats are represented by “external” factors jeopardising the development of organic farming, which have to be overcome.

- “Bio-scandals”.
- Low level of availability of loans on ordinary financial market.
- Unresolved land ownership.
- Low purchasing power of the population.
- WTO (removal of subsidies, policy changes etc.).
- Low stability of the economic environment, market volatility
- Deceptive marking of organic farming products
- Introduction of GMO in Europe and throughout the world.
- Continuing resortism.
- Negative natural and climatic phenomena.
- Continuous low environmental awareness of the population.