

Organic Agriculture in the Czech Republic (Country Report 2011)

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Abstract

The Czech organic farming is continuously growing and has reached almost 12 % of the farmland acreage in the Czech Republic. The main driving force in the development of the organic farming in the Czech Republic are subsidies; which led to the fact that there is mainly grassland in the organic system (82,5 %). Concerning the organic plant production there is a significant increase in the organic viticulture (965 ha), the most important crops are cereals followed by fodder crops. The organic land burden in livestock units is very low (with beef cattle being the most numerous). The share of organic products on the Czech food market is still small (less than 1 %) compared to the developed EU countries and about a half of the sold goods was produced abroad. Organic food is sold mostly in retail chains, nowadays “farmer markets” and “box delivery systems” have become very popular. The Czech Ministry of Agriculture is since 2000 the key-player in the area of organic farming, it is responsible for regulation and supervision of the certifying control bodies and also for official controls in the organic sector (some of this activities are delegated to other bodies). Since 2004, the Czech Republic adopts Action Plans for the Development of Organic Farming (currently for the period of 2011-2015), a strategic document, which is approved by the government. The Czech Republic supports its organic farmers not only in the form of subsidies per ha but also for example in the form of promotion campaigns on organic food.

Zusammenfassung

Der ökologische Landbau in Tschechien wächst fortlaufend und hat inzwischen fast 12 % der landwirtschaftlichen Fläche in der Tschechischen Republik erreicht. Die wichtigste treibende Kraft für die Entwicklung des Öko-Landbaus in der Tschechischen Republik sind Beihilfen; dies führte zu der Tatsache, dass das System des ökologischen Landbaus vor allem durch Grünland (82,5 %) geprägt ist. Betrachtet man die ökologische Pflanzenerzeugung, so ist eine deutliche Ausweitung des biologischen Weinbaus (965 ha) festzustellen. Die wichtigsten Feldfrüchte sind Getreidearten, gefolgt von Kulturen des Feldfutterbaus. Der Viehbesatz im ökologischen Landbau ist sehr niedrig, wobei Fleischrinder überwiegen. Der Anteil ökologisch erzeugter Lebensmittel am gesamten tschechischen Lebensmittelmarkt ist – verglichen mit den hier stärker entwickelten EU-Ländern – noch immer klein (weniger als 1 %). Rund die Hälfte der Erzeugnisse stammt aus dem Ausland. Die meisten Bio-Lebensmittel werden über Handelsketten verkauft, in jüngerer Zeit sind auch Bauernmärkte und Kisten-Liefersysteme („Abo-Kisten“) sehr beliebt geworden. Das tschechische Landwirtschaftsministerium ist seit dem Jahr 2000 der Schlüssel-Akteur auf dem Gebiet des ökologischen Landbaus. Es ist für die Anerkennung und Überwachung der zertifizierenden Kontrollstellen ebenso verantwortlich wie für die offiziellen Kontrollen im Ökolandbau-Sektor (einige der Aktivitäten wurden auf andere Einrichtungen delegiert). Seit dem Jahr 2004 setzt die Tschechische Republik Aktionspläne zur Entwicklung des Ökologischen Landbaus (aktuell

für den Zeitraum 2011-2015) um. Diese stellen ein strategisches Instrument dar, dem die Regierung zugestimmt hat. Die Tschechische Republik unterstützt ihre Bio-Landwirte nicht nur durch flächenbezogene Beihilfen, sondern auch – zum Beispiel – durch Informationskampagnen über ökologisch erzeugte Lebensmittel.

Introduction

Czech organic farming (OF) has undergone development and expansion since 1989. Immediately after the political change in 1990, the first national standards were successfully established. Furthermore, associations of organic farmers were founded and the first acreage subsidies were obtained, which, de facto, launched the brisk development of organic farming. Even the cancellation of OF-targeted subsidies in 1992 did not bring a reduction in the number of organic farmers. The OF sector focused more on sales (the first private sales structures appeared, such as PRO-BIO, Country Life, Sonnentor...), mainly exporting produce at first (especially cereals and herbs). The domestic market was also being established at the same time, focusing on specialised health food shops and education among consumers. In 1993 all OF associations made an agreement with the Czech Ministry of Agriculture (MoA). Unified national directions for organic farming, including the Czech organic logo (the green “Biozebra”), which is valid to this day, were approved. New subsidies were introduced in 1998, this time as part of the first Czech agri-environmental programmes. Since then organic acreage has been continuously expanding, especially that of permanent grassland (in upland areas). Czech OF was stabilised after entry to the EU in 2004 due to the introduction of sustained support within the Czech Rural Development Programme.

Organic farming statistical data

In the Czech Republic (CZ) agriculture is a consolidated branch, playing a lesser role in the country’s economy than in other new EU member-countries and Eastern-European countries. The proportion of agriculture (including forestry and fisheries) is only 2.37 % of total Czech GDP, employing ca. 3 % of the employable population of the Czech Republic. The average size of an agricultural enterprise in CZ is 80 ha (120ha in the organic sector); family farms account for only about 30 % of the acreage.



Fig. 1: *Sowing of organic cereals on a Czech family farm*

This means that besides demand-limited market production, the non-production functions of agriculture are of great importance in CZ, e.g. landscape maintenance. This context helps to explain the considerable support for organic farming (OF) and its greatest expansion on permanent grassland in Less Favoured Areas (LFA).

Tab. 1: *Statistical data on organic farming in the Czech Republic (31.12.2011)*

	31.12.11	31.12.10	31.12.09	31.12.08	31.12.07
Processors	646	626	497	410	253
Farmers	3,920	3,517	2,689	1,834	1,318
Acreage (ha)	482,927	448,202	398,407	341,632	312,890
Share of total farmland acreage in CZ (%)	11.40	10.55	9.38	8.04	7.35
Arable land (ha)	59,281	54,937	44,906	35,178	29,505
Permanent grassland (ha)	398,060	369,272	329,232	281,596	257,899
Orchards (ha)	6,453	5,128	3,678	2,764	1,625
Vineyards (ha)	965	803	645	341	245
Hop-fields (ha)	10	8	8	0	0
Other land (ha)	18,158	18,054	19,890	21,753	23,616

Source: Ministry of Agriculture of the Czech Republic, Yearbook and press release, www.eagri.cz

Organic plant production (2009): On arable land cereals are mostly grown (56 %), 45 % of which are wheat and oats. Fodder crops take up 33 % of total arable land. Legumes are grown on only 3.4 % of arable acreage with peas accounting for more than half of the total legumes produced. Oil crops cover 2.7 % (half of this acreage is mustard). Field vegetables occupy 1.2 % of arable land, two thirds of which is oil pumpkin. Potatoes also occupy a large acreage. We can state in general that the significance of growing market crops on arable land is increasing. There is still great interest in crops that are not typical in conventional farming, such as spelt wheat, buckwheat, emmer wheat or millet. Organic soy beans are also quite popular. In terms of permanent cultures we have registered intense development in organic viticulture (nearly 1000 ha already), which is partly the result of a good advisory service and available ecological plant protectors for vineyards. Unfortunately, 6400 ha of organic orchards do not ensure sufficient production of organic fruit, as the majority of these orchards were not established with the intention of producing fruit but only as a reaction to high acreage subsidies for organic orchards.

Organic livestock: In 2009 a total of 224000 animals were kept under the organic farming system in CZ. This figure comprised of 61 % cattle, 26 % sheep, 11 % poultry, and only 1 % pigs and horses. This, in total, equals 95000 LU (livestock units). Thus the organic land burden

was 0.46 LU/ha in 2009. This is very low and it indicates that farmers in LFAs focus mainly on acreage subsidies while profit from animal husbandry is just a supplement to their income. Beef cattle are the most numerous (63000 animals). There were only 2600 organic dairy cows in 2009. On the other hand, it is precisely the organic dairy market, which has been developed in a very interesting way. There are at least five large dairy plants processing organic cow's milk. In addition to organic milk, fermented milk drinks, curd cheeses, yoghurts and cheeses are available in supermarkets. The market for organic goat's milk is profitable. Sheep are mainly kept for mutton and for landscape maintenance. Organic meat is provided for supermarkets only by the Biopark company which specialises mostly in organic beef and lamb and more recently organic chickens. Biofarma Sasov is a traditional producer of organic pork (including various types of salami).

The organic food market: In 2010 the turnover in the domestic organic food retail market was only 0.70 %. This is very low compared to other advanced EU countries. Moreover, about half of the organic food sold in CZ is imported. On the other hand, CZ exports organic raw materials, with cereals comprising of the largest quantity; medicinal and aromatic herbs are another significant export commodity. Processed organic food is also increasingly exported (especially to Slovakia, Central and Eastern Europe – including non-EU countries). The value of organic food imports to CZ is approximately equal to that of its exports. Sales within CZ: most organic foods are sold in retail chains (67.2 %), also specialised health food shops maintain a good position (19.4 %). The share of pharmacies and chemists has been increasing (7.2 %); public catering has also been developing well (e.g. in schools and specialised restaurants). Traditionally, organic foods are sold directly on farms (now also by means of “box-delivery” systems) – 4 % on organic markets, and since 2010 state-supported “farmers’ markets” have also become very popular. Range of goods: dry products are the best-selling type of organic food (e.g. tea, flour, dried fruits and nuts...) and baby food. These are followed by milk and dairy products, fruit and vegetables and bakery products. Sales of meat are relatively low.

Tab. 2: Statistical data on organic food sales

Sales of organic foods (million €)	Share of total consumption
86	0.70 %

Source: Ministry of Agriculture of the Czech Republic and **Institute of Agricultural Economics and Information** in Prague

Regulation, certification and control in the organic sector

As in all EU countries, Council Regulation (EEC) No. 834/2007 is valid in CZ, including its detailed implementation, i.e. Commission Regulation No. 889/2008. Moreover, a Czech national “Act on Organic Farming” which, after the EU accession, was amended in order not to duplicate the EU rules. The Czech OF Act especially defines the method of registration for organic farmers, processors and organic food traders, as well as penalties for breach of EU rules and the process of inspection in organic farming in CZ. The most powerful body in CZ is the Ministry of Agriculture (MoA) as the competent authority according to Council Regulation (EEC) No. 834/2007.

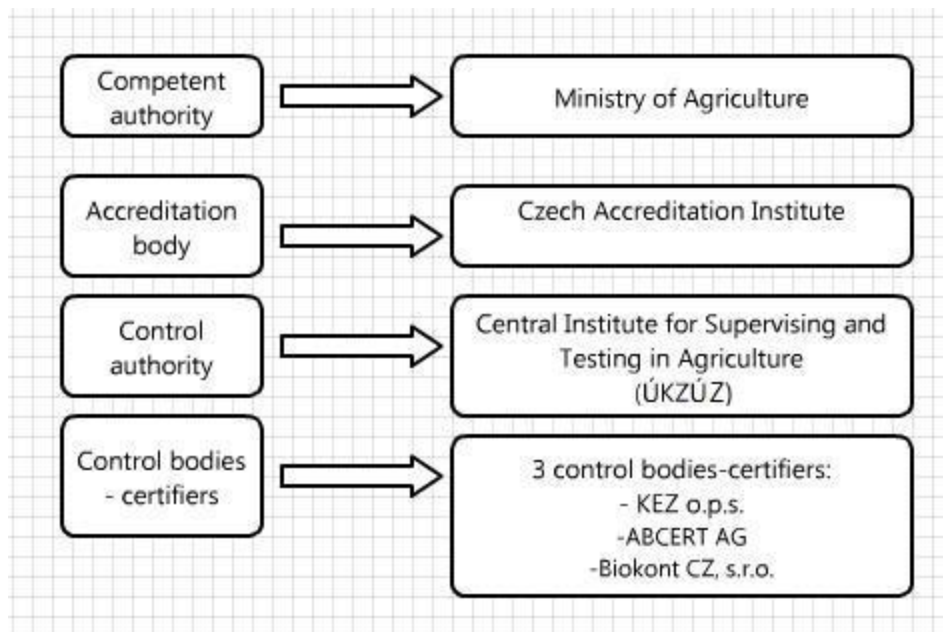


Fig. 2: *Organisations involved in control and certification process of organic farming in the Czech Republic*

The MoA issues a decree in accordance with the OF Act and provides the interpretation of EU rules in the form of procedural instructions. The ministry also carries out supervision of control bodies (CB). The Ministry ensures training for OF inspectors, registration of organic farmers and processors, and is responsible for paying out OF subsidies. The payments are made through an accredited payment agency (SZIF). A supervisory authority has not yet been legally established. In the area of primary agricultural production (plant production and animal husbandry) such a function is performed by ÚKZÚZ Brno (Central Institute for Supervising and Testing in Agriculture), which has been authorised by the Ministry. ÚKZÚZ carries out delegated OF inspections in relation to subsidies and, at the same time, official OF inspections as a state agricultural control body. ÚKZÚZ does not carry out certification, but reports disputes and discrepancies to the MoA. The Ministry then decides on penalties and reports infringements to control bodies. This means that the findings of ÚKZÚZ also have an influence, through the Ministry, on the certification of organic produce. ÚKZÚZ checks ca. 5 % of all organic enterprises per year (on the basis of a risk analysis), thus indirectly checking the work of private control bodies. The Czech control bodies (CB) are private inspection and certification companies, which must be accredited as certifying bodies according to EN 45011 Standard by the Czech Accreditation Institute. The MoA decides on the number of private control bodies in CZ and draws up contracts with them. CBs are selected on the basis of a tender and there are three CBs in CZ at present. KEZ Chrudim is the oldest, followed by the Czech branch of the German ABCert control organisation and the Czech Biokont. All CBs certify both farmers and processors. The CBs compete in selling certification on the basis of price and service. There are also above standard OF regulations in CZ (e.g. PRO-BIO standards set according to Bioland Association or Demeter standards). However, these are not of great significance at the present time.

Czech OF law requires that all Czech-certified produce (including imported goods) must be marked with the Czech national label for organic farming and organic food – the so-called green “Biozebra”.



Fig. 3: Czech national label for organic farming and food (“green Biozebra”)

The label is owned by the Czech State and is available for all certified operators. After the introduction of the obligatory use of the EU organic logo the Czech label is slowly losing **its importance, as it does not provide any other information for the consumer than the EU logo**. The “Biozebra” definitely does not indicate Czech origin of a product as is sometimes misinterpreted by some consumers.

Czech origin is marked by some private labels, such as the Czech flag granted by the Federation of Food and Drink Industries of the Czech Republic. The Czech regional labels are also popular and compliment other organic labeling. The fact that certain agricultural products originate from the Czech Republic can be stated in words and not only a graphical representation (in accordance to Council Regulation (EEC) No. 834/2007 and Commission Regulation (EU) No 271/2010 on European marking of organic produce).



Fig. 4: Official EU label for organic products

Policy support of organic sector

Organic farming in CZ has been supported, in various ways, since 1990. Although the key role was played by the non-governmental sector until 2000 (OF associations, organic food traders, ecology-focused NGOs and also the then monopolist KEZ control body - a public benefit company), the Ministry of Agriculture played the essential role of coordinator. Since 1990 there has continuously been a specialist OF department within the MoA (ca. 4 employees exclusively for OF). The position of Deputy Minister for OF was established twice. In addition to Ministry employees, the Minister or Deputy Minister sets up a “Commission for Organic Farming” to supervise the implementation of the Action Plan of Organic Farming. The Commission consists of several OF operators within the Czech Republic, including NGOs.

Since 2009 the Czech Technology Platform for Organic Agriculture (CTPOA or CZ TP Organics) has been approved by the Ministry, bringing together mainly representatives of agricultural practitioners, organic food traders, schools and research institutes. The Platform is coordinated by Bioinstitut Olomouc.

The strategic document of the department, the Action Plan of the Czech Republic for the Development of Organic Farming, is approved by the Czech Government for a period of five years. The Action Plan is prepared by the “Action Team” appointed by the MoA. Preparation of the Action Plan is financed by the MoA. The new Action Plan was finalised by the Institute of Agricultural Economics and Information (IAEI Prague).

1. The Action Plan of the Czech Republic for the Development of Organic Farming until 2010 was adopted by the Czech Government in 2004. The majority of its aims were fulfilled - especially the achievement of 10 % agricultural acreage under the OF system.
2. The Action Plan of the Czech Republic for the Development of Organic Farming between 2011 and 2015 was adopted by the Czech Government in December 2010. It aims to achieve for example 15 % organic acreage, to increase the share of Czech organic food on the market to at least 60 %, 20 % arable land from organic acreage and to come up to 3 % of organic product from whole food consumption in the country, to improve research and education and to involve other aims towards the improvement and professionalisation of OF in CZ, etc...

Subsidies for organic farming

Subsidies are paid, as in other EU member states within the Rural Development Programme. Organic farming is Programme No. 1 in so-called agri-environmental measures. Subsidies are paid during both the conversion period and, at the same amount, on a permanent basis for the whole acreage of certified farms. The Ministry concludes five year contracts with farmers.

Subsidies

- Subsidy Scheme A1 Organic Farming is defined by **Government Regulation No 79/2007 Coll.**
- Conditions required during the contractual period are defined in §3 and §7 of the **Government Regulation.**
- **155 EUR/ha** other arable land
- **564 EUR/ha** arable land producing vegetables or special herbs (Annex 2 of the Manual)
- **71 EUR/ha** grassland if the applicant does not farm the entire grassland acreage organically
- **89 EUR/ha** grassland if the applicant farms the entire grassland acreage organically
- **849 EUR/ha** hop-fields or vineyards
- **849 EUR/ha** orchards if the orchard is under an intensive fruit-growing system and meets the condition of at least 200 trees or 800 shrubs per 1ha as stated in Annex 2 of the Manual.

510 EUR/ha orchards not meeting at least one of the conditions for the 849 EUR/ha rate

Other subsidies are not per hectare but for investment, research, promotion and education on OF

- Preferential points allowance since 2007 for organic farmers (Axes I and III RDP)
- Modernisation of agricultural holdings
- Setting up of young farmers
- Adding value to agricultural and food products
- Encouragement of tourism activities (agrotourism)
- Diversification of activities in non-agricultural areas
- Subsidies for the Czech Technology Platform for Organic Agriculture

Further government support for OF

- Organic Food 2008-2010 promotion campaign – a total subsidy of 1 million EUR.
The campaign was 50 % financed from the Czech National Budget and 50 % directly from the EU Budget.
- A new Campaign 2012-2014 is being prepared – focusing on the EU logo – implementation is determined by the decision of the European Commission
- Barták Pot and Minister's Awards – support for announcement of the best organic farm of the year and Czech OF personalities
- Organic Food Month – promotion of OF
- Organic Food of the Year – support for the competition
- Support for NGO activities (PRO-BIO, PRO-BIO League – association of consumers, and Bioinstitut)
- European Bioacademy, Biosummit, and Scientific Conference on OF – support for international conferences on OF held in CZ
- OF Programme – directly supported by the MoA from the Czech State Budget within the implementation of the first Action Plan. It focuses on three parts (organic food marketing, development of the organic milk sector and Bioškoly (Organic Schools) project).

Links

<http://www.biospotrebitel.cz>

<http://www.mze.cz>

<http://www.bioinstitut.cz>

<http://www.pro-bio.cz>

<http://www.ctpez.cz>

<http://www.biosummit.eu>

<http://www.bio-info.cz>

<http://www.ukzuz.cz>



Fig. 5: The best Czech organic products 2011 – successfully on the market

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