

FOXES

Šárka Dittrichová
Ivana Heřmanská
Roman Rozsypal

IN THE VINEYARD

Countryside Development Programme
And Causes of Bioproduction Stagnation



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Project

Study of causes of bio-food production stagnation in the CR

Assigned by

Ministry of Agriculture, Department of Environmental Provisions and Renewable Energy Sources

Šárka Dittrichová, Ivana Heřmanská, Roman Rozsypal

FOXES IN THE VINEYARD.

COUNTRYSIDE DEVELOPMENT PROGRAMME AND CAUSES OF BIOPRODUCTION STAGNATION

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INTRODUCTION

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Czech Republic

Assigned by> Ministry of Agriculture, Department of
Environmental Provisions and Renewable
Energy Sources

Written by> Mgr. Šárka Dittrichová,
JUDr. Ivana Heřmanská,
Ing. Roman Rozsypal, CSc.

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METHODOLOGY OF THE STUDY AS ASSIGNED

1. Collection, processing and analysis of experience from ten bio-food producers from the aspect of their possibilities for access to pre-entry financial tools of the European Union (SAPARD).
Sorting out the experience and their generalization into basic topics. Detecting, proving and naming the topics for causes of failures.
2. Proposals of model solutions for financing requirements for farms development that were not filled from SAPARD sources of the EAFRD programme: collecting, sorting and summarization of requirements from farmers, sorting into topics and addressing partners: local project agencies and financial partners.
3. Creating model cross-border MAS including bio-producers, municipalities, businesses, non-profit and special-interest organizations and project proposal compliant with the LEADER programme.

The selected methodical approach to the study corresponds with the selected goal. The basic method is analysis of data collected from particular farmers in the field, then communication and dealing with relevant institution, also some marginal use of statistical data. We have included statements of prominent Czech doctors, scientists and gastronomy experts on the role of bio-products on the local market in the Czech Republic.

As theoretical ground, we used research works by Czech Agricultural University of Prague – Suchdol, mainly: Czech countryside 2005 – Development of countryside community, Czech countryside 2003 – Situation before the joining of EU, Czech countryside 2001 – Institutions I and II, Czech countryside 2002 – Business and undertaking, personal consultations with authors of these researches, also researches of VÚZE Praha (Research Institute of Agricultural Economics): Function of politics in agricultural sector and countryside development before and after joining the EU. We marginally mention results of research of Rezonance and Ministry of Agriculture focused on motivation and plans of ecological farmers from Spring 2006 and some data from the currently running empirical investigation of working and living conditions of bio-producers done by EPOS and Rezonance.

The problems of ecological producers and their conditions of development was also the subject of four-step research. The first part did addressing of all ecological farmers – producers, evaluation of their market share with fresh home-made bioproducts and their plans for the future. The second part was contacting a group of producers selected according to the study task (investments, plans for development, bio-products portfolio). The third part included work in the field, visiting the farms, detailed research of investments and the way of acquiring new production facilities. The fourth part involved summarization of the data and selecting them by certain criteria of availability and verifiability of the information, relevant sample of case spectrum and territorial layout. The last phase presents sorting out

plans and possibilities of particular farms in synergic sequence with plans of local municipalities, businesses, interest and non-profit organizations with regard to found MAS, working of a project BIO region of Northern Borderland from the LEADER programme. For this reason the study was also includes additional information and experience from two existing MAS – Jesenicko and Tanvald.

Collection, selection and sorting of data created a base for the above mentioned analysis. The next step included in the methodical approach is comparison – and that is comparison of data from particular periods of building farms and their “pairing” with particular state programmes of support for countryside and also results of partial researches with reality and EAFRD suggestions.

This part is the most difficult as the topic is on one side very widely established (includes all regions, all commodities of bioproducts, links to historical context of existing farms), but on the other side there is not enough detailed data available to cover the full range of information from the field with evaluation information from theoretical studies and vice versa to find particular data from the field to the general results and statements from available researches in order to compare all partial information for systematic and complete comparison. The available information from foreign sources (such as situation of development of family farms in Hungary, Denmark, Germany or Great Britain) are so general and “vague” and therefore unusable for creating concrete conclusions. But still the authors are trying to understand them and take them into account for the study conclusion and their recommendations.

The form of study should consider its readers – sources. Although the research needs to be accompanied with proof material, the study will try and avoid copying hundreds of tables, forms, applications and legal provisions that would make it boring and unintelligible. Each document will be commented and included only when it becomes relevant and understandable why it is included, what it is related to and what conclusions it brings. On the other side, we want to protect the privacy of the farmers as much as possible. Many of these documents have private character (farm yearly turnover, private investments, etc.) and unless completely necessary we will not list them in detail but rather in percentage, links to increase or decrease compared to other years for better understanding of the farm financial situation but to keep the privacy. Each statement however will be fully available for proof confirmation.

Further in the study we are conformed with the fact that the transformation process of Czech agriculture did not go through without many disappointments, negative emotions, tragic events of private character and critical personal situations that are out of the empirical description but at the same time cannot be really passed by because the basic presupposition of every study related to sustainable development is the presumption of human potential, creativity, hopes, dreams and motivation. We collected many of these

observations and sorted them but in sensitive cases we will prefer a model description of the case.

The conclusion of the study focuses on the development potential of the ecological farmers – processors, their role and place in the EU strategy and their role in the modern Czech society. We are not able to foresee and focus on all factors that might influence the development of bio-food

but we are trying to find a number of different views that should help to see the current evolvement and situation from different angles. In the end of this work we will try to create a synthesizing view of the possible future development of ecological groceries in the Czech Republic with a proposal of 4 schemes focused on the dominant development potential that would correspond with results of the analyses.

DATA COLLECTION PROCESS AND STUDY COMPILATION			
Individual steps are planned so that they could enable flexible reaction to results of particular examination and if necessary add new subjects or change the direction of research in order to satisfy the purpose of the project, i.e. biofood production expansion. As it is quite demanding to get data from the farm (it is necessary to visit every single farm personally several times and track particular data on the spot), the outcome of farm examination is preferred to the easily available information from central institution. Similarly, when deciding whether it is better to focus on the past or the future, information dealing with bioproduction expansion (i.e. future) is preferred. Individual steps do not necessarily have to be consecutive and can run simultaneously.			
I. Data collection and analysis of financing of ten chosen farms (SAPARD programme, loans)		Number of Hours	Terms of Completion
<input type="checkbox"/>	Theoretical preparation (surveys, SAPARD, EAFRD, farms)	50	During 2007
<input type="checkbox"/>	Selection and addressing of ecological farmers – processors	20	By 22/11/ 2006
<input type="checkbox"/>	Drawing up a questionnaire and range of questions for work in the field	10	By 23/11/2006
<input type="checkbox"/>	Addressing central institutions (PGRLE, WSPK, ČS, ČMBRZ)	5	30/1/2007
<input type="checkbox"/>	Negotiation and appointments with institutions	50	31/3/2007
<input type="checkbox"/>	Field investigation on the farms (3 rounds)	150	31/6/2007
<input type="checkbox"/>	Data sorting out and particular conclusions of field investigation	100	31/8/2007
<input type="checkbox"/>	Tracking of theoretical background	20	30/9/2007
<input type="checkbox"/>	Tracking of field data and final review of the list of farms, addition of two MAS	25	15/12/2007
<input type="checkbox"/>	Final division of farms according to the range of problems and final investigation	15	18/12/2007
<input type="checkbox"/>	Processing of investigation and analysis outcome	70	In progress
<input type="checkbox"/>	Coordination of outcome and project partners	20	By 20/12/2007
<input type="checkbox"/>	Conclusions and suggestions	20	By 31/1/2008
<input type="checkbox"/>	Consultation and opponency	10	29/2/2008
<input type="checkbox"/>	Final redaction and study edition	15	20/4/2008
<input type="checkbox"/>	Study completion and printing	0	31/4/2008
<input type="checkbox"/>	Presentation and submitting of the study	5	15/5/2008
II. Plan for particular farms development, MAS establishment, project of BIO Region – Northern Borderland		Počet hodin	Terms of Completion
<input type="checkbox"/>	List of activities planned by particular farms and their joining EAFRD	15	Dec 2007
<input type="checkbox"/>	General suggestions to common farm activities	10	Dec 2006
<input type="checkbox"/>	New solutions for biofood production and sales	20	Jan 2007
<input type="checkbox"/>	Suggestions for non-production activities of farms	20	Jan 2007
<input type="checkbox"/>	Addressing local mayors, businessmen, non-profit associations and interest groups in the region of Northern Borderland	20	Jan 2007
<input type="checkbox"/>	Establishment and legal registration of MAS (committee, members, the seat, aims, organization...)	15	Dec 2004
<input type="checkbox"/>	First outline of the MAS Project		Dec/Jan 2007
<input type="checkbox"/>	Analysis of EAFRD programme for group goals	30	Feb 2008
<input type="checkbox"/>	Addressing partners with specific requirements and suggestions	20	Mar 2008
<input type="checkbox"/>	Addressing a local project agency to draw up a project: stopped, the partners refused cooperation	0	
<input type="checkbox"/>	Meeting potential project investors	0	
<input type="checkbox"/>	Drawing up a proposal for marketing study and research	0	
<input type="checkbox"/>	Proposal presentation	0	





ABOUT AUTHORS

The image features a white background at the top, where the text 'ABOUT AUTHORS' is centered in a black, sans-serif font. Below this, the background transitions into a solid green color. A large, light green, semi-transparent circular shape overlaps the bottom left corner of the green area, creating a layered effect.

ING. ROMAN ROZSYPAL, CSC.

Graduated from Agriculture University in Brno; worked as a research worker in Výzkumný ústav základní agrotechniky in Hrušovany u Brna. In 1989 joined Ecological Agriculture movement, he is a co-founder of NATURVITA Association. Since 1993 responsible for establishment and

management of Ecological Agriculture supervision. Currently a manager of supervising organization Biokont CZ, s. r. o. and a chairman of EPOS Association of Advisors for Czech Ecological Agriculture.

MGR. ŠÁRKA DITTRICHOVÁ



- Originally a journalist (Czech TV, Nova TV – Na vlastní oči programme, Reflex magazine – up to now),
- Creative Manager of McCann-Erickson advertising agency (Clients: Maggi, Blesk),

- Carrefour Hypermarket Manager in Plzeň (a one-year internship specialized in organic products of France),
- Tesco Marketing Manager (e.g. communication strategy and its feedback, design of flyers, catalogues and brochures for sales support of particular commodities),
- Rezonance Author and Manager – project on support of local production focusing on processing and sales of Czech organic farms products
- Founder of Biofood Producers and Processors Club supporting Czech organic farms that do not run business in order to get EU subsidies for ecological land but to produce biofood (20 members),
- Being active in business, politics and journalism, she tries to improve lives of farmers and reduce or simplify state interventions and bureaucracy, increase the production of home-made biofood and its supply to the local market. Her main objective is to draw general public attention to biofood consumption.



FARMS

Šárka Dittrichová



To my Schoolmates





- Input Demographic and Agricultural Data
- Basic Division of Ecological Farms According to Subsidies
- Countryside Development Program (CDP) Structure
- Ten Obstacles to Local Production Development
- Study Sources and Solutions
- Acknowledgments

I step on the brakes in the last minute. To see someone hitchhiking in front of the Chico cinema plus being ten years old at most is rather a surprise.

"Are you OK?" I roll down the window to see him run to the passenger door. Before I take a breath, he sits next to me.

"Hey, you don't even know where I'm going!" I hesitate to start driving. The boy takes a sandwich out of his tracksuit pocket and says:

"You can't go anywhere but to Trávníky or Mařenice this way."

"Yeah? And what if I take the left turn down to Rousínov?" I ask.

"You have a Prague license plate, you would have turned up by the gas station."

"The license plate might be just a cover-up, boy. I could be an agent from Kundera or Drnovce."

I hit the road and in my rear-view mirror I see the broken windows of the former café of the once proud hotel Sever, where I saw Hitchcock's Birds and dad gave a speech on supersonic planes to my classmates a long time ago.

"Polách says that in Drnovce, not even a good goat is born" says the boy and starts crumbling the sandwich over my seat.

"Wise guy, this Polách, where is he from?"

"From Mařenice. I'm just going to see him."

"Well, you are pretty wrong! No Polách family ever lived in Mařenice. Only the Polák family lived there, in the house just next to the Heřmanice junction."

"Yea, that's where Polách lives."

"Listen, you say Polách once more and you're crumbling on the road again. You spend Wednesday afternoons in a car with strangers from Prague instead of sitting at school and you can't even talk properly."

Boy makes face that looks like he might actually survive it through the short way to Mařenice and shuts up. Only in front of the former pub in Trávník he rises and points out: "This is where my mum and dad work. A German guy bought it here and I come to see them in the afternoons and put lentils in the box and when I make some money we go to swim in the Babylon aquacentrum in Liberec with my brother and my parents."

"So you have the bread and the games" and smile for myself: The German and Babylon.

In a jiffy we are in front of the old store in Mařenice. The former store. Now the closed house is the base for beer drinkers – standers.

"How do you get back home?" I ask the boy.

"Doesn't matter. Gotta be home at six."

"Do you know the timetable?" I look back at the sign post next to the old store. "If there's a bus, I'll give you some change."

"Yea, there's a bus" he runs back to the car with his arm stretched forth for the twenty.

"How 'there's-a-bus'? When?" I don't give in so easily.

"One just left" the boy waves his hand to Cvikov.

"And the five-o'clock doesn't go anymore?" I try to remember.

"Only the last one, at eight."

"Wait, why would I give you a twenty when there's no bus?" I take my hand back.

"Maybe there's one going through Mařenický" the boy shows the typical local wit again.

"Don't give me that bull, that was cancelled six years ago when they closed Severka." But I give up, give him the twenty and think where he could spend it over here.

I look in the rear-view mirror to see him wave. He doesn't even look back. He hurries around the statues of three saints down to the village.

I continue up to Krompach. If I am fast enough, I will be up in Hvozď in half an hour and make it for a chat with Krátký family in Lindava before six. The last part of hiking up the border mountain Hvozď looks very dramatic from the Czech side – granite blocks fallen in steep hill balancing among the wind-beaten stubs of dwarf-pines. Only when you gasp all the way out you will see the gentle well-swept road from the German side that ends in the common ground on the peak where the Czech and German border has been formed for ages by a sound German pub. Unequal access to resources, I smile for myself remembering the story that before WWII the pub had a border line drawn in the middle of a table. The first look always goes to the far lowlands of Germany going all the way to Dresden and the high smoke-stacks of the heat power plant near Erfurt. The country of fast cars. I turn towards our country and ... he-hehe ... my eyes sink in the fuzzy blue cones of volcanic eruptive rocks of Lužické Mountains. They breathe with maternal warmth. The resilient wrinkling of silver opalescent hills compensates sufficiently the lack of sea view. What I remember, nothing has changed in this view. Down there the road to Světlá, next to I Krompach, below it Heřmanice and all the way down Kalvářka. A few huts left after the Germans now belong to weekenders. Nothing else can be seen from here. Meadows and pastures like centuries ago. The cows are gone, that's the only difference I glimpse remembering grandpa's pictures on which the cows were laying around although a bit stiff. The rest can be seen only from below.

I jump back down the same way. I meet a German guy sawing a fallen spruce with symptomatic precision to equally sizes logs and piling them up neatly in a taintless trailer. "Good afternoon" I say in a neutral way because certainly he wouldn't understand my expression "The plain draughts the creativity." "Good afternoon" he responds and if I didn't see the license plate on the car, I wouldn't have guessed he's not Czech. Only if you drive all the way down to the villages, you will notice the empty cow-houses, falling roofs and pastures with no cattle, schools with no children, stores with no customers, cinemas with no visitors, hotels with no guests, libraries with no readers, balls with no dancers. At least there's someone in the pub. I can't resist and stop by.

"Is that for real?" I get out of the car to approach this guy that looks like from an old picture I saw as a child on the same spot. Old Pokorný parked his horses and carriage in front of the pub so they could take him by heart back down to Mařenický, straight to his farm. The young one looks just like his old folk.

"Where do you have the horses, Jirka? Wait, I'll take a picture" I take out the cell phone and remember that it's been long since I saw someone run up a hill on a horse like him. He makes

no hero in front of the camera. He actually seems moved for a while. But not for long:

"Hey, the Prague girl! What are you doing here, among us lowlifes?" Láďa has not changed a bit either. He opened the door and pushed us in the pub.

"Do you even know that you can apply for the LEADER programme, mobilization of natural inner development potential of the regions?" I counter his flick without an eye blink.

"What're you talkin' about? One peppermint!" Láďa shouts to the barman.

"Well, you are keeping the cultural heritage of the regional communities here" I say out loud to the whole audience.

"We'd be grateful just to keep our horses and fields" whispers Jirka next to me.

"It's all your fault!" I shout loud. "Anytime I came here with the TV, with the projects, with the lawyer, you were sitting here sipping beer."

"They must know about it up there," Jirka replies.

"What do they have to know? It's not worth a penny that they know something. You gotta fight for your horses!"

"Look, your husband's coming!" Láďa fortunately interrupts us just like when we were eight. "Aaah, Mr. Mayor." Jirka makes space next to me. Who else could be in the local council than Pavel?

"Hi."

"Hi."

"What're you doing?"

"I finished that ditch behind the barn."

"Nice. What about your wife?"

"Alright," he turns his eyes to the table corner.

"And what about Katka?"

"She'll start working in Varta in Lípa." Now I turn my eyes.

Katka. As the young lady Godona she rode a horse naked with our Kristýna through the woods over the meadow. Varta! I don't dig deep in the wound. I know how it was with the

pastures around the forest house. And those under Kalvářka. And behind the steel-shed, on the way to Heřmanice. And those around the old cow house. The auctions. Subsidies. Subsidies and auctions.

How can a guy with a horse fight a guy with a Jeep? I reply to my own question. A guy with a heart against a guy with a brain. A guy who knows how to pull out a cow from the pond against a guy who speaks English and has money to hire a lawyer?

"Two singles and a bottle of beer." I turn and I see the boy from my car.

"I'll give you two singles – give me back my twenty!" I start at him.

"See, the fun is over" Láďa says to the boy in a stoic way.

"What fun, it's my money!" I pull out the twenty from a sweaty palm.

"Just like my old lady – my money" Láďa helplessly shakes his arms and the full bar is laughing out loud.

"Alright, we're going. It's gonna be five soon." I pull the boy out.

"Say hello in Prague!" Láďa shouts from the table.

"Right, everyone is curious about you in Prague." I close the door and look in the empty windows of the school over the street.

What would they teach Polák in there?

Just the basic facts

The Czech Republic has 78,860 sq km, out of which 99.37% are countryside areas. It is in total 78,370 km with 88.5% of the Czech population.

- 54% is agricultural soil. According to ČSÚ (Czech Statistical Office) it is 4,259 hectares
- Ministry of Agriculture pays subsidies on 3,526 ha of agricultural soil registered in LPIS (Land Parcel Information System)
- Half of them, 1,746 ha, are LFA (Less favored areas), in the Czech Republic these are mostly foothill regions – the former Sudetes.*
- In 2006, SZIF (State Agricultural Intervention Fund), payment agency of Ministry of Agriculture, paid subsidies of 2770 mil CZK on LFA permanent herbage (on average it is 3,837 CZK / ha)**
- In 2006, the total volume of direct payments (agricultural subsidies per hectare of agricultural soil) was 16,157 mil CZK
- 90% of soil registered in EZ (Ecological agriculture) is in LFA, system, which receives ecological agro-environmental subsidies.
- 7.21% of Czech agricultural soil is registered for agro-ecological purposes (330 thousand ha).
- 400 thousand ha of agricultural soil was privatized by Pozemkové fondy ČR (Land Funds of the Czech Republic) by means of public auctions. It is about 10% of all Czech agricultural land.
- 80% of this land was in foothill and border areas, the former Sudetes
- The price of this state-subsidized land intended for countryside development was on average 1.5 CZK / sq m, on average 15,000 CZK / ha



- Ministry of Agriculture sells this land through Land Funds on loan with interest-free repayments for up to 30 years
- Only minimum of auctioned land ended in the hands of local people***
- 100% of this auctioned land is in EZ (Ecological Agriculture) system
- 100% of this soil can be found in LFA, with subsidies of 3,837 CZK/ha on average****
- Communities in these areas have density lower than 150 people/sq km and make 71% of whole state area. More than one fourth of our inhabitants lives there.
- There are 3,700 communities with fewer than 500 people, which is 56% of all Czech communities and these are also the most affected by depopulation*****
- These communities are mostly found in foothill areas where most social benefits are paid, most of the unemployed are women. 60% of local people commute to work.
- 1,400 farms are registered in ecological agriculture.
- The average size of a European farm is under 40 ha.
- The average size of a Czech farm is 91 ha.
- The average size of a Czech ecological farm is 214 ha.
- The maximum size of a Holland ecological farm allowed by state is 60 ha.
- One family processing ecofarm in Holland employs 4 people on average
- Our area of ecological land would employ 20,800 people in Holland.
- Only 3,300 people are employed in ecological agriculture in the Czech Republic. *****
- The consumption of biofood rises every year and is now about 15% in EU
- In the Czech Republic it is less than 1%. About 65% of all bio-products is imported.
- Each tax-payer subsidizes 120 CZK per kilogram of beef.
- The production of 1 kg of bio goat cheese needs 200 CZK of technological fixed costs according to KHS (Regional Hygienic Authority) and KVS (Regional Veterinary Authority) requirements.
- In the whole Czech Republic, bio cabbage is grown on 0.88 ha, bio cucumbers on 0.56 ha, bio tomatoes on 0.41 ha.
- In 2007, the whole Czech Republic has grown 1 ton of peppers, 210 kg of beans, 740 kg of cabbage, 1,200 kg of butter, 8,706 tons of beef on 330,000 eco-hectares.
- Livestock makes up 65% (115,000 pcs), sheep 27% (40,000 pcs), goats 2.2% (3,332 pcs), pigs 0.8% (1,400 pcs) and poultry 2.8% of our ecological agriculture.
- In 2007 the whole Czech ecological agriculture produced 10.7 thousand litres of bio-milk and 0 litres of sheep milk. (347 thousand of goat milk).

* 14% of LFA are foothill regions (600m above sea level, steepness over 15%) 29% is soil with less than 80% productivity of the average, population density is under 75 per sq km, 7% foothill and mountain areas with holiday facilities

** LFA is divided into 959 thousand hectares of arable soil, 780 thousand hectares of permanent herbage, 7 thousand hec-

tares of orchards, vineyards and others (source: Countryside Development Programme)

*** E.g. 2005 Sale analysis in Česká Lípa region shows that when parcel numbers of sold land are matched with lists of ownership, 70% of all sold land (1,623 ha) is now owned by an organized Prague group of lawyers and economists. After the deduction of the land transferred to local owners without auction, the final land ownership ratio between Prague group and local people is 98 : 2 (Source: Land Fund Česká Lípa)

**** Subsidies on a hectare of this auctioned land are up to 15,000 CZK per year, which means that the investment earns about 300% in five years (Source: Prachatice state police and Jihočeská University, Faculty of Agriculture)

***** There are 20% of communities with less than 1000 people. Together with communities with less than 500 people it makes 76% of Czech communities under 1000 people in which 17% of people live. (Source: Czech Agriculture University, Faculty of Economics and Management)

***** In 2006/7 1,078 family members (777 full-time) and 2,353 permanent employees were employed on 1,400 ecological farms and 330 thousand hectares of ecological soil and 7 % of agricultural soil in the Czech Republic. Out of this number there were 898 processors and 152 producers. 28 people for meat processing (0 for poultry), 23 for fruits and vegetables, 12 for drinks and juices, 3 for wine, 11 grain, 32 pastries, 17 the others (Source: The Research Institute of Agricultural Economics)

What preceded the study and what are the used data

The study is divided into 2 parts:

1. What preceded the study
2. The data used in the study

1. The 2005 nationwide survey of ecological farms organized by Ministry of Agriculture and Bioprocessors Club dealt with ecological farms potential concerning possible biofood production and the subsequent influence of subsidies on farm economy. The crucial moment was the crossing of farmer motivation and state politics of development.

A field survey showed that there is no special plan in Countryside Development Programme for 3% of those established biofood producers or there is no modification of the present programme to guarantee the programme is also for them (the detailed summary of subsidies division between these groups is shown in the document by Roman Rozsypal)

For further studies, it is necessary to know at least generally the Countryside Development Programme (further only as CDP) for 2007–2012 submitted by Ministry of Agriculture to the government in autumn 2007 and approved by the government. The Programme divided the subsidies into agriculture into four pillars.

OSA I – Competitiveness

OSA II – Environment and landscape improvement

OSA III – Quality of life in countryside regions

OSA IV – LEADER – Countryside communities preservation

We can already see the problems in this first division. E.g. CDP incorporated the biofood production support

%	Category	Potential
5 %	"Worst accessible" (Horyna family)	Isolated (mountain) farms, not able to survive without help, most sales from the farm, no employees. Microcompanies with traditional production and processing for owners survival, no possibility of growth. Subsidies share on farm survival – 30 %
30 %	"Consuming" (Companies with more than a half of permanent herbage)	Farms which did not join ecological agriculture with the aim to live in the countryside and make their living through farming. Subsidies share on farm profit and loss account – up to 95 %.
62 %	"Searching" (I. Krátký)	Farms which see the opportunity in ecological farming and decide which direction to take. They are willing to conform, produce what is supported and demanded. (Other farmers in this group are "ready" to cross from conventional agriculture.) Subsidies share on farm annual turnover: 50 %
3 %	"Established producers" ("clubbers")	Members of the Farmers and Processors Club. These farms know how to produce biofood successfully and are the example for those who are deciding. Subsidies share on annual turnover: 20–40 %

into the section of conventional farmers support in OSA I – Competitiveness. (I.1.1 – Companies modernization, I.1.3. Added value, I.1.3.2. New products development, I.3.2 Young farmer, I.3.3. Early termination)

The concept of competitiveness is based on the view of Ministry of Agriculture, which means that only big companies are able to survive on the market. CDP itself draws attention to the necessity of compromise between OSA I and OSA II and takes "ecological" OSA II as a favor to the large "competitive" (still heavily subsidized though) companies from OSA I.

(Compare: Countryside Development Programme, page 37: "...division of allocation between OSAs reflects the political compromise which ... expresses the balance between nature and environment (OSA II) on one side, and competitiveness and business activities (OSA I and III) on the other side...")

This reminds us of real socialism statements such as "the Krušné Mountains are the victim of scientific-technical revolution". No economical theory can support the thesis that only big companies can survive on the market and the easiest question to ask is: "What do the small companies do on the market which is not regulated by Ministry of Agriculture?" The average size of an EU farm is under 50 ha and European agricultural politics is made for these farms.

Nevertheless, the Ministry of Agriculture, which does not simply understand European agricultural politics that is all ecological and all noncompetitive and therefore subsidized, forces (ecological) farmers into not-ecological collective farming with maximum amount of land and raw materials used. The fact that ecological agriculture itself is extensive, careful, dispersed (family farms with small production) and expensive (biofood processing takes traditional and therefore limited production procedures into account), not monothematic (one farm produces cheese, butter, etc.) is forgotten by Ministry of Agriculture and so is the opportunity of bioproducers making their living in foothill regions.

Finally, subsequent classification points (missing in the Programme, although being the real source of money from OSA I programmes) usually cause that ecological producers are not allowed to participate in the "competition for subsidies".

OSA II – Environment and Landscape Improvement – deals exclusively with subsidies given on square area (of course without any possibility of investments into farm building, processing, sales or marketing). CDP mixes environmental projects of conservationists (NATURA 2000 and water service) together with arable land farming and vegetables growing.

The paragraph about biofood supply and demand (NAZV) can be found somewhere in CDP appendices, the paragraph about vegetables, fruits and grain production subsidies is next to wading bird protection. Land subsidies only, not bioproducts subsidies.

Ecological processing is through OSA I and II pushed further to OSA III (Quality of life in countryside regions), even though the strategies of OSA III are similar to SAPARD, LEADER and MAS programmes which did not work. In fact, the complaints about them have been piling up in Ministry of Agriculture since 2005 as not a single farmer – bioprocessor could reach MAS and SAPARD. Farmers do not see any positives in CDP as it is made by the same people in the same way as before and does not start production or business.

CDP suggestions are so incomprehensible and confusing (written in the language of programme and not countryside) that not a single farmer – processor is able to understand them, to see the cohesion or to find the aims of taken measures. 62% of "searching" ecological farmers who expect the state to show them how to farm in the countryside first come to ask established ecological processors whose experience is described in the study and who will discourage them from biofood processing completely.

Experienced biofood producers described in this study are as confused by the CDP and its never-ending changes as any occasional reader. Moreover, the current management of Ministry of Agriculture wants to satisfy everyone using the tax payers money and keeps adding appendices into the Programme which are based on original patterns questionable from the very beginning and misleading in its very motto "At first we have to earn money for ecology".

E.g. As soon as the CDP was approved by the government after its two years long preparation, new management of Ministry of Agriculture reduced subsidies on herbage (that were overvalued thanks to manipulation with num-

bers) in order to increase them several months later. Afterwards it added points to biofood processors applications asking for support in order to take these points back a few weeks later. Later on it claimed to support biofood production but no one has yet suggested how and “grass” is still the most profitable product. The result is inevitable: those who do nothing, our “subsidies consumers” from the second group, profit most from such programme.

Data used in the study

Until spring 2005 I was in contact with ecological farmers-biofood processors only on business. I saw their life in two dimensions: as a raster of differences between their lives and life in the city. I did not focus on other things. No one in the Czech Republic can think that to start a company in 2002 was easy. It was three years of street adventure in which the winner can be only a person who knows the streets as well as a farmer knows his land and cows.

After one of my suppliers, farmer Josef Šourek from Plavý u Tanvaldu, lost his certificate of bioproducts in April 2005 because of the mistake in the legislature, I spent a month calling all institutions which deal with ecological agriculture hoping that someone will take on the case and solve it. Then I was looking for a journalist to publish the case. At the beginning of June I took the case myself. At that time I did not know I started a difficult three-year period during which a month would not pass without solving another crisis on a different farm.

I visited bank managers with farmers asking for the delay of payments. I called the Ministry of Agriculture to issue a document saying that the administrative mistake caused delay of subsidies payments and therefore the farmer is not guilty of not paying the invoices. I wrote complaints to veterinary authorities about the farm cattle maltreatments, took part in public auctions and watched the young farmers' chance for starting their farms vanish, I rented moving vans to move the cattle so it wouldn't die of hunger in a country with hundreds of thousands of hectares of pastures and meadows. I hired lawyers for cases created with the purpose to destroy unsuspecting small farmers, I sat at trials where the authors of professional expertise were interrogated instead of the suspects. I called to newspaper offices around the country to pick up the cases in which the ordinary farmers cannot enter their own house, cannot continue their work that took many years of their lives, cannot keep carry on business and live in the countryside.

After some time I found out the topics started repeating. I did not have to start each case from zero, I could start copying from myself. I bought a folder and started to sort the materials: complaints to SZIF (State Agricultural Intervention Fund) with no response, unreasonable demands on technological equipment of processing areas, brutality of hygienic and veterinary attacks in small manufacturing, absurd conditions and criteria of farm support programmes, low awareness, confusion, hanky-panky with Operational programs applications scoring, bureaucracy damaging processors, mistakes in subsidies payments, inac-

cessibility of sources, changes of rules after projects deadline, impossibility to be heard and violation of tripartite rule, criminality, corruption, bad laws, animals maltreatment, consumers and businessmen complaints, slowness, arrogance, unnecessary strict sanctions. The folder was getting thicker and thicker and after some time no new topic appeared. The number of topics was fixed on ten. The next period started.

I was thinking about all topics and tried to find the connections between them. I was thinking about how to solve them, looking for advisors, lawyers and economists. When visiting the farms, I was asking more questions and went through the old problems again to find connections. I exchanged hundreds of emails with the farmers, we spent tens of thousands on the phone calls. Then we started to generalize the cases and look for roots of the problems. The legislature problems with SZIF (State Agricultural Intervention Fund) and Land Funds were taken on by JUDr. Heřmanská and Ing. Roman Rozsypal, the director of supervising institution Biokont and UZPI watched the impacts of policies of Ministry of Agriculture on the ecofarmers community in time periods defined by changes in the subsidies strategy.

After all the problems were named, filed and proved, we all started calling for the solutions. This is how we spent most of 2006 and 2007.

With JUDr. Heřmanská, ing. Rozsypal and the farmers we started visiting the relevant institutions and submit the results of the field survey: SZIF (State Agricultural Intervention Fund, responsible for the subsidies payments), PGRLF (an institution created for agricultural farms financing), Agrarian Chamber, Private Farmers Federation, veterinary authorities, land funds and last but not least, most importantly Ministry of Agriculture – from ministers and their advisors to directors and various departments – such as press, legal and finally ecological department. We attended tens of meetings and seminars, initiated countless meetings, created piles of petitions, suggestions, complaints and interpellations. The farmers from the whole country were meeting and supporting particular theses, applications or just each other. However, the institutions stayed resistant to these piles of material. While we were working on the study, four ministries changed and so did management of the Ministry, SZIF and other institutions and no one wanted to hear about the mistakes of their former colleagues. We soon realized that we are following the footsteps of those who were complaining in the course of last 19 years to the same institutions and whose names have dropped into the bottomless folders and drawers. We understood that we cannot solve the problem by ourselves. But we still did not give up during this phase.

Ten subjects

Talmud teaches that if we save one, we save all. We selected 12 farms whose stories we could use for creating crisis management for saving the countryside from the Countryside Development Programme. Two did not agree to publish their traumatic experience, two asked us to stop the

	Range of Problems:	Name of Chapter
1.	Missing strategy of agricultural politics: We don't want the European and we don't have our own. While in Germany there is a strategy for up to 2013, we don't know what will be done this autumn. Whether we will support the processing and large cattle keeping or start grassing and play the expensive game of ecologists and consumers of social benefits or start producing but will not have enough crops for feeding animals because we just grassed the arable soil. The Law on Ecological Farming, CDP and Ecological Agriculture Vision are constantly changing documents that by patching the old mistakes repeat the previous ones and create new mistakes.	Acknowledgements BIO region The only one (Josef Šourek)
2.	Land as the main production factor in agriculture: Privatization of agricultural soil in the countryside and mainly in the foothill regions operates with the naivety and unawareness of the locals. The Law on Agricultural Soil Privatization has many open spaces and even after years of objections from local mayors and farmers addressed to Ministry of Agriculture in legal analysis, causes publicized in the media and personal stories cannot be changed. The methods of public auctions help organized groups to get local people out of the game, while these people have no other real option to make their living. Even after repeated requests we don't know who benefits most from the auctions, progress on corruption investigation in the Land Fund is not to be seen and consequences of these privatization methods are unclear.	Analysis of JUDr. Heřmanská Lužické Mountains Welcome to the Czech Republic Land as a good investment
3.	Method of subsidies calculation: We repeatedly ask Ministry of Agriculture to create an analysis on impacts of current agriculture policies "flat payments per area" on the life in countryside and its development. We would like to know the flows of this money and opinions of local mayors on how much money really stays in the foothill regions and how they are used: how many work places were created, how many stores with local goods and foods there are, how many accommodation places for agrotourism. How many of the soil owners are local and how many are non-residential and what are their differences, what is the impact of agricultural subsidies on the landscape urbanism, on building reconstructions, on building of new agricultural facilities and business development in general.	Foxes in the vineyard The only one BIO region Land as a good investment
4.	Administration ways of subsidies: Thousands of working hours of our methodologists bring no other profit other than creating a comfortable life of the methodologists. As the chaos in applications for subsidies and the number of supervision points is growing, the number of regional and field workers is increasing and proportionally their quality is decreasing. The control parameters of this constantly growing group of less and less independently working workforce must be becoming more and more simple. Digitalized and impersonal systems they operate are more and more faulty and far from reality. This tension between the spontaneous life and bureaucratic practice disqualifies any new and original ideas from the ordinary agricultural and countryside life and business. We are currently in a situation where we cannot administratively solve how to produce home made goat sausages and garlic spread on family farms. The subsidies are leaving the countryside in empty trains while ordinary people have to walk the well trodden path.	Foxes in the vineyard Pěnčín necklace Welcome to the Czech Republic
5.	Evaluating applications and paying the subsidies – SZIF (State Agricultural Intervention Fund): The laws and legislature we have are good, less good and bad. And we expound them in a good way, questionably or wrongly. And in the center of this crossing we have the farmer who suffers the hard knocks not adequate to his offence. A young shepherd from the Beskyd Mountains does not receive the yearly subsidies on which his whole young family depends for exceeding the cattle unit by 0.2, which equals to about one leg of a sheep. Another farmer does not receive the subsidies because the supervision software evaluated that he has no animals on his farm. Before he is able to prove it is an administrative mistake, he doesn't pay his loan to the bank and his farm goes to auction. A different farm filled out an application for subsidy worth 1 million CZK and one field is filled in a wrong way and the whole payment is stopped. An unequal situation where in each dispute, the institutions and government are superior and if there is a mistake, the citizen is the only one to pay for it. This is a constantly underestimated aspect of agricultural subsidy politics where the state deprives the farmers of millions of CZK without them having a chance for an appeal.	Analysis of JUDr. Heřmanská Businesswoman Emílie The only one

activity in final phase of the project. As the tenth project we created one hypothetical – a project that grew up on basis of reading the CDP and copying its theses.

While in the Anglo-Saxon countries they start to solve the system mistakes from the smallest, we soon encountered a different question: Why to save someone when everyone else is throwing him over board? Because we believe we are Europeans. We repeatedly submit a detailed analysis

of 10 farms to Ministry of Agriculture. These 10 farms conduct their business without any excessive tax-payer money while being highly beneficial to the countryside community, environment, urbanism, cultural heritage and keeping the traditions. These are the farms on which Ministry of Agriculture demonstrates its CDP programme. The table shows the names of chapters that deal with the problems in detail.

6.	Veterinary and hygienic standards: In the time when we have big discussions about a 30 CZK payment at the doctor's, we have family processing places with one employee visited by audits of six people. We have no records of these audits, where we could source the comments of processors. We knew nothing about their complaints, comments, problems and obstacles. We had no chance for the past five years to read that a kilogram of goat cheese from a family farm is burdened with fixed and irrevocable costs of 200 CZK due to the current legal requirements of the state. These costs are not reimbursed in any aspect – neither investment nor operational. On the contrary each kilogram of bio beef is subsidized by 300 CZK without any regard to whether the collapsing cow-house defaces the village and there is no demands for the meat. In 2008 we still have no methodology for family-based processing and we require a small farmer to have the same equipment as a hypermarket store. Even though under these conditions the home processing is inaccessible for the countryside families for technical, economical and personal reasons, we have no chance to read in materials from Ministry of Agriculture that the small farm business in the Czech Republic is just not possible.	Pěnčín necklace Anna and the tiger
7.	Access to resources – SAPARD, PRV: The agricultural subsidies are decided by pressure groups that either do the work of Ministry of Agriculture and submit the data needed for distribution of subsidies, or they reach their objectives by direct pressure to which the Ministry is not able to resist even despite of the presented arguments. This yielding to one group leads to the must of yielding to another group and its consequences are constantly more expensive agriculture for the tax payers, constantly more expensive groceries and constantly more miserable countryside. In its Countryside Development Programme the Ministry openly conserves the socialist way of farm business in large companies that continue with their destructive social patterns and subsidies-based farm economy.	Businesswoman Emílie The only one Anna and the tiger Lužické Mountains...
8.	Access to information: The countryside people always find out about where the state subsidies will go only after the money has been divided in the headquarters including the properties and conditions tied to this. Since subsidies, as they are understood by the Ministry of Agriculture, are artificial interference with the countryside community and its natural development, the countryside is getting into more isolation – it is being disconnected from culture, services and supplying. The processors crippled by bureaucracy are more and more behind their business counterparts and more and more helpless. The inner isolation creates outside isolation too. Our farmer lives in the EU, but outside its legislative, methodological and economical scope. Preventing the arrival of foreign capital in the agriculture but opening door for it in industry, trade, traveling, culture, etc. is just destructive for the countryside. We have closed the agriculture hermetically in the past and we closed its door to the future.	Lužické Mountains BIO region The only one
9.	Abusing and torturing the animals: The local people testimonies, numerous reporting, hundreds of photographs show that we are clueless when facing negligence of cattle care but also its torturing and mass liquidation. And all of that in the system of ecological agriculture that has the well-being of animals on top of its agenda.	Welcome to the Czech Republic Lužické Mountains
10.	Consumers and their interests: Veterinary and hygienic authorities and the Food and Agriculture Inspection often mention the interest of consumers when defending their interventions into private business in agriculture. The reality is very often reverse and they harm the consumer's interests by their actions. Sterilization and conservation as well as importing food is not in the interest of the consumer in the same way the consumed subsidies.	The only one Pěnčín necklace Bio region

Apologies

I would like to apologize to my readers for the following list of deviations from good manners and to explain how they originated:

“One-sidedness“. Social anthropology has come to understanding that a community can be watched only from its inside. Therefore we don't explore the Indians through Christianity but through views of shamanism and totem rituals. I had the honor to be able to enter the farm communities for two years and tell their stories from their point of view. I could also access the center of authorities, supervising institutions and “non-profitable” organization from the “other side” and tell their side of the stories “objectively”. But they do, unlike the family farms, communicate with us only through their deputies and press spokespersons. They have the budgets, grants and PR agencies to

write their own versions of countryside stories and they eagerly do so. The reader cannot mistake their angle of view by chance, as it can be simply seen on the websites of Ministry of Agriculture, PRO-BIO or Green Marketing.

“Proclamations“. My opinions are marked (in green color) in the text and that is my way to draw attention to texts which are synthesis of my present experience with particular topic. They are not important for the understanding of the study aims. How they came to existence: during the lectures that I attended with my study, I always took care that the young people look for the causes of the given situation themselves and see it in context. These inserted parts are results of our discussions. At one moment I thought that my study was too difficult to understand and that I only give ammunition to my “opponents with no arguments” and quiet the voice of the farmers, I heard two students saying: “Read the green parts, they are interest-

ing.” Therefore I kept my ideas. Maybe during time they will be extended by thoughts of my readers.

“Repeating”. I know myself how annoying it is to read a text where the same information comes up again and again. But this book is “ecological” and it is a book of context. If a journalist or a farmer calls me with a problem with the veterinary authority or regional government, with a product or name and I send him a certain chapter with the context missing and there will be no triggers of the problem, we are wasting our time. And since “no one has no time for anything” I cannot send 350 pages of research materials but I prefer to put the related information and links to each chapter.

“Invasiveness of some parts” comes from my despair and hopelessness. I am a woman and therefore often an emotional being and my emotions primarily come from compassion. And on the contrary, if there was no compassion, this study would never be done. We called the veterinary authority ten times that in their region there are “ecological farms” with brutal torturing of animals and gravid cows are run over alive with tractors. Or we heard ourselves the police threatening the witnesses and influencing the expert’s reports to help ruin the small farms making favors to large companies who committed crimes themselves. Or we heard about the manager of Land Funds threatening the small farmers that if they file their complaints, they will not be able to buy a single square meter in their region. Then during those sleepless nights, my Power Book G4 became the only witness of my despair and anger. Considering that I created the whole study on my own expenses, that our companies have sponsored it including the printing and internet presentation (with support of friends, sponsors and farms, of course), then I believe that I can afford a little bit of “keeping authenticity of author’s emotions” unlike those who have no such friends, sponsors and companies and therefore certain freedom. And I also believe that I can find sensitive readers who will understand.

“Inaccuracy”: What is and what is not true can be proved on the farms that have their own archives and documents, also at the Ministry of Agriculture where every citizen has the right to obtain all data and numbers of all parts of the CDP programme including methods of calculating the subsidies, formulation of conditions for getting them and their history and price... The same goes for all other numbers. We have our own archive of two years of requests in which we ask the Ministry and PRO-BIO for this data systematically. When we did not get any response, we calculated with data from sources available, considering that the accurate numbers will be added by those responsible and paid for it.

“Resources”. In this point I must agree with farmer Josef Šourek from Plavy talking about theoretical support of his life in the countryside: “I haven’t read anything I didn’t know before. But that does not mean I am ignorant.” I have read or browsed through (and soon forgot) thousands of pages of studies about countryside and agriculture develop-

ment. A colleague from the “Týden” magazine even asked me recently if I had ever studied the Agricultural University. But since I do not quote these sources intentionally apart from minor exceptions and I am not part of the community where they were created I do not refer to them, instead we repeatedly call the attention to the fact that on the map of studies of our countryside there are still large empty spaces. Otherwise the main and basic goal of this study is to modify as little as possible the statements of the real teachers of practical agriculture and a 20-year history of Countryside Development Programmes – our farmers.

Acknowledgements:

This more than one year’s work has been influenced by the environs and vice versa, the environs influenced the work.

This study has drawn from the bottom of my heart, where I found the courage, persistence, support, comfort and delight.

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But my biggest thanks and great respect goes to the farmers, founders of the Czech ecological agriculture and bioprocessors, my good friends. Hopefully, justice will be served.



Farmer:> **Jarmila Abrlová, Josef Abrle (husband),
Josef Abrle (son)**

Contact:> josef.abrle@tiscali.cz

Qualification:> Josef: Agricultural University, Jarmila:
Secondary School specialized in agriculture,
Josef (son): Secondary School specialized in
agriculture

Place of business:> Pavlov

Subject of business:> bio wine and bio herbs

Property:> 5.5 ha of land for herbs, the same for grapes,
grape processing facilities, storage, building of
new facilities for herbs drying and storing.

Property acquired:> one-family house in Pavlov built by their own
hands in 1981, they started the business before
1989 – orchid growing and selling

Start of business:> 1991 – vegetables and fruits dryer bought

Financial sources:> KB loan, subsidies from regional agency

Employees:> 2 (problems with their proficiency)

Farm production:> 4–5 tons of dried herbs per year, 200 hl of bio
wine per year

Potential:> the market is able to absorb a triple increase in
production

Current plans:> the building of three new halls for herbs drying
and processing

State contribution on business development:> 200 000 of original subsidies

Subsidies for land with grapevine

Subsidies for land with herbs are not drawn by
Mrs. Abrlová because there was a mistake

*State contribution on adoption of processing building
after EU regulation*> 0

State contribution on land purchase> 0

Contribution on buildings repairs or construction> 0



- Contribution on technologies and processing*> 0
- Contribution on machines and mechanization:*> 0
- State contribution on new facilities building:*> 0
- Subsidies share on investment into business:*> 0 %
- Subsidies share on business turnover:*> 8% herbs, 11% wine
- Main obstacles to business development:*> political mood in the Czech countryside and denouncers as a result. Unavailable financial sources. Nonprofessional local council representatives, incoordination of programmes and concerned institutions.
- Membership in unions:*> Probio Board of Directors, Ecofarmers-processors Club
- Political views:*> 0 (e.g. Green party paid 17 thousand for oregano bags only after many urgencies and months)
- Trust in consultancy firms and unions:*> Probio: 50%, Agrarian Chamber 0%, Regional agencies 0%, consultancy firms 0%
- Trust in media:*> only technical press
- Trust in research institutes and consultants:*> 20%
- Participation in public life:*> membership in local council, membership in Probio Board of Directors
- Benefits for community:*> publicity, taxes, public service, expertise, traditional production
- Working hours:*> 12 hours a day
- Last holiday:*> last year a one-week stay in thermal resort



1 HISTORY OF ECOLOGICAL FARM WITH BIO WINE AND HERBS PROCESSING

Beginnings:

The Abrle family started its business in Pavlov as one of the first. Similarly to other businessmen in small agglomeration, they started right in their terrace house. They wanted to dry fruits and vegetables, which they considered a useful and traditional product that is missing in the market. In the early 90s it was not a problem to get subsidies and when they came to a local Agricultural Agency with the intention to process and supply dried vegetables and filled in one sheet of paper, they got 200 000 CZK of state subsidy within one week. And as they secured a loan with a house, they got the credit from “Komerční Banka” bank quite easily and could buy a dryer for fruits and vegetables.

But the dryer initiated the series of never-ending problems which the farm has been trying to solve for all 15 years of its existence. The technology that swallowed up most of their investment did not dry but dote. When studying the documentation from 1992-93, we can see that the producer did not deny the fault but as he did not know how to repair the dryer, he did not even took it back or exchange it and went bankrupt shortly after.

(Note: The Abrle family was not the only victim of the first wave of privatization in the 90s. Money stolen from dairies, bankrupt slaughterhouses, indebted suppliers of food technologies, frozen bank accounts together with other transformation problems were the main reason for slowdown which prevented early farms to breathe and which besides bad state policy of agricultural development cost many farmers their fortune and health.

Since the Abrles were not able to dry vegetables, they started drying herbs. They began with 1.5 ha of rented land. They bought the plants, they attended educational seminars and planted first bioherbs. At the beginning they were drying them right in the attic of their house where they had to carry dozens of boxes with hundreds of kilograms of herbs. Later on Mr. Abrle managed to repair the dryer himself and it started working. They were soon able to sell 100% of their quality dry bioherbs. They were selling to Sluneční brána in Čejkovice specializing in production and distribution of herbal teas and also to retailers which they also supplied with seasoning mixtures. This would be a nice happy ending but the story of the Abrle family starts just here.

Denouncement

In 1993 the Abrles asked a local hygienist for “Change in dryer usage” as they wanted to start drying herbs instead of fruits and vegetables. The hygienist issued the permit without any problem and this document was supposed to be filed at the Construction Authority. However, Mrs Abrlová

was not informed about this as well as about other certificates necessary for business and she had difficulties getting them alone at concerned institutions that provide no guarantee. Mrs. Abrlová thinks she handed over the permit but the Construction Authority which had moved before could not find it when it was necessary.

And so when their neighbours from the terrace house informed the local council that the Abrles were drying thyme instead of apricots and therefore carried on business contrary to the approved project, the local authority started new construction and approval proceedings.

Mrs Abrlová got a lawyer who for a lot of money managed to find and drew up relevant regulations saying that if the change did not concern construction works, it is not necessary to start new construction and approval proceedings. The community did not take this legal analysis into account and insisted on their demands. Mrs. Abrlová brought the document to District Hygiene Station that confirmed that it has not problem with the change from fruits to herbs drying. Despite this fact, the municipal authority kept insisting on their demands.

Other submitted documents show that the informers and community gradually gave up their previous argument about the dryer change, however, they still insisted on new construction proceedings. Their new argument was endangering of community environment. In their opinion, bio-herbs drying produced intolerably bad smell, the dryer was very noisy and harmful pollutants got into the air. “(...) the bad smell causes allergic and asthmatic reactions, which can be supported by a medical report.” That is exactly what the neighbours wrote.

National Health Institution in Ostrava region explained to the Abrles that for such small volumes of herbs they are drying there is no analysis which cost about 40.000 CZK necessary as they do not cumulate measurable volume of exhalation. Also Ministry of Agriculture through Ecological Department Director confirmed that essential oils of dried herbs have positive effects and definitely cannot cause any harm to human health. (unless someone suffers from “hay fever” – with which it is practically impossible to determine the type of grass or herb that start the allergic reaction).

Besides new audit reports on wiring, fire safety and water supply reports, etc., Mrs. Abrlová had to pay thousands of crowns for unnecessary reports on pollution caused by small sources, noise analyses and reports on “equivalent level of acoustic pressure”. Environmental Department that measured found furnace emissions concluded everything was all right. They actually found out that bigger noise and “bad smell” are produced by the neighbour’s champagne production.

However, the community appealed against these reports and sent their protest to the Czech Environmental Inspec-



torate: "(...) we cannot understand what the inspector drew from saying that it is only a small source of pollution - whether from his own judgment or while ... a clerk of Pavlov Construction Authority was present." Another round of match concerning survival of one ecological processor took place between angry audit institutions and a disciplined community. Mrs. Abrlová was falling into despair thinking that it was a personal attack on their family and she was not able to accept the fact that the state could modify the legislature and conditions for all businesspersons in our agriculture in this way. State institutions which are fed by taxes of profitable sector proceeded as follows:

1. Construction Authority in Mikulov was not able to provide the Abrles with a professional, binding and most importantly full list of things they needed to give their statement. This means that as soon as Mrs Abrlová obtained all reports and certificates required, the Construction Authority interrupted the approval procedure for many months saying they did not have documents necessary for their statement.
2. Even though Mrs Abrlová obtained the required documents, Municipal Authority questioned their validity. For example, in the case of Environmental analysis paid by Mrs. Abrlová and supporting her truth, Municipal Authority appealed against this decision and accused "Environment Department" of misconduct.
3. Although no argument against the Abrles business was well-founded, the local council approved herbs drying

for a term of two years only. By then they would have to move from the community (see below). And so all additional investments into a new round of approval proceedings ended in vain.

Council estates:

Another consecutive case was a finishing of a hall building behind their house. As water from a neighboring plot started to leak into their herbs storeroom and the neighbor was not willing to solve this problem even after several discussions, the Abrlovi were forced to build a new herbs storeroom. Even though they had asked for a plot for the construction already in 1999, no room was found for them in the municipal plan and when they requested the change of the plan, the mayor told them it would take at least another five years. So they were forced to build the new hall on their premises.

Together with the application for approval of the hall building behind their house, Mrs. Abrlová handed in the application for purchase of 56 meters behind their yard where the new hall could be build. The mayor assured her that the plot belonged to the community and there would be no problem with buying of such a small piece of land. He said it because he did not know that the plot was taken over by Land Fund and therefore he could not sell it. Just before the building approval process was finished and all necessary documents submitted to Construction Authority

in Mikulov, it was found out that the land behind the house was not owned by the community but by the Land Fund that transferred it to certificates of ownership and therefore the approval issued by the community was not valid.

Owing to the seasonal nature of agriculture, the Abrles had to buy the material necessary for the hall building in winter months. The wood piled in front of their terrace house started to disappear and as the time of field work was approaching and the family was supposed to leave the community for about half a year, which meant it would not be able to keep an eye on the material and build, the decision had to be made without delay.

With the community approval they decided to start building and at the same time settle the purchase of the plot. Mrs. Abrlová had to buy an unissued restitution share and then exchange this share for 56 meters behind her house. This process, however, took Land fund almost 2 years. The neighbours again came up with denouncement that they built on the plot which is not theirs and so another problem arose. Mrs. Abrlová points out correctly that hundreds of hours over paperwork and in the authorities as well as dozens of thousands crowns necessary for her business approval could have been better spent on business and community development under normal conditions. In this way everybody lived in a constant existential tension which took not only a lot of money but also health and enthusiasm of the farmers and damaged family relations.

These problems might not have arisen if the state had not blocked the land around Pavlov. The Abrles originally (and even now) wanted to have the processing facility near their fields, but as in other Czech villages there was land with unsolved restitution claims on both plots and possessions, so the community could enable neither land sale nor rental of buildings which stand on this land. They are both run by a former collective farm that became a limited liability company and that does not pay rent for land which the owners cannot sell or rent to someone else.

Land:

Before we get to the conclusion, we can't leave out the essential and most important thing for every farming business – the land. In the case of the Abrles as well as in others there is a rule "What is not forbidden is allowed". However, this time it can't be applied to the Abrles but to Land Fund in Břeclav.

The family rented 7 ha from Land Fund on which they planted an orchard. Or more precisely, they wanted to buy these 7 hectares. But Land Fund told them they would not sell this land, only rent it. After two years of hard work, Land Fund sold this land to their neighbour for "a song and a cask of wine". And all the work and trees ended in vain.

Another problem arose over a few meters of land behind their house. Because it was not clear which land belongs to Land Fund and which to the community, the Abrles lost a million crowns they invested in the dryer which they had to leave in the end.

If they are now on the land behind the community which they duly bought and paid to local council, it does not mean

the end of all worries. The same neighbours who did not approve of the dryer building on the unclearly defined plot behind the Abrles house attacked the local council and informed the police about their nonstandard land sale. In 2007 it was 2 years since anticorruption department of police had been interrogating the Abrles and several detailed economy audits had been carried out at the Abrles and at the local council.

Is it possible to work in the field, dry herbs or make bio wine in such conditions? No, it is not. This is not business, this is a rat race without free time, relaxation, pleasure, profit and reward. It is a 17-year hectic jump through fire hoops in which stress and hopelessness destroy family relations, trust in moral values and order and intensify the feeling of isolation helped by all those who know but are silent.

Investment and access to resources: The son

Due to the decision of the municipality that stopped the production in current facilities (into which the Abrles invested hundreds of thousands of crowns) and thanks to the increasing demand for their products, the family represented now by son Josef decided to build a new processing facility on their property behind the village.

Similarly to the previous case of extending the wine production facility, they had to give up the idea that the new buildings will be located close to the village – and after difficult negotiations they received permission to build right on their herb field.

For the young Mr. Abrle now the time came for solving the quadrature of a circle. The officer of CHKO Pálava (Protected landscape area of Pálava) did not want to allow one hall with dimensions 20×30 meters to be built so the demand of HCCAP on the correct flow of raw material would be met, but they allowed a hall with dimensions 10×20 meters but that is too small for the given purpose. The municipal plan does not allow any building to be higher than 8 meters and the conservationists insist on roof angle 45 degrees. Such building cannot be built. So instead of one, the family will now be building three halls. The question is what for.

Neither one of those current subsidy and support programmes of Countryside development has conditions that the family, being one of the models of ecological processing for the past 15 years, able to fulfill. (In case of subsidy title Young start-up farmer (Provision I.1.1.1. Modernization of agricultural businesses states in point 9. – Other conditions: "Applicant/receiver of the subsidy has solved in a documented way all proprietary / tenant relations to the properties... He/she will prove in case of inspection his right to ownership or rental of the property. In case of realization of project in a rented facility or land, it is necessary to prove his rental contract for at least five years after signature of the contract or a contract with notice period of at least five years..." The son of Mrs. Abrlová ran into a situation where the land was owned by his mother who had a 5-year contract with SZIF (State Agricultural Intervention Fund) and at the same time he found out that his trade li-

cense was older than 5 years... (As described in detail in the case of Mr. Šourek). For subsidy title “Early retirement” the efforts invested into the farm transfer would not correspond with the benefit for the farms. These two titles do not correlate and their authors forgot that the “Other plants” such as herbs or wine should always be recalculated with a certain constant and for recalculation of arable land volume – for some subsidies it was even 1:5. Because the “Early retirement” did not include these constants in their rules and the Abrles have only small piece of land compared to others and the title is calculated based on the number of hectares. So they gave up.

In any case, no one in the “consultancy” agencies was able to provide them with a qualified advice concerning their current situation. The situation during which the municipality really moved them from the production facility and gave them a time-limited permission to conduct their business. So even in the position of a family that has it all – tradition, product, customer, technology, know-how and history, we don’t know how to invest in such a business. What would someone new, willing to start a new business of bio-production, do in such a situation? And the result? Due to the time the local authority defined for the building, Josef had to take a loan in the full value of investment for the next 25 years – and only as a private person, not a company because no bank would provide a loan to the farmers for investment – and if they did, in a very unfavorable way.

This is his comment: “Originally I was interested in any of those support programmes. When I saw the whole bunch of non-profit organizations and Probio how easily they live from the subsidies, I wanted to give it a try. But soon I realized that subsidy programmes are suitable for large companies which can afford to have one person taking care of all the paperwork. When I asked other farmers – bioprocessors, e.g. ing. Šterba, who received the subsidy, I was told that in the end it was more expensive to apply for the subsidy than taking a loan. Plus it cost him two years of his life. (Detailed description is enclosed in the case of building new processing facilities for bioproducts by farmers Mrs. Ondřejková and Mrs. Cíttebartová).

“Another reason why not to apply for the support programme was the necessity to publish a public tender for a supplier. Being a member of the municipal council I had the chance to witness a few of them. There was a public tender for a local building and nine companies applied. One was from Břeclav and it seemed as the most suitable candidate. But the municipality decided to make the administrative easier for them and closed all names of companies in envelopes and in presence of a public notary they draw lots to reject four of them. One of them was the local company from Břeclav. I don’t like this and I am not going to support it. We are ecologists so we do not support the idea that the building material for our hall should be transported to Pavlov from Hradec Králové. We as a farm would make a public tender but SZIF would have the veto right. Even if we chose a local supplier from Pavlov and their price would be 5 thousand CZK higher than from a supplier from Ústí nad Labem, it would be up to their decision to approve our decision or threaten the whole

subsidy payment. We understand that in case of state money there must be a supervision, but this is one-sided supervision over only somebody and carried out by people who we cannot trust based on their work and we have tens of cases to prove that. These are the practical results: until we have correction in the relations who is the provider of service and who is the client, we cannot talk about collective development of our agriculture.”

“Just like all my colleagues-farmers I asked for a price quotation and the numbers were very clear: if I used the subsidy to have the air conditioning made by a large supplier company, it would cost about four times more than the cost when I make it myself with a help of a friend who used to work in that company and now has his own business. I can get the heaters for 40 – 50 thousand, but the company would charge according to their quotation 150 to 200 thousand to pay for all the accountants, lawyers and economists, which I cannot afford. But the material, installation, quality and service is completely same. Many of the small processors do not need big food-processing technology, for example a small dairy could buy equipment from a small company from Jičín but it does not have the “declaration of conformity” stamp so it has to sell the equipment to a large company in Hradec but that will sell it to the farmer for three times more. With their stamp though.

I will have to make everything myself and I hope that eventually I will build everything – to which in neighboring Austria I would be entitled automatically – by my own work and my own money. Together with my work on the field it will take me about six years. But I have no other chance.”

So we see how the Abrles live now and how they got into this situation. Now we will try to see why. In the past I spent a great deal of time at a farm collecting all “evidence” hoping that now we will have enough of arguments to change the situation: we know the whole path and the obstacles. But in most cases I met with a skilful side-step: the reader (Ministry, consultants, research institutes, agencies) holding their distance from the problem and their comfort and completely fake image of their institution (e.g. the website of the Ministry) they say their incorrect but sound argument: “Well, this is the case of Abrle family but we cannot say it is the situation of the Czech countryside.”

Well then, considering that the above described case of Abrle family and their significant obstacles to life and business in agriculture and countryside creates no interest at the Ministry of Agriculture and other relevant state institutions, they will neither go to investigate it in the place nor start any changes.

Let’s try something different – let’s turn the focus and look at the countryside development and ecological farming policy by the eyes of farmers. We will start with the most important thing – the money. The Ministry has an annual flow of billions of CZK for the countryside and agriculture development. Let’s see what are the keys that determine where and why the flow goes. Since we did not find anything at the Abrle family, we will have to look somewhere else.

2 THE DESTINATION AND PATH OF THE SUBSIDY MONEY

The world community is a pulsating market where ones are trying to find a market for their products and others for their moral outrage, as the classic says. Sooner or later two basic groups will profile: “conservatives with their trust in the values of their fathers” and “liberals with bleeding hearts”. The second group is poor because “if you have conscience, you don’t have money” and the first group is right because “history of human kind is history of blood”. During the time, their positions outside of this world come closer to each other. On the northern hemisphere, they got so close that they are almost undistinguishable because “in long battles one side adopts the enemy’s tactics” and in political life, similarly to production sector, the rule is the “ideas are few, people many” and the best way to get an idea is to copy it.

Stabilized community we live in is a digital flicker of ones and zeros powered by energy created by their tension. Firmly clinched into each other, the counterparts are not able to do anything but tiny side steps left or right. And these tens of millimeters are subjects of political fights in elections that cost us hundreds of millions.

Their result is the “practical” politics coming out of the election promises. They copy the political program of the party currently in control of the particular ministry. This way for the next five years we will see bans on abortions, heating by coal, discussions about raising alimonies, right for profit or free speech.

More remotely but in real life much closer impact to our lives has the “politics of wider context” where the party with their “election promises” must not interfere with the “election promises” of other parties, countries, continents and on the contrary we are looking for one “optimal programme - national, European, global.” For us it is the European Countryside Development Programme.

It is a nice programme. It says that in a civilized society we should resign to the rights of winners and share the power with the slower ones. It talks about human solidarity, respect to the European culture and its traditions. It mentions values such as preserving natural resources, symbiosis between animal and human in the landscape, about integration of young people in the countryside environment, building countryside communities, keeping traditional skills and crafts, production procedures and recipes. It speaks about “added values of food products and safe food” that do not emphasize profit but quality. It talks about “lifelong education”, “equal access to information and capital” and “new technologies” and also that work in agriculture must pay. In our country it is called EAFRD – European Agriculture Fond of Rural Development.

Within these “democratic” postulates, in 2007 after we joined the European Union, 5.7 billion (thousand million) was sent yearly from Brussels for rural development. 2.5 billion was added from our state budget. This together

makes 65 billion CZK in five years. So we can start to building our countryside.

How to sustain thoughts on sustainable development:

Prosperity is not the result of one number but several ones varying in their size.

The stability of society grows with the number of individuals who are thanks to their vitality able to express themselves.

The more the society is varied, the more flexible it is. And the this flexibility is a foundation stone of security.

The more space is given, the more positive the expression is.

Where the fantasy, new ideas and movement end, the misery starts and the suppressed vitality explodes.

Cooperation is better than confrontation or control.

Only being inner alive is safe. These are the basic paradoxes of sustainable development that promotes society that does not suffer from shortage but does not plunder.

A development stage is economic responsibility that draws from equal right to use human potential - whether it is talent, intelligence, strength or persistence with one condition only - it mustn’t be at the expense of someone else.

Europe paid for this development consensus by the slowdown of economic development. A six-week holiday, constant unions strikes in France, pay rises in Italy, equal tax in Britain, foreigners integration in Scandinavia, - these things have made miracles with graphs of growth and are currently a nightmare for all financial and operational managers of for-profit companies in Europe. We are more and more looking for the ways of how to joint and bring the two groups together - those who earn with those who spend.

And it is no different with agriculture subsidies: the paradox „The wolf be full, the sheep unharmed“ is a magic formula of the whole subsidy system, when a politician in his political programme promises his citizens something he personally longs for but what should be paid by someone else.

Nowadays we know that if we want to beat injustice, poverty, diseases, illiteracy in our country (in the world), our success will depend on how our “profitable sector” is able to defend its own postulates which are “right to profit”, “accumulation” and “gross margin”. This means that we cannot at first distribute all money to those who need it and then be surprised that we have no more money left and find out we won’t get money from slums or flooded mines. We cannot also wait to “earn money for ecology” in great-cowhouses contaminated with BSE or in industrial zones with automobile assembly lines where human potential is degraded to the part of a machine.

Ecological agriculture is the avant-garde of this modern Manifesto.

An ecological farmer gives evidence that the worm can eat from the apple and there is still much left for the market and when he occasionally pats his cow it is only a formality to send her milk to the lab because it is of good quality and that on one field there is enough space for potatoes and potato bugs which you can't get by force or chemicals. The ecological farmer knows that some years are better and some worse and that table of plans, inventions or advertisement cannot change anything about it.

He believes that his milk and cheese are good and that when he sells them he will feed himself and his family and that when he doesn't have to feed five more businessmen, he will not have to add solidifiers and preservatives into his cheese and sausages and use coloring substances and stimulants because things are „good as they are“ and his customer knows this as well. He is able to build his market as well as his cowhouse or dairy. His strength grows from his trust and calm nature. When he didn't start to panic because of mycotoxins and couch-grass, he doesn't have to worry about competition, prices, Jews, radars, Putins...

And for this reason Europe pays its farmers subsidies - not only for cheese and milk, and technologies for their businesses and “ergonomic living conditions”, but also for their confidence and trust in values which are fragile and vulnerable but worth protecting because they are values in which we believe in a civilized society.

Good people understand it without explanation and they accept these programmes. The bad ones misuse them.

It is easier to earn the money than spend it

The ratio between Brussels and state budget subsidies is 85 to 15, out of which 5.7 billion crowns per year goes to the countryside development. Among others, the state decided to support biofood production from this amount (subsidies on agricultural area which take most of the budget will be mentioned below).

We have to draw from the premise that Ministry of Agriculture doesn't know in advance how many farms we want to develop in this way and if there is a real interest in this programme among agriculture businessmen and what the demand for bioproducts on the market is. This means that the Ministry of Agriculture did not at first gather the information about the demands and (bio) farming potential - such as submitting their operational and labour cost to the government, establishing the keys according to which the demands could be satisfied transparently, appointing a responsible person for a particular operational programme, publishing his or her phone number, guaranteeing to an investor - “Europe” and us “tax payers” that not a single crown will escape its attention and that financial flows of

subsidies are closely watched and their social and economic return will be analyzed with the flows regulated accordingly so as the investment would correlate with the market, but ... it is exactly the other way round: The Ministry of Agriculture at first gathered the money and then additionally start to analyze if there is someone interested in it. It is as if a foreign investor company started to build its trade network in our republic without knowing the product it is going to sell.

And since like this we don't know if there is not an “overhang” of demands for “processing” subsidies over the budget, the Ministry of Agriculture set up various filters to get this money. If we talk about processing on farms (which seems to be the only guarantee for investment return to agricultural business), “points criteria” are this filter. This means that only the farmer who meets the conditions of Ministry of Agriculture can get to money. So while the “minister” knows in advance what his salary will be, how many cars, spokespersons and advisors he will have because it results from his demands, the “citizen” hasn't got such information because nobody asked him about his demands and plans and therefore he cannot fight for “his” money with the administration, the farmers can only compete among themselves.

If we remember the parallel with trade network, it is as if Tesco arrived in the Czech Republic with the view to build up the trade network but ran out of money in the middle. When a businessman says A - e.g. I will start with 12 thousand square meters in Letňany, he will also have to say B - I will finish with “thousand” in Kolín. No matter whether Kolín has better lawyers and economists than Benešov. Another way of thinking is risky.

Nevertheless the farmers accepted this elimination game based on points criteria. They understand (unnecessarily and naively) it is necessary to control the money from subsidies and prevent them from rolling away and that there is not enough money for everyone. The result is obvious: is the farm in Ramzová in the Jeseníky Mountains more important than the one in Plavý u Tanvaldu? And there is no answer to such questions. Yet the money can go to only one. The other leaves with a loss. No investor can develop its market starting in Karlovarsko region and finding out it ran out of breath in Pardubice region. Disproportions worsen the imbalance and bad conceptions bring destabilization. And that is exactly what Ministry of Agriculture creates.

We can still see the same: if a citizen makes a compromise in one small thing, he will slowly but surely compromise in another until he finds out that he lost his fight for dignity against the state administration. If a farmer allows state administration to interfere with his rights for integration at the beginning, his position changes and the state administration expands in order to consume state money, to gain power, success and easier life.

3 HELLO, HOW MANY POINTS DO YOU HAVE?

Now, let's take a look at previous statements in reality - on a goat farm of Mr. Pulíček (josef.pulicek@fipobex.cz) in the Jizerské Mountains which is in a two-year "transition period" of ecological agriculture making milk goat products and is supposed to meet the conditions to get a certificate "bioproduct" in September 2008.

Farmer Josef Pulíček expressed his interest in the subsidy from "OSA I, Provision 1.3.1 – Adding value to agricultural and food products".

Before we drown in newspeak of authorities, we shouldn't forget the most important thing: the strategy of European agricultural development tells us that we don't want our market to be flooded with cheap goat meat from China and biocheese from Austria but that we prefer subsidizing a European - Czech farmer Mr. Pulíček so as he could compete with his goat products in the market and stay in the countryside with a decent standard of life. In return for these subsidies, Mr. Pulíček will produce home-made goat cheese and meat for us, he will be nice to his animals and preserve the countryside. It is also supposed that he will be able to earn his living through production of "safe" meat and milk products with "added value" that will be made, sold and promoted on his farm. Just to inform you: there are only 3 goat processing farms similar to Mr. Pulíček farm in the Northern Bohemia and only six farms in the

whole Czech Republic that survived raids of the Ministry of Agriculture administration.

Further on we can read in the memo of the Ministry of Agriculture:

Points criteria of the application:

„...are very important because according to the number of points, the subsidies are allocated (in the course of approval procedure).

With the first sentence we entered right into the middle of the story: without a prior notice, the "watched" and "watching" positions have changed. The citizen-farmer is clearly warned that his future existence depends on the ephemeral nature of the game that he did not create and cannot influence and that someone else started making decisions about his life. For those who did not understand, these are the conditions for getting the subsidies:

- To increase the probability of approval, it is necessary to maximize the amount of points

- Further these criteria are binding and any breach of preferential criteria conditions or submitting untrue and/or incomplete data for evaluation will be considered as violation of subsidies conditions.

Please let me comment on the above-mentioned table as follows:

Points Criteria (maximum 125 points)

	Criteria	Maximum points evaluation
1.1	The applicant has a registered label of food quality KLASA with some of his products.	10
1.2	The applicant – a fodder producer – has fodder sales share higher than 55% (incl.).	10
1.3	The applicant – a fodder producer – has fodder sales share higher than 45% and lower than 55%.	5
2	The applicant has run a business which is a subject of the project for at least three years.	10
3.1	The company uses a certified system of food safety and quality.	10
3.2	The company uses a certified system of fodder production.	10
4.	The applicant has a valid certificate about biofood/biofodder origin for one of his products granted by a certification authority authorized by Ministry of Agriculture under the No. 29, Law No. 242/2000 Coll. (While submitting the application, the recipient of subsidy will present at least one invoice proving biofood/biofodder sales.	20
5.	One of the applicants' products is a product with protected geographical label or label of origin, or was awarded with Zlatý klas.	5
6.	The applicant submitted only one application in the particular round for the particular provision.	10
7.	The applicant is in the transition period or registered as an ecological entrepreneur under Law No. 242/200 Coll., on ecological agriculture, as amended, and doesn't run any other agricultural production at the same time. This condition must be met on the day of the application submission for five years starting from the date of application filing. At the same time, the applicant has a valid certificate of origin of biofood/biofodder issued by a supervising organization authorized by the Ministry of Agriculture under No.29, Law No. 242/2000 Coll. for one of his products. (While submitting the application, the recipient of subsidy will present at least one invoice proving biofood/biofodder sales.)	15

Commentary to the points 1.3.1

Point No.3.1 a 3.2 Duplicity. Every production of food or fodder, if it is a subject of business as mentioned in the next point 1.2, must be certified, which means approved and continuously inspected by an accredited state institution. The requirement is therefore useless, they only add more paper to paper. Moreover, "Certificates" are bought for money, which is discrimination of small businessmen already mentioned many times.

Point No. 1.3 Obscurity. If an applicant is an ecological farmer who wants to process, then he has to run a business for at least 3 years because this is the time of transition period (as we will see further on, Mr. Pulíček got into this trap).

Point No. 5. Confusion and chaos, missing "edition". If the subsidy follows the product with added value, this product has the following categories according to the EU: bio, protected geographical label (traditional product) and our KLASA. They should be listed in this sequence, preferably in one part. Why is KLASA scored with fewer points than BIO is not logical, it is only a result of politics and its games of "something for something" which infiltrates into farmers' lives as an illegible and incomprehensible goulash of more and more points which they had difficulties going through.

BIO product doesn't need any nepotism of points scores, BIO product is the policy of European agriculture strategies - as we can see in other countries, and it is indifferent to national election results. Vice versa. If the state almost eliminated the trademark of fresh farm BIO products (we shouldn't forget there are only 2 ecofarms processing BIO cow products now), points won't help to improve the situation. It is a complex problem which needs a complex solution. In this way, the Ministry of Agriculture only gets other makers of products with "added value" angry with bioprocessors which will end up with accusation of nepotism and scandals typical of ecological agriculture as interpreted by the Ministry of Agriculture. In other words, what should help, eventually harms. In last part of the table we should find (in more or less logical way - see comments to points 3.1 and 3.2) sustainability of these marks (why do we keep anticipating that the farmers are cheaters? Let the clerks find their "proofs" himself. The verifications are so thorough that no other duplicities are necessary).

If we just watch the logical construction of the statement, we should close the table with documents proving the sales volumes - again not very justified expectation is that investment into processing technologies will bring their increase so the smallest should get them first but than again we are chasing the money we have already distributed to people who do not produce groceries but only consume subsidies.

Each sentence, each word is either unfinished, old neglecting or omission sticking out of it. To watch the never ending confusion of the regulations that make red from blue and brown from red is for the reader - the overworked farmer - inexcusably stupid, complicated and mainly ruthless and arrogant considering the productivity and quality

of their own professional output. The person sitting at the computer should have something to say, not to talk only to be talking. And these "cripples" have nothing to do on today's information market. Especially not on the one paid by the tax money. Plus there is a separate comment on the standard of used language later on.

Points 1.2 and 1.3 - subsequent finding of mistakes made by clerks. These points again emphasize on the fact that the most subsidies are distributed to those who don't produce anything. Instead of correcting its mistake, the Ministry increases the controlling and administrative for those who are barely keeping their heads above the water by their hard work producing food. Because of the incompetent, who are blessed by the Ministry and the subsidies per square area (see below) without any points, now the honest ones are punished with cross examinations.

Point 6 Rubbish. How can we award points for presenting only one application? That's something like awarding someone who is lazy. How come a clerk can dictate conditions and limits to active citizens, and especially to the processing branch of agriculture which suffers more and more mostly due to the shortage of workers in the countryside? Point 6 is an utter nonsense EAFRD is unfortunately full of.

7.1 Contradictions and absurdity. If an applicant is filed as being in the transition period, he can't have a valid certificate of the biofood origin at the same time. This mistake was probably made by a careless clerk who copied the text of Point 4 into Point 7. But what's the difference in penalties for the similar mistake between the farmer and the clerk? What's the name of the clerk who signed under the table and how will he be punished? The farmer who would make the same mistake would definitely lose his subsidy. These anonymous collective works of "committees" and commissions reminds of Final Resolution of ÚVKŠČ (Central Committee of Czech Communist Party) - judging by the methods, tone, contents and impact on society.

4. Uselessness, so called paper for paper. For five hundred crowns, everyone will issue the invoice saying that someone bought something from you. It is as if a clerk was paid according to how many obstacles he will create (and how stupid they will be) for farmers. The Ministry of Agriculture should preferably take care of what documents the participants in public auctions who bought up dozens of thousands of hectares of local farmers land submitted and who get subsidies of hundreds of millions of Czech crowns for this land paid out by the state according to "area of land", without any questions, without any points and using the method "if you have", "you will get". There the Ministry of Agriculture can show its eagerness, invention and consistency in supervision of state money flows and in dealing with corruption and inefficiency inside the state administration.

If you open September issue of magazine Zemědělec, you will find hundreds of similar tables there. The state distributes our 5.7 billion per year accurately according to the above-mentioned methods. Statements saying the system will be simplified stayed only on the paper. A few things changed, we can see an effort not to steal the money straight away or distribute it to former collective farms and with Countryside Development Plan we have

come nearer to agreements we signed in Europe, however, in reality the promises got stuck at their beginnings and only tiny changes were made. The heart of the matter stayed the same: farmers tear their hair and clerks put on weight thanks to their mistakes.

Tone of communication:

Let's stop for a while and talk about the way the ministry talks with the farmers. Can you see their superiority? One would think that these people did not just get the money from Brussels to distribute them it to the designated destination but rather that the citizen is supposed to hold his hat in his hands and stand humbly in long rows to the clerks' windows and put the faith of their business, creativity, commercial ideas, power, courage and right to profit into hands of people who don't know what to do with their lives unless they have detailed instructions and permanent supervision. These clerks than approach citizen who are capable of leading their (economically) independent life and their own business in the following way:

Obligatory appendixes of the application:

- All obligatory appendixes must be submitted together with the application (one appendix is missing and application is denied automatically)
- All obligatory appendixes must be submitted in one document – either as original or copy, each appendix must have a comment whether the original or copy is required (this must be observed)
- Do not send us the appendixes, make them ready with the application, you must submit them yourself, not Farmtec a.s.
- In case of more applications, the appendixes must be prepared for each application separately. Please note that it is not acceptable to have two applications and only one appendix for both of them (each application must have separate appendixes)

...and another half page of these word expressions that might interfere with the paragraphs of law on defamation of the language and propagation of fake alarm messages. One thing to note about the appendixes – the remark that says: “The EADFRD programme is an investment pro-



gramme.” Since when is cutting the grass, that takes about 70% of subsidies into ecological agriculture, an investment – we would like to ask. If there was someone to ask. The authors of the above listed statements are hidden behind the PR barricade of “Send it in writing” and “We will investigate it”.

Terms and places of collecting the subsidies applications:

Term to submit the applications – November 5 to 26, 2007.

Terms are another problem that raises the farmers’ eyebrows. The clerks have months and years to do their work and most of the work is contracted to be done by external companies, while the farmer do their “paperwork” after they come back from the barn, dairy or field and have disproportionately much less time for it. The Countryside development programme took years to be finished and there is nothing smart, complicated, original or new about it and still there were tens of people from various agencies, “research” institutes, institutions, committees, chambers and “non-profit” organizations who got paid for it.

Nevertheless the ministry still was neither able to publish and deliver to the right places a sophisticated and understandable strategy and methodology nor have their regional places trained to have the results of development of private agriculture businesses in the countryside. The local people never saw a readable manual that the representatives of the ministry would take to the communities and potential farmers and explain the strategy of distributing those 5.7 billion of subsidies. How can Jiří Pokorný from Mařeničky u Cvikova become a farmer and how the state can help him do him economically and methodically and what will his decision bring to the village and local community. In addition the state released hundreds of above described tables among the rural people. In normal village house, these papers end up as fire-lighters. The agricultural agencies help according their abilities and possibilities – sometimes they are the most vocal critics of the system, some of them end up as its victims (see Agricultural agency “Zemědělská agentura” Prachatice in the Pratzler case). Nevertheless, they only help those who are already on board of this train rushing we don’t know where.

If the information is not translated into human language, is not explained understandably, clearly and with examples to the people, it is like if the clerk is seated at his desk, computer and work description, soon no one knows anything. It is like if the supermarket management let the customer look for a bottle of milk at the supply-loading platform in the back. Strategic communication should look completely different - that is why we have prosperous supermarkets but not the countryside.

It is also necessary to say that all applications for the given term must be collected at 7 places in the whole country. So for example Mr. Pulíček from Jablonec nad Nisou has to travel to his closest SZIF to Hradec Králové, which is not exactly in the neighborhood. The farmers have protested

against this since the times of SAPARD and HRDP. When we read the requirements the farmers have to comply with, it is not very surprising that the Ministry of Agriculture gave up on the idea that this could be managed by the network of regional agencies – they are so complicated and vague that each region could use their own interpretation. But the question is who and by which authority decided that even though we pay the regional agencies from our taxes, the farmers have to cover their travel expenses and submit the applications in centers like Hradec or Brno and usually have to travel several times because how can they hit a moving target by the first shot?

Applications evaluation: another reason to give up the countryside business

When the farmer has no other chance then to start playing the game of the ministry, it will mean to go through all the conditions and spend tens of hours of their time, their family and customers time and invest tens of thousands with no guarantee of return. As the illustration, I selected one of the most particular and accurate of the farmers – Anička Ondřejíková from Ves u Habartic. Her applications are the exemplars of precision: she underscores each chapter, where there is a copy of document required she provides an original, where a signature before witness or notarized signature is required she provides both. And this is the answer of SZIF in Hradec Králové to her application for building a horse riding-hall at her ecological farm (her comments are included).

Mrs. Ondřejíková called SZIF and she went through each point with the lady signed on the document as “administrative inspection” and finally they agreed together that none of the above described mistakes are true. The clerk also tried to deny that in November SZIF was commissioned for collecting the applications for investment subsidies of EARD (Countryside development programme) and paid for checking the applications and eliminating all possible problems. (SZIF clerk: “No one here had time to do that in November.” Farmer: “I spent half a day there coming back to the window twice and we went through each page.”) Finally the clerk said the confusion was caused by the computer.

Who created the stupid software, who placed the order and how much was paid for it – we will never know. We only know that the Ministry of Agriculture once again released administrative rubbish to the whole country and that this will cost the farmers hundreds of hours of their time and that no employee of the Ministry will ever be punished for it. At the moment when someone at SZIF found out that the computer is repeatedly reporting a nonsense like “Address – missing”, they should start immediate action of system correction – either personal control of the computer and manual correction of the application forms or immediate change of the task. But this did not happen. The Ministry once again proved it is not competent to carry out its basic functions – neither methodical, nor controlling.

(There is not enough space to describe all details but just a quick remark: the expression “Ministry” actually doesn’t mean any-

	Imperfection reported by SZIF Hradec Králové	Farmer's comment
1.	PSC (ZIP code) – missing	Nonsense, it is listed there.
2.	Number of newly created jobs – missing	Horse riding-hall for our farm horses does not create new jobs and it is clearly stated in application
3.	Number of beds – missing	Riding-hall is not intended for people to sleep there
4.	Text – wrong	I read the text of project personally to the lady clerk at SZIF in Hradec Králové who is paid to check the application and who read it in November when I submitted the application. She found no mistakes. I asked her if I should make it longer – “No no, it will be alright” she replied. Judge for yourselves.
5.	Again PSC and address of applicant – wrong	This comment received each and every applicant in the whole country. As “our” farmer Jarmila Abrušová commented: “If we all had the addresses wrong we would never receive these comments back...”
6.	Point evaluation – missing	Because of the points I applied only for a 50% subsidy, I still remember that the lady clerk who received my application said: “87 points, Mrs. Ondřejíková, I don't know if you will reach the subsidy.”
7.	FAX – missing	Nonsense, just like the address.
8.	Signature of applicant – by witness of notarized – missing	I had the notary authenticated signature for the case something happened to me and the application had to be submitted by my son. But as I finally went to Hradec in person, I had also the signature verified by the clerk who took my application.
9.	Copy of Cadastral map – missing	The lady at SZIF probably mistakes this with the Land register but since the papers are identical, it is not missing.
10.	Geodetic plan with the stamp – not fulfilled	I submitted original of the document that does not require to have the stamp – but still the stamp was there...
11.	Place of realization – not mapped	Mapped with the red color – twice.
12.	Name of project – missing	The name of the project is Jízdárna (Horse Riding-Hall), which is the name of the project. In text it is also clearly described that it will be developed from the former barn of ecological farm with bioproduction in the border-village. But since SZIF is not able to find even the address...
13.	Necessity of project – missing	More like the necessity of SZIF is missing.
14.	Initial situation – describe in detail	One picture shows more than a thousand words – and it is enclosed. After all, I discussed it with the lady clerk and she told me it wasn't necessary.
15.	Possibility of accommodation – missing	... horse-riding hall!!!!
16.	Place of realization – missing	It is mapped and described in four special appendixes and three times in the application itself.
17.	Technical description of project – not presented for intention and accommodation capacity	The project was created by accredited architect and it cost me 18 thousand CZK.
18.	Describe particular result of project	Horse-riding hall...
19.	Describe particular use of project after finishing	No, I am not dreaming.
20.	Budget calculation – not described as qualified and not qualified subsidies	The architect stated it clearly – only in the qualified subsidies he divided the amount of costs for creating the project and its realization. I will not return the budget to him, rather I will add these two numbers myself. He wouldn't understand what they want from him – he makes projects for people, not for idiots...

thing. If you look into particular sections you will soon find out that each department is fighting the others, they don't communicate and wish the worst to each other. Another battle front is opened between the “new” and the “old” employees and the weapons are used inside particular departments and groups. They hate each other with joy, make obstacles in other's way and

when any mistake comes up, it brings celebrations to the neighboring offices. No good meal can be cooked in such kitchen.

Anička finally reached her goal and she does not have to submit any other appendix again, the controlling clerk admitted that the application is OK. But she has to come to

the office again. Why? Because the results were made by the controlling clerk and they have to be confirmed personally. It was not enough to discuss everything point by point over the phone? No, she must stand behind the clerk and hold her hand.

Jarmila Abrlová, who asked for a subsidy for bio-wine processing tank had a worse situation at SZIF in Brno – when she called and asked how they can reply that her address is wrong, Mr. Bartoš told her in a haughty way that she should be glad they even occupy themselves with her...

The new minister started in spring of 2007. The General Director of SZIF, Ing. Eck, was replaced in summer. This is the result as of January 2008.

Is there a different way? Monitoring committee

The paperwork, that came together with the subsidies, is criticized all over the “civilized” world. But in Europe, there are often trained and competent regional offices with workers that frequently come to farms and “make the papers” with the farmers on the spot. In the United Kingdom they have subsidies for paperwork, France is thinking about their farmers and calling them on regular basis offering to help with paperwork for new subsidies. Germany decides about the agricultural subsidies on regional levels, etc.

For each particular problems about the distribution of agricultural structural funds there is one corner-stone – they are not verified in the field, tested on example studies and they lack the comments of the “target group” or its “clients” – the farmers. And when the Association of eco-farmers – processors makes the effort to concentrate on a particular case just like the one mentioned above, makes an appeal and suggests a solution, as we did in tens of cases during the recent years, we can be sure that the responsible clerk will place it in the desk and that will be the end of story.

Why is this happening? Many reasons but in this particular case also because in the Monitoring committee that creates and releases these “point criteria” there is not one eco-farmer – processor person sitting. But the Ministry from the early beginning acknowledged that ecological agriculture means mowing the grass and getting subsidies for not always existing cattle and also unsalable beef that constitute 85% of ecological subsidy cash-flow and that we until today even after repeated urging still don’t know where they end up. But we know for sure that this policy is taking the land from the local people – “their” land – and also taking their job opportunities. Logically then, the monitoring committee has representatives that took the idea of Czech ecological agriculture, sustainable growth and united European agricultural policy and, together with the Ministry, made a total hash out of it. For example Roman Rozsypal, the co-author of the study, comments this point: “The key failure of the state (represented by the Ministry of agriculture) is that it gave up on the aims of the programme it has published and permitted the subsidies to become the object of indulgent fight (this cannot even be

called lobbying as lobbying has its rules.) The Monitoring committee is the official way for the Ministry to get rid of any responsibility.”

Mistakes published by the Ministry in these conditions in paradox do not harm the administrative machine but even strengthen it. Where there is one intervention needed, the state needs to make three. Let’s not forget that the economic rule is that time is money – always. While the clerk has the periodic income coming to his bank account, the farmer is losing money and nerves because for the same delay he has to pay electricity, rent, fuel, feeding and mobile phone bills and cannot make profit due to the obstruction by the state, the tax-payer is losing every time when these small failures launch any mechanisms. The state pays the clerk, loses the taxes that are not earned and subsequently also the money taken out of the country by foreign investors who have enough time and lawyers and in situations where a Czech farmer has to bend his back, they can conquer the ground with their army of accountants and lawyers to maintain it where we fail to maintain it ourselves.

Hello, how many points do you have again?

In my journalist career, I had three times the chance to ask a different minister the same question: “Sir, do you think it is fair to promise something you know you cannot fulfill?” That you will suffocate by your own administration, opposition, international policies or the “public” screaming from media? It was not a smart question. What can the man on the other side of the microphone say? “What now? If I say I cannot do anything no one will vote for me and get me in the seat. If I deny it, it will be just a question of time when it becomes obvious I have lied.”

What mandate do our representatives have? What is the power they rely on? How many votes do they have? What is the weight of their “democratic legitimacy”? How can it be counted? Simply: Taken into account that half of the citizens does not vote at all (for any reasons - abuse of their “rights”, laziness, sabotage or the only measurable expression of their anger or despair) then the winning party that “decides” never has a majority to guarantee its voter to enforce the election programme.

If any winning party collects maximum of 30% of the voting people, then the representatives live for the coming years knowing that “five out of six people don’t give a damn about what you say”. The results of public opinion surveys do not copy the results of elections and then during the electoral term there are others coming to the spotlight – those who did not get any mandate in the elections and they try to influence the public affairs – mainly by disruption: they protest, stop, slow down, damage – as mentioned before. The question whether we will or will not have “the radar” is not decided by political parties but there is a great influence of the pressure “from below”, which is unpredictable and unstable and there is no other defense from it than the fist which will only press it deeper into its hate and resistance.

So we have our 16% winners. And they, using our money, hire their stooges to evaluate us with points or inspect. What is the weight of their professional authority?

Qualification of executive branch of the state administration:

One accountant of a processing family, Dagmar Votočková (dasma@seznam.cz), tells a story: “Next to our house there was my neighbour, a gardener, living. I had always seen her digging in her garden. Once she came to me and asked me for advice saying: I am not young anymore and it is always hot or cold outside, I would prefer working in an office.” So Mrs. Votočková told her about an economic-management course she could go to. The neighbour started attending the evening courses and soon sent a job application to the Czech Social Security Administration in Prague. She was engaged straight away. She attended a one-day course only and ... “She comes to check my work and I am telling you she doesn’t have a bad salary at all”, the accountant says laughing. “When I remember what I had to do to be able to start working as an accountant: school, a five-year experience, and yearly refresher courses which cost about 20 thousand.” “What 20 thousand per year?” I interrupted her then.

„Well, that’s because the state passes about 100 tax revision laws per year. And as I keep accounts for small businessmen, I have to do everything: “wages”, “road taxes”, “taxes”, “property taxes”, etc., I can’t study all the laws. So I attend particular courses at specialists, one costs about 2 thousand crowns and there are ten of them: legal entity income tax, individual income tax, dependent activity tax, travel expenses compensation, VAT, wages, road taxes, real estate taxes. Besides, I have to watch the Commercial Code, customs regulations and other branches because in reality the state passes laws with mistakes and as these laws cannot go through the parliament again at the same year and therefore it is not possible to correct the mistake, the amendment is put into something which is being negotiated at the moment, e.g. into the above-mentioned Commercial Code. And when I hand in my work at the authorities, they make reference to these amendments.”

“Last but not least, we do not do our business in the place where we live”, she adds. It is not possible with my small children. We live in Stříbrná Skalice, Social Security Authority is in Kolín – but only its one part, the other is in Říčany, Revenue Authority is in Český Brod, nowadays everything is under East Prague, so something is in Prague. We did not even register in Stříbrná Skalice, our permanent address is in Prague. The mayor doesn’t like it, but at first he should do something for young families who want to earn their living independently and want to live with their children there. They can’t expect we will pay money for traveling to different offices all over Central Bohemia Region where the clerks sit waiting for us to come. I would rather spend this time with my children, husband and clients.“

One-sided risk

“A farmer-founder”, “a businesswoman-pioneer”, “a citizen”, a honorary member of trade unions and a mother, Mrs Abrlová, is at the mercy of clerks who mutter behind

their counters: “Hmm, well, this isn’t good, the supplement No.16 of your application for subsidies from OSA I., provision 1.3.1, mustn’t be a copy but an original and you must have two originals when you are bringing in two applications, even though the supplements are the same, can’t you read? It is here. What? You can’t manage before the deadline? Sorry? That this is rubbish and we should copy it? Pardon me? That it was written by someone who has no clue about farm processing? You are crying nicely, but in a wrong place, dear farmer. We have a very high defence wall behind which we have our 8-hour jobs, salaries higher than yours and we can leave for home without worry at four o’clock. But, you, Mrs. Abrlová, you have got a problem here, your supplement is not OK. You say, you won’t manage till 26th November because you’ve just harvested the grapes? That you are alone with your husband and son? The construction authority is too slow? You were ill? Land Fund is sitting on your yard rent? Land Register Office delays the issue of the certificate of ownership? You don’t have 20 thousand to pay to an agency to fill in the tables for you? You have no time to come to Brno from Pavlov three times? I am sorry, Mrs. Abrlová, but you have got ten points less here, fifteen points less there. I am telling you, when looking at it, it is not a good result, it doesn’t seem you will reach our, ehm.. sorry, your money on which we are sitting. Besides, who knows what will happen with the points criteria next month? You remember SAPARD, don’t you? You paid for the project and met the conditions, but in the third round the Ministry of Agriculture announced one new condition and you could start over – you know, bad luck! Are you angry? You know, Mrs. Abrlová, it is a risk to start running a private business.

This system is absurd, it can't work and it doesn't work. If we forgot about all the nameless ladies hiding behind their counters and tried to compare Mrs. Abrlová and our highest representatives, who would win morally, professionally and as a human? The best lover Mr. Topolánek (current PM) with his affairs, business flights to Austria for skiing holidays, endowment funds eaten up? The second lover Mr. Paroubek (ex-PM, married younger woman recently) with Prague mafia behind his back? National-socialist Mr. Čunek (the chairman of Christian Democrats party) with his account for social benefits? Mr. Bursík (the minister for environment) who tries to weave his way through in vain and has no support in his own party? Communists? These people with their attitude to the Czech treasury are neither morally nor professionally competent to award points concerning Brussels and state subsidies to any of the mentioned farmers.

A stupid official act, which instead of „serving“ dictates and demands, results in only one thing – the farmers hate the state and the state hates and is scared of the farmers. This is not teamwork, this is an exhausting guerilla war in which, unfortunately, the aggressor is better (more costly) armed. And the more is one side scared of the other, the deeper it digs itself and the more money we all pay.

I remember first complaints addressed to SZIF (The State Agricultural Intervention Fund – an agency founded

and administered by the Ministry of Agriculture for distribution of subsidies): “I am working on a study for Ministry of Agriculture about the reasons for stagnation of agricultural production and I would like to speak with your Manager about repeating system errors of SZIF.” The interview never happened. First it was the secretary who asked me for complete screening and a list of questions, asking who stands behind me and what is my power and whom I can endanger, then a deputy talked to me and finally the director was kicked out and his successor continues making the same mistakes. The lawyer who went to SZIF with particular cases of breaking the law ended up in a hall of the press secretary who, as she describes, “talked to her nicely and understood her” and the discussion ended

with his words “you know, we have thousands of cases each year”.

So we have explained who are the decision-makers and now let’s have a look at who are the real recipients of the agricultural subsidies. Since the spring of 2006, when we first heard of the EAFRD version, we have been drawing the attention to one of the main problems of the Czech agriculture – and that is the inability of the state to administer companies with more complicated operation and that this policy of subsidies means that we only “consume” them instead of investing and increasing the value. While the processors were piling up the arguments and petitions, they got points. The others in the meantime received the money.

4 KILOGRAM OF HAY? TWENTY CROWNS

How to portion an ecological bear? If you have already learnt the points system you can forget it now. We will look at the decimal points now.

In December 2006, about 275 000 hectares was registered in the ecological agriculture – out of which 90% was “permanent herbage”. Each minor deviation in calculations, even the second digit after the decimal point, means a lot of money.

The “permanent herbage” is eligible for management of agro-environmental provisions (also applicable as the state support for landscape maintenance for conventional farmers). In 2005 the permanent herbage covered 61% of the total area of realized provisions and represented the amount of 1,887 mil CZK. (EAFRD page 42).

Summary of financing the agro-environmental provisions in mil. EUR (2006)

Year	Public sources – total	Contribution from EU
2004	95,267	76,213
2005	113,004	90,403
2006	126,720	101,376
Total	334,990	267,992

Source: Horizontal Rural Development Plan (Until 2007 farms registered in the eco-agriculture system have applied for another 1100 CZK per hectare of permanent herbage.)

Then EAFRD came – The Countryside development programme for years 2007-12 and the calculations of subsidies for permanent herbage started to live their own life. How much does the grass actually cost? It depends who calculates it. Let’s not stay only with the theory. We can show the example of still running court case from Klenovice u Prachatic.

The former socialist collective farm Mičovice u Prachatic sold the deteriorating cow-house to a German family of Pratzers promising that if they pay 360,000 CZK, they will also get the rental of meadows and pastures which belong to it according to the Land register. The Pratzers paid, but the collective farm did not keep their promise. (There are hundreds of victims of similar frauds but now we are focusing on the price of grass, the Pratzers have their own chapter). The Land fund in Prachatic, as the owner of the land allotments, did not cancel the rental contract with the collective farm and the Pratzers got stuck with their 14 cows in the ruined cow-house with no pastures and no parcel under the cow-house.

But the EU regulation orders breeders of cattle to enable a daily access to a pasture or cattle-range which the Pratzers, still in the court trial, did during 2006 and 2007. Even though the Land Register shows that land parcels around the cow-house belong to the owner of the cow-house, the chairman of Collective farm Mičovice sued the family for eating their grass and they should pay for it. And that is the core of the matter. They will pay. But how much? We need to realize that this is not just a political talk, this could end up with jail. The Pratzers could be sentenced to 3 years in prison and the price of grass is the matter of life and death for their beloved cattle.

Calculation 1: The “victim”

Mr. Voráček, the chairman of collective farm ZEMI a.s. Mičovice, must have been very angry with the German family and their 14 cows, because even after he was kicked out of the police station first in Netolice and then in Prachatic with his allegation seen as ungrounded, he persisted and intensified his statements and he “worked” his way up to the regional police head office in České Budějovice where his claim was accepted. His interest was not to give any discounts. His calculation as an experienced person – a

manager of collective farm living off the permanent herbage – was as follows: “...from 19/ 05/2006 to 30/09/2006 and from 07/05/2007 to 10/08/2007 14 cows of Pratzer family fed daily for two or three hours on pastures administered by ZEMI a.s. Mičovice with total area of 19.6 hectares.”

When we leave aside the circumstances of the ownership of the pastures and meadows around the cow-house where the cows grazed and when we avoid the ideas of whether the collective farm ZEMI a.s. Mičovice received the subsidies for the herbage and therefore the grass had to be mowed and gathered two times during the summer. We will also skip the thinking of what “turbo-cows” have the Pratzers brought from Germany that could run around 20 hectares and each five kilograms of grass during two hours and we will come to the calculation of damage “caused by misconduct of Mr. Horst Otto Pratzer” evaluated by Mr. Voráček at amount of 22,950 CZK in 2006 and at 14,320 CZK in 2007. So even with no mercy with the Pratzers, Mr. Voráček claimed the damages with total value of 37,270 CZK.

Calculation 2: The “defendant”

The German agricultural agency (Amt für Landwirtschaft und Forsten Regen, Bahnhofstrasse 18, 94065 Waldkirchen) that the Pratzers asked for help, has evaluated the damages on permanent herbage with their own methods: The milk cattle consumes 14 kg of dried fodder daily. That is 0.6 kg per hour multiplied by overestimated 6 hours a day that the cows were out of the cow-house represents 3 kg of hay per day times 14 cows is 42 kg per day multiplied by 140 pasture days and the total is 5,880 kg per season when cows walked around the cow-house. One pack of hay weights 400 kg and costs less than 400 CZK. Total of 5,880 kg is 14 hay packs times 400 CZK and that is 5,880 CZK per year, or 11,760 CZK in two years. (This estimate was confirmed by farmers from the area who sell the hay. Its market price in 2006 and 2007 was 1,000 CZK per ton).

The previous calculations show more than double the difference. At this moment, if a diligent lawyer took the case, the arguing would end – either with canceling the allegations of Pratzers who got in the trap of Land Fund and the seller - ZEMI a.s. Mičovice, or in the worse case with a draw – deducting the mowed grass from the calculation by Mr. Voráček or adding the hay and fodder the Pratzers were buying for two years into the cows’ stomachs and the damages would be somewhere around 4,000 CZK, which cannot be taken as a theft (a criminal act) but rather as a misdemeanor and the court case would be withdrawn.

But at this moment a new player comes into the game – the expert of South Bohemian Agricultural University (Jihočeská zemědělská univerzita).

Calculation 3: Independent expertise of the University

As we can read in the police protocol of 17/10/2007:

“On the 1st October 2007 in order to objectify the above mentioned damages, an expert statement was required un-

der the Section 105 par. 1) of the Code of Criminal Procedure.

The Department of Genetics, Breeding and Nutrition of Animals at the Agriculture Faculty of the South Bohemian University in České Budějovice was asked for this expertise. The document apart from other facts states that: “... the average yield of twice-a-year mowed meadow with hay and silage harvest is approximately 5 tons of dried fodder with minimal cost of 10,000 CZK per hectare. In case of using industrial fertilizers or in combination with dung and stale, these costs may rise up to 15,000 per hectare. In case of yield between 4 and 6 tons of dried fodder per hectare, the price of 1 kg of consumed fodder corresponds with price between 16 and 30 CZK (average 20 CZK per 1 kg of fodder). At the average time of grazing for 2 hours a day considering average consumption of 5 kg of dried meadow herbage fodder per piece of cattle per day and multiplied by number of 14 pieces of grazing cattle, the daily cost reaches 1,400 CZK. The resulting amount of damages was determined by daily costs multiplied by number of days the animals were grazing on the property. The total amount of damages 366,800 CZK, as stated in the conclusion section of this document.”

And so what did we learn from the professors? Sentences like: “... At the average time of grazing for 2 hours a day considering average consumption of 5 kg of dried meadow herbage fodder per piece of cattle per day...” probably have some meaning only for the author. Maybe he wanted to tell us that a cow feeds only two hours a day? And which two hours would they be? Those two hours the cow was standing at the cattle-bin with hay in the cow-house or those two hours when it was running on the mowed meadow? Maybe the author meant: “If the cow was grazing for two hours per day, it ate 5 kilograms of dried fodder.” The grammatically correct sentence has a nonsense sticking out of it big time: the fodder doesn’t grow on a meadow, there is only grass there and grass has a certain percentage of fodder... but to reach any conclusion, we have to make the extra step to the academic text and accept the fact that if a cow eats 14 kilograms of fodder per day, it will eat 5 kilograms of fodder in two hours meaning that in one twelfth of a day it will eat one third of its daily portion. But rather than starting the calculation of damages from this point, it ends here.

A relevant work that would verify the University calculations was never made: no one looked up the relevant allotments in the cadastral map, determined their owners, checked at the Agricultural agency in Prachatice and found the relevant numbers in LPIS (Land Parcel Information System), searched for particular management in the contract between the land owner and SZIFE in České Budějovice and checked if the control conditions were met – meaning whether ZEMI a.s. Mičovice really mowed the meadows twice a year in 2006 and 2007 and removed the “fodder” as they were obliged by the contract with the state and how it was documented by photographs by the Pratzers. Then there is also missing information on whether they sold the hay – and to whom and for how much or whether they used it for feeding their own animals – and which and in what quantities and how it increased the value of the

animals, etc. The expertise is also missing the table of profit and loss statement of ZEMI a.s. Mičovice and there is no proof whether the meadows were fertilized. There was no local investigation done and therefore we don't know if anyone local saw the cows, where and for how long. The calculation is also missing the price of grass or hay in 2006 and 2007. It was not investigated whether the Pratzers have a proof of buying any "fodder" in the feeding months. There was no inquiry to the Land Fund in Prachatice about the pastures around the cow-house(!), whom they belong to and who was interested in the in years 2006 and 2007.

Without these input data this "expertise" is not worth the price of the paper it is written on. And even if we granted the South Bohemian University the "academic privilege" that its employees don't have to set foot among the ordinary people and they can pay their mortgage and holidays in Tunisia from their scholastic constructions, then still one question remains: if according to them the "wholesale price" of 1 kilogram of hay is 20 crowns, how much would a kilogram of apples or carrots cost?

But we are again deep in the logic of the calculation. How did the university come to the amount of 366,800 CZK that by the way looks very similar to the price the Pratzers paid for the cow-house and that has very mysteriously vaporized from the account ZEMI a.s. Mičovice opened for this transaction in the name of Collective Farm Mičovice?

We have asked for consultation at a farm that is making its living by breeding cattle for the last 15 years. Here it is:

Calculation 4: From the field

Ing. Alena Králová with her family has been breeding cattle on their farm for 15 years. After reading the previous estimates, she told us this:

The cattle don't feed all 24 hours per day. They must chew the fodder, they must walk, sleep, rest, etc. and for the very feeding there are some 5 to 6 hours left – or 4 to 14 hours. If the cows were grazing for at least two hours, they would probably manage to feed maximum of 30 kg of grass (fodder contents 22%), i.e. +/- 6.6 kg of dried fodder. If we use a very rough recalculation that this amount would represent hay (hay has about 87% of fodder), then $6.6\text{kg} \times 14\text{ cows} \times 229\text{ days} = 21,160\text{ kg of hay or } 21,160\text{ CZK}$ for both seasons together, starting from 19/05/2006 till 30/09/2006 and from 07/05/2007 till 10/08/2007 for 14 cows. Since we still don't know how much of hay or other fodder the cows received outside of this "pasture", the calculation is only an estimate of reality.

In any case, the cows had to get some fodder at home as well – otherwise they would break down the cow-house. All animals are born to eat at first. And the cow – as a ruminant animal – needs quite a lot of time for it. Two hours might be enough time to feed in the cow-house but still it would have to be twice a day. Rather than hours, I would calculate the whole portion per day. Did the cows get something in the cow-house? Fine, they consumed something in those two hours at the pasture. They didn't get anything in the cow-house? In that case they would have to get their

full-day portion from the pasture and in that case they would suffer from hunger and give no milk. (*The Pratzers have evidence of how many liters of milk they got in each day of those two years – and then drained it out*). So the cows had to feed in the cow-house as well. The question is how much and what. If the meadows were mowed (and the contract say they must be), they only went to walk there. And besides – if I let my cows out on a pasture in the morning, there is no way I would get them back inside in two hours – they would be just at their best...

Nice language, isn't it? A patch of fresh herbs on that pseudo-academic and police gibberish. But still we did not find out how the University came from 21 thousand to 360.

Therefore, we asked the Institute of Scientific and Technical Information for Agriculture (Ústav zemědělsko provozních informací, ÚZPI) in Brno for consultation (rozsypal@uzpi.cz). Their opinion follows:

Calculation 5: ÚZPI Brno

"...In the below mentioned report there is a calculation of damages made by Mr. Pratzers animals grazing on land of someone else, based on expertise of The Department of Genetics, Breeding and Nutrition of Animals at the Agriculture Faculty of the South Bohemian University in České Budějovice.

This statement has an error in calculation of unit costs – that is 15,000 CZK of costs per hectare divided by fodder yield 5,000 kg/ha corresponds to the final costs of 30CZK per kilogram of fodder (as stated in the expertise), however the correct amount is 3 CZK."

"As I know the conditions of farming in the Prachatice region, I seriously doubt that the real costs were anywhere near 15 thousand CZK/ha (that is the maximum cost of maintenance of intensively cultivated meadows that have to be mowed three times a year using high tech machines). To find out real costs and profits, I suggest inquiry at ZA-PÚ (Agricultural Agency / Land Office) in Prachatice whose employees know very well and personally the conditions in particular farms in the region and they can find out more details from the accounting and operation records."

The previous two comments turned the "expertise" of South Bohemian University upside-down. It contains errors in the range of whole digits. Although we have noted this to the author of the expertise, there was no correction. And even worse, the Prachatice police refuses to include any opponent calculations and in their investigation they stick to data from Budějovice and these data will also be used in the court.

What else can we say? We can be proud that we are a country rich enough to support the South Bohemian think tank from our taxes and ensure them a life-long comfort of a glasshouse where no results have to be verified, disputed and where defects like this one cannot even be claimed and the authors face no penalty even if they can cause imprisonment of an innocent person. We have no "tool" to force the gentlemen from University to take the hay to the main square in České Budějovice shouting "Hay, buy hay! For

twenty crowns per kilogram only!" I can only guess if the sales of this hay was the only source of income for the author of this expertise, it would also make a substantial part of his diet plate for winter 2007/8.

But we also watch this case for another reason – it shows us the key according to which the billions of agricultural subsidies are distributed (and which has at this moment tragic consequences for one farming family). Once again we went through the numbers and looked for the inside logics of all four estimates. Apart from the unclear inputs (whose meadows they were, was there any grass, where could the cows be, did they feed something else, etc.) and through the mistake with the decimal point, we still couldn't find out how the people from the University came to the costs of 10 – 15,000 CZK per one harvest of grass from one hectare of meadows? Then we got it: These aren't and cannot be any real costs... these are... subsidies! Subsidies for hay harvest that cost this country 2 and half billion Czech crowns every year and that we call our ecological agriculture.

Is EAFRD an investment programme?

When I started with the study, I started with it because of the "grass". As the former marketing manager of Tesco I went to bed and woke up with the tables. The 5.7 billion in the hands of the Ministry of Agriculture was the yearly budget for „hypermarkets“, the „supermarkets“ made up twice as much. Just for imagination, the former Máj at the Národní třída (a main street in Prague) „turns“ 1 billion per year and Tesco has 20 of such „houses“ in the Czech Republic and Slovakia. Still the „English“ were able to watch every single crown. Return of investment was the magic formula that was repeated every day to every employee: what is the cause of your costs and what are they made of, what is their return and what is it made of? Let's remember once again the sentence from the point programme for subsidies of the Ministry: EAFRD is an investment programme.

I remember when I first opened the thick file of the Countryside Development Programme, I suddenly felt dizzy. All work on the programme was assigned to external agencies and institutions and the main condition was that it has to "go through" with Brussels and the conditions of the EU common agricultural policy.

Ministry has filed the outputs of particular suppliers in the binders without any review. So many data are duplicate (the same SWAT analyses repeating, again and again we read the same sentences about arable land and underground water) but other – often essential – data are missing.

But actually we don't know anything about the reality, we don't know the situation and we don't want to know it, we don't consider it worrying. As the starting point we accept the rather unsatisfactory status of the current agriculture that we don't analyze or comment and don't want to change it – we only develop it and add the "worst from Europe" – quotas and bureaucracy that we did not have to bow to so low and sometimes we even overdo it. We build the development of the countryside from the end – by methods of software checks and training of state bureaucracy. And mainly: we don't listen to the farmers.

To be more specific: SWAT analyses are on the level of secondary school graduate and the division of subsidies into three OSAs is done in a similar way. One OSA speaks about the necessity to earn, the other one about the necessity to spend and the third one about the necessity to mix the previous two somehow.

We won't even find out the details about what stopped the development of the countryside: e.g. how much land remained in the hands of renamed state and collective farms, how much land did modern businessmen with subsidies on area of land get easily and cheaply, what is the ratio of land subsidy and the real investment into the land, what was the rate of return of agriculture subsidies into previous programmes such as HRDP a SAPARD and how are they commented by farmers, what are the financial flows of subsidies especially at their biggest consumers – calculated per number of labour force, production and sales, last but not least, methods for increasing the basic capital which are used by big farms to conceal that 95% of their income comes from subsidies are missing, etc.

In Countryside Development Programme, there is nothing about turnover of domestic and foreign food production in trade network, which means we don't know the demand, we just let others control us by quotas and payments of subsidies that "those who can shout most" get. We don't know the costs for a unit production of every commodity, we don't know its position on the market, and we don't know how to save our market for domestic production.

There is also no reference to strange practice of overseas import of seeds that are used to pay last year's farmers harvests and that allow high margins for purchasers closely connected with agrarian lobby. We won't learn anything about scandals with biofuels, we won't read about constant exchanges of ministers, actually, we don't know anything about who and from where controls the Czech agriculture.

Statistics are inaccurate or misleading, solutions political, economic theories socialistic, social aspect and "site research" of regional specifics is completely missing, there are no model situations enclosed, and there is no methodology.

Countryside Development Programme ignores the facts that people working on family farms are extremely stressed which harms their health, that farming is full of complicated administration which doesn't allow mothers to take care of their families and takes farmers time they need to relax and recover.

There is no analysis of motivation for work in agriculture, no solutions to countryside alcoholism, criminality, unavailable seasonal workforce, wrongly-distributed social and health benefits, misuse of social welfare system, bad work attitude and low productivity, we won't find a single word about large areas of Czech countryside where "only those who did not manage to move away stayed".

The programme is also fundamentally missing cohesion to other ministries – we don't know the common proceeding and plans of Ministry of Agriculture, Defense Ministry, Ministry of Culture, Ministry of Labor and Social Affairs, Ministry of Local Development and Ministry of Foreign Affairs – we know only information out of context that are tumbling without the connections. And of course: "no

names, no telephones, no signatures”. Only 5.7 billion per year. Out of which 2.5 billion is for “grass”. Everything because Europe wants it this way, we are “ecologists” now as they are. It is as if a desperate clerk wanted to say – where to put the money for heaven’s sake?

If I want to prove my previous statements, I have to bore you for a while. I have seen many times that the citizen trusts the speeches of ministries and considers them erudite and professional. He cannot be more mistaken. The ministries (and politicians themselves) are only tools of higher power games where the rule the best serving person is someone who does not know they are serving is applied in the same way as in the past.

Subsidies for permanent herbage according to the Ministry of Agriculture

The strategy of subsidies payments to meadows and pastures have been the subject of arguments between their owners and the Ministry of Agriculture ever since. At the time when the privatization of agriculture property turned out badly and the privatization of land even worse, Land Funds sold out the national property for nothing at manipulated public auctions to those who had money for it (see the case of Mr. Ivan Krátký which follows).

But for sure it were not the local people who became the owners of the agricultural land. Rather there were people who had the information from the Ministry of Agriculture and when these information got to the countryside, there was already no land left. The information that every rural citizen should have the right to know and that was that Europe as we are just entering it is “green” and that there will be subsidies for ecological farms.

In this study we are interested in “Grassers”. They bought up thousands of hectares of foothills land in particular at 50 hellers per meter and submitted the demands for subsidies at the Ministry of Agriculture. These people will get 150,000 crowns for a five-thousand investment per hectare within ten years. And imagine you have 15,000 of these hectares. These are numbers which won’t fit into the calculator’s display of a good person. When it was late and the locals started to point at a man who owned a meadow behind the chapel and who hardly ever showed up in the village, the Ministry of Agriculture stated they would only pay subsidies for meadows if there are animals. “The animals will be returned to the countryside and the owners will have to stay there with them.” But the owner, who collects 150 million Czech crowns per year, will hardly work with fork in his stable. The rich consumer of subsidies will give fork to a local, Jirka, who is amazed he only has to work six weeks a year when the grass is mowed and for the rest of the year he can sit at home, being on the dole and watching soap operas.

Numbers, numbers, numbers

When we started to talk about subsidy to herbage, we found out several discrepancies concerning yearly costs per one cow (if you want to get subsidies, you have to have

animals – in ecological agriculture it is 2 cows per 5 hectares). The calculations of Research Institute of Cattle Breeding in Rapotín and Research Agriculture Institute (VÚZE) in Brno are different by about 25%: VÚZE states 12,435 crowns, Rapotín 16,632 crowns per year. (*Using permanent herbage for cattle without market milk production, Jan Pozdíšek, ZI 2004, Costs and profits of chosen ecological products, VÚZE Brno 2005*). So, we haven’t started yet but we already argue about the number we should throw in our blender.

Ecological farmers, who came from conventional agriculture to ecological agriculture and are therefore able to compare, point out that even the difference of costs for cattle increase in conventional and ecological system is not calculated correctly. In their experience, there is no big difference between them. (*VÚZE Brno: Costs and profits of chosen ecological products, states 36.40 crowns for conventional farming and 29.22 crowns for ecological agriculture*). If this is true (and there has been no one to verify it), the subsequent calculations of subsidies per hectare of permanent herbage using a method of “income lost and additional costs” (how much I lost for being an “ecologist” and how much more I had to pay for the same) are quite variable by about 25%.

The very calculations of subsidies for permanent herbage are based on Austrian methodology that counts costs per cow unit (CU) and multiplies them according to the given coefficients determining the number of CU per one hectare. (CU is five hundred kilograms of alive weight, which means approximately one cow, a smaller horse, 7 goats and 7 sheep).

The above mentioned method was used by VÚZE Brno to calculate the subsidy per one hectare of herbage with 0.2 cow – it is 1,850 Czech crowns. If they started at 1,250 crowns, it would be the same truth, it only depended where they got the numbers from. But, let’s say the amount of 1,850 crowns is an amount which is transparent enough and at least possible to be calculated according to the given method. So, how come the suggestion for the amount of 2,650 crowns got into the Countryside Development Program? To see how it happened will help us to decide whether we can rely on the numbers the state presents us as authentic.

The change of the amount of subsidy for permanent herbage from 1,850 to 2,650 crowns was caused by the pressure from farm owners with permanent herbage*, when VÚZE accepted the manipulation of the result by means of adding theoretically allowed 1.5 CU/ha to our 0.35 CU/ha and their subsequent division with the view to get an “average value” for which they could demand subsidies. (Calculations and the results together with EAFRD are quoted below).

(*a co-author of subsidies calculations to permanent herbage who sent them from VÚZE Brno to the Ministry of Agriculture in Prague was in her sixth month of pregnancy and according to her colleagues she was so pressed by the grass lobbyists (literally: “they were shouting at her so much that she was afraid of miscarriage) that she took the pen and changed the coefficient from 0.35 to 0.6 and the amount of 1,850 crowns to 2,650 crowns per hectare).

In this way “a theoretical loss of income in ecological agriculture compared to conventional agriculture of about 0.6 CU/ha” was caused. It was only theoretical, because as it was said, in reality ecological farms are deep under this coefficient and the reason why could be the topic of another discussion. Despite the complicated calculations, there is nothing difficult about it: the owners of thousand-hectare meadows and pastures forced the girls from the Research Institute to give them subsidies for non-existent animals, as we know it from Gogol Dead Souls. And we paid a subsidy of 4,400 crowns per hectare for the pasture with one sheep, which is 200 crowns more than we paid for arable land which was subsidized by the state with 4,266 crowns per hectare in 2007. Everything can be calculated.

(Countryside Development Programme, page 207: The suggested payment for permanent herbage/hectare – is 2,650 CZK. The source of this calculation is... the difference between contributions covering the fixed costs and profit of the ecological and conventional production of cattle must be recalculated to a hectare of herbage using the relevant work load, that means number of DJ per hectare of herbage. For this recalculation a value was selected that corresponds the average value between real work load in ecological agriculture (0.35 DJ/ha of herbage) and a middle value of load set for this management (i.e. $(0.2 + 1.5)/2 = 0.85 \text{ DJ/ha}$). The loss of income therefore is $0.6 \text{ DJ/ha} - 4,413 \text{ CZK/DJ}$.)

With 2,650 crowns per hectare, 233,000 “ecological” hectares of grass would consume 618 million crowns per year. (If originally planned 1,850 crowns/ha was applied, it would be 413 million crowns per year – these are still large amounts – the largest amounts that go to the ecological agriculture). (The real numbers in 2007 were approximately 500 million into grass mowing and about 160 million into everything else).

Using the exactly same methods, our lobbyists added “costs” for LFA (less favoured areas), agroenvi and others to our 2,650 crowns – and in this way they got the above-mentioned 15,000 per hectare out of which the South Bohemian academicians drew from.

If you still remember the table with criteria, especially the point that tells us that subsidies mustn't be used for reconstructions of buildings because EAFRD is an investment programme, then compare this statement with the previous chapter. Just to inform you, “our” farmers-processors ask for 50% of their costs for the development of their farm processing (the less they ask for, the more points), and none of them for more than a lump sum of 500,000 crowns. In spite of this fact, most of them will not succeed anyway. ZEMI, a.s. Mičovice collects 22 million crowns (twenty-two million) per year without any projects, tables, and analyses of economic return.

Using money from subsidies, we support open-air museums of communism of foothill areas that create more than half of agricultural land, and by unnecessary administration suppress people who would be able to start business in agriculture and who are the elite of the nation. No wonder the border areas look worse than five years after the war.

If we go back, we will find the source of this money in a thick file of Countryside Development Programme which



copies nice sentences out of European procedures like: we have got a lot of arable land which pollutes our underground water, we are interested in non-agricultural activities such as landscape maintenance and other nice things that allow a very easy life to people who would otherwise have a difficult life somewhere else.

Reality is democratization of particular findings:

So, how much finally costs mowed grass? And is it the market price? I mean price you buy it or sell it for at the market? Or does it show the market demand for beef? Or is it the price for which someone mows, dries and harvests it? Or does it show the price the state counts for landscape maintenance? Or is it a price you, a tax-payer, pays to mow it?

It is the same as asking how much one washing of your clothes costs. It depends on the washing machine, whether you have Kládka of your grandmother or the latest type of Miele – the difference in the purchase price is 1000% and if you know how to do “it”, you will not recognize any difference in your clothes. Another difference in calculations will be made by the choice of the washing powder: whether it is an old soap or Ecover. Also whether you dry in the

tumble dryer or outside in your garden, whether your washing machine stands in your bathroom with pink marble tiles or in your hall or garage, etc. It is clear that the price for washing a shirt in hotel Four Season is different from the pension in the Šumava Mountains, even though at both places it is done by the same woman. The difference is only in profit margin.

When calculating the subsidies, we cannot ignore their “individual background”, in this case: what type of tractor we use to go around our meadows: whether it is line for two millions or an old tractor Zetor of the collective farm. Also where the tractor stands is important: whether under the plastic next to the hayloft or in the heated hall. How much we pay to our employee, whether we employ him only for the season or whether we are able to employ him the whole year, whether we employ him under the table or whether we pay taxes for him. Also what is the grass used for – whether for feeding animals or selling or burning as pellets, whether we prefer fertilizing or mechanical elimination of weed and thistles, etc. There is no consensus about the numbers, it depends on the pressure of a particular group pursuing their particular interests.

We cannot rely on calculations of academicians. As we mentioned above, they can manage to calculate utter numerical nonsense. We mustn't allow to be driven into the corner by statistics of “average values” and by conclusions like: “In one company a manager earns 100,000 crowns and his ten subordinates 10,000, which means their average salary is 18,000.” For example, in England it is common that subsidies are calculated individually for a farm. But according to totally different value (and ethical) criteria.

And finally, we mustn't forget that even if we managed to find an exact result, every number has its own strong opponent, which is broad context: do we want to accommodate our farmers in a top hotel or in a pension? And if in the hotel, can we afford to accommodate all the farmers or only some of them? And if only some, then which ones and why not the others? And if we cannot afford to pay the hotel for farmers, how come we can afford to pay the hotel for those who decide about them and provide them with services? And even if we get all the farmers and their expensive company into the five-star hotel, won't we mind that water is leaking on children through holes in the school roof or that our mothers give birth to their children in the hospital corridors? Or that the tax-payers living in their mortgaged apartments will start throwing cobblestones into hotel rooms?

Reality is democratization of perception which is based on... consensus of participants. That's why we have an obligation of tripartite negotiations. But where could our farmers apply their voice, where was the platform for their suggestions about manipulated calculations of subsidies and distribution of subsidies into production and the point criteria are nothing but pure bossing and arrogance and the consequent administrative and control proceedings of the state are one serially connected collapse?

Watch out for the non-profits – Probio, the former Union of Ecological Farmers

Where can “our” farmers seek help?

The Ministry of Agriculture has its own legal department. But we pay it so as they were able to protect themselves against the farmers.

Lawyers and solicitors? Two and half thousand per hour. And to study current legal marasus takes dozens of hours. My personal experience with lawyers is unfortunately very bad. They need constant assistance and although they are clearly instructed which direction to go, it is almost impossible to make them follow it. Professions which are controlled by virtual rules, tend to follow their virtuality. The result is that we don't know the case of farmer vs. state which would lawyers managed to win, on the other hand, I saw invoices for tens or hundreds of thousands of their fees. And Czech courts? It is the same as Czech agriculture or Czech police.

So only unions and interest organizations remain. At first it is necessary to find out whose interests they protect. The name “non-profit” can often be quite misleading.

From the beginning, the opposition against subsidies for grass was the subject of arguments between founders of Czech ecological agriculture who earn their living through biofood production and new ecofarms which entered the ecological system only after the introduction of subsidies. Under Probio union, which currently associates about half of ecofarms, several discussions were held. (for Probio and its structure see the chapter of Mr. Šourek – right now we would like to stick to distribution of state money subsidies into agriculture.

It was important because in tripartite discussions about “grass” value the ecological farmers were represented by their Probio union founded by first ecological farmers-processors. But those were steamrollered by incoming “grassers”. Whose interests does Probio protect? As everyone else, their own. Money from the members are paid from hectare, not based on bioproduction. However, the image of ecological agriculture is created by bioproducts.

Probio is on one side alive from nice pictures of biomothers they display on biomarkets and nice leaflets about the month of biofood, on the other side it earns money from the „grassers“. And what to do now? If they admit they are not interested in the founders because the fees they pay from their incorrupt hectares are nothing for them, what will they show at the markets and what will they get the subsidies for then? Not a very good situation. (Just for imagination, from approximately 660 million of subsidies into ecological agriculture only 42 million goes into orchards, vineyards, vegetables and herbs).

During spring 2007 when the battle about the manipulated result for herbage subsidies was raging at Ministry of Agriculture, the “grassers” weren't afraid of tactics similar to those used by communist police and they repeatedly took Probio representatives to the pressure negotiations at the

Ministry of Agriculture. And these followed them eagerly regardless the pressure the founders were exposed to.

In spring 2007 the grassers didn't achieve anything by their shouting: in March 2007 new management of Ministry (ODS) followed the recommendations of the founders of Czech ecological agriculture and reduced the overestimated herbage subsidies. Even though the grassers sitting hand in hand with Probio shouted: "You are lying, lying at least in ten points" and "We will see you again", the management didn't change the reduced subsidy of 1,950 crowns per hectare of herbage at that time. Hay subsidies were in this way reduced to VÚZE calculations and again just for your imagination, 80 million per year for one big grass farm, ended up in a different chart. For how long? Until the grassers managed to shout out the shift of the decimal point a bit to the left, which happened half a year later, when the match finished with a draw of 89 euro – about 2,250 crowns.

And how did Probio react? At the annual bioevent in Lednice they could hardly hide their hatred against the founders who brought arguments about the reduction in herbage subsidies to the Ministry of Agriculture. For example, the representatives of Probio board shouted at Jarmila Abrlová: "How could you dare! Thanks to you we lost our money, and you will have to take responsibility for that!"

When half of the members ran away from Probio either because they weren't able to submit a consistent programme (see the final chapter of the study Comments on Vision of ecoagriculture) or because they just weren't needed, Probio lost their artificially created credits of being a representative of ecological farmers. And they reacted predictably: they came up with a trick – obligatory membership in Probio. Everyone who wants to be an ecologist must pay for it. To Probio. Per hectare. Fortunately, they haven't got tools to achieve it. But in any case, watch out for non-profit organizations.

5 ADDED VALUE OF AGRICULTURAL PRODUCTS? MORE LIKE ADDED PRICE. TRANSACTION COSTS

What are the transaction costs that compared to the 90s when they made 3% now raised up to 90%? It is each crowns that goes to anyone that "squeezes" between the producer and the consumer. Accountants, controllers, veterinarians, ministries, clerks, consultants, lawyers and agencies. In France they counted that up to 80% of subsidies are eaten by these transactions. We don't know our number. We don't want to know. So we have to go out again:

Example: Family Šmakal from an ecological farm near Benešov (ekofarma@post.cz) owns 450 hectares of land. The young Antonín Šmakal "likes" the vegetable production and would like to point the farm that way. But as we just described, the current subsidy system forces the ecological farmers into "grass" and therefore into "animals". Since the livestock production has many technological costs the same as the vegetable one, the Šmakals keep fighting on both frontlines and they divide their power and subsidies into purchases of grass mowers, tractors, haymakers and silos for vegetables production and stables, railings and milkers for animal production... Although the Šmakals would like to grow bio grains, peas, etc., to be bought by their colleagues ecofarmers from the mountains who don't have enough supplies for their milk cows, goats and sheep, because the yield of grains is not so high in the mountains. Now they have two years to decide what to do. This is no way for them to survive. But the Ministry of Agriculture doesn't help them much with their hesitation.

The father and son work ten hours a day, 7 days a week and in the past two years they did not pay any wages to

themselves. They cannot afford an employee because: "We understand that he will ask for at least 15 thousand a month and also that he wants to be employed legally – because of mortgages, loans and pensions, but altogether the costs for his wages and taxes will make 27 thousand a month and this doesn't correspond with the value he can create for the money. We understand his requirements and costs for good living but there is no way he could earn such value with his work. In other words, he can make the value for himself and his family but he will not make the money for the "state". The production of the farm with the potential and will to make dairy products, poultry, eggs and smoked meat, all in bio quality and all items which are demanded on the market, stagnates like many others. Subsidies for work force in agriculture are described in the chapter of Roman Rozsypal..

And now something about investments: Most buildings necessary for farm operation were built by father and son themselves, granaries and stables have been built in this way in the countryside for centuries. And as their production was increasing, they were forced to invest: on the one hand into something they want, which is more grain processing – in particular ecological mill for bio flour, and on the other hand into the building of new stables for hay for animals. What will these two investments be like? As was said above, ecological farmers-processors "deserved" their points in subsidies programmes for bio food processing. However, these points were such administrative burden that they cancelled this "advantage".

Do you want to build a stable? Then pay!

After reading the conditions about how to get a subsidy, Mr. Šmakal found out that subsidy system didn't include the subsidies for building of a basic attribute of every farm – a stable. As if it was automatically calculated that hay is rolled into packets and saves time for piling it into the stable because we forgot long time ago what it means to have a stable and animals under the roof. While Mrs. Ondřejíková announced the reconstruction of farm buildings as a horse-riding hall, the Šmakals with their tons of grains didn't manage to satisfy the subsidies conditions. So they have no choice but to build the stable themselves and for their money.

Structure, construction methods and technologies haven't changed since the times of Marie Terezie. But what changed are the conditions for construction. Construction Authority in Benešov won't allow father and his son to build the stable until they bring "a project" which will have a stamp of an architect. This stamp costs 75,000 crowns. The family where people work without any rest and wages for several years is forced to pay 75,000 crowns to "a project agency" for a three-day work which they will not use later anyway because they will build their stable in the same way they built them in the past.

Do you want to mill the grains? Then pay!

The subsidies applications in today's form as they are released from the Ministry of Agriculture are not readable, cannot be understood and filled out in less than 10 days of working time! But these 10 days can extend quite a lot. Because the farmers have no one in their region to ask (the applications are submitted at 7 branches of SZIF and they usually have different opinions than the regional agricultural agencies) and therefore they face the risk that the work they are doing for the first time in their life will not be done 100% the way the Ministry intended. So they are balancing two fires from two sides – where to take 10 days of working time in the season of harvest or seeding (date for application submitting: November 26) and how to avoid the risk that all these 10 days are wasted for one shifted line or a field. As described before, the farmers usually travel to SZIF three times – that means another three days out of the farm while they have no employee to take on the work in their absence – while the farmers have no idea what a week of vacation on the seaside is.

Since the clerks who create these regulations have no analysis in EAFRD on the work load of the (family) farmers, they work with their time like a government in Ukraine – just like if it was a quantity falling to the people from the heaven, not paid, not taxed, and it is possible to waste it like the taxes of (European) citizens.

And that is the moment our "expert consultants" are waiting for. Building a mill has two parts. The building and the technology. Mr. Šmakal abandoned the chance for subsidy for the building part right away (only the costs for projects would take about one fourth of the investment into technology). Plus the building would need the building

proceedings and approval proceedings done – and that would make the whole process flooded with managing to get all the official stamps so he gave up from the beginning. He is submitting the application for technologies only – meaning the machinery equipment of the mill.

About the technology application: The young Mr. Šmakal studied the Agricultural University and three semesters of the Faculty of Law. He reviewed the application and estimated that he would need the first five days to study it and then fill out the tables explaining why a farm, that has 440 hectares and has received subsidies for growing grains for the past 10 years (all of it is recorded just like exact reports on what types and quantities of grains they produce), would need a mill. Another five days he would spend running around the technology producers making the tables about what a mill is, what does it consist and what would Mr. Šmakal do with it. After completing all of this in the given time, in the last stage he would have to give it all in the hands of "Hradec" and their "well, Mr. Šmakal, we don't know if you will reach for the subsidies" and "you have one stamp missing here".

Mr. Šmakal looked again at the list of tasks created by the Ministry and then he looked at his fields, stables, and... he went to Benešov to find an agency that would do the 10 days work on the application while he can take care of his fields and milk his cows. When Mr. Šmakal agrees with the absurdity of these tasks with a deep sigh, he accepts the rules of the game that is no longer innocent.

Agriculture or a new form of slavery?

An unknown person opens an office in the main square in Benešov and puts up a sign saying "Consultant agency". What a coincidence that it is a person who until recently worked in the state administration. He provides a direct line between the pack of regional authorities and his clients, in this case the farmer Mr. Šmakal, and as a decoy he shows all the stamps he can get. For money. Or actually sell. And he has the time. Lots of time. The more tables he prints and the more he clogs the project with information waste, the fatter it will become – and the more expensive.

In the case of Mr. Šmakal, the agency takes a table of "classification points" and says: 25 thousand crowns. Mr. Šmakal runs his eyes again over the fields and lines of the application, looks out of the office window to his farms and ... signs. The smiling and relaxed consultant takes the contract and adds: "plus ten percent of the subsidy value". Probably so he can put up a table for his brother-in-law in his office so he won't be so lonely. And then he advises his neighbor: "Look, for the subsidy it is necessary to have the building approval and for that it is necessary to have a project. Can you draw a barn? Ask for 75 thousand".

From the total value of subsidy – approximately 300 thousand – there is already 55 thousand gone, which makes up 20 percent. Twenty percent out of 5.7 billion of the year budget of Countryside Development Programme is one and a third billion. Roughly. With this number you cannot be wrong and you don't have to be afraid to find an erudite opponent equipped with Excel tables with transaction costs

of the subsidies for countryside development. There is no “political interest” in these numbers in our country and there are no people who could make the calculation. It required a multi-layer work in field and no one can really do it or wants to do it and even if he could and wanted, he would not be equipped with necessary power and authority and he would not be allowed to climb the fences of others. Even though we have 400 people sitting in the headquarters of the Ministry of Agriculture, another hundreds of people in regions, we still pay the “research labs” and consultants, so the data about how much money from the subsidies will really reach the place of destination is missing. Just add their wages to the 1.3 billion and you have about double the value. If we ask the question who do we support from our taxes going into agricultural subsidies and whatever the final number is, we can be sure it is not Mr. Šmakal and his mill.

Mr. Šmakal and his 55 thousands wasted in our big game is no interest for anyone. It is a too small fish to catch someone’s attention. But the much larger outflows of mon-

ey, which we have been warning the Ministry about and have asked the NKU (Supreme Inspectional Authority) to investigate, are in the subsidies per square area and large investments of bio gas works bio fuels. It is no longer a secret that the biggest players are sitting very close to the subsidies pie and have tens of companies through which the subsidy money flows out of the country.

Considering these numbers, our discussions about Mr. Šmakal from Benešov and his yearly wage that ended up somewhere in the machinery of the administration are really marginal. The machine has choked right at the source, at the beginning and what is happening in Benešov is really just a comedy. But with predictable results. The younger brother of Mr. Šmakal, that is growing up on the farm, is now very strictly guided by the family to study in a field outside of agriculture. With the wasted money we are also wasting our future.

As we saw before, even the Abrles refused to play the described roulette and under the time ultimatum of the local authority they applied for a loan.

6 CONCLUSION

Let’s ask for the opinions of the farmers: according to the Abrles it is first necessary release the subsidies with value under 3 million with minimal administrative burden. A family farmer has no time to run around the offices who actually don’t even know what they want and they want something that they don’t have to ask for.

They also keep alerting about the repeating formula: The money released by the state do not cover the costs for building a processing facility (just like the bank loan will not cover the costs that are influenced by the state requirements) so the farmer gets stuck in the middle of building with the subsidy money used and a loan he has to start paying but no money to finish the facility to even start working. The subsidy money are distributed in a wrong way from the beginning – the help to keep alive non-functioning companies at the expense of building a new prosperous concepts.

This is also related with another opinion by the Abrles, that under these circumstances it is necessary to refrain from the public tenders. Not only to avoid overvaluation of the investment costs, but also because the farmer wants to decide whom he will give the job – because that is also a factor for his future sales and local relations. The state usually cannot manage the public tenders (see the example of tender for new controlling organization mentioned in the case of Mr. Šourek, or the tender for a building company in project of Mr. Pulíček). And the fact, that if the farmer selects a local company that might be some 5% more expensive than a distant company, might influence that payment of subsidy is, according to the Abrles one of the typical examples of the state intervention in processes the state does not understand.

The deadlines required by the Ministry do not correspond with the pace of operation of the state administration. For example, in the subsidy title “Young farmer” there is a condition for getting the subsidy saying that the starting farmer may not have the trading licence older than 16 months. As the Abrles experienced, in Pavlov they were not able to receive the building permit, not to mention the restitution or buying the necessary land in 16 months. (The building permit proceedings for their hall specifically lasted for 13 years, selling of 56 square meters of their courtyard took the Land Fund two years, correcting their own mistake takes the SZIF already 8 months now, etc., etc.).

The subsidy programmes are not made by experts and farmers have no political or practical powers to have their voices heard other than becoming a report for the EU or wall-poster at the Ministry website.

The main reason for problems in agricultural business, as the Abrles see it, is the state intervention into citizens’ efforts to make their living and have their own business. The result of it is raising unemployment rate in the countryside. Thanks to the high unemployment, there are groups of people who live in the villages without a job and anything to do so they spend their time envying, denouncing and making damage to those who work.

What has impaired the Abrles the most was the still secret fact, the regional structures have no clear methodology for their operations and they are not capable of basic functions such as building permit proceedings, land transfers or methodology of state support for farms.

The clerks are not forced to take their responsibility for their personal decisions and they keep working so the responsibility for their work and its results are transferred

away from them – in this case to the business sector. The whole 15-year experience of the Abrles shows that the authorities are working slowly, wrong and always blaming others.

The small and the big ones – acknowledgments

Ecological farming in the Czech Republic has its roots in political dissent. The collectivization, chemicals, destructive interference in the landscape, abuse of animals, slacker work, stealing, low quality food – these are some of the attributes that the collectivization brought to our countryside. And they became the motto for many starting eco-farmers to go the “ecological way” and their determination to show it can be done in a different way. Their motivation and strength came from the different opinion paradigms: only long-term hard work brings results, human cannot win over the nature, we can trust the land we live on, we can rely on each other, you cannot change the rules of the world – only try to understand them, a man that knows something can walk through his life with his head held high.

Among approximately a thousand of “ecological” farms, 85% of them are the “grass growers” and the founders of real eco-agriculture stand among them like an island in a similar way they did in the years of socialist agriculture. Their representing association Probio, they founded in the nineties, has deserted to the side of those who feed it with their contribution funded from the subsidies per hectare. The ploughed balks bring more contributions than small farmers like the Abrles. “Our” processors are in the European subsidized agriculture are actually difficulty for our “big guys” from the new-time collective farms that shake hands and tap backs with the “big guys” from the ministry. But who is big and who is small here?

The ideas these farmers have sacrificed their lives to and that are purchased at the price of their health, sweat, caluses and tears have multiplied their value ten times. The nature is not democratic, it is aristocratic. Their word has the weight of ten empty words of political speeches, their experience has the value of hundreds of pages of pre-printed forms, their opinion has the value of tens of court decisions. They are covered by the gold of their work and expe-

rience. And that is the real social contribution of their ecological fields, wineries, orchards and pastures. They show us how to lead a decent life. How to make living for themselves and their families without fishing in the pockets of others, without making any damage by their actions or without consuming. They will leave their world in the conditions they have received it and they will pass it on to their children they have not abandoned.

Epilog

In January 2008 the Abrles won a tender for “VIP wine”. Foreign visitors of the capitol city will receive a package of bio products with the translation of this message. Part of the package will also be red wine from the Abrles farm – with VIP label on the bottle. The project is supported by foreign embassies, prominent Prague hotels and restaurants, consumer associations. On January 20, 2008 the Abrles returned from a week vacation in Spa Podhájská.

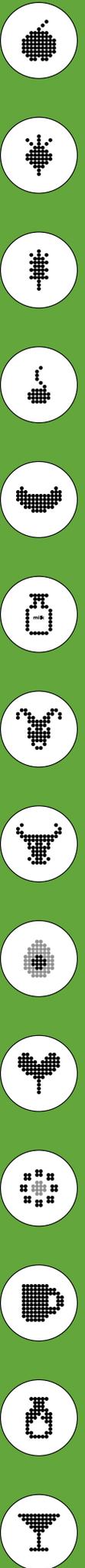
And they had another surprise waiting for them in the mail: The Czech Agricultural and Food Inspection in Brno made an irregular inspection of their wine from 2005 and the conclusion is as follows: The committee has found out that the bio wine does not have the typical taste and smell and therefore the Abrles have brought to the market in 2005/6 a product that does not comply with the quality requirements. The Czech Agricultural Inspection initiates a administrative procedure with them with the highest penalty up to 5 million CZK. The statement of the “committee” – where out of 5 members, the chairman has three votes, was immediately challenged by the chairman of Czech sommeliers, consumer association and a lawyer. When questioning the inspection proceedings, it became clear that all laboratory tests, sensors, microbial processes, genetic origin, magnetic resonation and level of sulphate were all in standard, the problem was in sensual evaluation. In his appeal, Mr. Abrle stated, that the yield from 2005 was sold out completely without one complaint from a customer and that the technology of processing bio wine is diametrically different from the conventional processing and the atypical taste and smell is the trade mark. If they are in good mood at the Inspection, a thousand crown fine will do.



The Lužické Mountains – The victim of “ecological agriculture”

Pigs, cows, milk, grain. These are the things Ivan Krátký experienced in the last 18 years. Similar to other farmers, he believes the future of agriculture is in farm processing. Otherwise he would lose control over his investment. However, he did not have the opportunity to produce farm food in our country for 18 years.

milk



- Farmer*> Ivan Krátký
Contact> r.kratky@atlas.cz
Qualification> Agricultural High School – majors: agronomy and zootechnics
Place of business> Lindava u Cvikova
Subject of business> 1991 pig breeding, 1993 livestock breeding with market production of milk, nowadays grain, rapeseed, herbage
Property> 346 ha (he owns – 130 ha) – 174 ha of permanent herbage and 172 ha of arable soil, leased farm buildings
Property acquired> Family property and privatization project
Start of business> 1991
Financial sources> Family property
Employees> Two sons, a grandson, one employee
Farm production> 400 tons of grain, 150 t of rapeseed, 700 t of hay, 30–40 pcs of livestock + 150 pcs of pigs
Potential> To own the rented land – 183 ha from restitution, 60 ha of state land. The farm can start processing if the regulations requiring 2 employee cloak-rooms, 2 toilets, round edges, contactless taps, and detergents store change. Pork, beef and milk (they can make hard cheese) but it is necessary to make input investments available.
Current plans> Lower production, landscape conservation
State contribution on business development> Up to 2004 nothing, in 2004 505 thousand (Operational programme 1.1) for fodder harvest line. This amount of money did not even cover the interests of Česká Spořitelna loan (which were 635 thousand). Area subsidies on soil (agroenvironmental and arable)
State contribution on adoption of processing building after EU regulation> 0
State contribution on land purchase> 0
Contribution on buildings repairs or construction> 0
Contribution on technologies and processing> 0
Contribution on machines and mechanization> 505 thousand
Subsidies share on business investment> 2 %



- Subsidies share on business turnover*> 50 %
- Main obstacles to business development*
1. Constantly rising prices of inputs. Energy, oil and technologies are on their maximum. Chemicals suppliers raised their prices by 40% again, yet the prices of agricultural products are the same.
 2. Workforce – there are construction companies and glass industry in the community that pay about 20 thousand of net wages. The same wages on the farm mean about 42 thousand of wages costs. As farms cannot afford that, the average wages in agriculture are about 11 thousand, 14–15 thousand at most. And this will hardly attract anyone.
 3. Poor state agricultural politics. The state does not manage to allocate the money where efficient. Very slow administration, immature supporting program.
 4. Land – state land sales harm local farmers.
- Membership in unions*> A founder member of Marginal Areas, he left after he found out that 65 % of votes belong to the group that supports the only possible model of agriculture – through ranches (see below). A passive member of local Agrarian Chamber which is similarly to Marginal Areas controlled by United Farms.
- Political views*> He votes for ODS (center-right), he even argues with local communists; he does not trust the politicians though
- Trust in consultancy firms and unions*> He does not trust Agrarian Chamber as it represents two counterparties: farmers-basic producers and processors. Those have got opposite interests and cannot be united under one interest group. Regional agencies 20 %, consultancy firms 20 %.
- Trust in media*> He trusts to few programmes and authors only (Steigerwald, Martin Komárek, Bendová, Pečinka)
- Trust in research institutes and consultants*> 20 %
- Participation in public life*> at first he himself, afterwards his son (members of local council)
- Benefits for community*> taxes, expertise, traditional production, services – they extend local roads, work places
- Working hours*> 12 hours, employee 6 hours, 26 days per month
- Last holiday*> 1990 (he is taking his first holiday this year)



1 ORIGINAL PLANS FOR FARM BUILDING

Piggery or how to start without land

Mr. Krátký remembers the beginning of his business: “We started in 1991 with no land, the land was for sale to potential farmers only from 1993. We could start with only what we had – and that was our house, a barn and a shed. First we placed 160 pigs in the barn and shed. Our original idea was to have our own slaughter and sell the meat to the wholesales or directly from here and process home-made sausages. But at that time there was no place so we took the meat to the slaughterhouse in Česká Lípa. The only building around here where we could start the slaughter did not have the water sewerage facility which was required by the hygienic and veterinary authorities. And that would cost 1 to 1.5 million.”

Time is money

“I tried to find out the possibilities of the operational programme, bank loans or money from restitutions to finance the water sewerage. The restitutions were inaccessible at that time, banks wanted to see some numbers that a starting farmer could not provide. The operational programme conditions meant that I needed to have the money up front. And even if I had it, I would be worried that the authorities will come up with new requirements or regulations passed during the building time and my application would neither be approved or only 10% would be approved. The time we spent waiting for the land cost us hundreds of thousands. In 1992 a tractor cost 186 thousand, in 1996 it was already 680 thousand. The state blocked the land sales until 1993 and what would I do with a tractor but no land? And when I finally had the land, where would I get 680 thousand in a small border-region village?

Another example was a simple operational programme for harvest line. That was the only money we got from the state. But when we applied for the subsidies, the price was 1.3 million and before the State Agricultural Intervention Fund approved the application, the price climbed to 1.8 million. Finally, the subsidy covered only the interest charged by the bank that gave us the loan. The time we pay to the state and clerks paid from our taxes is running fast and a private subject cannot afford it.

In 2000 we rented premises with buildings from the Land Fund. We got the facilities after the previous tenant who went bankrupt and destroyed everything: he pulled out electricity wires, slaughtered 400 pieces of cattle, took everything that could be taken from the hayloft including the electromotors – only a bar with a box was left. Nowadays when we lost our cows and pigs, we can use only the barn for hay and silage plates from the whole premises worth 16 million. But even repairing the hayloft isn't easy. We submitted an application to purchase the buildings from the Land Fund two years ago and we already had to invest our money into repairing the broken roofs, but the Land Fund

is still only promising to announce a public tender to sell them. The reality is that we still have to worry about losing our work and invested money up to the very last minute due to the system gaps. If someone buys the restitution rights to agricultural property worth 1 million from a real estate agency for 200 thousand or exchanges the claim for a restitution claim from a distant place like Slavkov, then he can come to the Land Fund office in Česká Lípa and will ask to apply for this claim here, then all our hopes are ruined and our rented, maintained and repaired buildings will be sold.”

The end of milk in foothill pasture areas

“In 1993 there were 160 hectares of land that became available together with an empty cow-house. In May 1993 we took over a 100-piece herd of milk cattle – the milk quality was deteriorating, but so was the rest: buildings, technologies and pastures. The farm company exchanged the cows in the last moment and gave us the weakest pieces. But we still started and during the time we put the herd and the cow-house in order together with the former farm employees. There was no problem with selling the milk to the Česká Lípa Dairy, but there was a problem with their payments. The general manager, ing. Hošek, came from Liberec Dairy that went bankrupt first. The dairy in Česká Lípa followed its example soon. It started with delaying the payments for six seven months and later on we had our yearly turnover there. Finally the debt was 1.5 million.

And we could not supply anywhere else – the veterinary authority introduced a regulation saying that agricultural products must be processed at the closest processing facility. The regulation later changed, but the dairy in Mlada Boleslav had similar problems with payments like the ones in Liberec and Česká Lípa.” (This is the area of three historical foothill pasture districts where only three dairies existed in the 90's, another small dairy from Varnsdorf is mentioned in the Mr. Šourek case). “Sometimes I got money if I went to the dairy director or his deputy and they made out paper for 20-30 thousand.” I couldn't back out because if I stopped milk delivering, the dairy would definitely stop paying. If I warned them to leave, they told me: ‘Ok, go somewhere else, but you've got a million here with our company you can say goodbye to.’” And as they were running out of the material, they paid less and less. After some time they owed all suppliers 49 million CZK altogether, which ruined all the milk producers in the Lužické Mountains.

My wife inherited some property after her parents who had a farm in Vysočina. Her father was in prison because of being a kulak and her mother was sent to this border region where she lived in a small room of the local authority together with her three children until her husband was released and the family got a shabby house after the expelled Germans. We were gradually selling the inherited property

to cover the debts of Česká Lípa dairy. We went to court but there is no farmer in our neighbourhood who would win against the state. I don't have the court documents as I was so furious that I tore them to pieces.

Finally, a thousand by thousand, I managed to get one million from the dairy. But the balance was still 540 thousand – out of those I got 2800 CZK through the bankruptcy proceedings. Mr. Ptáček from Deštná lost 450 thousand, Novák from Dubá 566 thousand... Our joining of the bankruptcy court case was useless because the whole thing went to sleep for four years and the dairy gradually fell to parts and new companies grew on its place. “

Business that brings profit to the neighbors

„Starting from 2004 Alimpex Praha took over the milk paying 7.60 per litre – this was a contractual price though and they were trying to reduce it by all means. They were taking the milk samples until they found something and could reduce the price to 6.60 or to a symbolic amount of 2 CZK per litre for its substandard. However, the products from our milk were sold at full price to all customers.

We hoped we could sell to Germany where Miler from Dresden paid 9-10 CZK per litre. But Alimpex sold part of its milk quota to Miler and delivered for him and paid us a Czech price. This lasted one and a half year. At that time, we weren't member of the EU, which meant that as a private person I couldn't sell directly to Germany and Alimpex could deliver large amounts of milk for pasteurization at their price to Lípa and then sell it to Miller at the German

price. Later on when it was possible to sell the milk to Germany, we didn't have our own expedition and I couldn't join anyone as there were only 1500 cows left out of 15,000 in Českolipsko and the only milkmen were in Doksy, Brniště and Kravaře. Collective farms (JZD) and state farms finished the milk business for good. However, we didn't experience the milk shortage as the price per litre remained the same and also the Czech market with supplies from Germany and France was opened - 50-70% of milk demand is covered by foreign milk. Miler sells back to us – long-life carton milk come from South Bohemia but yoghurts and cheese come back. We sell raw material to Germany and they sell us their labour.

In 2002 Miler finally started coming but not to our farm, which was thanks to previous development the only one left. We were considered a marginal supplier and weren't offered more than 8 CZK per litre, which is the limit for production to become unprofitable. (550 litres per day means 4800 CZK which covers energy, wages, tax payments, feeding, transport, preparation, land renting, but it doesn't generate profit). In July 2004 we discontinued the milk production after 11 years.”

Mr. Krátký closes the chapter on agricultural production saying “Processing is the only way – to finalize the production. When we produce only material, we are dependent on someone to process it, the money return gets longer and the quality of processing is influenced by someone else. Processing would bring more work places, life to the villages, support for the infrastructure, etc. But the Czech agricultural policy seems to be going in a different direction.”

2 “ECOLOGISTS” ON THE SCENE

“By the end of 90s there was not one farm in the Lužické mountains without debt. At that time the European agriculture programme and strategy of support for less favored areas brought bunches of investors and speculators from Prague - lawyers and economists who had access to the information from Ministry of Agriculture about the European strategy of countryside development which we still know nothing about. They started buying off the debts of bankrupting farms and make branches of one giant holding – our local one is called United Farms. A good example might be the business of Mr. Boleslav - today's chairman of Marginal (Eco)Regions.

As an educated farmer, he started his business in JZD (Collective farm) Horní Police which split into three subjects and out of the original 1800 hectares Mr. Boleslav privatized 800. Then he added more property from the former State Farms in Nový Bor and Stružnice and entered the big business. In the first three years he survived thanks to big supplies of goods, material, spare parts and fertilizers

from the central stock. Then he started selling his cattle but at that time, there were still full stables everywhere around here so the prices at slaughterhouses were low and decreasing so he was selling unprofitably. That helped for a while but he had not much cattle left and could not sell anything else. And at this exact moment, people from Prague came and offered him to sell 51 % of his business share promising they will invest this money into the farming. There was no money and the enthusiasm itself couldn't pay the loans, so the farmers with little capital took the offer. On behalf of these farmers, the Prague businessmen started getting subsidies from Ministry of Agriculture for their own properties. Marginal areas, LFA and especially ecological agriculture – are all programmes supported by Union. The more their possessions grow, the bigger their influence was; the ruined local farmers who did not trust state agricultural policy voted for those who gave them at least something from their full pockets, and these subjects together gained control of the regional and special structures (Agrarian



Chamber, Marginal Areas Union-SMO, Ecological Agriculture Supervising-KEZ, PRO-BIO).“

Excursion to the past

“To understand the situation today, we need a short excursion into the past” Mr. Krátký continues. “The land in the mountains was owned by cottagers. Since the times Germans settled down in the Czech borderland, the land allotments stretched in stripes behind the cottages (except for houses of glassmakers in villages who did not occupy the land). For centuries, neighbors were selling land to each other and the land reform of emperor Josef II. put these scattered pieces into the cadastral map. The current system of ELPIS has brought the so-called land blocks that more or less copy the original cadastral map (with problems of GPS localization – shadows under forests that fall out of the arable land block, cloudy sky creates deviation of accuracy...). The view of map where one field belongs partly to the state, partly to the restitution, partly to a tenant and partly to the new owner copies the history of life in Sudetes.

In 1945 the Sudetes region was settled by people with no land – former carters, unskilled workers from the inland – and took the property left by the Germans. Fifty percent of them quit within three years. They either ran back to inland or moved to another village to get another unexhausted allotment, some of them hanged themselves because they

forgot to sow and had to sell the cow to find out later that they only have an empty barn and pockets. This could not happen in a typical Czech village with farm land – new owners who had no bond to the land offered it to JZD (united collective farm) or the State Farms which guaranteed at least the wages. (The State Farms received planned tasks from the state budget and they returned grain, milk and meat – but the quota did not provide enough money for wages so the state paid them 1.7 crowns per hour.)

What was not distributed by the Beneš decrees fell under the state administration and the State Farms were created – one here in Kunratice, another one in Nový Bor – they controlled thousands of hectares. Those who did not manage to farm with profit joined the State farm and transferred the last cattle and food supplies left. The last JZD in Cvikov ended in 1966 because it did not farm and all JZDs in the foothill region became part of the State Farms. And the cadastral maps were valid until everybody stopped farming. The Land Law allowed the land to be returned to the original owners – in our region to the owners from 1945. Now we see that much better solution would be to return the land to the Germans but there was no political will for that.

Germans, come back home?

This wasn't the first time I heard the opinion that Germans should return to the Czech borderland. I myself filmed

footage on this topic for the “Na vlastní oči” TV programme in 1995. At that time, there were often to be seen mass slaughters of cattle as Mr. Krátký describes. Not every new owner would send the cattle to the slaughterhouse. Some new owners of the decayed cow houses let the cows become gravid in the summer to have milk in the winter but dairies did not pay and they ran out of feeding in the winter. The law forbids sending gravid cows to the slaughterhouse, the farmers slaughtered the cows themselves throwing dead calves to the dung and trying to sell the meat house-to-house. Those who did not want to do it this way repeated a 40-year old solution.

My parents belonged to the new settlers who came to Sudetes in 1945. My grandfather worked for the railways and our country had the densest railway network in central Europe since the times of Austria-Hungary. As the network was so dense that it led to the remote borderland villages such as Kunratic, Lindava and Cvikov, Czechoslovakian State Railway developed a project (based on state programme for Sudetes land settlement) in which they offered empty houses to their employees who would go there on weekends or holidays using their company tickets.

In Mařenice near Cvikov there was at that time one street full of employees of Czechoslovakian State Railway. And from that time my grandmother’s story come from.

“In summer 1946 when I was spending holidays in the house in Mařenice with my eight-year-old son and one-year-old daughter, shooting could be heard sometimes. I remember sitting at the back garden one early evening when an old German woman came to me and asked where she should go. As I thought she belonged to those left or forgotten here by their German families and could see she was helpless, I took my small daughter and brought the woman to the local authority that was about one kilometer from our house. Before we managed to arrange everything, it got dark. On my way back I started to worry about my son who stayed in the house alone. At that moment I could hear

shots in the village. I began to panic as it occurred to me that the woman was only an excuse how to get me out of the house and holding my daughter in my arms I ran through the whole village. Fortunately, nothing happened and my son was sitting on the bench in front of the house and was waiting for us. Why the shooting? The Germans with rifles in their hands were coming for the cattle in barns and took the cows and horses across the nearby border through Horní Světlá and Luž.”

In 1990’s the history repeated. However, this time it was the Czechs who took the cattle across the borders. The Czech farmers, who the Ministry of Agriculture was not able to help to survive economically (the dairies were going bankrupt after their money was stolen and the agricultural policy made no difference between farming in lowlands near Elbe and farming in depopulated foothill regions), were forced to get rid of their cattle. If they did not want to slaughter them, they drove them over the border hills to Germany. Through the same paths made by German cattle in 1946.

I know that in 1990 we were afraid of the Germans. There was shooting at Ještěd, even in the nearby Kropmách they found a German guy stabbed to death at the dump behind the pub. But the panic calmed down soon. The neighbor from Oibin cutting down trees for firewood on Hvozď is personally closer to the local people than a guy from Prague who comes once a year to get his cash from them. And the difference between the strategies of European countryside development programs on both sides of the border is very obvious. Prosperous former East-Germany villages invite our people to their celebrations and openings of new companies where our locals go to play the role of poor relatives with their mouths wide open. No wonder that the local people would prefer to have farmers as their neighbors – even if German, than lawyers – even if Czech. But how to get them here? With public auctions of the (formerly German) land.

③ THE PRESENT? CHAOS! HARMS THE HONEST, HELPS THE CHEATERS

Mr. Krátký continues: “In 1991 the restitution claims for scattered parts of meadows, pastures, fields and woods started, mainly from the landless people who came into Sudetes after 1945. Those even in the 90s had no interest (and possibilities) to start farming and either rented the land out to the former State Farms (renamed to joint-stock companies) or to new agricultural entrepreneurs – or sometimes even did not make their restitution claims. The state kept control over approximately 65 % of land.” *(Note: the total volume of privatized land was 400 thousand hectares, which was about 10 % of the total volume of the agricultural land in the country. Due to the mentioned factors, the borderland showed completely different coefficients and provided completely different opportunities.)*

“These settled and unsettled restitutions, new purchases, renting of land and new buildings on the farming land created disintegrated holdings of the land where one field is shared by a private person, a tenant and the state. This makes enough chaos to create opportunities for those who know their way around. But these are for sure not the local people. There is no chance for a farmer to know the legislature about land privatization in details and without a lawyer he is very likely to lose everything.

Laws? Not any more. Only their amendments.

„Coll., about privatization of agricultural land had as other acts some gaps thanks to which it was possible to ignore its

original purpose – which was to help the local private farmers, physical entities, to get the land cheaply. And the state, or more precisely its regional clerks, did not draw attention or try to remove these gaps but instead started to profit from them together with investors. Out of the 7-page original text of the state land privatization act, a 14-page file full of amendments was created, which enabled regional land funds to abandon the original purpose of the act.

E.g. Section 7 (see legal section of the study) enabled the state to sell a piece of land right in the middle of my rape-seed field because it was the easiest way how to satisfy the legal requirement saying that a farmer has the preferential right to buy land he has been farming on for over 3 years but only in 70%. This was not in the original version of the law. I have no chance to reach the remaining 30% in public auctions which in practice means that the new owner of the 30% portion of “my” field, which I have worked on for 10 years, has the right to build an access road to his portion decreasing my size of agricultural land and after that he starts growing grass there because he has no intention to start farming – he just wants the subsidies. The state loses money waiting for the results of the auctions while it could have the money right away from the tenant. And I get new problems with a new neighbor that is sitting right in the middle of my rapeseed.

Another practical problem arises from the new situation. While in 2003 the state was selling land that was inactive, nowadays in auctions it enters the possessions of those farming there for 10 years. Considering this, the farmers were forced to buy or rent scattered pieces of land from the state or restitution holders because the Land Fund way of treating the restitution claims did not take into account any logical agricultural, geographical or value units but divided the land by administrative keys with no regard to laws of nature or historical heritage of the place. Today’s explanation of the law allows these tenants to exchange these scattered possessions for a compact piece of land. But only to those who know their way around. Many of the local farmers lost their quality land they had cultivated for years for the benefit of new investors who paid more in public auctions.

The Land Fund promises at every auction that they want the best for us, but the reality shows it is the other way round. It is the Land Fund itself that has the final word on which land will be sold. (Note: in South Bohemia the lands started at 0.60 CZK per square meter and after three years when the holders became rich from the subsidies, the state releases land with value of 4 CZK per meter which only they can afford to buy.)

“Another condition the speculators enforced into the Land Law says that the agricultural land can only be purchased by someone who already owns at least 10 hectares of agricultural land in the given area. With these amendments the new land-owners, who got our property very cheaply, protect their territory so no new graduate from the Suchdol Agricultural University would get there and start building a system for rain water recuperation, region development educational and marketing center or cow-milk specialties production. The subsidy programmes like the Young Farmer or LEADER are becoming worthless pieces of paper.”

Public auctions of state land – a deep dive into the tax payer’s pocket

“The enclosed protocols of the Land Fund public auctions in Česká Lípa from May 2005 show that an organized group of always the same lawyers and economists from Prague or deputies of their companies and subsidies took part. They always bought land as private persons (*) and submitted price offers that were graded by price from highest offer that would be even four times over the market price and falling in symmetrical price steps down to the starting price.

Since the Rules of public auctions, as formed by the Ministry of Agriculture, do not consider the highest bid binding, then after 45 days these “buyers” let their bid expire and let another one. Doing this they eventually got to the offer just above the local private person. This way the group won 98 bids out of 100 in the public auctions of subsidized permanent herbage land.

We saw their methods very clearly. One member of the group watches the internet site of Land Fund for land going into auctions. He makes a list and creates a table with offers for each allotment with graded price offers. He distributes these tables to the participants of the auction from the group. Each bidder has his number and price that he submits. They are like a wall, there is no chance to find a hole. We managed to get these tables and make pictures of them, we brought them to the Ministry of Agriculture together with the list of land allotments that we lost in 2005. Czech TV dedicated a lot of prime news time to these frauds. And nothing happened. On the contrary, the Land Fund accelerated the sales of the remaining state-owned land and we lost whole areas like around Sloup v Čechách in 2007.”

() The prohibition of selling land to companies was supposed to prevent the accumulation of large volumes of land and subsequently state money in subsidies to subjects that would force out the local people. Therefore also the price of land was underestimated and payment conditions were made very unfavorable for the state. But at the same time in practice the same state helps to get around this intention. The land was purchased by private persons, in our example a lady who is a lawyer based in the center of Prague or other similar purchases were covered by the names of family members and relatives of the holding owners, but in the LPIS evidence we see that soon it was handed over by a contract of lease to the holding which now controls over 16 000 hectares in the strip from Jablonec nad Nisou to Karlovy Vary. –The similar situation is around Sobotín in the Jeseníky mountains or in Volary in South Bohemia. The subsidies for this land are in range of hundreds of millions of CZK each year. Most of them don’t even reach the countryside. The local people adapted to this legislature mess and started to “participate” by trying to confront these Prague bidders with similar methods or their names get on the list, often removed later on but already discredited for any future investigation. This is how the Ministry of Agriculture spreads moral and legal nihilism by giving the choice: “You either join or you’re finished.” This is the slogan that most of the ecological farmers follow. And except for a few hon-*

est ones, everybody has joined. Conventional farmers supply the ecological farmers conventional grain for cows because ecological arable land has disappeared thanks to herbage subsidies. But this grain will not be found in the eco-farm accounting because as a barter, the seller was offered a place in the list for auctions. Mr. Šourek, who brings bio-grain for his cows to Tanvald from Jihlava from eco-farmer Sklenář is a Don Quichot character in the game of Ministry of Agriculture while the minister comes here to pat on the back and make pictures with those close to him – cheaters and informers.

Ivan Krátký again: „When I came to central Prague to see the new owner of the field cultivated by me and asked her to exchange it for another piece of land which is not in the middle of my rapeseed, I was sent to the chairman of holding seated in Prague 6, as she was the owner only on paper and in fact only an obedient figure on the holding payslip. When I came to the chairman, he confirmed that it was only him, and not the new owners, who I could talk to about the exchange of the land bought by any Prague group member. At that time I managed to exchange the land. I was not so lucky with another piece of land I could not exchange any more and wanted to rent it. I was told that the holding does not rent the land to local farmers but exchange it – meter for meter. Any meter.”

Czech countryside? No, Ukraine. Or Nepal?

As we already mentioned, this bypassing of laws, auction obstructions and robbing the countryside people is happening with the direct assistance of Ministry of Agriculture and mainly the Land Fund which can even in the last moment bend the regulations against the local people by minor but substantial compromises in the regulations. These are the examples that Czech TV reporters submitted together with the farmers involved to the Ministry of Agriculture in June 2007:

1. Land Fund in Česká Lípa (managed by Mr. Fišer) excluded a farmer from Kunratice from the auction for the reason of one-day delay in signing the contract. Even though the farmer presented a document from his doctor and the money was already transferred to the Land Fund, it did not help and he lost his land.
2. The same Land Fund in Česká Lípa waited for a signature of a member of the Prague group on the same contract of purchase until the time he managed to get the money, which was more than 10 months (not to mention that he already owed to the Land Fund and the law does not allow to purchase the land by anyone who owes to the state).
3. A local farmer was contacted by a worker of the Land Fund in Česká Lípa on the phone asking him whether he is really interested in the auctioned land. When the farmer replied that this land was essential for his business and therefore he exaggerated his bid, the same worker called him the next day with apology that he made a mistake and the land was bought by a higher bidder. Of course it was a member of the mentioned group.

4. The Land Fund required from the local people to present notarized signatures on the declaration that they are really interested in the land but they did not require the signatures from the member of the group, they were just contacted on the phone. This enabled them to let the group members know which local farmer is really interested in the land in question.
 5. Allotments, which go to the auction and are currently rented, must be identified in the auction. The Land Fund did not identify these allotments rented by the group and when asked directly, they declined to confirm the land was rented. The locals found out it was not true only when they became owners and learned they have a tenant who has such a contract with the Land Fund that they will not be able to get rid of easily. (The group speculated together with the Land Fund on the possibility that no one will submit an offer in the first round and the land will go to second round for 10% of the value).
 6. In Land Fund in Liberec, there was at least one case when a farmer paid hundreds of thousands in cash for the land directly to the Land Fund manager and received no receipt because “the girls are not here today anymore”. He lost his money and his land which was obtained by a member of the above mentioned group.
 7. Land Funds put into auctions land allotments that have nearly expired three-year contracts of lease which enable the preferential purchase to those who were farming the land. So the local farmers who farm on the rented land for almost three years lose the land at the time they have the right to buy it.
 8. Good land allotments under ski-lifts or on tourist paths are included in 30% of Land Fund rented land.
- Even though the Ministry of Agriculture is informed about these cases (see a meeting memo at the end of the study), nothing changed. Corruption and links at regional local authority administration are almost official. Local people draw the attention to manipulated public auctions, debts or corruption of regional state administration which make the countryside a jungle with worse conditions than in 1950s. Countryside development programmes which try to cover this situation by all means are laughing at reality in which country people live.

LFA and marginal areas – bottomless pits for money from subsidies

The European definition of marginal areas tells us that this term specifies and draws the attention to demographic, historical, cultural and geographic handicaps of people living in these undeveloped regions. European Countryside Development Programme brings investments which should ensure their prosperity. England was the first to start this model in 1930s when its parliament found out that the living conditions of farmers around London were much easier than for example in Scotland. We followed the model by adopting new organization of NUTS (Nomenclature Unit of Territorial Statistic), by change of cadastral numbers to land blocks (LPIS), by putting the regions into programme-controlled strategic units (marginal areas, LFA...).

This unilateral and unfair explanation of European agricultural policies means that the idea of marginal areas in foothill areas is gone. The basic agricultural policy for these large regions of our country is nothing but payment for a hectare of land with herbage. So not the higher production, the higher number of work places, the higher turnover or the higher contribution to society would mean higher subsidies – it is just about the hectares. And as we counted in the previous example of Mrs. Ablová, these calculations are very interesting. For the first time in the history, the stony land in highlands brings more profit than the fertile arable land in the Elbe lowlands. And subsidies that should cover the costs of landscape maintaining and match the operational conditions for production in the mountains and in the inland, now help mainly for further purchases of more land. No wonder.

After first experiences with support programmes like SAPARD, LEADER or OSA even the farmers found out that getting the state money in a different way that per square meter is like solving the quadrature of the circle. The state programme for countryside development is divided into four main sections (very briefly: 1. competitiveness – investment into agricultural production, 2. maintaining the landscape and environment – agro-environmental provisions for maintaining the landscape and ecological farming

by payment per square meter, 3. diversification of agricultural activities and 4. LEADER – building countryside communities) and out of those, the farmers trusted only point 2: the flat payment per square meter of land. Land that is not used in any way. Even Mr. Krátký, with his experience and plans of a pig breeder and the largest supplier of milk in the region, is now breeding only 35 pieces of meat cattle and grows grass. (The defense of this status saying that this is required by the EU is failing in comparison with conditions in Germany that is still giving subsidies into the production, in Austria that has unblocked the legislative conditions for local production, France and Poland that subsidize the work force in agriculture.)

Tens of thousands of hectares of pastures and meadows in the borderland have become an effective and highly returnable investment. And also easy to be reached – the state does not want the money from buyers now. The Land Law was created considering the situation of local farmers who do not have money and lets them pay the land off in 30 years. But in reality it is not the farmers but very often the city investors and their clueless helpers. If they had invested the same amount of money in a city, they could hardly survive in a flat in the outskirts. When they invested into buying the state-owned subsidized land, they can now rent the residences in rich neighborhoods. Count with them.

4 WHY IS HAY THE MOST IMPORTANT PRODUCT OF ECOLOGICAL AGRICULTURE?

One meter of a little productive land in foothill regions costs between 0.60 to 4 CZK. Not much money is needed to get a lot of land and subsequently a lot of state subsidies. The return of investment in one hectare is 1–5 years considering that this hectare will bring a net profit between 3 to 10 thousand CZK per year for the future. How? Most of the pastures for meat cattle is cut once per year over here (the “milkmen” cut the grass three times a year but as we know they are gone by now). The numbers of particular subsidy titles get added so the subsidies are: mountain areas, LFA, TTP and agro-envi or ecological agriculture or protected areas so the total can be up to 12 000 CZK per hectare. The costs are as follows:

To mow a hectare of grass, one will need about 4 liters of diesel (about 130 CZK) and 1 hour of wage (150 CZK including the deductions) plus amortization of the tractor and cutting moldings, packer, garage and maintenance which is in reality (not in accounting) from 50 to 150 CZK per hectare for an average farmer. All of this twice a year.

More expensive but more transparent: if you order mowing of one hectare of your pasture, you will be charged around 600 CZK. If you have the hay (dry material 85 %

or haylage (dry material 35 %) packed then it would be another 500 CZK per package and there will be 4 to 8 pieces per hectare, which is about 3600 CZK per hectare including the mowing, exaggerated costs for maintaining one hectare of meadows or pastures are maximum of 7200 CZK (there is no evidence of fertilization or chemical treatment of weeds over here).

Free or packed hay is a product that is sold on the market for 120 to 180 CZK per 100 kg and usually there is yield of 40 to 50 quintals of hay cut once a year per hectare which makes it a theoretical profit of 6500 CZK per hectare. So the investment of 3600 CZK for one mowing and packing of hay brings profit of about 3000 CZK, two mowings then 6000 CZK. (Whether a farmer sells his hay, that is his problem – if he doesn't sell it, he can use it for fuel or feeding and have the profit from meat or milk sales. If he does not sell the meat or milk, it's his fault and he can sell the meadow or pasture to someone who will know how to treat it. Sewing machines can also be produced for stock and no one will be sorry for bankruptcy of such a manufacturer).

But the farmer “grass grower” or “rancher” has subsidies on top. If he does not get any revenue from the hay, he still

keeps 2800 CZK as net profit out of the average 10 thousand of subsidies per hectare of pasture or meadow just for “maintaining” or better owning it – and he doesn’t even have to leave the house. No other commodity on the market provides such profit.

High quality care and eco-agriculture? Yes, but not for the cattle.

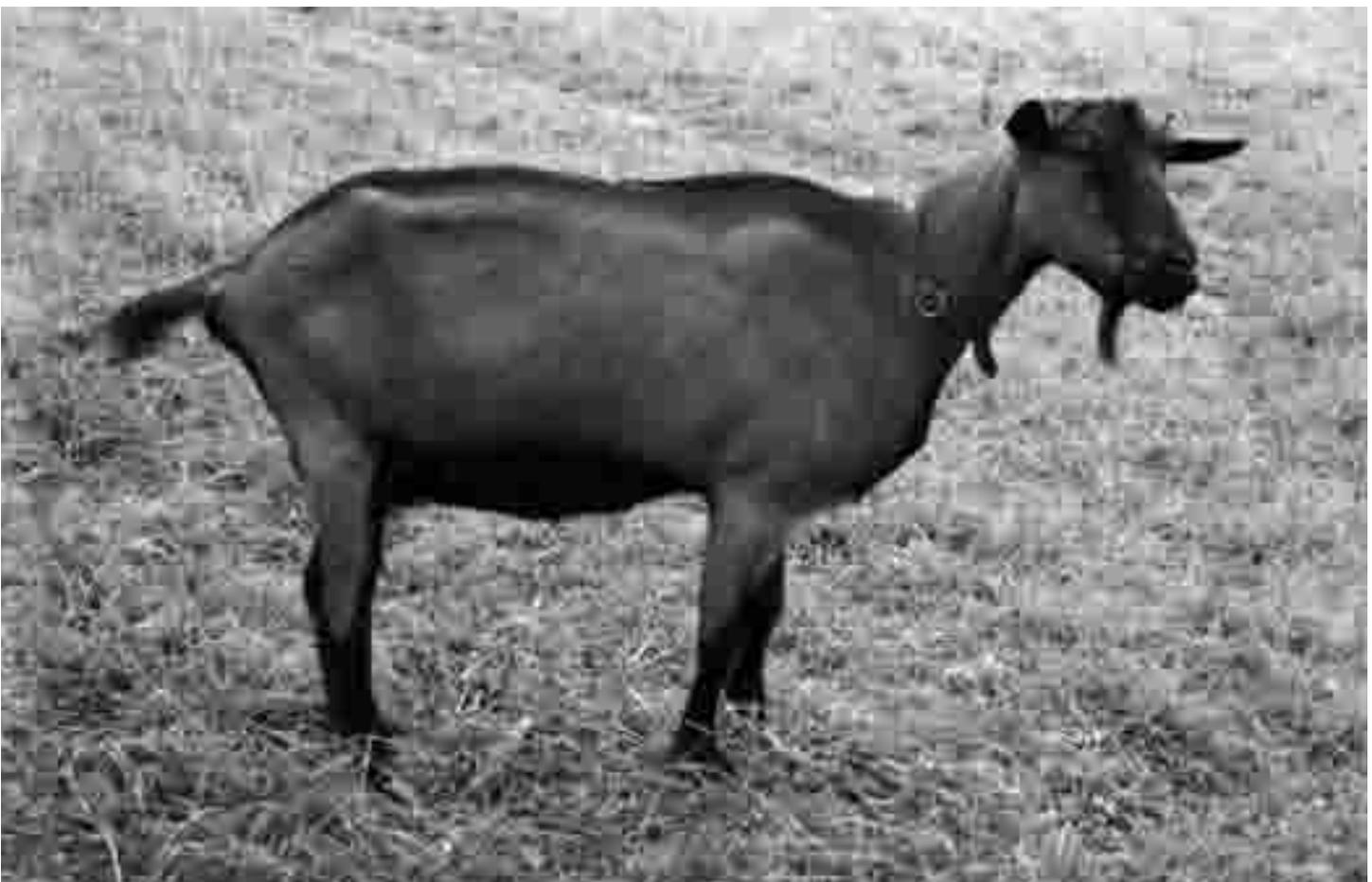
Another option how to make profit from hay is feeding your own animals. This is the policy of the Ministry of Agriculture (see below), so with the specified burden 0.2 VDJ per hectare (1 cow for 5 hectares) then the owner receives another payment of 8 thousand CZK per cow (about 2250 CZK per hectare). So similarly to the hay example, the rancher does not have to worry about what most businesses spend most of their time with - sales.

“The costs for cattle bred in “rancher” way will not make much difference with the number of costs per hectare of herbage land,” Mr. Krátký continues. “But they have direct impact on the quality of life of the animals. The burden of 0.2 VDJ means one cow per 5 hectares – this cow will come to a pile of hay or grass once a day where the whole herd will feed. Even during the season the animals will still feed hay or delivered cut grass because for such a low burden, it does not pay off to build fences and the cattle is registered only in paper work but not present in the reality. During the flight from the airport in Mimoň over the areas stretch-

ing from Jablonné near Ještěd to Světlá in Podluží, which totals to ten of thousands of hectares in pastures, we saw only four small herds of cows.

Weaker animals that didn’t manage to come to feed once will hardly eat the next time and they will stay lying on the pasture the next day where they either die or not die.” (*Note: The records on cattle deaths are not always reliable as some veterinary authorities or not even Central Animal Statistics authority in Hradištek did not record dozens of tortured and consequently burned cows (see the Pratzler case) The last known case comes from Zlatá Olešnice between the Jizerské and the Krkonoše Mountains where in winter 2007 the owner of downtrodden dead calves said (similarly to the others) that these animals were not his.*

„The cattle run within electrical fences as freely as deer and in winter they are taken to so called winter places or to slaughterhouses or concentration camps as nicknames by the locals who remember times of cow houses where every cow had a name, respect and individuality. Former farmers point out that this type of care cannot be called care or even high quality care for cattle (especially if they are kept under conditions of “ecological agriculture”, and most of them are). Despite the registration numbers, unguarded anonymous cattle become more and more often victims of poachers who do not hesitate to quarter the cow right in the middle of the meadow and leave only the head (we have heard of cases of cows with ripped out stomachs which were not killed before). Unguarded cattle are also stolen, and again



we know the cases when the employees of a farm stole the cow, and without any inspection slaughtered it, roasted it and distributed as a bribe to veterinarians. The cases of dead cows being sometimes on paper exchanged for e.g. horses are also known. The sources of this information, that became a frequent target of false denouncement from the holding management, will be made available only at the Ministry of Agriculture where they can give evidence personally.

These phenomena are again directly assisted by the state. The current system of state agriculture inspection enables to drive cows on a subsidized pasture on the day of inspection and the subsidy is paid out. "Ecologists" even boast that SZIF (State Agricultural Intervention Fund) itself advised them to drive the cattle to the pasture and leave them there for three days so as

some footprints could be seen and the law would be satisfied (mariebubikova@seznam.cz).

The respect to the animal and the proclaimed welfare of ecological agriculture are gone and the conception of a cow taken as a living mowing-machine and a tap for the flow of subsidies wins. Instead of the original intention (animal in the countryside, the owner in the community), the tax payer pays 300 CZK per kilogram of bio-beef in which he is not as much interested as in dairy products, white meat, potatoes, and fruits which are supported by about tens of crowns by the state (see Mr. Šourek case). More and more villagers point out that there is something strange happening about our treating of farm animals, something that brings down human spirit and violates the old bond between a man and an animal.

5 GENEALOGY OF STATE INTERVENTIONS INTO THE AGRICULTURE ENTERPRISE IN THE BORDERLAND: THE ANIMAL IN THE COUNTRYSIDE, THE MAN IN THE CITY

Farmers-processors in question conclude the genealogy of subsidies policy into the borderland as follows: when the local people in communities started to complain that new owners of large volumes of land do not live in the area and they are no benefit for the community, the state issued the regulation that animals must be kept on this land. They believed they would force the owners of land to live in the place where they kept their animals. But this did not happen.

The owners of meadows and pastures reacted by buying herds of cattle. But as mentioned above, not because they wanted to move to the countryside and take care of the cattle. How many owners of agricultural land were actually seen in the village with a fork in their hands remains unknown. The subsidies keep flowing outside the countryside and the only thing happening is animal degradation.

Another step in the development of relation between cheap land—expensive subsidies was as follows: When tens of millions of state subventions concentrated yearly in the hands of these businessmen, the state announced the ceiling for subsidies of 9 million CZK per one farm. The owners of thousands of hectares bringing them rich subsidies adapted to this regulation in the same way as they did with requirements for animals: they divided their possession-land into subsidiaries, just according to the 9 million limit. Therefore we know a lot of companies that has dozens of subsidiaries covered with illusory names and by means of which - and this is important - they keep buying more and more land.

There was no precedence for agriculture transformation after the Velvet Revolution. No wonder mistakes were

made. But a bit strange that no one has tried to remove them.

Subsidies as continuation of subventions into State Farms and Collective farms – a step back to the past

The question why ecological farms which really work and get subsidies of about 50-20% cannot reach the offered programmes for production and processing support and most money go to farms where subsidies create about 80% of their turnover can only be answered by explaining the past.

PhDr. Jarmila Premusová from Pedagogical faculty of Ostrava University analyses the automatic requests for subsidies precisely and without beating around the bush. She worked out a research of eight villages of Bruntál borderland (almost totally depopulated after 1945 and since 1946 gradually settled by people from inland and ethnic minorities). She clearly formulates key problems of Czech countryside relating to any property that is not clearly defined and specified.

„... Taking the property after Germans who were transferred away including their personal things must be from the beginning followed by personal feeling of guilt and understood as theft. But since this seizure of property happened also with other people around, a kind of 'social group' is created and people in it have the feeling of fellowship which is actually a pathological bind kept by the stealing of property. At the same time, this group is obliged to keep silent – when I know that my neighbor

seized the property illegally, I have a tool for manipulation with him...

Since 1949 the Collective farms (JZD) were created and in 1952 the State Farms were created by a unified project. Stealing from the collective property is gradually legitimized as a way of redistribution of property and justification of social differences among the workers... The group is the tool for survival, because it is the source of the same wage for everyone including the same bonuses and benefits and also the same share of what could be stolen... Economic transformation brings new factors: Management of private companies refuses the collective control over earnings and the business owners reject to keep the above described standard of collective life – meaning to keep providing the undemanding and average-paid work places.”

But since these newly rising social-economic subjects were not supported by the state in any way, the representatives of the above mentioned stereotypes of thinking and behavior quickly got their voice back. And they used the ruined environment of the Czech countryside as a reason to claim more resources exterritorialy – i.e. to get subsidies, this time from the EU.

Consequences: the end of farm processing, local food and returnable investments

The advantage of these “rich” land-capital holders over honest farmers cannot be overcome. In reality, we can see that e.g. bioproducers who farm honestly for many years (such as the Citterbart or Král family; see the following cases) have no possibility to buy any land, not even the rented land on which they have been farming for long. They cannot get a loan for this land, they cannot get subsidies and their work on small pieces of land will not bring them money either. Moreover, they cannot manage to overpay former collective farms in which the state accumulated lot of money from our taxes. Their farms are on the edge of bankruptcy and their children have no chance to continue the investments.

This development has divided the farmers in ecological agriculture into rich owners and poor processors. The study shows the example: how the only North Bohemia bio-slaughter-house could only be financed by owners of large amounts of heavily subsidized land – United Farms. But Mr. Šourek from Tanvald – biocheese producer, the chair-

man of Farmers-processors Club is not even allowed to visit this slaughterhouse because, as marketing director of United Farms said, they want to protect their know-how. The processor of goat cheese Mrs. Ondřejíková from Frýdlant paid 5000 CZK of entering fee so she could deliver her bulls to be slaughtered here but after two bulls were taken, she was told they were not interested anymore as they had enough of their meat.

The current subsidies policy sends a clear message to the Czech countryside: by hard work, invention and courage – as intended by the common European agricultural policy, programmes of sustainable development and competitiveness – you will never achieve what others have achieved by using the gaps in our legislature, who are in contrast with this policy and who have used the negative heritage of our past for their benefit. And these people are now protected pals of the Ministry of Agriculture.

Only partners can cooperate – pathology of economic competition rules created by state

Working ecofarms – processors cooperate closely: Mr. Sklenář grows grain near Jihlava which feeds cows of Mr. Šourek in Tanvald. Mr. Šmakal from Benešov sells rye to Mr. Hradecký from the Jizerské mountains who produces unfermented bread. They always agree on the transport so that they would be satisfied. Their mutual responsibility and cooperation come before business calculation. Simply said, they are dependent on each other and they help each other. These relations are part of the countryside development plan and they are building them in the new – European – style. Unfortunately, their growth is artificially slowed down.

If for example Mr. Šourek wanted to apply the subsidies programme on hay pellet production, neither he nor his sons would have the chance because the money necessary for 50% of subsidies are concentrated in the hands of owners-ranchers who will not let them among themselves. Currently no authentic business and economic relations are created because the state has entered into the Czech agriculture and destroyed the basic rules of economic competition. Also the right to have own business was ruined, and so was the development of farmers activities and building of independent life.

6 THE MORAL? WHERE DOES THE WORLD GO AND WHERE DO WE GO?

Mr. Krátký is persuaded that 90% of our failure is caused by unclear agricultural policy of the state. After the war it was clear that people were hungry and that the agriculture had to thrive and until 1976 the agriculture was able to compete with industry and the work on farms could be com-

pared to the work in factories – farmers had their working hours, money and retirement pension.

This ended in 1990. The essentials for private enterprise in agriculture were missing: land, buildings, technologies and investments. Also regional processing companies went

bankrupt, the infrastructure, transport service, schools and man-power disappeared. Only the market remained and we let it go to the foreign suppliers. We started to stagnate because our state (unlike our neighbors) did not create the conditions for enterprise. Politicians have their mouths full of pre-elect speeches but they do not manage to finish any things and in the meantime the world went in a different direction for 16 years. The current development helps only the speculators who managed to cumulate a large amount of land and in this way also a large amount of state and European money. These people will have the opportunity to start earning a lot of money: e.g. produce pellets (heating briquettes from compressed hay), ecological electricity, biogas... But our local farmers will not join them.

Mr. Krátký estimates that the current land owners will act as estate agencies in future which will sell cheaply bought originally state-owned land intended for countryside development for high market prices the local people will not be able to afford. The pockets of the speculators will be filling with money that belonged to people in the countryside.

Future? Yes, but not in agriculture.

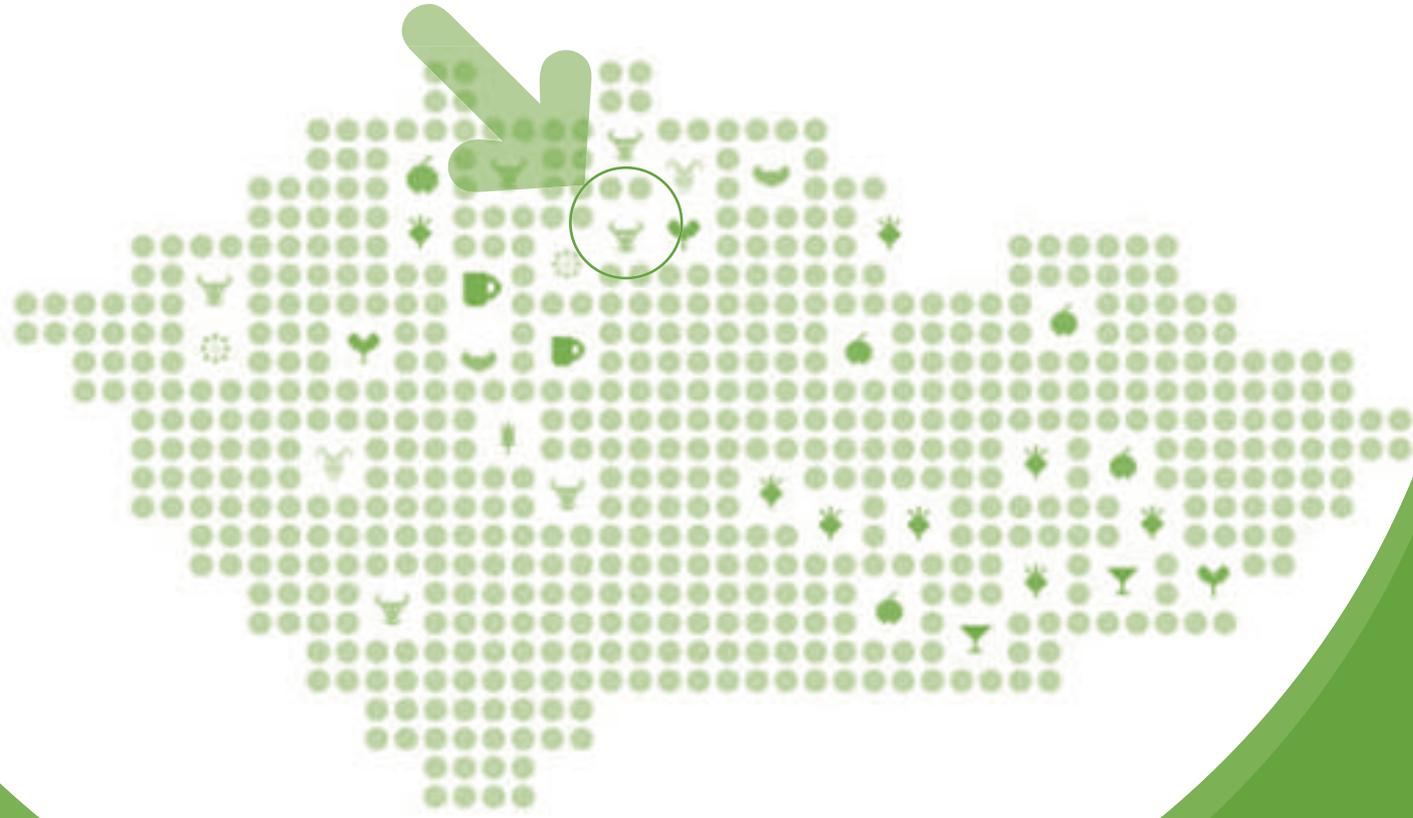
“A four-million farm turnover came all from the work of my family,” Mr. Krátký concludes. “If my sons were sup-

posed to continue and start again, they would have to have something for the start. Until 2004 we did not get a single penny from the state subsidies, or later from SAPS and Agroenvi – similarly to farmers in Polabí or around Prague. LFA is not in our country, even though it is intended right for us by Europe. SAPARD that was supposed to help us get to Europe avoided us. Since 1991 we have been investing and we currently have 300 ha of land, some machines and buildings but we are still paying them off.

We would not need subsidies if we managed to sell wheat for 400 CZK per quintal (=100kg) and a kilogram of pork for 52 CZK (it costs 170 CZK in shops) and a kilogram of beef for 80 CZK (it costs 170–270 CZK in shops). It could be sold from the farm, such as in Germany or in Austria. But we don't have this opportunity and we (locals) can't even get to the only earning article – which is land.

One son is an electrical engineer and he works in a computer company as a programmer, the other son studied at engineering school and he would be more satisfied with 25 thousand per month and free weekends. The EU subsidies are meant to create similar working and living conditions in the city and in the countryside. We did not understand that and it certainly failed.”

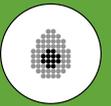




The only one

This chapter won't be easy. Partly because I am getting to the end of my report (Bio region and Land is a good investment only summarize and conclude submitted topics) and partly because Pepa Šourek is father of Czech ecological agriculture, chairman of Bioprocessors Club and vicechairman of Private Farmers Association who carries all the burden.

We have talked about Land Fund and land privatization (Ivan Krátký and the Pratzers), crooked paths of money from subsidies (the Abrles), conditions of how to acquire operational programmes (Josef Pulíček, Josef Šmakal) hygienic and veterinary conditions of small processing, loans and State Agricultural Intervention Fund (Emílie Cittebartová), agricultural agencies (the Pratzers), demographic and social problems of borderland areas (Anna Ondřejíková), unknown volume of bio-production and communication (Emílie Cittebartová) and many other factors in the life of farmers which make their business and life harder and which are not possible to be covered in one chapter and which caused that there are only two farm processors of bio-food from cow milk. How many pages would describe his frustration from the nineteen-year-long period of our country development? How many particular cases of frauds and mistakes of the Ministry of Agriculture would compose the feeling this farmer lives with? How many failures of political parties and their representatives has he already experienced on his farm? I have written 50 pages. And when I finished reading them, I realized they were only the tip of the iceberg. The thickest book would not be enough to touch all the veins out of which life, money and energy have been flowing out for last nineteen years.



Farmer:> **Josef Šourek, Vlasta Šourková, sons Josef and Martin**

Contact:> sourek.josef@seznam.cz

Qualification:> Secondary school specialized in agriculture, agronomist for 18 years (9 years: department agronomist, 9 years: chief agronomist). The wife and sons: vocational schools and experience on the farm.

Place of business:> Plavy u Tanvaldu

Subject of business:> Production and sale of dairy products

Property:> 82.5 ha , out of which 2 ha of arable land. He owns 17 ha, the rest is rented by 32 owners. From Land Fund 18 ha. 25 dairy cows, 65 pieces of cattle. A stable, a barn and garages, a milk processing facility and a shop.

Property acquired:> in restitution, by privatization project of JZD Zásada.

Start of business:> 1991

Financial sources:> his own, loans, leasing

Employees:> 5 family members, 4 with trading certificate, 1 employee

Farm production:> about 190,000 litres of milk per year, products are calculated by means of coefficient for kilo of milk (cottage cheese, cheese, cream, butter), meat: 14 pieces of cattle per year (out of which one third is young cattle and 20% braccational, 1 piece is about 3 quintal of meat), the meat goes to conventional slaughter-house as bio-slaughter-house is not in the region, he doesn't want to cooperate with United Farms.

Potential:> higher milk quota, to build regional processing, projects of energy production (recuperation of water, solar/wind energy, grass pellets...)

Current plans:> to finish building premises for agrotourism, to build a sheep-fold and to give his farm to his sons.

State contribution on business development:> 2.3 mil for investments, subsidies per area

State contribution on adoption of processing building after EU regulation:> 0

State contribution on land purchase:> 0

Contribution on buildings repairs or construction:> 0

Contribution on technologies and processing:> within farm building



- Contribution on machines and mechanization:*> PGRLF (Supportive fund for farmers) paid an interest of 150 thousand from purchase price of 2 millions
- Subsidies share on investment into business:*> 30%
- Subsidies share on business turnover:*> 25% (the average annual farm turnover is 3.3 million, out of which 800 thousand are subsidies – 25%. (before joining EU - it was 10% and before we invested into agrotourism, it was enough)
- Main obstacles to business development:*> finances, repayments, arguments with state, complicated bureaucratic administration
- Membership in Membership in unions:*> chairman of regional Private Farmers Association, nominated to the post of state vicechairman but he is short of time. Chairman of Ecofarms-Processors Club, member of municipal council.
- Trust in political representation:*> 50%: We were happy ODS (Civic Democratic Party) won in the election because we wanted them to win, but even though they are in the Ministry of Agriculture now, they do not fulfill our expectations. (see below)
- Trust in consultancy and union organizations:*> Agrarian Chamber: national 0%, local 80%, Regional Agencies: 90%, Association: 90% - he is chairman of regional branch - Semily town is the best, Probio: 20% (they work only when they are told what to do, their activity is minimal), Club: crisis actions.
- Trust in media:*> magazine Zemědělec: 50%– censored by Agrarian Chamber, (regional) Jablonec Journal: 40% - superficial, ČT (Czech Television): 70% - good quality but forgetting about the countryside
- Trust in research institutes and consultants:*> he has never read a survey that would help him with his work. There are only few experts in Milkom Praha and Troubsko u Brna.
- Participation in public life:*> Association, chairman of Club, community
- Benefits for community:*> taxes, expertise, traditional production, a bio-shop, representation, a guest-house involvement in municipal council, workplace for his family and seasonal workers
- Working hours:*> 12 hours per day in the season, 10 hours per day in winter
- Last holiday:*> (9 days in Pálava and in Slovakian thermal resort)



1 THE BEGINNINGS

Josef Šourek has decided for private farming already in 1991. In the previous nine years he worked in a manager job in local collective farm “JZD Zlatá Olešnice” in Jizerské Mountains but he had his own idea how to do agriculture. He inherited 7.5 hectares of agricultural land and 6.5 hectares of woods after his father. When he recalls the restitutions today, he says that he ended up quite fine because he started as the first one. At that time, there was still some property in the collective farm, for example he took some machines, sold them and could buy another machine that he needed. He was also successful in getting 7.5 hectares of pastures. Other restitutioners who asked for their confiscated property later did not end up so well, for example from the neighboring farm “JZD Zásada” they received instead of agricultural property items like half of a flat unit, silo hole or a piece of asphalted road.

He started with 7.5 hectares of land from restitution but he could negotiate other pastures with the collective farm so together he could use 12.5 hectares and so in the first year he could take care of 20 heifer cows he brought from around Nymburk. The cows belonged to a collective farm and the farm paid 400 CZK per each day for pasturing and tending the cattle. This started on May 1, 1991.

But he already had his own business plan: to build a cowhouse with a barn and a machine room with basic mechanization in Plavý u Tanvaldu. A farm with no dairy for 65 pieces of cattle, out of it 25 dairy cows with production he wanted to supply to Dairy in Liberec. With this project, he applied to the Ministry of Agriculture and he got approved subsidies in value of 80% of the investments without any problems or delays.

As soon as he got the project approved at the Ministry, he went around the land owners and as of January 1, 1992 he had arranged rentals of further 30 hectares. He bought 25 gravid heifers.

Investments: Subsidies, loans, interests:

The costs of building the farm then represented 5,510,000 CZK and included buildings, animals, a tractor and a cistern truck. *(Just for the comparison of the current subsidies conditions for starting a business, similar inventory today would represent at least double investment: in 1992 a tractor cost 283 thousand, today it would be 930, the cistern cost 63 thousand, today 300...).*

As already mentioned, Mr. Šourek has signed contracts based on the state subsidies worth 80% of the investment. For the remaining 20% he got loan from Komerční banka in Jablonec. For these funds he signed a contract, received a payments plan and started using the money. The schedule was clear and corresponded to the farm calendar: to be able to start paying in winter, he had to milk the cows. Then in spring, he let the heifer cows become gravid. The building was supposed to start when the snow gets down in the mountains – that is in April and it should have been fin-

ished to have the cattle winterize there – in November. But things went different way.

Although the Ministry signed contracts for subsidies with farmers in 1991, it cancelled the contracts in January 1992. Instead, it very vaguely offered the farmers interest-free loans. But that would mean start over with the “paper work” which is effort comparable with the building itself and it also represents another 90 thousand CZK in costs. The lawyers, who checked the original contracts with appendixes clearly stating that the state will finance 80% of farm investments in the form of subsidy, had to acknowledge that the contracts cannot be challenged in court, because there is no legal right for subsidies that a citizen should get. On top of this, the appendixes mysterically “disappeared” from the Ministry. The whole project of farm was falling like a house built of cards.

In the moment the bank learnt that state will not finance the remaining value of the building under construction, it stopped further funding from the loan because it lost its guarantee of payments. The gravid cows were in danger of death by winter cold and hunger, gravid cows cannot be sent to slaughter by law. The first phase of solving the quadrature of the circle started.

Mr. Šourek used his friends and contacts to convince the bank to pay the rest of the loan, but the money came only in June. Since spring, he kept going to Prague to the Ministry three times a week. Finally he got to the senior adviser of the minister who gave him advice to watch each batch of interest-free loans that went through the committee, they heard eight of them per day. His project was signed in June. It was exactly the same day when the builders refused to continue on the building without getting paid.

Mr. Šourek closed this first chapter of his business with the words: “We started building the cow-house on April 13 and the cattle moved in on November 13 which was the first day of snowing. The nervousity we experienced was enormous.”

Story with happy ending? No, just the beginning:

“We started to repay the bank loan according to the repayment calendar and the contract working with the data of our business. The repayments could hardly be repaid and the farm required more investments besides construction, such as a car, machines, a manipulator, and so on.”

The farm was facing the situation we didn't take into account: we had to repay the expensive bank loan and also the loan from the state. The state must have known that beginning farms had no money for that as well as that the countryside and especially borderland was plundered by the former regime, and that the land, machines, animals and building were in terrible condition. Every single beginning farmer had to submit their business plans to the Ministry of Agriculture and they reviewed and approved them case

by case. They must have known the farmers would get into debt and would not have money in their accounts straight after they drove their cattle in the new stables. In this way, in 1991 the Ministry of Agriculture initiated the chaos that is successfully kept until now. After several rounds of nego-

tiations, the farmers managed to change the repayment calendar into an interest free loan until they repay their bank loans. These negotiations were individual and for example Mr. Šourek had to run his round from the Ministry of Finance to Ministry of Agriculture twelve times.

② AGRICULTURAL POLICY – THE FIRST STEP ASIDE

At the same time, the infrastructure was collapsing and in the first round of privatization, regional “socialistic” and the only outlets such as slaughter-houses, mills, silos, bakeries and dairies ceased to exist. Number of new and indebted farms lost their sales and weren’t able to fulfill their commitments. The state through socialistic vets and hygienists let the new farmers know they will never be allowed to process at home and therefore will not be able to fulfill their commitments they gave to the state and banks. The new farms didn’t even manage to get beyond the first base and went bankrupt.

These first catastrophic cases of agricultural business plans had a simple but fatal consequence for our state: overcautious and impotent Ministry of Agriculture stopped all investing and instead of transformation they started to subsidize old farms and collective farms that didn’t need any investments because they were able to live on their own, from what they stole. This step stopped back the restitution as collective farms came to their subsidies and had no reason to farm with profit and loss report in black numbers and didn’t have to get rid of the property (they were never able to manage and are not able to manage nowadays either) in restitutions.

In this way, managers of former collective farms could come into power and decision making very soon after the “revolution” and together with their corrupt and incapable clerks started frauds and trickery in the process of transformation, in the privatization of agricultural property and land. These people were joined by modern protoEuropeans who created their own interpretation of European rules of agricultural policy and who together with the Ministry of Agriculture pour the money of our “Šoureks” and “Krátkýs” to the pockets of people that sustain one hundred years’ old pseudoscience about collective ownership. In this way, all the honest farmers were excluded from the politics, business and life in the countryside already at the beginning of the 90s and they still are. And now step by step we are trying to find out why.

Agrarian Chamber vs. Private Farmers Association

As the state (by means of tax payers) started to take care of the former collective farms, beginning private farmers lost

allies in them (and in Agrarian Chamber that covers the field). Those, who were supposed to take over the property of collective farms and State farms, got stuck in insoluble problems straight in the first round and politically they stood against the state alone.

There were and still there are only few of them and their negotiating and political power enforced by Private Farmers Association has always been blocked by big agricultural property of former state and collective farms that have totally different political and business plans from new family farms and agricultural companies. For example in the region where Mr.Šourek farms, it is as follows: in 1970s the state centralized collective farms into state farms. These, thanks to transformation, again split up into collective farms – on average of about 150 ha. These were later on renamed to joint stock companies but still doing the same job as under totalitarian regime. They produce milk in the minimal volume. 85% of them “produce” cattle - the professionally and managerially easiest, the most subsidized and the least demanded at the market.

In Jablonec district there are two private persons at present: Mrs. Šmídová and Mr. Šourek. There is only one processor – Mr. Šourek. He is one of the two processors of bio cow products in the whole republic. And the question whether he will survive is the matter of everyday fights as we will see below when continuing where we finished – in 1992.

Few new farms managed to arrange with the Ministry of Agriculture that when they proved they did their business according to their original business plan, the state would forgive them something owed on a subsidy (or loan), 30 – maximum 80% on the loan (but not on the investment).

Time of farmer and time of administration

Quarreling with the state about its promises took months. And then all of a sudden without any warning, the state started to demand interests on the loans given to farmers. In Mr. Šourek’s case these interests were about 111 thousand per year for 12 years. It was almost all the profit of the farm that could have been used for wages or extent of processing. Yes, you understand it: an original approved subsidy was changed into an interest-free loan in the middle of construction and later on used for state’s profit.

Forgiving of some repayments was not for free either. The state had strict conditions for such demands, very different from vague conditions the state made up for itself.

For example, the part of the game was that the farmer couldn't be late with his payments. Mr. Šourek describes the pressure everyone was exposed to from the state. He doesn't consider himself a debtor and he was never late with his payments, except one case of one-week's delay. And the reason? Liberec dairy works didn't pay him for milk.

Without any delay, Revenue Authority initiated administrative procedure: "You have kept state's money, you haven't met the conditions of the agreement...". Mr. Šourek replied he couldn't keep any money as he had no money at that time and he provided an account statement with his 5 crowns and enclosed unpaid invoices from the dairy that was fortunately a state enterprise at that time. Using this argument, he managed to stay between the farms that fulfill their obligations.

In this way, Mr. Šourek finally achieved that the state forgave him 70% out of 80% of investment (Mr. Šourek borrowed 20% from the bank). A simple arithmetic sum total will show us that the state covered 80% (4,400,000) of the original Mr. Šourek's total investment into the farm that was 5,500,000 crowns. But then Mr. Šourek had to pay 30% back to the state, which was 1,300,000 crowns. And

when we add unplanned interests in the amount of 1,200,000 crowns, then he paid 2,520,000 crowns to the state, which means that the state only covered 32% of the investment.

It is difficult to say whether this 32% was worth all the uncertainty and helplessness. Mr. Šourek considers himself the lucky one and he gives an example of the farmer Karel Stříbrný from Jičín who was not that lucky. He had a larger farm and he owed 12 million to the state when he fell ill with cancer. When he was lying in hospital, he paid his repayment to the state but not the interest – he delayed this payment by one week. He immediately lost the chance to be forgiven something (maximum 80%) of the loan from the state and he paid 3,500,000 more, even though the state didn't lose anything, he paid his repayment plus the interest and the penalty payment for the delay as well. Mr. Plecháč from Branná lost 2 million as well, etc, etc. And this rigidity have persisted at our ministries till now.

The case of subsidies into Mr. Šourek's processing facility finally ended in 2006 when he with the help from his friends repaid last interests of so-called state's help that was changing for 15 years.

Simply spoken: when the farmer's time was counted by hours and he was not apologized even in the case of the terminal illness, the state was given years and didn't take any responsibility for the damage they had done

3 PROCESSING AS A CHOICE? THE ONLY CHOICE

Liberecká Dairy went bankrupt in 1995. Before – similarly to Česká Lípa Dairy in the case of Mr. Ivan Krátký – they managed to "drown" all the milkmen that started their business or the collective farms that were trying to transform themselves. For example, in the case of VK Zásada, the Dairy owed 2,700,000 crowns. (VK Zásada managed to get only 50% of the debt). What followed was inevitable.:

The manager of Varnsdorf Dairy and the local patriot Ing. Timotej Šimko remembers the production of milk in 1991 which was about one million litres per month in Děčín region. Today it is about 30 thousand. And the only three local suppliers left give only about hundreds of milk per day.

Ing. Šimko continues and confirms the words of Mr. Ivan Krátký from Lindava, milk from almost the whole republic (including Pardubice and Vysočina region) is bought out by a big German businessman Miler who owns a giant dairy in Egendorf near Dresden. The capacity of this dairy is about 4.5 million litres of milk per day that covers nearly the whole Eastern Germany (and also part of our republic, of course). The contracts with our farmers, concluded at the time the dairies were going bankrupt and the farmers had no other chance where to deliver their milk, are long-term and a Czech processor has difficulties getting there. As the Dresden giant grows, he is able to pay extra money to his

suppliers, give advance payments, pay the painting of the farm dairy, but most importantly he pays 2 crowns more per litre of milk than Czech milkmen. E.g. Mr. Tůma from Příšovice Dairy lost many of his suppliers as the Germans forge ahead by increasing the sales of milk products from our milk in our republic, which enables them to give better conditions.

But when we stay with our private farmers of the 1990s, as Mr. Krátký was saying, the milk farms in foothill regions that cover almost half of agriculture land in our country has only one possibility left: family home-processing which would save them from exhausting labor for undervalued price of milk and meat. One of these farmers is Mr. Šourek.

Sales = consumer

He remembers the times when he started to deliver his own milk to Milko Liberec in 1993. They paid him the first month, but it was the last time. There was no other place where to deliver. When Milko owed money for four months, the Šourek family didn't have money for bank loan repayments. Mr. Šourek used to go to Liberec every day and sit in the office of Milko waiting for someone to bring daily sales so as he had at least something from his money.



And while sitting, he couldn't work at his farm. But there was nothing else to do and he was afraid he will finish before he started. This was no long-term solution though. It was necessary to find a new sales place instead of the dairy and a new product instead of the raw milk.

Mr. Šourek overburdened with investments had to – if he wanted to save his family from bankruptcy – keep investing, this time into the dairy. It was the similar risk as before when he was starting his business, just increased by all commitments and the fact that he had no market for his product.

Coincidentally, at that time a tourist from Lipno region visited their farm and told them about some Václav Baloun who makes delicious dairy bio-products in Šumava region. The Šoureks came to see him in May. And the guru of Czech dairy bio-products Mr. Baloun revealed them, as he

did before with other bio-beginners, recipes for farm production of cottage cheese, cheese and yoghurts. (the farm of Mr. Baloun doesn't exist nowadays, it belonged to two thirds of bio-dairy farms that didn't "survive" EU joining).

Mr. Šourek who was under pressure from bad-paying Liberec Dairy acted very fast. In September he had the project ready, he borrowed 870 thousand crowns – 80% from the state again, till the end of the year the dairy was built and in February they started to sell their own dairy products. In 1994 the Šoureks build their reputation and had their customers (they started in seniors house where they still deliver cottage cheese and milk) and so they were able to sell all their production without any problem either right on their farm or on regional or national market and despite some tension, they were able to fulfil their obligations.

4 JOINING THE EUROPEAN UNION

In the struggle for the farm building, the dairy opening could have started a new calmer era. But in fact, there was no time for relaxation and not even to take a breath before the new climbing – a very steep climbing this time.

In 2002 preparations for EU joining started and the newly-built and approved dairy became unusable overnight. Not according to European rule of etiquette "Acquis communautaire" but according to the interpretation of our

clerks from hygiene stations and veterinary administration, the new cheese processing facility was only good for closing. If they wanted to survive, they would have to go through a major technological reconstruction. And it should have been the investment of about half the amount they paid to build a new dairy. The farm, encumbered with two state loans, could economically hardly survive with a new loan.

Why were the Šoureks exposed to such a stress when EU released 800 million of CZK for this case – adaptation of facilities according to new conditions of EU – and Mr. Šourek was the only processor of (bio)dairy products in the region?

To find out why, we need to slow down a bit and at the same time present three fragments that has a great influence on the situation he is going through.

- I. Agricultural policy of EU
- II. Common rules of EU
- III. Pre-access Programme SAPARD

As we have seen so far, there was no national Czech programme of agriculture development existing. There were only particular projects that were changing whenever a new management of the Ministry of Agriculture came. Restitution and privatization were accompanied by so many scandals and changes of ministers that the attention of public and politicians was concentrated on the biggest frauds only and the smaller, uncontrolled projects the agriculture could normally rely on were slowly but surely collapsing. But I don't want to talk generally and so let the contemporaries speak:

Agricultural policy of EU – emphasis on ecological agriculture:

In the years of 1990-92, at the time when Mr. Šourek together with a few enthusiasts was founding Czech ecological agriculture, the subsidies were only about 90 million per year and later on it was nothing due to Mr. Klaus's measures. The farmers who joined ecological agriculture decided this way because they liked the ideas of land and landscape conservation and human attitude to farm animals and above all the output – not the turnover but the quality and “added value” of bio products. At the time when Mr. Šourek was fighting his demons and he was alone in the Czech Republic together with a few eco enthusiasts, nobody was calculating with the fact that “Europe” is “green”.

At the same time unfortunately not the farmers as Mr. Šourek but the Ministry of Agriculture and lobby got to the numbers of Brussels that revealed that EU solves the problem of surplus groceries production (besides quota system that checks and limits the production of particular agricultural commodities and pays lost profit in subsidies) by the support of low-productive extensive (ecological) agriculture. This premise results from another step and that is the effort to balance high subsidies for lost profit by support of the economic independence of the farm in so called non-agricultural activities.

In this way, the states of EU help the farmers to earn their living by other (subsidized) non-agricultural activities such as agrotourism, drinking water recuperation, solar, wind or water electricity, currently discussed biogas facilities, pellet production from dry hay, etc. But before we get to how we worked with this information, let's stay in our “old” Europe for a while.

The average size of a European farm is based on family possession and doesn't exceed 40 hectares. This is a model European subsidizing policy keeps. There is one family on the farm, e.g. French system “installs” every member of the family into the life of the farm and supports him to have a decent standard of living. Provided an old farmer has no successor in the family, the state buys the farm and makes it available for free to any (recommended) interested person that is willing to continue in farm working.

Europe and its agricultural policy shows that unlike USA and Asia they don't like large-scale production, anonymous fields and large-scale breeding where animals have no names and beds but that they prefer culture of estates built for centuries and creating unmistakable urbanism of European landscape together with traditional architecture that is based on age-long symbiosis of animals and men in the countryside. This is one direction of the flow of European subsidies into agriculture.

The second direction is related to the first one. Under particular conditions, particular products are created. EU and its points programme supports preservation of traditional (local and original) procedures and recipes for food product processing by releasing considerable amount of money (in our republic, it is for Olomouc cheese, sweet Hořice tubes, Pilsener beer, etc.)

The third direction is to “non-agricultural activity” that relieves the state as it doesn't have to pay so many subsidies into the farm and helps the traditional products of farmers to keep up with cheap goods in supermarket chains (bio-fuels, recuperation, power stations, etc.)

The fourth direction of European money flow is “community support”: countryside development as a whole which we will deal with in detail in the penultimate chapter, for now we can say it is an inter-branch support of local cultural, educational and economic-business activities.

What concerns the ecological farms support policy in particular states of EU, it is necessary to realize that the above-mentioned strategy is binding only in its direction, there are no common regulations for Europe. For those who don't have relevant tables at hand, I would like to (very briefly) present the policy of national and European support of Ecofarmers in chosen EU states.

Country	Commodity	Euro/ha	Note
Austria	Arable land	327	50% of subsidies is paid by EU and
	TTP	250	50% national budget
	Garden	508	
	Vineyard	800	

Country	Commodity	Euro/ha	Note
Belgium	Arable land	223	
	Permanent herbage	173	
	Vegetables	743	
	Permanent plantation	743	

Country	Commodity	Euro/ha	Note
Denmark	Permanent plantation	600	
	Sensitive regions	500	

Country	Commodity	Euro/ha	Note
Finland			147 Euro per hectare regardless it is arable land or permanent herbage

Country	Commodity	Euro/ha	Note
France	Vegetables, Seeds, Herbs	511	1–2 years
		255	3–4 years
		170	5 years
	Orchards	511	1–2 years
		255	3–4 years
		170	5 years
	Other therophytes	409	1– years
		205	3–4 years
		136	5 years
	Permanent herbage	180	1–2 years
		90	3–4 years
		60	5 years
	Olives	640	1–2 years
		385	3–4 years
		255	5 years
Other permanent plantation	980	1–2 years	
	588	3–4 years	
	392	5 years	

The above shown examples prove that even though the Common Agricultural Policy has been signed, each member country still has certain freedom to build its own subsidy strategies. Some countries pay per farm, some per square area, others per commodities or for five year period gradually. Italy pays nothing to ecological farmers, Spain does not have fixed strategy – they go year by year. Luxembourg has enforces size of farm up to 70 hectares, Germany has different rules in each federal state and Britain, which has compared to us quite reasonable subsidy system, pays support for certification – or paperwork if you like.

Without any comment on different ways of support of ecological farming, we can see that each member state has different policies for subsidies. For those representatives of our country, who complain that there is a dictate of conditions from the EU, we can see this is far away from the truth. Germany completely ignores the imperative of prohibition on subsidizing products – and still subsidizes the out-

Country	Commodity	Euro/ha	Note
Great Britain	Arable land	360	0...year
		216	0...year
		80	0...year
		32	0...year
		32	0...year (total 720/5 years)
	TTP	280	0...year
		168	0...year
		64	0...year
		24	0...year
		24	0...year (total 560/5 years)
	Unimproved land / land less suitable for agricultural usage – in our republic LFA	40	0...year
		16	0...year
		8	0...year
		8	0...year
		8	0...year (total 80/5 years)
Costs of certification	480	0...year	
	320	0...year	
	160	0...year	

Country	Commodity	Euro/ha	Note
Sweden	Clover-grass		
	Mixed crops	37	
	Grains	147	
	Oil crops, sugar beet, potatoes	253	
	Vegetables	862	
	Berries (fruits)	195	

Country	Commodity	Euro/ha	Note
Germany	Arable land and permanent herbage	100	
	Perennials	500	Particular federal states can reduce this subsidy by 20% or increase by 40% within regional budgets.

Country	Commodity	Euro/ha	Note
Italy	Fodder	45	Education contribution

Country	Commodity	Euro/ha	Note
Luxembourg	Arable land and permanent herbage	175	1–2 years
		150	3–5 years
			Only for farms of max 70 ha

Country	Commodity	Euro/ha	Note
Netherlands	Arable land	1 136	5 years in total
	Vegetables	5 682	Ditto
	Fruits	11 364	Ditto

Country	Commodity	Euro/ha	Note
Portugal	Production without watering	181	
	With watering	301	
	Fruits with watering	603	
	Without watering	483	

Country	Commodity	Euro/ha	Note
Spain	Average	350	The same subsidy every year, not defined by the state, it varies according to the crop-plant and region.

(Source: Zemědělec Magazine 34/05)

put – grain and milk alike. Our farmers know examples when German owners of arable soil in Czech borderland grow grains and take it over the border to Germany to claim it as German production and get German subsidies.

But one thing is common for all member states: they are very careful when distributing subsidies and about the viewpoint on economical sustainability of farms. The next period (from 2013) might mean that the agricultural subsidies will be half or none at all – and not only because of the pressure from WTO, industry and business sector but even the farmers themselves and not only in Europe but also among our (eco) farmers. No one dislikes the subsidies more than a honestly working and managing farmer who can see from very close how half of the money ends up in the bureaucratic machinery and the other half in pockets of skilful lobbyists.

Each member state realizes that an investment into agriculture is worth only when it brings future value – either in the terrain or on the market. They still consider questions: why to subsidies this, what good is it for the citizens and what will bring it? Let's talk about examples from our neighbors, we will see one weighty answer to these questions. In just first four months of 2007, bio groceries worth 68 million Euro were sold in Austria.

If we are interested (and we should be) which particular subsidies bio products did the Austrian tax-payers buy for their money, this is a rough market sheet:

Before we get to the proportion of biofood sales in the European market I will shortly comment on later, we should consider the following numbers: the number of skilled working places, how many tons of cheese, cottage cheese, spreads, yoghurts, fruits and vegetables they create in the market, the shops which manage to keep places for the national production and consumers who are able to identify with the policy of sustainable growth (and willing to go deeper into their pockets despite the price of the bio-products is not much higher when compared with conventional products in such a volume).

Sales	%
Milk	15%
Cheese	14%
Other dairy products	19%
Fruits + vegetables	21%
Meat	14%
Eggs	17%
Potatoes	5%

(Source: agroweb)

Above all, the chart shows that almost one half of sales is created by dairy products. Fruits and vegetables are on the second position (together with potatoes it is one fourth of the total volume), eggs are the third, and meat (mainly poultry, rabbits and fish) is the last one.

The demand for biofood keeps growing. E.g. bio-eggs sales grew from 6.6% in 2002 to 17% in 2006. In France in specialized sections of hypermarkets Auchon or Carrefour, as well as in British Tesco, customers can choose from emboweled or unemboweled chicken, ducks and geese. During the season of year, there also quintals of bio-cherries and bio-strawberries, grapes, cucumbers, peppers and tomatoes, etc. available.

Despite of these numbers, our country decided to support in the national ecological programme primarily bio beef from giant farms, with partly fraudulently privatized state land, and that was right after the state disqualified the local countryside population from the competition even though the people were – like in neighboring countries with similar demographic conditions – ready and willing to work on the land and offer wide variety of bio-food production according to the regional and national market requirements.

The large owners of land do not copy the market requirements because they don't need the market. Actually: if I own 1000 hectares of herbage with subsidies of 10 thousand CZK (or more) per hectare, I can happily ignore the market. The only requirement for getting those subsidies is 200 cows and I can leave them outside without any worries that they will create any overproduction and ten million CZK a year will not create any economic pressure that would make me do any marketing. I will sell a few packets of bio-beef to the hypermarkets, and some geese, ducks, fish, eggs, potatoes or carrots will be completely exotic term while relaxing in Bahamas or Dubai.

The Czech consumer, as we saw in the introductory study of Epos, pays a lot of subsidies for ecological agriculture and farming, but does not see what his neighbors see in stores in Austria, Germany, France or Italy. Actually sometimes he does see it because 90% of fresh bio groceries sold in our stores are imported from these countries. With the exception of Olma Olomouc that is buying the milk from the "poor" ecofarmers, who have no possibility to build their own dairies, at the price 4 CZK lower than they would sell it on the local market. The local fresh production is represented by beef bio slices but which Czech mother

would feed her kids mainly with steaks? On the contrary, EU does not include the red meat at all for public catering, hospitals, schools.

In another comparison we can see a picture of producer of beef meet that delivers 10 pieces of beef cattle and the state gives him 2 millions on subsidies (information on numbers of bio-beef kilograms delivered to market is available at the Ministry), who spends the winter in South Africa shooting exotic animals and then overworked tired mothers from the last few milk farms who cannot afford to take their kids for summer vacation at Lipno. And the taxpayers expect and require milk products and local fruits and vegetables but won't get them, instead they will pay hundreds CZK per kilogram of beef plus the market price in the store. Plus they have to cope with the costs for the thousand-headed creature of Ministry of Agriculture and state administrative (e.g. Land Funds, Veterinary and Hygienic authorities, SZIF, Agricultural agencies, etc.) who silently and willingly (not always free of charge) support the liquidation of processors, land transfers into "ecological" and the breathtaking sales of land.

If we see fresh bio-food at the shelves of our stores, it is always imported. At the same time it is necessary to remind ourselves that we are the on top of the list in volume of ecological land in Europe (it makes 7% out of all agricultural land compared to 2% in Poland) and our subsidies for eco-agriculture are comparable with those in Great Britain and even higher than in Ireland or Sweden.

We not only have the most expensive hay in Europe, but we also pay for it with social degradation of our countryside because the subsidy money do not reach the local people there but rather go directly to the people cities who only pull them through the villages.

This policy is caused by the Czech interpretation of (ecological) agriculture that is declared with statements like: "We will not grow corn on Snežka" (our highest mountain) and "Landscape preservation is not agricultural activity that made the clerks responsible for subsidies distribution puppets in the hand of owners of thousand-hectare corporation that have accumulated amounts of land that no one in Europe heard of and who thanks to this policy do not need a product and market share for their profit and loss reports.

If we currently lack (bio) vegetables, poultry, fish, beverages, jams, eggs and pastry, then it is necessary to remind the tax-payers that there is enough capacity of ecological land and subsidies for their production but insufficient number of farmers that would be motivated for their production. The least would be to change the flow of subsidies from support of grass mowers into support of processing.

Common rules: Global market, global inspections:

Let's see once again what are the inspections that ruin the local production. To understand them locally, we have to think globally: Global tool of inspections is HACCP. Control point checking that puts the whole responsibility for production and everything related to it on the company owner. So how did that go?

In the beginning it looked optimistically: for one hundred dollars it was possible in the U.S. to buy food for a family of six for a week. A lot of food. Automatization of agricultural production and mass production of agricultural products for volumes that was the guarantee of "good" price soon brought decrease of "good morals of the farmers and producers". The land and animals got stuffed with anything that would make the production cheaper and increase volumes, on the other hand there was no market for such increase. This necessarily meant decrease of quality of agricultural and grocery products and not long after it scandals with health treats to consumers. (Silkwood, Erin Borowitz, and also Michael Clayton are heroes of these stories).

HACCP came to Europe from the United States as a consequence of harsh mass production and philosophy of plunder the land and excoriating the animals.

The state in time of scandals and court cases with low quality and life-threatening groceries full of ingredients and fertilizers admitted it is not able to check every step in non-stop working mass breeding and mass producing companies and therefore it asked the producers to set "safe" and checkable technological procedures that the producer must check himself and be responsible and liable for them to the consumers (even in the court of law). It was not easy in the United States just like it was not easy in our country. At time there was a popular story about a American cattle farm owner who shot to death an inspector during one of the first HACCP inspections, which the American farmers didn't understand when it was introduced just like our farmers don't understand it now. It is not known whether it was unreasonable state intervention into the integrity of a private farm or whether the farmer was under enormous competitive pressure which prevented him from obliging of the newly created rules. But what is known is that the event itself – interference between the profit and non-profit sector is a clash of two unknown worlds and if a mutual consent is not found, there can be a life threatening situation. Which side is correct depends on individual judgment.

The way I know the (mass) productions personally, the results of hard-won and enforced HACCP are usually just thoughtlessly filled charts hanged in each production and processing room of all similar locations in the States, in Europe and in Asia. But more than a guarantee of quality of food they are a social lever. No ideas and thinking are necessary for working tasks crammed in table cells from junior management – they are obstacles. Thoughtless work on the other side is non-productive and "one won't make living out of it" and domestic workforce doesn't want to do "it" as it doesn't pay off.

Checking rules are tools to keep the discipline of cheap and unskilled workforce from abroad. "Did you wipe the floor in expedition?": the table at the exit asks. "Yes", unison, writes a Costa Rican refugee in Florida restaurant, a black man in English music club and a Ukrainian woman in Prague hotel. These tables are piling up in a file until the inspection comes and fill in another table about seeing the previous table.

The inspections that are mostly just formal (because the inspector's IQ usually has its maximum) might have

stopped the accusations of food producers of plundering of consumers' pockets and natural resources, however the large producers managed to deceive the laboratories and keep their market of meat by doping the products with the "E's", preservatives, frozen products and semi-finished products in which "selection" always the cheapest wins.

The results of the current food inspection methods must be judged by each consumer himself. The results can be seen every day. The results are large contracts of food store chains that control one third of world food market and that negotiate transports of poultry from Chinese province Chuen into Italian pizza factory in Torino, then export of frozen Italian pizza over the subsidies European highways to Olympia in Liberec while the local chicken in Liberec is running around the backyard.

How we did protect the European consumer from un-sanitary procedures can be seen for example at the Mediterranean beaches: fat suffused bodies helplessly tumbling in hot sand – reacting only to instructions on the leaflets of their pharmaceuticals and psycho-pharmaceuticals are an applause to grocery laboratories and consumer protection policies.

And in 2002 these rules "protecting consumer interests" created for thousand-hectare producers of corn in South

Virginia came with detour over Brussels to Mr. Šourek's farm in Plavy u Tanvaldu. The verdict of our officials was merciless: "Your facility does not fulfill the European requirements." Close it down. No, that's not what "Europe" had in mind. Either paperwork it to the national level or subsidize.

EU rules 1 and Pre-entry programme SAPARD

On the background of global contexts of food production and sales, the European programme of Countryside support defends thesis of decentralized regional infrastructure and local production that existed for thousands of years in Europe and in our country and it tries to protect and keep it. The tool for our country was SAPARD.

"Special Accession Programme for Agriculture and Rural Development" was one of the programmes of financial support from European Commission with the goal of helping reforms in candidate countries that were coming to the EU. The main goals of this programme were:

- Support of sustainable development of agriculture and rural areas before the EU entry
- Helping with problems that arise in connection with long-term changes in agricultural sector and in rural areas



- Helping with implementing of rules and regulations of the European Union (the so-called *acquis*) in area of common agricultural policy

The candidate countries could have used the funds from Sapard until 2007 or until the entry to EU when these countries will be able to start use funds from structural funds EAGGF. The yearly budget of SAPARD fund represented (for newly coming Bulgaria, Estonia, Latvia, Lithuania, Hungary, Romania, Poland, Slovenia, Slovakia and us) amount of 520 million Euro, for us it meant little over 22.063 mil. Euro (detailed charts at the end of the study).

Where all this money went is not sure for us until today, but we are quite sure that it wasn't the farm of Mr. Šourek, the only private (bio) milk producer in the Liberec region.

National government had time for preparing the national programmes for managing of the money approved – usually with no further comment – by the European Commission. According to words of Ministry of Agriculture and Ministry of Local Development this Plan resulted from analysis of the countryside (it is hard to say what did this analysis look like – if that was the analysis used later for EAFRD, then it explains a lot). This plan, according to their words, defined the policies of this country for countryside development and determined priorities ...

The programme was accepted and represented the yearly budget of 540 million CZK for agriculture and 270 million CZK for countryside development. Especially for this programme the now so cursed agency SZIF was founded (see below) to be responsible for selection of projects and distribution of the money and is still today a part of the Ministry of Agriculture.

How to vapor 800 million CZK per year, how words lose their meanings, how to abuse good intentions, all of this can be seen when one compares the declarations of SAPARD to the countryside situation.

This is what authors of SAPARD say:

These priorities were defined for agriculture:

- Investments into agricultural property
- Improvement of processing and marketing of agricultural products and fish products
- Improvement of structures for quality control, food quality and consumer protection
- (Land melioration and adjustments)

Countryside development then:

- Restoration and development of villages and countryside infrastructure
- Development and diversification of economic activities
- Methods of agricultural production intended for environment protection and landscape preservation
- Improvement of specialist education

And last: expert help for introducing and using the programme:

- Expert studies helping for project creation, monitoring and event supporting programme introduction.

And this is what Mr. Šourek says:

“At first it really looked like nobody will be able to fulfill all the conditions better than ecological farmers – processors. As if the programme was tailor-made for us. At that

time there were about 20 of us in the whole country so we thought that for sure out of those 800 million per year there will be enough funds for the main improvements in our dairy production.”

But it did not happen. With the exception of Ing. Štěrbá with 5 dairy cows, who regretted his decision to apply for help for two years because that was exactly how long it took to get the subsidy processed, no other ecological processor received one CZK from the Sapard programme. (The Ministry set a condition for getting the subsidy from SAPARD the subsidy amount to be in amount from 1 to 10 million CZK).

This way two thirds of existing producers, who built their dairies in similar tough and toilsome conditions of transformation process as Mr. Šourek, did not survive the entry to the EU (see details in study by Roman Rozsypal). Many of those who survived, survived at the cost of building new facilities or investments in current facilities from their own funds or loans and still today are struggling at the edge of bankruptcy – see examples of farming families Cittebart, Král, etc....

How exactly did this happen? If the state and its representatives just said: “Dear private farmers, please don't be mad at us but all the money from SAPARD that we were supposed to distribute due to our signature under the European agricultural model, we already gave to our friends from united farms and speculators” that would still be good. But they probably wouldn't get away with it so easily. Instead, the Ministry used different tactics:

Family dairy – the only one in region – and SAPARD

“For 10 years the dairy ran without any problems, then in 2002 the Veterinary authority came and declared that we are doing everything wrong. The machinery room must go to different place, the store and dispatch to its place, dairy room must be divided to clean and dirty part, add ceiling tiling, round edges, contactless water taps, plastic doors, add two cloak-rooms – one for me, one for my wife... We argued with them and got some compromises, but for example no exceptions for doors that cost 20 thousand a piece. Even after long discussions and compromises, the adjustments of our dairy cost 440 thousand” Mr. Šourek says. But if he simply succumbed to the requirements of the veterinary and hygienic authorities, his dairy would no longer exist. Only the building approval had to go through three rounds, the veterinary authority requested the dairy to be at least 100 meters from the cow-house and to have altogether 21 rooms. With a lot of effort, the Šourek family fought for every square foot of their facility like someone who should stand humbly with their cap in hand asking for permission to work and live at the countryside, like someone who makes difficulties, who complains all the time, never listens, is rebellious and disobedient, like someone who knows nothing, understands nothings, who must and must not. There is no wonder they stayed as the only bioprocessors of cow milk in the Czech Republic. Not much more would have to happen and there would be none left.

“They told us that it is because we have to comply with the EU regulations. The reality was that the authorities made it easier for them and to avoid the dividing of facilities by size, production volume and market share they set the same rules for a 30 square meter family dairy as they did for Olma Olomouc. The double cloakrooms cost families, who live and eat under one roof, thousands of crowns for no reason. They could have spent the money for a family vacation or buying a new computer. The same goes for washable ceilings, round edges, contactless taps or new doors into “stores” and “dispatches” and “washing detergent storages” which are all just empty expressions (and rooms) for a processing facility with production volume of 500 liters of milk a day.

“If the money were distributed regionally, it might look different,” Mr. Šourek repeats. The only money he received were from the Liberec region to cover his costs for dairy rebuilding project in value of 45 thousand and building supervision costs of 20 thousand.

SAPARD and non-agricultural activities – Agrotourism:

As I mentioned above, the EU supports economical independence of low-production eco-farms as much as possible. Even with the consideration of unclear future of agricultural subsidies in the future. One of the significant and logical supports that copy the strategy philosophy of common European agricultural policies as it was presented above, is support of agrotourism. This is why:

The subsidies family farms are friendly and well-kept places with cultivated and educated farmer and orderly kept cattle, surroundings of farm are not ruined by intensification, there are interesting human stories. And – mainly – there are hearty and honest bio goodies. These farms are more and more popular for growing numbers of local tourists in member states (as well as in the Czech Republic).

For the state, it is also political investment: on the spot it can demonstrate to tax-payers the functionality of subsidies into farm buildings and technologies and create a sort rustic show rooms of its policies of sustainable development of European countryside with the possibilities for ministers to get photographed with a glass of milk next to a cow and rubicund farmwife.

Farmers have more motivation to bejewel and embellish their farms for tourists who like to get influenced by their relation to the countryside and nature and as a bonus the farmers can show what they have to do and know to keep their farm running and explain that the state subsidies in their farms are not wasted money. Plus money coming from agrotourism is cash that comes immediately, not like the yield or subsidies they have to wait for often for long months.

So far Europe. Further the Czech Republic:

The farm of Šourek family supports also two sons and a daughter. All of them married recently. All three newlywed couples are interested in living and working at the farm. They have the experience with farming, they have been

working there from young age. Now when “expanded”, they welcome every new possibility to extend the potential of working places at the family farm.

Therefore they welcomed the subsidies programme of non-agricultural activities for farms as state support of agrotourism. In their case, this could enable them to reconstruct the redundant building that belongs to the farm and bring work and income to one of the three young families. So SAPARD came into focus again.

Agrotourism in SAPARD takes 12 pages. The rules and requirements are as vague as they are exaggerated (“...it is necessary to have the applicant enthusiastic about the programme ideas” we got to read in it.). To have the project ready to fulfill all the requirements, enthusiasm was not enough. Mr. Šourek called and visited all the relevant institutions and finally convinced his friend, Ing. Pospíšil, later advisor to Minister Vicienová, to put the project together with him based on the reality of the place – a family pension for 10 guests in 5 rooms.

They spent tens of hours preparing the application to fulfill all conditions required by the Ministry. They were the only processors in the region and they could offer the potential tourists not only excursions into the dairy farm but also attractive location at the top of Filoun hill with ski lift coming to it from the valley. The view of Jizerské mountains right opposite the farm and trips to nearby Zlatá Olešnice and Krkonoše (Gian Mountains) fulfill all the criteria that one can imagine for agrotourism.

The application for 2 million was sent with a great deal of hope and expectation. As a reply they received a one-sentence letter from Ministry for Local Development, regional office for SAPAR. The document was named “Protocol of application errors” dated May 22, 2002 and contained only this information: “During reviewing of the forms, no errors were found.” And more: “All required attachments were enclosed, project is submitted for acceptance inspection.” The enthusiastic Mr. Šourek was looking forward to more mail coming. Apparently because he didn’t know what others knew.

Ministry of Local Development changed additionally and unexpectedly the conditions for agrotourism subsidies at the time all the documents were collected in Hradec. After the final deadline for submitting the application they declared a new rule stating that only projects that create 8 or more work places can be successful

But there was no word about it during the programme approval in Brussels. In Plavy (and hundreds of mountain and foothill villages suitable for tourists) there are not even seven people living. And the ten beds that would fit in the planned building could not make living for seven dwarfs.

What next? Like many times before, Mr. Šourek borrowed money – this time from his friends, relatives and the bank. The model is still the same. In countryside conditions projects like this barely pay for their operation. If they have to calculate with investment loan, it is necessary to stretch it into decades and support with a subsidy. We don’t need to ask about it, it has been proven.

But we let the government and Brussels approve well sounding adopted strategies that include catches that will

come to the surface only during the realization or we change them additionally and clog them with twists that make the originally clear, tested and checked strategies become bastards if not directly frauds. Authors of these projects circulate between the ministries, we saw a name first signed under SAPARD later at the Ministry of Agriculture, Ecological agriculture department. According to the words of a supervision who kicked this person out of there, he is now “causing damage” at the Ministry of local development.

So we had a chance to get the idea about how an ecological farm with production of bio groceries starts here in the Czech Republic. Now we will take a look at its opera-

tion. The following three chapters are here mainly for those readers who live in a belief that it is necessary to survive and cope with the terrible start and that all these efforts will bring its results and that afterwards the farmer can live a decent and honest life in accordance with his beliefs and abilities. But it's not so. The more the state saved on investment into the farm, the more eagerness it shows in the interventions into its operation:

The following three cases (GMO, SZIF and land, and Milk quota) will show us, in addition to interventions of state authorities into the operation of the hardly surviving farm, also the options of farmer's involvement in political work and the strength of his voice.

5 FARM OPERATION: GMO

To avoid describing what has been already described, I will copy the report published in Reflex magazine in summer of 2005: At that time Pepa Šourek lost his certificate for bio groceries. All of his previous work was gone by one scratch of the pen. In cooperation with Reflex we made a simple plan: If I started with a report listed below and would position the state authorities headed by the Eco-agricultural Inspection on one side against the one and only Pepa Šourek on the other side it was very clear from the initial researches that the relevant institutions would make him a clown who doesn't know the law and Pepa, who was already after all of this balancing on the edge, would simply give up the eco production. So first we printed a cover story about ecological agriculture in general, (Operators don't want bio - Reflex 33/05), where Pepa's troubles with inspections were described by and shielded with names of other farmers who showed this way the absurdity of our agricultural system and its inspections. At the moment when all the involved parties shot out their ammunition, some of which had very high cadence and came from unexpected sides, Reflex published the following text.

GENETICALLY MODIFIED LAWS

Text by Šárka Dittrichová

In the Czech Republic, similarly to almost whole Europe, we have there types of agricultural production. Conventional farms, biofarms and starting trend of agriculture using genetically modified organisms (GMO). All three of them are fighting for their right to exist and we need to set rules for them so they would not harm each other. Because that is exactly what is happening right now. Bio-farmers are afraid that modified organisms will contaminate their production, growers of transgenic plants are afraid of ecologist that they will cut their fields down. Both sides' fears are legitimate.

Mrs. Šourková is in a bad mood. Something is happening. I try to cheer her up by making a list of their heroic achievements

over the past years. Their biofarm Filoun nearby Tanvald belongs to those that were honored by title “Ecofarm of the year”, the president visited them last year. But she just keeps setting the African marigolds by the dairy entrance. “GMO” she says finally. “We lost the certificates. For everything. Milk, cheese, buttermilk, meat.” She names them one by one. “What? Here in the mountains? On an ecological farm? Where did they find it? In seed corns? On the fields? In fodder?”

WHAT IS GMO?

Genetically modified organisms divided the public into several groups right after they started. It is something little bit different when a moth falls into your glass of milk and you drink it or when a moth is part of the genetic information included in the biscuit you soak in the milk even though it is still just a protein that you eat every time you eat. Fundamentalist ecologist will tell you that the whole genetic engineering is an intervention with the world order and it is pushing the world into destruction the same way as multinational chains, mobile phones and feminists.

The public is a bit more tolerant. According to the surveys, about 91% of people heard about GMO, but when asked more they admit they do not know exactly. They are fine if all GMO will be marked and they will have the choice.

Scientists from chemo-technical and biological faculties on the other side swear that non-transgenic plants are potential sources of health threatening molds and bacteria and their consumption can have only one consequence - death. And they claim their right to buy GMO groceries.

FAO – Food and Agricultural Organization of UN is somewhere in the middle of the opinion spectrum. In its report from May 2004 it stands behind using the genetically modified – transgenic plants positively, but rightly emphasizes that biotechnologies are not the universal cure for current agriculture problems and sees their future mainly in the third-world countries. Simply, we don't need them - the developed world has so much food it doesn't know what to do with them.

European politicians are not unified on their policy how to treat GMO products. Until the beginning of 2004 European Union was at fighting over the GMO with the United States. President Bush has in return blamed the European politicians that by boycotting the import of American corn to Europe, they want to starve to death poor Africa.

The official decision came on February 18, 2004 when Brussels ended the moratorium for introduction of GMO to the market. Common European catalogue of GMO species of agricultural products was created. But it was immediately boycotted by Wales and Scotland who refused to give permissions for growing GM corn MON810 (with included gene for production of toxin against corn moth) and blocked its production also in England. The complete prohibition of growing GM plants is still valid in Hungary and Poland. The Czech Republic makes growing possible in a limited way but has one primacy. It is the only country that in global game political and economic interests leaves the questions of GMO to be solved by one unhappy farmer from Jizerské mountains.

FEEDING, WHAT A SCIENCE

The story of farm Filoun illustrates very well the confused approach of our Ministry of Agriculture to genetically manipulated plants.

"The milk has somehow less cream in it" I told Mr. Šourek in the winter, like he didn't know it himself. "Must be because the cows have less green to feed during the winter, right?" I added thinking it was a bright idea. "Oh no, it is low protein and low fat and that is caused by fodder composition. In the mountains we have problems with the lack of arable land and cold weather for growing grains so we have to buy at least 3% of mixture to add to our fodder to have the right contents of milk. Feeding, what a science." And even experienced Mr. Šourek hired Mr. Masopust as an advisor, together they studied the council regulation EHS No. 2092/91, they reminded themselves that 10% of fodder volume can be used from conventional materials. They just have to make sure the fodder does not contain any GMO. They tested the fodder mixture several times and when the test showed everything was correct and they reported everything. What they could not know was that during 2004 the organization dealing with ecological agriculture inspections (KEZ) took six samples of fodder on other farms and in three of them found GMO. In spring, a KEZ inspector knocked at the door of Mr. Šourek and went directly for the reported fodder mixtures. And then it went quickly. On April 26, Mr. Šourek received without any prior notice a letter informing him that "... the facility does not comply with requirements for the Council Regulation and KEZ is removing the certificate for bio-products with immediate effectivity." On May 16 the stunned Mr. Šourek received another letter from MZe telling him that he broke the law and on top of the whole trouble he can also get a fat fine.

"But I didn't do anything, I obeyed the amount of mixture, reported it and the supplier guarantees there is no GMO in it!" I can see his eyes still today.

FOR AND AGAINST GMO

Genes that create for example resistance against herbicides or insect pests can be isolated from any organism, e.g. bacteria or fish and combine it with parts of gene from a different organism, e.g. plant in a glass tube. Such modified gene is then inserted into the target cell and the final organism is derived from

it. It is clear that such perspective can make many scientists' head turn round but the research institutes claim the development of modified organisms is bound with strict ethical norms.

We hear more talk about health and ecological risks connected with releasing genetically modified organisms into wild nature. Those can be direct – harming human health or the environment or indirect – modified organism can trigger a chain of more actions, for example mutate with weeds. The experts and the public are divided into two groups. Those who see mainly the risks and those who see mainly the advantages.

This is how their dialogues could look.

Against GMO: the probability that genes of a plant will mutate with its predator is in range of 10 to the power of minus 8, but cannot be ruled out.

For GMO: thousand times higher probability that the gene will get there by natural mutation. Similar to when you worry about your bathroom tap dripping while your kitchen is flooded.

Against: Official data Ministry of Agriculture of the United States state that within 1996–2003 there was an increase of herbicides consumption connected to growing GM plants. The cause is transmission of resistance from GMO to the weeds that becomes indefensible. Which is an argument against the original "for" that considered that GMO plants modified against weeds will decrease the amount of chemical fertilizers needed for their protection and supports.

And so on, this debate is not simple.

WHO IS GUILTY?

"To require the farm to keep stable and uninterrupted line of test for GMO contents in material that enter the farm, is simply liquidating. One such test that measures every component of the mixture can cost over 40 thousands" says clearly Ing. Ladislav Kučera, CSc. from the Research institute of vegetable production in Ruzyň. "Plus – he has a guarantee – certificate from the supplier."

"And what about the proposition from the Ministry that suggests creating a closed circle, i.e. everything that is used on a farm comes from that farm?" I present the statement of Ministry to Mr. Šourek's trouble. "For seeds and fields, there is the same limit of uncaused ingredients like for mixtures. What was it he had in the mixture?" "Cole seed mainly" I try to remember. "Even if Mr. Šourek decided to grow the cole seed himself in the mountains, the cole seed likes to transgene in a natural way. The field can be impacted from pollen of modified corn a neighbor carries on his truck nearby, or even in his own storage something the inspector brought on his trousers can mix in the mixture. That was the reason why most of the world agreed to tolerate the 'uncaused ingredients' for GMO free products in amount of 0.9%." These were the arguments Mr. Šourek used in his appeal to KEZ. The reply signed by director Dvorský dated May 16 was clear: "... the period that must follow the breaking of the law cannot be shortened in any way based on your appeal... breaking of the law from your side was proven..."

Now the question is which law.

FROM LAW TO LAW

When entering the EU, Czech Republic signed two regulations with the same legal power but those two are in direct contradiction. One says that GMO must be clearly labeled but sets



the acceptable limit for uncaused ingredients in amount of 0.9%. The second one is Council Regulation EHS No. 242/2000, that requires an ecological farmer to have zero amount of GMO at the whole farm.

“This gap in the laws where the ecologists insist on absolute zero and the rest of the world tolerates for GMO free 0.9% of mixture was already discussed in 2003 in the Czech Commission for GMO by the Ministry of Environment. At that time, I believed that year 2004 would show this gap in the laws with the first cases and start a correction. But now I can see that instead of repairing the laws, completely innocent farmers get into problems,” explains Mr. Jaroslav Petr, docent from VURV in Uhřetěves, our most respected expert on GMO and its enthusiastic supporter.

GMO is a test (indicator of ability) of coexistence. In our world, it means the ability to survive. After the nationwide response for the interventions of inspectors at farms, the Ministry and KEZ finally realized that what they signed in May is not so hot in August and they figured out something they should have figured out a year ago and Mr. Šourek finally received his certificates back. But what they should have really realized is that in today's world there is no absolute truth, no absolute zeros, only one law. Just like docent Petr has his right to protect himself from even 1 milliliter of fresh carrot juice that comes only from the soil, water and Word, I also have the right to protect my meadow from mutated scutch grass that according to its programming wakes up every midnight to eat my sorrel and Mr. Šourek has the right to produce his delicious cheese and buttermilk without the inspectors contaminating the mood of his wife with their mutated laws.

Foundation of Club of Ecological Farmers – Processors

Probio and Ministry of Agriculture exactly as expected threw Mr. Šourek overboard with his problem: “*Mr. Šourek knew he should not feed with GMO,*” says the manager of Probio, professional association of farmers, Ing. Trávníček darkly. The “independent” Research institute of agricultural information in Prague presented its scientific objectivity like this: “The farmers start making cheese, make business out of it and if the inspectors find something, they become aggressive,” said Ing. Zidek, at that time on the payslip of KEZ. When director of KEZ was finally removed, he received a grant from VUZE to provide him with comfortable existence. All of this money comes of course from the Ministry of Agriculture.

At that time it was possible to achieve what had to be achieved. Despite of the statements and actions mentioned above, Mr. Šourek received his bio certificate back and director of KEZ was removed. But the genie was already released from the bottle and ecological agriculture has profiled into two clearly bordered groups: ecological farmers – founders around Mr. Šourek created the Club of Ecological Farmers - Processors in September 2005 on one side and producers and ecological farmers only by name on the other side. The Club has defined itself from the beginning only as part of Probio because they already paid for the office, computer, phone and secretary with their contributions to Probio. But soon after the start, it showed that Probio is not willing even to distribute prepared e-mails and it does not communicate with Club and does not re-

ply to its letters so it became clear that ecological farming and policies of Probio have become two adverse worlds and this is how the situation looks still today.

One of the first actions of the Club was the tender for another institution for ecological inspections..

Practical politics – Tender of Ministry of Agriculture for inspection organization for ecological agriculture

Ministry published a tender to which only subjects holding accreditation for inspections could apply. But this accreditation cost several hundreds of thousands and the accreditation institution needs months to issue them. At that time the only institution with this accreditation was KEZ, already subsidized by the Ministry with approximately 7 million CZK a year and foreign inspection agencies out of which the German applied to the tender. The only Czech subject that applied to the tender was Biokont – association around the former founder of KEZ, Mr. Roman Rozsypal. They went into the tender with presumption that they have applied for all the necessary requirements and they are only waiting the period before the relevant institutions finish their applications. In the meantime, the Club of Farmers called for a meeting the the Ministry in December 2005 to have all the inspection subjects introduced and they recommended Biokont as the most erudite.

But the Ministry took the tender in their hands. They claimed only the German institution as successful applicant and Biokont was disqualified. They did not fulfill all the requirements. Again, like in a fairy tale we had to explain that Biokont applied to the tender when it received promise from the Ministry that it will not waste all the costs for accreditation and administrative matters and that the Ministry understands that the Accreditation institution has its procedures and needs some time. And the Ministry (in words of its senior director) promised to grant license to Biokont as soon as they deliver the accreditation. But before that the Ministry closed the tender saying that only the Germans fulfilled the conditions in given period of time. But in the meantime Biokont already received the accreditation and in the meantime they already paid 300 000 CZK for it and in the meantime the Ministry decided they can throw it out of the window.

Club has sent further protests – this time playing on the partisan note of the Ministry officials.

To: Ministry of Agriculture of the Czech Republic, Department of Countryside development and environmental policies,

Ing. arch. Kamila Matoušková, CSc., Department director
Cc: Ing. Martin Fautyš, Acting director

Subject: **Inspection organization - Comment to our phone dialogue of February 16, 2006**

Date: 23.2. 2006

Dear Mrs. Director,

After throughout discussion with other Club members we decided to send you the following comments:

On Thursday, February 16, we made the completion of petition of Club of producers for support of company Biokont. Formulation of the letter accompanying the petition was consulted and commented by Ing. Leibel from your department and logically followed the previous events – mainly the working meeting of farmers with representatives of inspection organizations at your Ministry.

To collect the signatures from farmers who are all living in hardly accessible localities during the winter was very difficult and took even one week longer than planned. However, last Thursday we had most of the signatures ready and – as we thought – we only needed to agree on technical conditions of its handover. We found it reasonable to contact you directly as the petition was addressed to you. What we found out during the phone call was entirely shocking for us.

Please understand that you could have not surprised us more than with the information, that were not aware that company Biokont is interested to become the inspection organization and then you corrected yourself that you heard it from Ing. Roman Rozsypal “last week” e.g. at the moment when he brought to the Ministry the accreditations required by you and which represent the investment of hundreds of thousands CZK and which he has been preparing in cooperation with employees of your department since last summer. Furthermore, we found out from you that the tender has been closed and therefore you are no longer involved in it and further steps are in competence of Ing. Fautyš and Ing. Trnka, You personally want to stay impartial in this matter and have no intention to get involved in this matter anymore. You also stated that it is new information for you that company Biokont is from the beginning supported by the farms that have been impaired by former practices of KEZ.

The phone call also made it clear you are not oriented in the current course of events around KEZu and ABCert, which you don't know their offers and you have no feedback from the farmers on these offers and on their acceptance and comments on the new situation and their conclusions.

We absolutely could not believe we are speaking with the director of department that is supposed to manage ecological farms in our country. We told you this on the phone and we emphasize again that from the title of your office you will be impartial in matters around stabilization of situation of inspection organizations and that you will abandon your responsibility for course and development of events around the tender and that you will shift your responsibility to Ing. Fautyš and Ing. Trnka. Even more, we expect you to have informed and complete comment on the issue that will shift it further and will help to achieve the status because of which the whole tender was published – e.g. finally undisturbed and focused work on the farms.

As we stated in the accompanying letter and as we have been informing you in protocols from Club meeting – to which you have always been personally invited – and as we

already explained to you in an e-mail in which we asked for a meeting with representatives of inspection organizations at the Ministry – the solution of the situation and correction of the mistakes made by the inspection organization – with a silent approval of the your Ministry – is crucial for us and we have essential interest on correct development of the tender.

We have asked Ing. Romana Rozsypala, CSc. to give us analysis of the tender procedures so far and we were astonished. The tender was published with mistakes and logical errors, had to be stopped and both candidates (ABCert a BOKONT) had to fulfill more requirements while the Czech candidate was disadvantaged against the foreign company in whole range of topics that was even deepen by actions of employees of your department. We are not able to get orientation in the continuously changing legislature related to accreditations. Unclearly formulated conditions of tender procedures and not clearly delegated competences and deadlines make it a bad joke. At the same time, we see the problems of this tender when the German inspection organization has passed the tender but no one is interested and then the company that has the support of farmers is blocked by your procedures.

Unfortunately, besides the nationwide followed case of GMO, this is the second example in one year that shows clearly that your department under your direction is not able to deal with problems the farmers have to deal with every day. However, they have to emphasize that for even smaller mistakes and errors would face severe consequences. I may add that the absurdity of this situation is best illustrated by cases when farmers have to bear consequences of your mistakes.

Dear Mrs. Director, the Club of producers of bio groceries is formed by farmers who with their names and work represent the definition of ecological agriculture in this country. In regions and places that our current political representation does not know how to deal with, with missing infrastructure, no schools, no public transportation, offices and even basic shops and therefore no local market, they have been doing work that absolutely is not comparable with the average work output as defined by the current Labor Code of this country that is completely badly evaluated. Their motive is not just to survive another election period but leave legacy and inheritance after themselves in time that laughs at these terms. We feel it is appropriate to remind you that many farmers belonged for generations among devoted Christians who honor the traditional values such as mutual help and dedicated support, openness and respect for each other and mainly honest and responsible work. Your approach as an official nominated in your office by the Christian party is hardly compatible with these values and measured by the results of your work, your behavior is insulting.

We are truly sorry that you feel no professional or human obligation to include the activity and suggestions of farmers producing bio groceries into your working schedule and on the contrary you have managed to avoid and ignore all the activities and suggestions for over half a year with your approach which we consider to be a mixture of

alibis, low performance and non-professionalism by which you can frustrate even such enthusiastic people, which the members of the Club surely are. Please believe us that we are sorry that we have to be represented by people who have no interest in us, and even more they don't know anything about our problems and requests and show us they even don't need to know.

With kind regards
Josef Šourek, Ecofarm Filoun
Chairman of the "EFaZ" Club

Just like in the GMO case, after ten of hours of intensive work, it was possible to force the Ministry into action and a new inspection organization of eco farms and bio products could start. Besides this one, the other existing two are present as well, so the Club's plan worked out. Ing. Matoušková was fired from her position and as mentioned before, according to the words of her former boss she now "creates more damage" at the Ministry of Local Development. But the change of names itself doesn't solve anything. Last year in the spring, more complaint letters from farmers were found in the desk of her successor – some of them older than a year.

Before we get to the future of the farm, let us close the thematic circle of operational inspections. Who would think that the confusions that followed the entry into EU stayed in the archives of 2005, would be wrong again. These are cases from summer 2007.

Farm operation and SZIF 2007

Just imagine it is 10pm, you return from the field and open this letter from the Ministry of Agriculture:

Resolution of appeal of May 17, 2007:

"... In the given case, the appellant filed an Application for change of enlistment of Agro-environmental provisions (further referred to as "Application") according to the government regulation no. 242/2004 Col. at SZIF on April 28, 2006. In this appeal, he reports the re-numbering and change of land area of the land block identification number 670-0980 0303 with acreage of 0.16 hectares to land block no. 670-0980 0312 with acreage of 0.15 hectares and removing the land block no. 670-0980 0303 with acreage 0.16 ha from the ecological agriculture. At the same day the applicant submitted subsidy application within the terms of Agro-environmental provisions where the relevant land block no. 670-0980 0312 is listed in declaration of land for herbage.

On September 13, 2006 SZIF issued under reference number SZIF/2006/0327307 the modification verdict about including it into the AEO according to the government regulation no. 242/2004 Col., where it granted the applicant the requested implementation. Following this, SZIF has issued a resolution on providing the subsidy. ...

The above-mentioned appeal is not gratified and the resolution on subsidy was issued ... in the full extent of the application for subsidy for AEO and the listed resolution is

issued in accordance with section § 4 clause 2 of the government regulation no. 242/2004 Col. ... There is no other appeal against this resolution (§ 91 clause 1 of the administrative procedure rules).

Signed: Ing. Ivan Landa, CSC, Director of Department of HRDP Control

So what happened? The applications for subsidies for land included in the Agro-environmental provisions: ecological agriculture, meadows and pastures, are always signed by the end of the year and sent to State Agricultural and Intervention Fund (SZIF) that administration of their payments," explains Mr. Šourek. In our case, he applies for subsidies for the farm land. For our farm it represents 300 cadastral numbers and statements of the LPIS. Out of this, 50 percent is his own land, 20 percent rented from the state and 30 percent rented from local owners. Out of these 80 hectares, 40 is pastures, 40 meadows and 2 of arable land. Most of this is enlisted in the subsidy-available LFA (Low fat areas) that has 2 more sub-categories. This application is filled by Mr. Šourek based on the data from SZIF.

But the land blocks are always worked with so whatever was in line 45 last year might not be there this year. Either the land could be transferred into a different category or measured in a different way or changed the owner, etc. It is a mess and it has to be watched. Mr. Šourek knew how to play the game in the past 15 years.

In 2007 LPIS updated images in range of its administration and the mentioned less than a quarter-a-hectare land was displayed in a different way than in the central evidence. Mr. Šourek was informed about it and with this occasion he was supposed to ask for its cancellation and new implementation of the block in the SZIF evidence, which he has done. SZIF did not take his application into account and exported the numbers of land blocks without this modification for the subsidy application. It was a list of 300 numbers with 300 digits, Mr. Šourek signed it without noticing that even though he fulfilled his duties while SZIF didn't. And then – even though he correctly managed this piece of land and correctly enlisted it, he did not receive the subsidy for it as he was entitled to, on the contrary this quarter of hectare caused his full subsidy payment for the whole farm to be detailed and on the top of it, he received a lesson from the Law department of the Ministry of Agriculture telling him he is stupid.

Originally Mr. Šourek tried to call SZIF with a question what is happening again. "Well, that is wrong, you have to get it back. Otherwise you can send an appeal. But this could take up to 3 months," he found out. But not that it would take three months before he would receive the few CZK for this quarter of hectare, but it would take three months before he would receive the subsidies for all 299 land blocks. If you don't pay the bank for three months, this one quarter of hectare can cost you the whole farm. Not to mention that Mr. Šourek did not make any mistake.

So on February 21, 2007 he sent an appeal against the SZIF decision: "I appeal against the resolution of SZIF Hradec Králové related to providing subsidies in range of Agro-environmental provisions. In this resolution the block no. 670-0980/0312 with acreage 0.15ha is missing, which

is not in conformity with the "Confirmation of enlistment into evidence" dated May 15, 2006. This block is already enlisted in terms of under-provisions for herbage treatment so everything is correct."

You can read the response at the beginning. The mistake was made by SZIF but the farmer has signed it so he will face the consequences. And this is how it goes in our country. Just this one and only (above described non-understandable) procedure causes farmers to lose millions each year. Rather than struggle through this chaos, they give up on it and give up the money they are entitled to. But not just a few thousands, sometimes even half and more of the whole subsidy amount. (Detailed info in study by JUDr. Heřmanská).

Milk quota allowances

We did not mention the quotas, we will get to them just briefly. To prevent overproduction, states of the EU portion out volumes of agricultural products and assign them to particular farms. In our case we deal with milk quota. Even though we have lack of milk, the milk quotas are accompanied by many paradoxes. Mr. Šourek says, the milk quota for his farm was inadequate since the beginning. It was assigned to him based on the milk yield of year 2001. But that year was remarkably dry and the yield was low. Nevertheless, the Ministry decided to take this year as principle for assigning quotas.

The Association of private farmers protested this regulation but achieved only minor adjustments. In times of Minister Fencel, the Ministry was assuring the farmers that they and SZIF will learn how to administrate the quotas. But as Mr. Šourek says, the reality was that instead of reducing quotas of those who produce no milk and gave them to those really producing, they mainly just administrated.

The result was just even more incredible frauds. Mostly the former "kolkhozes" = collective farms had no interest in neither working nor producing milk and therefore they did not use their quotas. Rather than taking the quotas from them and using them for those who wanted to work, SZIF let the farmers to start black-marketing for the quotas. It ended up so that those who did nothing and produced nothing were selling the quotas to those who needed them for their work at the price that was higher than the price of milk.

Mr. Šourek was forced to do it this way: The quota year starts in April and ends in March. Not to overfill his insufficient quota, he had to borrow it from someone else and by the end of the year, when there were inspections, he had to return it. In the worst case, he just had to buy it.

That he is the only bio milk producer in the whole region? The Ministry is not interested, it plays no role for its officials. "Our state has almost three billions of liters of milk assigned per year," Mr. Šourek continues. "It is enough because most of the years the quota was not fulfilled and therefore those who exceeded it did not get any sanctions. But the whole quota thing sucks," he continues. "They know it in the EU, there is lack of milk in Asia but there is no way we can get there," philosophizes Pepa, the politi-

cian. But more than by Asia, he was impacted by the hand of our Ministry of Agriculture.

In 2007 he applied to SZIF for increasing the quota from his 192 300 liters a year. He fulfilled the conditions for application: “When you fulfill your quota in more than 70%, you are able to apply for an increase. But you need to document the number of cows and number of high-gravid heifers and SZIF processes the application based on these numbers.”

SZIF has rejected his application. It used that tactics saying his quota is higher than the production potential of his dairy. The average milk production is 6.5 thousand per a cow and a year. “But this is the potential SZIF has set for those who start. I had ten years of history and they should not have used this on my case. But they still did. Why?” Comments Mr. Šourek, “I believe they try to disqualify some subjects to lower the number of companies. They refused the increase to anyone they could. This will decrease the number of applicants for increase and the milk quotas will stay in the hands of the selected few.”

Because the SZIF practice was in this case again unlawful, Mr. Šourek finally achieved his increase. In February 2008. After another tens of phone calls and letters.

Future? With the question mark.

Nowadays, the Filoun farm still has debt of 400 thousand CZK on the guesthouse, 200 thousand CZK open debit on the dairy and payments for the tractor. But this is already the phase when he could afford – and would like to do it – transfer the farm to his sons. However, there are some drawbacks. First he is afraid that he is worried about the most important – the land his farm has been managing for ten years and which is rented from the Land Fund.

Considering the wild public auctions, he is rightly afraid that his young sons will not be able to apply for the pre-emption right to buy the rented land because the law never took into account transferring the farm to descendants. Because the state still wasn't able (in 18 year) to settle all restitution claims, therefore in the whole Liberec region there is a stop status and the Land Fund is not allowed to sell any land. Of course, they bought what they could from the private owners but almost one fourth of the farm is still in the hands of the state.

We will now skip the Czech pathological situation on land ownership and related laws – this would take another 10 pages and we wouldn't learn anything that wasn't already said. We will not take into account the fact that the farmer can be deprived of the land by the mafia or stat at any time and together with Mr. Šourek we will pray that he will manage zigzag and convince the Land Fund in Liberec to transfer the rented state land to the “young farmer” by some special provision so it would not sell the land to some strange in a public auction and “fulfill the law” this way. But let's also take into account that such a 20-year marathon would wear down anyone and that Mr. Šourek is 59 years old. We need to see what's next.

Under the normal conditions in normal Europe, Mr. Šourek in his situation after twenty years of continuous

building of a farm, despite the state efforts, there would be two operational programmes: “Early retirement” and “Young starting farmer”. Let's take a look at them:

“Early retirement” programme:

Europe subsidies transferring a farm in running: when the old farmer reaches 55 years of age, he is able to transfer the farm to his successors and will guarantee he will no longer work on the farm, then he would receive a reasonable contributions to his pension. “To get out of the way” of the young ones and have the deserved rest at the same time.

This operation programme emphasizes again the European system that does not support large mergers i.e. fusions of agricultural property which would happen at the time when the old farmer has no power to run the farm anymore and a stronger neighbor would buy it. This programme at the same time searches for and supports young successors to take over the farm (in France they don't even have to be related with the farmer) and it also motivates the “old” farmer to keep working at the farm until then.

“It looked like it could work in our country as well for some time, when the original rules of Countryside Development Programme were valid,” says Mr. Šourek. “At that time some 300 farms applied to the programme. But now we have EAFRD and it is no longer possible. And so the chance for farmers who are now 62 or 63 to use the money to which they are entitled by European rules has passed because in the meantime they “dropped” in the regular pension. The Ministry by its hesitation and slow work deprived these people of the possibility to have a decent end of life.” Why?

“I asked this at the Ministry several times, why is it taking so long to prepare the subsidy title ‘Early retirement’ – it has worked in Europe for years, it has been tested and proven, what are they preparing? Thanks to their delays many of my friends will not fit in the conditions and the state will rob them of hundreds of thousands CZK. They told me that they cannot just translate the programme, they have to work-in the national specifics. That is the worst what could happen to us,” shakes Mr. Šourek his head and continues:

“In summer 2007 first 18 pages of propositions were published. Then the lawyers started dig into them and they are re-making it over and over, but until all problems with Land Fund are solved – and they cannot be solved before we just admit that the privatization of land is one big mess. They made mess in it and they are stuck in the mess now. For example the live inventory, in our case the cows. A lawyer came with a proposition that the new owner may not sell the cow for 5 years and it cannot get lost, it has to stay in farm inventory list. What kind of idiocy is this? That is like if I had to sign a paper that I will not die in the next five years. I don't know who writes these programmes and why they even waste our time with it.

But there are more problems there:

1. *Subsidies. I have to apply for them in April. Part of them comes before the end of the year, part of them in March or April next year. If I transfer the farm to my son, the subsidies*

will come in my name and I will have to pay taxes from them.

2. *Another problem is the taxes itself. I transfer the farm to my sons with value lets say 10 million CZK, the state will tax the transfer and we will pay more in taxes than what we get from the operational programme. The Ministry promised that there will be no taxes but just like with any other parts of the programme, it is hard to rely on their promises.*
3. *Deadlines: The programme should have been finished in September 2007. Then the Ministry talked about November and then they launched it in January 2008. Mr. Šebek, father of manager of Private Farmers Association, lost his chance to use the programme because of one day that one day was a difference between the programme start and his start of regular pension. But still the Ministry promised that they will issue an exception for the period they delayed the start. And just like the promises that due to unclear conditions, they will approve all applicants, this changed after ten days...*

“The output from the Ministry should be completely simple: I end today and tomorrow I transfer the farm to my son with all rights and duties. What are they solving, I don't know. The clerk who worked on it in January went for her maternity leave and now there is someone else working on it and sighing. What are you doing there, I keep asking over and over. The old EU 15 has this running for 15 years – why don't you look into Germany and Austria? This is such a shame what these clerks do to us in Europe, they hold us behind a wall so no one can see this mess and chaos.”

We talked about this with the farmers many times and we said that as much as it is inexcusable that this first generation of private farmers had to literally (but mostly unnecessarily) sacrifice themselves and we concluded that they kept going with the anticipation that their children will have it better. But that is a question. As it looks now, the “young ones” will take over the whole chaos that the “old ones” could not solve with their best efforts and the state will create some more of it.

Subsidy title “Young starting farmer”

If we look at the programme in a political sense, the subsidy title “Young farmer” was made for the Private Farmers Association that associates farmers like Mr. Šourek. This programme should motivate young people to start working in agriculture and help to make their start possible. It is clear that all those “Babišes” and “Krogmans” centered around the post-kolkhoz Agrarian Chamber that just receive subsidies per square area from tens of thousands of hectares will hardly worry about their father's farm and land, let's be realistic.

The limit of the programme was set to 200 thousand CZK. That is about one tenth of the investment a “young farmer” will need to start and build a decent family farm similar to the one Mr. Josef Šourek has. So again we talk about some compromises and pouring over of 200 million CZK in the budget from one side to another. The question is if the Ministry really cares about a young starting farmer or if they just want to show a happy face on their website saying that the Czech Republic supports young farmers

and report this happy news to Brussels. These glossy report just lack one small thing: a comment from a young starting farmer.

First: no one said where a young farmer should get the remaining 6 – 8 million to even fulfill the conditions the state set for them to even start farming. As we know from what is written above, only a family dairy to fulfill the state requirements has costs of 1 200 000 CZK and this is still relying on exceptions that provide no investment guarantee. The same amount is a tractor, then land, then animals. No one has looked at the loans, the banks will not lend more than a million to the starting farm (see cases of the Ábrle and Šmákal families), PGRLF of the Ministry refused to discuss this topic..

We will skip the problem that now it is so profitable just to keep the land idle and receive the subsidies so the large land owners will never sell it to the young people who would want to start farming, this would lead nowhere, let's take a look at the conditions for receiving this subsidy as determined by the Ministry of Agriculture:

Our representatives included in the program a specific conditions that the applicant for the subsidy must not have the trade license. According to the Ministry this is the only possible guarantee to the EU that the applicant is really “starting”. But as it was mentioned above, all (young) people at farms work on the trade license meaning they don't receive a regular wage. Their income is the only source of money for building the farm but no one at the Ministry really cares. In other words, the farmers don't pay themselves a regular wage which is a widely known fact which itself is illegal but the state has been overlooking this arrogantly for twenty years, just like it is overlooking that no such thing as Labor Code applies at the farms and the farmers just work as much and as long as they can stand – because they cannot afford to pay a wage and taxes and contribution for an employee. Instead of their wage they then buy animals, build fences, repair tractors even though all of this we already paid in subsidies from our taxes.

In general, the state would completely strip off the already badly undervalued work force in agriculture by the labor contracts and mandatory contributions. Although the whole European agricultural subsidies system is built for the people, the people in our country are the sponsors of the agricultural system. (Of course there a person and a person. We live in a country where everybody is equal only some are more equal.) In Poland, the state pays the health and social insurance for farmers like Mr. Šourek, they have tax relieves based on numbers someone put together out at the farms. But in our country this won't go. It can't. While the ranchers receive from the state one and half million CZK for one worker, the farmers can't get even guarantee of 50 CZK wage per hour. So they have to get round it and manage it other possible way – in this case with the trade certificate.

But just exactly this trade certificate became the obstacle for getting the subsidies for the young farmers, as Pepa Šourek called me in autumn 2007: “The young starting farmer may not have the trade certificate older than 18 months but at the same time I may not transfer the farm to

anyone who has less than a year of practice. It looked like this would be a chance for our sons to start, maybe to buy some machine for the farm, but this title is such a rip off!”

So we sat down again and for the 150th time we wrote another subservient note in the name of the Club, whether it would be possible to re-evaluate this proposition again and considering our good relations and previous cooperation, the Ministry could this time take into account the basic facts and the way it really goes at the farms and that there is no other way. This is how our next interpellation looked, the core of the problem is very obvious there:

For: Ministry of Agriculture CR, ing. Sekáč
CC: ing. J. Stehlík

Subject: **Připomínka k dotační titul Mladý začínající zemědělec – živnostenský list ne starší 18 měsíců**

Date: 17/05/2007

Dear Sir,

Following the Monday meeting of Working Group of Monitoring Committee, let us comment and make a request concerning - among others - the approval of the wording and conditions of the subsidy title Young-starting Farmer.

Most young farmers come from families that work in agricultural industry. The common practice of family farms shows that every farmer tries to make his children continue the business. This is very often his main motivation in the lifelong struggle. The children start to work on the farm as students during their holidays and later on take over more demanding tasks and the aim of parents - and we hope this is the aim of the subsidy title Beginning Farmer - is to teach them gradually all the necessary skills so as they could be skilled enough one day to continue their “own” business in agriculture that usually develops the current farm activity or brings a new marketing stimulation.

The owners of family businesses farming in the areas with limited infrastructure and population usually solves the seasonal or year-long employment of their children on the farm by Trade Certificate.

This is for many reasons. It is not a secret they are trying to **save money** they would otherwise spend on social benefits and health insurance. Sometimes children work on the farm **along with their jobs or studies** and the farmers try to improve their situation in this way, sometimes the children **don't have the appropriate qualification** to work adequately and they can do only jobs they are able to do using their Trade Certificate, and another reason is that the farmer tries to bring them up to be as **independent, go-ahead and responsible** as possible.

In all these cases the farmers' children have got Trade Certificate from the age of 18. But this certificate mentions their labour-law relations only and doesn't say anything about their qualification to run the farm. In 18 months, no beginning farmer can manage to breed a calf, or build the market for milk sales, or build a barn or to cope with first

bad crops - which are all skills necessary to start his own business.

To get the title Young Farmer is a long-term process. During the years of “apprenticeship” a young farmer usually finds out that his schoolmates from other branches have more time and money and very often leaves the farm, sometimes coming back, sometimes not. At this probation period parents can't make their children feel they are obliged to work on their farm - not even by a binding employment contract. Trading Certificate is used as an offer to work on the family farm but not a commitment. The decision whether to start their own business or not is not usually made until they want to start their family, which is usually at the time they are tough and experienced enough to earn their living.

Unfortunately, Labour Code doesn't remember about labour-law relations based on “apprenticeship” years of the beginning farmer, and thus European strategy of lifelong education delegates external agencies and consultants who are not able to pass on farming knowledge and skills of an old farmer. The reality of agriculture which works for thousands of years is not taken into account by the current legislation and Trading Certificate is only a only a piece of paper overcoming a certain period of time until the children are able to start their own business.

Let us hereby ask you to reassess the conditions for the acquirement of a subsidy title provided the beginning farmer doesn't have Trading Certificate older than 18 months and suggest the determination of the beginning of farming business not only according to the existence of Trading Certificate and arising income **but according to the income from independent agricultural project, i.e. arising from real independent agricultural business.**

We believe the subsidy title is intended for our children who want to stay in agriculture and that it will simultaneously help us to appreciate the work we invested into their education and into the building of their relationship with agriculture. If we could help in any way, please do not hesitate and contact us.

Thank you for cooperation.

On behalf of Ecofarmers-processors Club
Josef Šourek

And what was the reply of the Ministry of Agriculture? “It is not possible. What if the applicants would misuse Trading Certificate? What if someone who previously worked in agriculture would want to draw from the subsidies?” They expressed exaggerated worry about two hundred million, those who spend billions yearly and those who are not even after many urgencies able to submit analyses of where they end. A solution? Go round “Let your wife ask for the subsidies and that's it.”

Trading Certificate was not the only obstacle: Such an action means half a year of work. As we read above (the case of Abrle and Pulíček), the Ministry of Agriculture granted special points to bio-processors. To get these points, Mr. Šourek had to rent land and include it in the system of eco-agriculture on behalf of his daughter-in-

law (he asked for the title Young Farmer in her name as well as he couldn't ask on behalf of his son who works on the farm under Trade Certificate). But in the meantime the Ministry of Agriculture became so confused with the rules of the programme that it delayed its publishing for more than five months (the programme was supposed to be published in September 2007 but it was finished in February 2008).

To be more specific, Mr. Šourek had to convey the cattle to his daughter-in-law, which was accompanied by a lot of inspection and it needed a project, then rent the land in her name and include it in the system of eco-agriculture as you could get a lot of points for that. But since a large number of applicants enrolled, the Ministry of Agriculture cancelled this system of awarding points for eco-agriculture and this action proved useless.

Who will pay Mr. Šourek the hours of useless work for the Ministry of Agriculture, who will tax it, who will pay for moral and psychic harm? Who will compensate the customers for the losses the state caused as the Šoureks didn't have time for them because of the inefficiency of the Ministry of Agriculture? Who will compensate the tax payers for the costs connected with a half-a-year idleness of the clerks who were not able to do their job properly?

And we are not at the ending yet. For example, last year only 43% of applications passed. The others did not either have enough points or the Ministry did not have enough money, which is in other words the same. But at the same time the "old" farmer asked for the Early pension title in

which there is a condition of passing the farm on his children, so he was counting on with the title of Young Farmer as its condition was independent farming business. But in this programme not even every second application was successful and so the original farmer found himself in a difficult situation. To obtain the title of Young Farmer he was supposed not to have Trading Certificate older than 16 months, which meant he couldn't pass on his farm and retire early as there was a condition in it that the new owner had to have two years of experience at least. So he needs to withdraw his retirement programme and wait, but if he too old, there is a danger that his opportunity will be lost (it is about 220 thousand gross per year, out of which 75 thousand is the basis and 4.5 thousand per hectare is paid to the owner only). Moreover, although he won't be allowed to work on the farm or in agriculture, he has to sign he guarantees his farm will flourish not knowing whether his son will be a successful farmer – otherwise he won't get his old-age pension. Simply, these titles were established in Europe and exist here and no one knows why and as they bring so many problems it would have been better if the Ministry of Agriculture never published them.

Latest changes to the programme rules were made on February 15, 2008, the applications are to be submitted in March at SZIF (State Agricultural Intervention Fund). Officially, Monitoring Committee of the Ministry of Agriculture takes a decision on programmes where the tripartite principle is guaranteed. But the Ministry of Agriculture doesn't respect the suggestions of farmers representatives and changes rules according to themselves.

6 SMALL AND BIG POLITICS

In 1990s, the founders of Czech ecological agriculture were the only Europeans with modern thinking we could learn from. Every single honest farm could have been a lab where all the mistakes connected with transformation and privatization could have been revealed. But this didn't happen. Instead, "big numbers" passed over their heads to cause "big problems" with sales, market, employees, marketing, production, etc. later.

Ecological agriculture is about small subsidies cases. We once suggested the Ministry of Agriculture the methodology for "small" ecological agriculture and the procedures how to put it in order, the same steps could have been applied to post-socialistic conventional agriculture. We drew from our experience from abroad where the model situations of particular projects are created at first and then the methodology for the whole is created, not the other way round, as we do it here. We still consider the idea to be the right one and we haven't heard of a better one, but it ended up as the other similar ideas – no one from the Ministry of Agriculture would benefit from that. So it went bad – thou-

sand-hectare rancher alliances invaded small (European) farms of the Šoureks, Ábrles and Špatnýs and introduced the manners of socialistic giants there. You can see the results in the tables of Roman Rozsypal: 1 kg of beef for 300 crowns, workforce for 1.5 million per year, fresh bio-products from abroad, unemployment, etc.

What are the real chances of farmers such as Josef Šourek to take part in democratic processes and tripartite negotiations? We have seen it on the previous pages: there is no chance. Of course, his words and experience are undisputed but all the intervention: nation-wide reports, petitions, suggestions, interpellations and calculations have no response no matter how truthful and good they are.

Farmers spent dozens and hundreds of hours with extra work showing, explaining, proving and persuading the government and clerks that what the Ministry of Agriculture does is wrong and against the countryside work and European agricultural politics and mainly against common sense.

Mr. Šourek comments the situation: "It is still very difficult to persuade them, the steps are very small". Agrarian

Chamber promotes high production and subsidies into the original way of farming, the Ministry doesn't have a big influence and they want something different from us. The minister is trying hard, he drives around the farms but he doesn't understand the farming and he plays it both ways and doesn't promote either right or European agricultural policy."

"Only the regional level works. We can even negotiate with Agrarian Chamber from there, by the way our region had the first regional Agrarian Council and all of us sit there: bakers, butchers, foresters, grocers and it works. But in Prague we are their archenemy.

If the region could give us money for the dairy, they would do it, but the current rules don't make it possible."

"...Processors can't talk to Probio as they are politically with the ranchers who pay them fees per hectare. In January a regional centre Krkonoše a Podkrkonoší was established. Once a year there is an annual meeting in Rumburk and that's it, nothing else."

"...Research institutes work with data as they are told and sometimes modify them as we know, I haven't read yet what I wouldn't know".

We won't finish with trifles such as Early retirement or Young starting Farmer but with real consequences of this slow but very destructive process.

Expensive consequences of small policy of permanent herbage – upstairs and downstairs

Tax payers should know that the chosen group of founders of Ecofarmers-processors Club whose chairman is Mr. Šourek harmed their interests by signing a document that reduced their income from subsidies to permanent herbage, as it was mentioned in the case of Jarmila Ábrlová. In this way, the group expressed their disagreement with subsidies policy that depreciate the values of ecological agriculture and agricultural activity as such.

In brief, city lobby groups managed to increase the payments into permanent herbage by more than 300% through manipulative calculations, payments into other types of land were increased by dozens of percent only. In reality, this would mean that mowed grass areas were most profitable. Under this pressure a number of farmers who farmed arable land covered it with grass and the processors in the mountains lost the opportunity to feed their dairy cows as they were dependent on supplies from ecological farms. This support of ranchers also caused artificial growing of land prices that became inaccessible for local farmers. Another consequence is money rolled through villages back to towns, for detailed numbers see Roman Rozsypal's study.

By this political step, the founders of ecological agriculture showed why they are ecological farmers and what ecological agriculture means to them (Probio didn't like this at all because at that time they were making friends with the representatives of easy income from grass-mowing). The land is not the aim, it is only a means. They took the following steps to save the taxpayer's pocket:

1. As early as in spring 2007, when the manipulated calculations of permanent herbage subsidies were published, the members of the Club tried to change them. They proceeded in an official way: interpellations, visits to relevant departments of the Ministry of Agriculture, through Senate and media. They submitted calculations for non-existing animals, they compared subsidized prices of kilo of beef with dairy products, they compared hay with other commodities, analyzed how much money was added to meadows and pastures in comparison to other types of land, they submitted the consequences of this increase for other farmers. They were supported by UZPI (Institute of Agriculture Economics and Information), the Ministry of Environment and the Club. However, these suggestions were not accepted.
2. In October 2007 they started negotiating the same topic with the Senate and with chief executive of the Ministry of Agriculture. The result is this study. The new management of the Ministry of Agriculture from ODS (Civic Democratic Party) heard them out and new calculations began. They meant dozens of telephone calls and another dozens of hours of Mr. Šourek's time.
3. In February 2007 after the new minister Gandalovič from ODS was appointed, the farmers were invited to the Ministry of Agriculture. The advisors of the minister showed them the findings of NKU (Supreme Audit Office) study saying that despite rising subsidies, ecological agriculture stagnates and the bio-food production is decreasing. Afterwards, the advisors explained the manipulated calculations and the reduction of subsidies per grass hectare followed. The result was 1954 crowns per grass hectare, which was much more than for other commodities.
4. In April Czech Television showed several reports about illegal acquirement of land for which subsidies are intended, and that money from subsidies end in Prague.
5. All spring and summer 2008 the Club (through Mr. Šourek) tried to make an appointment with the minister to show him this report. The minister personally promised to meet them but then they let them phone and email to the secretary the whole summer until they understood the new minister agrees with everything as he doesn't want to have problems with his mother party to which he promised to keep the agricultural resort.
6. At the beginning of 2008 the subsidies for permanent herbage were of the same amounts as before under the ČSSD government.

Consequences ? Trust in political representation? Minimal

One of the questions for or respondents was about their trust in the political representation and representatives of the Ministry. We didn't ask about particular political programmes but about government and its representatives in general. The findings are as follows:

This is not ephemeral percentage arising from ephemeral feelings over the beer. These are the opinions of "opinion makers", of people who enjoy great respect in their

Farmer	Trust in politics and its representatives	Trust in agricultural policy	Note / key word
The Ábrles	0%	0%	In their opinion, the main cause for their business stagnation is political mood in their village.
The Krátkýs	10%	10%	They vote for ODS, they even "argue" with local communists, but his trust in minimal.
The Cittebarts	0%	0%	They will be interested in the new minister only after he will do something for their farm.
The Ondřejíks	15%	10%	They established a political party in the community that won, but thanks to the state politics communists again came into power because they "are right".
The Pratzers	"Very small" (10%)	Ditto	Media: they are scared of them, tabloids printed false information about them obtained from the police.
The Pulíčeks	10%	0%	The farm is a typical victim of the Ministry of Agriculture and the Ministry for Regional Development policy.
The Šourek	50%	10%	„We were happy ODS won, but the agricultural policy remained socialistic“.
The Králs	0%	0%	Land Fund and local council got the farm into a situation without solution.
The Šmakals	10%	15%	Because of our agricultural policy, we didn't allow our son to continue business on our farm.
Average	10,5%	5,5%	

communities and regions, of people who are successful and who have been in contact with politics every day for almost two decades.

“Our” farmers are generally right-wing conservatives, which results from their way of life and mission. We can see they are not sociopathic as they are integrated in local, regional, specialized and non-profit “political” structures. They prove to have above-average managerial and negotiating skills. They are totally independent, inventive, able to find solution in insoluble situations, consensual and responsible.

Ecological farmers who are essentially for community and considerate are predetermined to work in politics or for public as they have all the qualification. However, their power is minimal, their opinion and experience so much needed in the countryside are not heard of, and their business is suppressed by the state. In this way, our farmers are not useful for the community because they will either get exhausted or silenced by those who submit their arrogant and unfounded claims. Or they will give up. There a few documented cases of their political activity ending in vain during the last two years:

There is a clerk sitting at the Ministry of Agriculture who stores complaints older than one year in his drawer. The farmers called for his suspension. Nothing happened. They wanted the Ministry of Agriculture to quantify bio-production and compare it with bio-production of neighbouring states because they manipulate the data to cover the absurdity of our ecologic agriculture. Nothing happened. Farmers warned and documented that the land from public auctions doesn't reach local people. Nothing happened. The farmers drew attention to the manipulated calculations of subsidies into permanent herbage that are contrary to the understanding of ecological agriculture.

Nothing happened. The farmers drew attention to the animal maltreatment in ecological farms. Nothing happened. They drew attention to disagreements in interpretations of hygienic and veterinary laws in comparison with neighbouring states. Nothing happened. The farmers drew attention to illegal procedures in the formulation of SZIF decision. Nothing happened. The farmers complained the clerk at the Ministry of Agriculture doesn't greet them. Nothing happened. The farmers drew attention to the mistakes in operational programmes criteria, esp. Added value for food products, Young starting farmers and Early retirement. Nothing happened.

How long will you try to create “civil” and “democratic” society? The time flies, and we have been balancing between an illegal and unconstitutional situation for almost twenty years. If we try to ignore them, we live in a schizophrenic state that is inside divided into economic and political and as such is not able to face the outside. And these are the results.

Consequences of agricultural policy – the losses all of us pay

We often cry and complain about the procedures of food-stores chains who have our market and mainly sales in their pocket. It needn't have to be like that. For example, France. The strong agrarian lobby managed to keep the price and sales of the products stable there.

The development of giant multinational companies such as Carrefour, that is the second biggest world store chain after American Walmart, was build in a natural way, from the bottom, by original greengrocers, butchers, etc. who copied the system of discount supermarkets in USA and brought them to Europe in 70s. I had the honour to

talk to some of them and it was an experience. Their expansion was dynamic, and the consequences doubled-edged. Hypermarkets did manage to knock down many domestic shops, but the culture and quality of goods – especially stressing the basic attribute of quality that is freshness – were indisputably improved. Of course, the client likes the price that goes down proportionately with the volume of sales. (Don't confuse our chains with French, the striking difference is especially in the sales of fresh food. One of the reasons for the bankruptcy of Carrefour in our market was – besides certain “French arrogance” – the shortage of quality fresh products on which the sales and turnover are dependent on. Moreover, foreign chains in our republic sell goods that are surplus in their country, try to compare the offer of German and Czech Liedl).

After 20 years of development, these chains were destroying everything. And at that time the strong and traditional regional agricultural groups came and they stabilized this uncontrollable growth of supermarkets that we are currently witnessing in the Czech Republic. The destroying of local structures was not stopped by collective

bans of hypermarkets building that would be against constitutional rights about competition but by small farmers such as a baker from the square, a vine-grower from the river, a greengrocer from local market and a school milkman who were sitting in most municipal councils representing authentic regional politics. They have so much political power that the last HM Carrefour was build in France in a dangerous “Arabic” square of Paris suburbs 15 years ago. Since then they have been building in our republic.

Nowadays French farmers and chains keep status quo – the farmers have mass sales of their goods and they have at least a small influence on their price. The chains became the biggest investor and sales area for bio-food in France, which protoecologists don't like as much as other projects connected with money.

I have been trying hard for more than one year to make an appointment between Tesco management and the Ministry of Agriculture representatives so as they could – as well as in other countries – make an unwritten agreement about local(bio) production sales. Other suggestions of ours were not heard of either – we wanted to divide the



farmers according to the regions, branches, size, to diversify legislation and subsidies, to create model situations for the growth of processing facilities and most importantly – at least quantify current bio-production in connection with market potential. The appointment was never made, but last month (February 2008) the first mass invasion of organic products came into the biggest Czech store chain. There's no need to say that not a single product given exclusive "primary" display in the "central aisles" was of a Czech origin, despite a Czech payer invests into ecological farms – going through Europe – billion crowns per year. That is how we manage money.

And then we cry we can't get into our market and we want to sue hypermarkets. It would be enough to put all basic things such as private ownership in order and there is no need for weepy philosophizing and tough cry of politicians who are only covering their own stupidity.

But much more important than price reductions in hypermarkets is that we don't have such political regional guarantee. If politicians like Čunek and Paroubek get to the central office, we are not secure. It is risky for all of us. 80% of our population lives in the countryside. And it is naive to think that we will just overrun these victims of transformation, the only quality elite of the country, and we will head towards bright future with collective farm chairmen and fed silent crowd. This blindness can cost us much more than we can imagine.

Epilogue:

And what happened to the programmes? I was that unlucky who happened to hear that. We wanted to go through the whole text once again, but it wasn't possible. In the end, we were sitting in the kitchen and during several hours I could find out about operational programmes in practice. A young starting farmer – a daughter-in-law of Mr. Šourek – called from Liberec saying that she didn't understand why she should go to LPIS to transfer the land allotments when she didn't have them and she was on maternity leave and her husband worked on the farm. "But he's got Trading Certificate", Mr. Šourek tried to explain patiently. The daughter-in-law graduated from Agricultural University but she was so confused by particular activities that mother finally won in her and she said: "It's one big fraud and I won't go anywhere to ask for anything". Josef almost went mad. All his Byzantine plan about the purchase of cattle on his daughter-in-law, new land rental and its transfer into ecological agriculture was drowning in the swamp. The girl was standing in the Liberec square and there was no one to make her go to the agency. It was supposed to be submitted the next day. I wanted to run because I didn't want to see what would happen if they closed the agency in the meantime. So many nerves for someone who is just watching from the safe distance. And what about those who are the part of the play? Ask at: sourek.josef@seznam.cz.



Picture Appendices





Foothill areas make up one fourth of all agricultural land in the Czech Republic. Historically they belonged to pasture regions with home-made food products.



The Land Fund privatized by public auctions 400 thousand hectares of land, which is about 10 % of all agricultural land of the country. Large part of it was located in the former Sudetes that had no restitution claims. Most of such privatized land is now registered in the system of ecological agriculture. (See the story "To the Schoolmates")

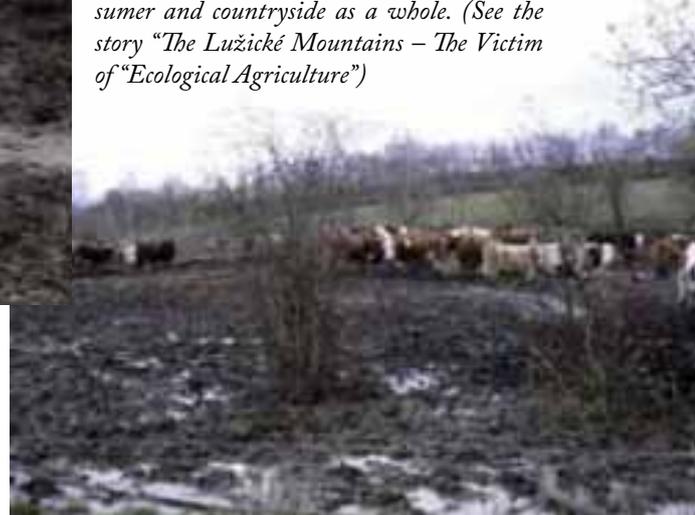




The aim of the Land Law was to privatize the state owned property to get it into hands of local people who could make living out of it. Therefore the price was set lower than the actual market-price and it was possible to buy land with a 30-year loan. The rural people can take care of the animals and fields, but in the high game of lawyer tricks and balancing on the edge of law they lost their fight for subsidized land to the businessmen and corporations from the cities.

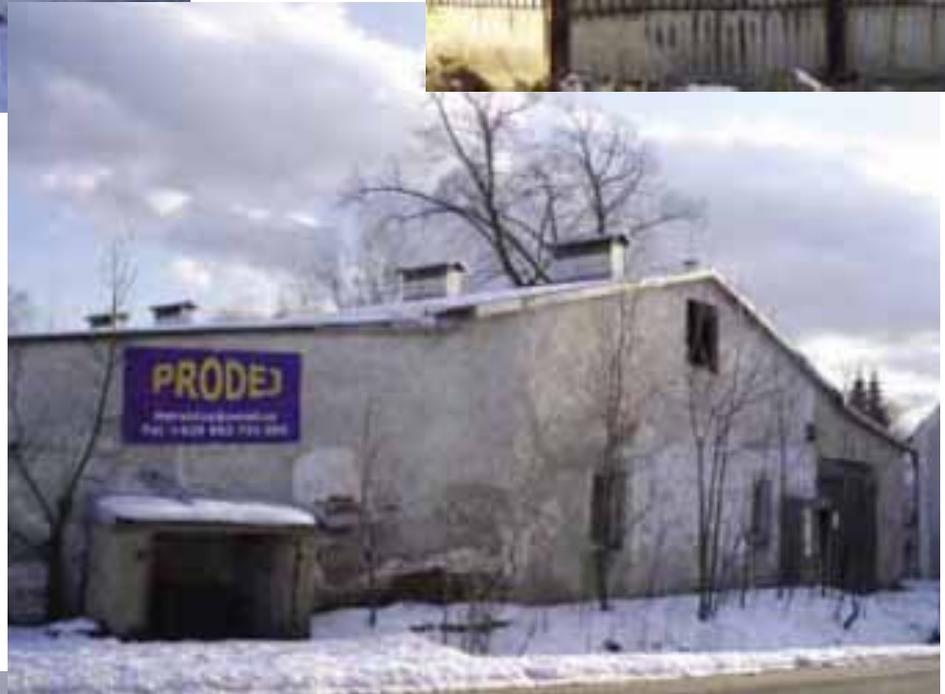


These business subjects now dictate the Ministry of Agriculture new Land Law appendices on selling the land and conditions of subsidies, but they are neither able nor willing to take care of animals and properties. The land registered in the ecological agriculture brings subsidies regardless the condition of the ecological farm and its profit to the tax-payer/consumer and countryside as a whole. (See the story "The Lužické Mountains – The Victim of "Ecological Agriculture"")





Production of milk and groceries needs stabled cattle and that means taking care of stables, barns and haylofts. Farms have always been the spine of the Czech countryside urbanism and provided jobs for local people. The agricultural subsidies policy does not work with this logic.



The subsidies flowing into ecological agriculture do not go into bio-food production, they do not create new jobs, they do not provide care for animals or agricultural property maintenance. The result of lobbying games about the agricultural subsidies is the decay of villages and communities dependent on agriculture. (See the story "The Only One")



To make three kilograms of goat cheese per day, Mrs. Anna Ondřejíková from Ves u Habartic needs 12 rooms: men's and ladies' locker rooms for non-existing employees, the so-called "milk reception", a room for milk filtration, a wash room, an expedition room, a detergents storage room, a store, etc. Investments that are in conflict with home processing rules that apply in neighboring states of EU have burdened the production of one kilogram of goat cheese with fixed costs of 300 CZK.



In villages where the local residents and infrastructure disappeared before 1948, the production and sales of groceries are blocked by interventions of state that has not been able to modify the national regulations for family farms until now. In April 2008, the Regional Veterinary Authority (KVS) did not allow the Ondřejík family to sell cow milk from their farm saying the farm was approved only for production of goat milk. "We've already done enough for you" the lady from KVS in Liberec told Mrs. Ondřejíková (See the story "Anna and the Tiger")

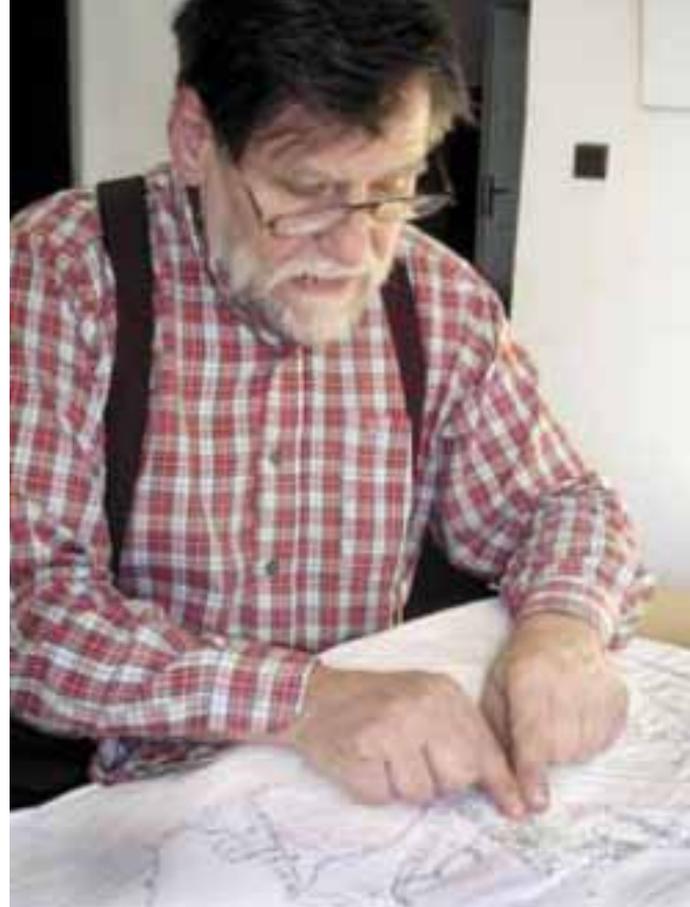


The veterinary authorities and hygienic stations however do not mind the burnt pieces of cattle laying in the Prachatice region without any veterinary or rendering plant inspection, which might result in serious threat to the public health (BSE, rabies or any other infection). Although we have addressed eight competent institutions both in the times when this killing and burning of animals took place and also now when the responsible persons are known, the case was never investigated and no one was punished and the farm is still registered in the ecological agriculture system which declares a high standard of animal care as its basic attribute to public.



Instead of the offenders, the Prachatice police have investigated the witnesses who made the pictures. The police have asked the expert opinion providers to manipulate with the calculations and they leaked wrong information to the tabloids Blesk and Aha! before the real investigation took place. The fear from the investigation and court authorities is another remainder of what we were not able to cope with during the past 20 years. (See the stories "Welcome to the CR" and "Foxes in the Vineyard")





"The Prague companies buy access roads to the homes for 7 CZK and sell them to the locals for 400 CZK" says the mayor of Krumpach. The law unenforceability and state administration corruption are the main obstacles to the countryside development.

Obec Krumpach, se sídlem Krumpach 49, PSČ 471 52

**Pozemkový fond České republiky
sektore privatizace
Husinecká 11a
130 00 Praha 3**

Krumpach, dne 30.9. 2007

Věc: Žádost o nápravu chybné privatizace pozemků v obci Krumpach

Vážení,

obracíme se na Vás ve věci provedené privatizace státních pozemků v katastru obce Krumpach. Situace je taková, že skupina několika osob (např. Ing. Petr Krogman r.č.730605/4723, Lubor Kitzler r.č. 640708/1329, Petr Blásek r.č.651004/1351, a několik dalších) vykoupila veškeré státní pozemky původně spravované PF ČR v naší obci. Tato skupina osob, organizovaná v řadě obchodních společností (viz veřejně dostupné informace na www.justice.cz), cíleně skupuje pozemky v celé ČR.

Podáváme důrazný protest proti uskutečněnému prodeji státních pozemků v obci Krumpach, nesouhlasíme s ním, a žádáme o nápravu současného stavu, a to z několika níže specifikovaných důvodů.

1. Privatizované pozemky jsou dnes oběhnané dráty elektrických ohradníků, což výrazným způsobem omezuje volný pohyb osob i zemědělské techniky v terénu, má to negativní vliv na migraci lesní zvěře a konečně je to i velmi nebezpečné pro zdraví osob, mj. vzhledem k tomu, že naše obec je turisticky exponovaná lokalita a pohybuje se v ní mnoho turistů a rekreačních sportovců (cyklisti, lyžaři, jezdci na koních,...). Další důvodem našich výhrad je fakt, že drátěné ohradníky jsou značně neestetické vzhledem k tomu, že se obec nachází v CHKO Lužické hory.

2. Další problém spočívá v tom, že pozemky PF ČR v obci Krumpach byly prodány včetně cest (ostatní komunikace). Podáváme důrazný protest proti prodeji obecních cest

a komunikací soukromým osobám, protože podle nás reálně hrozí (a v některých případech se tak již dokonce stáje - viz bod 2.1), že občanům a návštěvníkům obce může být ztíženo volné používání těchto cest (komunikací), a žádáme proto o nápravu tohoto stavu - tzn. vrácení cest a ostatních komunikací do vlastnictví státu nebo jejich převod do majetku obce Krumpach.

3. Další problém je obci způsoben faktem, že osoby, které pozemky od PF ČR vykoupily, nemají k obci Krumpach žádný vztah - nežijí tu ani tu nepodnikají, a jejich jedinou motivací byl zřejmě spekulativní nákup pozemků a následné čerpání zemědělských dotací za sekání resp. spásání pozemků. Tato skutečnost má velmi negativní vliv na život obce, protože neumožňuje rozvoj obecních veřejně prospěšných aktivit resp. podnikatelských aktivit místních občanů. Protože varianty jejich podnikatelských aktivit v obci Krumpach jsou silně omezené (malá pohraniční obec, špatná dostupnost a infrastruktura, území CHKO), je stávající stav po privatizaci pozemků PF ČR nepřekonatelnou překážkou možného rozvoje veřejně prospěšného života obce.

Celková výměra privatizovaných pozemků je mnoho set tisíc čtverečních metrů luk, pastvin a komunikací. Z pohledu obce Krumpach a jejích občanů se jedná o privatizaci nekoncepční a chybnou, byť byla zřejmě provedena v souladu s právními předpisy ČR.

Žádáme proto o prověření možnosti nápravy současného stavu tak, aby nebyl nadále negativně ovlivňován život obce a byl umožněn její rozvoj vlastními prostředky a státní. Náprava současného nepatřičného stavu je zcela jistě i v zájmu státu a jeho orgánů.

S přátelským pozdravem

Václav Holan
starosta

- příloha:
- LV 660 k.ú. Krumpach (Kitzler Lubor, r.č. 640708/1329)
 - LV 661 k.ú. Krumpach (Blásek Petr, r.č. 651004/1351)
 - LV 662 k.ú. Krumpach (Krogman Petr Ing., r.č. 730605/4723)
 - LV 10002 k.ú. Krumpach (Česká republika)

The breaking of tripartite principles, ignoring citizen suggestions, subsidies going to the accounts of pressure-groups, thousands of hectares of agricultural land in the hands of former Collective Farms or new speculators, bad administration of the programmes and subsidy programmes and their payments, no national regulations for groceries production and processing: these are the main reasons for stagnation of countryside development and local groceries production. (See the stories "Anna and the Tiger" and "Foxes in the Vineyard")



The students of Agriculture University would like to start an ecological community project with the production of bio-groceries within intentions of the programme LEADER. The local business, cultural and municipality subjects are in favor of the project. But none of the Prague owners will sell the land to the students, actually one owner offered seven hectares in Mařenice for 3 million CZK.



This is the only agricultural land in the monitored region of the Lužické Mountains which does not belong to the 16-thousand-hectare holding and is not registered in ecological agriculture. It belongs to a local farmer. He is willing to give it up for students project purposes. According to Land Registry, all neighboring subsidized allotments belong to owners from Prague. But the students cannot start the Local Action Group on the farmer's land. The reason? They are not local residents. More accurate name for the Countryside Development Programme would be City Development Programme. (See the story "BIO Region - Northern Borderland")





To support healthy or fight unhealthy? There are farms in this country that know what is the common European concept of agriculture policy that the Czech Republic adopted when joining the EU. But the Ministry of Agriculture does not protect their interests. On 330 thousand hectares of Czech ecological land only one processor of bio-cowmilk survived the implementation of Countryside Development Programme: Josef Šourek from Plavy u Tanvaldu. (See the stories "The Only One" and "The Pěncín Necklace")



Farmers without land, animals without farmers, stables without animals, barns without hay, villages without residents, country without food, budgets without money. The Countryside Development Programme in reality. (See the story "Land as a Good Investment")

