

Effect of the Common Agricultural Policy on Agriculture and the Increasing Role of Nongovernmental Organisations

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The article has been reviewed.

Received on 12 November 2018, accepted on 31 December 2018

Abstract

The Common Agricultural Policy (CAP) has considerably contributed to changes in the rural environment of Latvia after its accession to the European Union (EU). The accession provided new opportunities and considerable financial support for agriculture, yet the competition of farms under the conditions determined by the CAP has changed the composition of final agricultural output in Latvia. As the number of EU Member States increased and the CAP became more complicated, an increasing role in defending the interests of farmers is played by farmer organisations.

Keywords: role of agriculture, CAP, farmer organisations.

Introduction

Agriculture is considered to be one of the most ancient industries that is often associated with only food production. However, it has to be taken into consideration that this industry is comprised of very diverse subindustries, yet their purpose is the same – primary production for secondary industries. The kind and significance of subindustries differ by region, depending on regional specifics. In Latvia, according to the statistical classification of economic activities (NACE), agriculture consists of three subindustries: crop and livestock farming, forestry and fisheries, while, e.g. in Germany, the mentioned subindustries are complimented by wine production. From the perspective of industry activity and regularity, the leading subindustry in Latvia is crop and livestock farming that is divided into two

kinds: conventional and unconventional. However, an analysis of the macroeconomic indicators of the subindustries and their contributions to the national economy reveals that the largest contribution is made by forestry, which is also one of the leading industries in Latvia. Kasjanovs (2014) points out that a too high proportion of the primary industry in the national economy could indicate economic development problems, whereas Abolins (2018) views this situation as normal because every country has to exploit the resources it possesses.

In Europe, agriculture usually refers to crop and livestock production, which are among the key kinds of economic activity that play an important role in rural environment preservation, employment, tourism promotion, etc. along with their contribution to the country's macroeconomic performance. Both subindustries have been strongly affected by globalisation, and agriculture is strictly regulated by the EU CAP. The role of agriculture is also indicated by the long existence of the CAP as well as the budget structure of the EU and its Member States, as a considerable amount of funding is annually allocated for agriculture. Even though this financial assistance significantly contributes to the preservation of rural areas and the stabilisation of food prices, the increasing number of EU Member States that are an integral part of the global market has made the situation with agriculture and the CAP, which regulates it, considerably more complicated.

The period under the CAP is different for each EU Member State, yet the requirements to be met

are the same. In the old Member States, agriculture evolved under the CAP, whereas the new Member States have to become competitive, introduce modern technologies and adapt to environment-friendly standards within a shorter period. As the CAP shifted from producer support to the focus on environment-friendly farming, agriculture is being turned into a business industry in which the farmers have to assess whether their farm performances meet market trends and, in addition, to comply with the environment-friendly standards. As technologies and communications progressed, the role of farmer nongovernmental organisations (NGOs) increased with regard to defending the interests of farmers and explaining the complicated prerequisites and eligibility requirements for the farmers.

The research aim is to examine agricultural development trends under the CAP.

To achieve the research aim, the following specific research tasks were set:

1. To describe the effect of the CAP on agriculture and the role of agriculture in the national economy;
2. To assess the role of farmer NGOs in defending the interests of farmers and in agricultural development.

Materials and methods

For their research, the authors used research papers pertaining to the topic and information available on the websites of the Central Statistical Bureau (CSB) of Latvia, the European Commission (EC) and the Ministry of Agriculture of the Republic of Latvia. Research methods used: monographic, descriptive, analysis, synthesis and logical construction.

CAP evolution and the role of agriculture in the national economy

In Latvia, in accordance with the statistical classification of economic activities (NACE), there are three primary subindustries: agriculture, forestry and fisheries. Even though the subindustries are not strongly interrelated, they are classified as a single group of industries, as the subindustries represent the suppliers of primary products. Most often, the public associate agriculture with only food production, yet it plays an important role in the national economy and in providing social functions in rural areas. Stamnova and Gveroski (2016) and Yazc (2015) classify the roles and functions of agriculture differently, yet the key functions, according to them, are as follows:

- creation of new jobs;
- improvement of macroeconomic performance;

- supply of food;
- climate change mitigation;
- production of safe food;
- environmental and landscape preservation;
- contribution to tourism and infrastructure;
- production of agricultural raw materials for secondary industries;
- promotion of non-agricultural business; etc.

One of the most often used indicators of an industry is its proportion in gross domestic product (GDP). However, it is important to take into account the development level of the country and opportunities for agricultural activity in the country if using this indicator. As pointed out by Kasjanovs (2014), agricultural activity involves relatively low value-added economic activities; consequently, the agricultural industry plays an insignificant role in the economies of countries having well-developed manufacturing and the services sector. The World Bank, aggregating data on the proportions of agriculture, categorised the euro area as highly developed high-income countries. In Latvia, the proportion of agriculture in GDP is very similar to the average of the world, 3.9% and 3.5%, respectively. A decrease in the proportion of agriculture in GDP from 7.9% in 1995 to 3.9% in 2016 indicates the economic development of Latvia. The average in the euro area is approximately two times lower than that in Latvia, and in the western European euro-area countries this indicator is below 1%, whereas in the eastern European euro-area countries, including the Baltic States, this statistic ranges from 2.5 to 5% (The World Bank, 2018). As stressed by Stamnova and Gveroski (2016), agriculture is the basis for economic growth, in developing countries in particular, and even in industrially developed countries it played an important role in their economies earlier. In Germany, for example, the proportion of agriculture decreased from 9% in the 1960s to 0.6% in 2016.

Changes in the proportion of employment in agriculture demonstrate the same trend as those regarding GDP, and in less developed countries the employment in agriculture is a significant factor for reducing poverty. In 2016 compared with 2003, as the economy and agriculture of Latvia developed, productivity in agriculture rose 3.2-fold, and employment in agriculture decreased by 47.5%. It is logical that technological advancement and the increasing size of farms decreased the need for labour in this industry. Nevertheless, agriculture is still a considerable provider of jobs in rural areas, particularly for individuals with a low level of education. In 2016 in Latvia, agriculture employed 68.7 thousand individuals or 8% of total employment. Today both in Latvia and in other EU

Member States, farms face a shortage of labour, particularly highly-qualified labour who can work with the latest technologies. For this reason, this is one of the few industries that almost constantly needs a labour force. Wilkin (1997) stresses that during an economic depression, industrial output could decrease, whereas agricultural output tends to be constant because the demand for primary agricultural products remains unchanged. This was confirmed by the economic crisis in Latvia, after which agriculture recovered faster than the other industries.

Agriculture significantly contributes to environmental and landscape preservation. Proper economic activity reduces climate change and shapes a pleasant rural environment for residents and tourists. Rivza, Cingule, and Latvieta (2010) emphasize that there are standard-of-living disparities between rural and urban areas, which considerably affect the choice of a residence place by individuals and, consequently, the development of the rural areas. Accordingly, the EU Member States have included measures aimed at improving the standard of living in rural areas and preserving the cultural and historical heritage among their rural policy priorities. Even though agriculture makes a social and economic contribution, it is a complicated and constrained industry.

Upite and Pilvere (2013) point out that the most significant factors affecting agriculture are weather conditions, constrained land resources, market fluctuations, a lack of technologies, environmental policies, a political position, etc. Agriculture is characterised by large investments that, depending on subindustry, generate profits at least after half a year or later, and forestry does that even after decades. During this period, any investment could be damaged by unpredictable weather conditions, while expected revenues could be decreased by unexpected market fluctuations and strained international relations. The impact of weather conditions was demonstrated by the drought of 2018 that affected the entire EU, and the damage done to farmers could be estimated at least 50% (JRC MARS..., 2018).

Farmers also have to comply with various environmental and responsible farming requirements. Unlike the other industries, resources for agriculture, such as land, are constrained, which also could not be transferred to another, more favourable area, and output could not be regulated at any period. For these reasons, farmers need financial assistance so that no damage is done to the environment under the constrained conditions. Agricultural activity in the EU is regulated and limited by the CAP. In 1957, six European countries (Belgium, France, Germany,

Italy, Luxembourg and the Netherlands) decided to create a union to protect their producers from cheap imports and price dumping (Balaceanu, 2013). Establishing a union of countries also required common policies, and one of the policies was the CAP that came into force in 1962. The CAP is one of the oldest EU policies and, undergoing various reforms, it continues functioning.

The most important CAP reform was carried out in 2000 through introducing a two-pillar system that was funded from two completely different funds. The CAP was made more specific, as its market support and producer support system was integrated into the 1st pillar, and a new Rural Development Support system or the 2nd pillar was established, the purpose of which was to ensure long-term investment in rural development by means of another kind of instruments that was not linked to production.

Initially, the CAP focused on price stabilisation and productivity increase in order to ensure stable selling prices on agricultural products, increase in food output and free access to food. In the 1970s, when overproduction occurred, the CAP focused on adjusting output to market needs. In the early 1990s, the CAP shifted from market support to producer support, decreasing funding for price stabilisation. After 2003, the two-pillar system of the CAP retained direct support to farms, focusing on sustainable production. Understanding that sustainable production is inconsistent with an unreasonable use of resources, the direct support system was oriented towards environment-friendly farming. A greater focus was placed on environmental protection, animal welfare and food quality. The CAP encompassed new environment preservation requirements until 2013 when the 1st pillar introduced a “greening” programme that involved environment-friendly practices, and the financial assistance could be reduced by 45% in case of noncompliance with the practices. During the entire CAP period, undergoing various reforms, the CAP maintained its focus on food safety, which was complimented by environmental protection in the 21st century (Milestones of the CAP, 2013). In the programming period 2014-2020, almost any programme in both pillars, except for support for small farms and young farmers and some investment measures, focused on environment preservation activities. In the current programming period, Latvia has allocated 32% of 2nd pillar funding to the investment programme, and one of the priorities pertains to the environment or emission reduction.

Agriculture, depending on the availability of national funding, is supported in the whole world, which clearly shows its role in any national economy

and in the above-mentioned situations. The CAP has financially assisted farmers from the very beginning. The total EU budgetary expenditure on agriculture decreased from 74% in the 1980s to 37% in 2017, i.e. two-fold. However, most of the financial support or, on average, 72% of the total agricultural budget are allocated for direct support (European Commission, 2012). The authors point out that the decrease in EU expenditure on agriculture is associated with the overall development of this industry, a change in EU priorities and more funding allocated for social and territorial development. The decrease in the total budget for agriculture means a decrease in funding for old Member State farmers, which is also due to the enlargement of the EU. Funding for the new Member States is slightly increased with each new programming period to reduce the gap among the Member States. In the programming period 2014–2020, EU financial support for the agriculture of Latvia amounts to EUR 2.68 billion or EUR 382 million per year: 64%

for the 1st pillar and 36% for the 2nd pillar. Compared with the previous programming period, the amount of funding increased, on average, by 42%. Compared with the period 2004–2006, it was a three-fold increase. The increase was achieved despite a decrease in the total EU agricultural budget, i.e. a decrease in funding for the old Member States.

As pointed out by Wrzaszcz and Zegar (2016), the accession to the EU provided a lot of gains, but at the same time it involved certain obligations for farmers. In order for farmers to acquire CAP funding, they have to strongly observe the red lines set by politicians and, at the same time, be able to adapt to consumer needs and global market trends. Hauka A. and Rivza B. (2015) stress that undoubtedly the EU has set high food quality standards that increase production costs, and that is why farmers receive financial assistance. The CAP goals and competition with other world countries make farms adapt, which changes their structure and the rural environment as a whole.

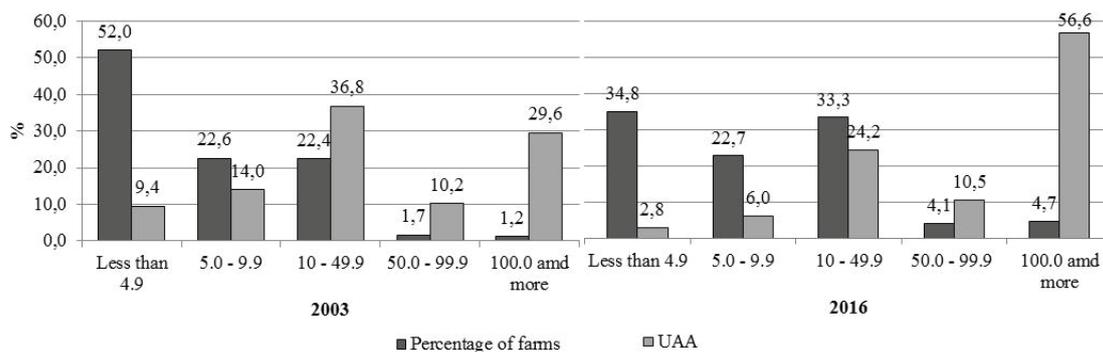


Fig. 1. Percentage breakdown of the number of farms and their UAA by farm size in Latvia in 2003 and 2016, %

Source: authors' construction based on Farm Structure in Latvia 2016 data, 2018

In Latvia, the percentage of farms with a small utilised agricultural area (UAA) has significantly decreased, whereas the percentage of those managing an area of more than 100 ha increased (Fig. 1). In 2016 compared with 2003, the number of farms with an area of less than 99.9 ha decreased, whereas the number of those with an area of more than 100 ha increased by 3.5%-points and their total area increased by 27%-points. After joining the EU, the competitiveness of small and low-profitability farms in the leading agricultural subindustries declined, and meeting the new EU requirements was too costly for the farms. This argument may not be attributed to higher value-added agricultural industries, e.g. horticulture, fruit production, unconventional farming, etc., yet the popularity of these subindustries is reduced by the need for a

large number of employees due to the high share of manual work involved (Agriculture of Latvia, 2018).

In 2016, in the result of farm consolidation, the farms with an area of more than 100 ha managed 56.6% of the total UAA, and their number rose by 1771 compared with 2003. In Latvia, the leading subindustries were grain and dairy production – both before and after the accession to the EU. In 2016 compared with 2004, the proportion of grain production rose by 8.8%, whereas that of dairy production declined by 4.4%. In this period, the proportion of crop production rose by 9%-points to 61.2%, whereas the proportion of livestock production decreased by 9% to 38.9% (Agriculture of Latvia, 2018).

Changes in the percentage breakdown of the number of farms and their UAA indicate that

agriculture becomes a business industry, as the farmers choose a kind of agricultural activity that is less subject to CAP restrictions and requires less labour and no large investments – expensive technologies, etc. A similar situation was observed also in Bulgaria where the composition of final agricultural production considerably changed after joining the EU. The average farm size rose two-fold up to 15.2 ha in 2013, while the average size of farms with an area of more than 100 ha increased to 671.7 ha, which managed 82% of the total UAA. For comparison, the EU average was 261 ha. Decreases in output were observed for vegetables (10%), dairy (2%) and meat (15%) (Sokolova, Kirovski, Ivanov, 2015).

Sokolova et al. (2015) associate the changes with the accession to the EU, the unpreparedness of agriculture for competition with developed EU Member States, the expansion of supermarkets and the fact it is difficult for local farmers to enter a supermarket chain, a lack of small farms in the fruit and vegetable segment, unfair trade, etc., which, together with the direct payments paid, created both opportunities and barriers. The above is complemented by the authors who believe that support payments based on area significantly contributed to farm specialisations in the sphere of crops. After the accession to the EU, EU and national financial assistance stimulated farmers to increase their farm areas, and in the composition of final agricultural production, the proportions of grain, feed and industrial crops rose, whereas the proportions of livestock and horticultural products declined.

The CAP is increasingly shifting from producer support to the focus on environment-friendly farming, and eligibility criteria for direct payments – the most significant instrument – require that the land area has to be farmed, allowing the farmer to freely choose what to grow on the disposable UAA. The choice of farmers to increasingly engage in crop production is associated with the facts that requirements and restrictions are lower for crops than livestock, crops are easier to sell and require less labour.

A completely different situation is observed in old EU Member States where agriculture developed in line with the CAP. In the old Member States, agricultural output has stabilised, changes in the farm structure are smaller and agricultural traditions remain strong. Farm consolidation is observed also in the old Member States, and as pointed out by The German Farmers' Association (2017), small farms need production diversification so that they can exist and provide the families with food without hiring additional paid employees.

Germany, for example, is a large country with diverse farming conditions in each region. Consequently, the farm structure in Germany has evolved historically. In 2016 compared with 2003, the total UAA has decreased by 349 thousand ha or 2.1%, while over the last eight years it remained steady. In contrast, the number of farms in this period decreased by 145.3 thousand or 34.5%, particularly in the category of farms with an area of less than 100 ha. The largest decrease, by 76.6%, was observed in the category of farms with an area of less than 5 ha, particularly in the regions where historically the farm structure represented small farms being typical of the southern part of Germany. Farming for small farms represents a hobby – in some period, the amount of investment needed exceeds their financial capacity, and larger farms offer good terms and conditions for farmland purchase or rental. Farm consolidation is also indicated by the average farm size that increased from 40.4 to 60 ha in the period 2003–2016, thereby representing one of the highest figures in Europe. The farm structure is steadier in Germany than in Latvia, and not so large changes in the number of farms, including those with an area of more than 100 ha, were observed in Germany in the period concerned. In Germany, the number of farms with an area of more than 100 ha rose 1.9-fold and their UAA rose by 11%, while in Latvia the number of such farms increased four-fold and their UAA – by 47%. In both countries, the proportions of the UAA managed by the farms sized more than 100 ha were similar: 59.2% in Germany and 56.6% in Latvia (The German Farmers' Association, 2017).

The number of small farms is expected to continue decreasing, and their UAA will be taken over by modern farms that need more farmland because they wish to expand and have already made significant investments. It is difficult for small farms in conventional subindustries to compete with industrial-scale farms. The key factors contributing to farm performance stability are modernisation opportunities, labour availability and market fluctuations. An opportunity for small farms is niche products or production diversification. However, farm diversification is affected by the availability of labour, particularly in vegetable and livestock production where the use of modern machinery or robots is not economically efficient (Pilvere, 2013).

Agricultural stability in old EU member States is indicated by the small changes in the composition of final agricultural production. In 2016 compared with 2004, for example, in Germany, changes in the composition were only within a 2.5% range, whereas in Latvia they reached 9% (see above). In Germany, the composition of final agricultural production was

very varied, with no dominant subindustry. Crops and livestock accounted for 51.3% and 48.7%, respectively. Dairy production with 18.4% was the largest subindustry, followed by pig production with 13.3% and only then grain production with 11.5%. The dominant subindustry could be determined for each state of Germany; however, in terms of output, crop production dominates, while in terms of value – livestock production (The German Farmers' Association, 2017).

The authors conclude that in the old EU Member States where agricultural production

has already stabilised and demonstrate good macroeconomic performance, the CAP mainly functions as an instrument for environmental protection and agricultural activity preservation, whereas in the new EU Member States the CAP considerably contributes to agriculture, which is indicated by the macroeconomic indicators of agriculture in Latvia, but intensive agricultural growth is sometimes inconsistent with meeting environmental requirements.

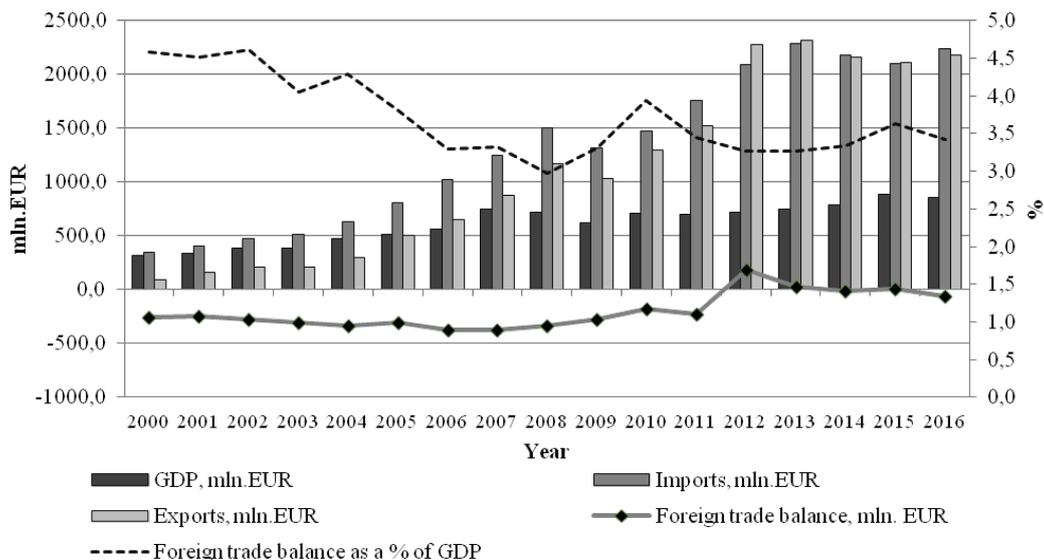


Fig. 2. Key macroeconomic indicators of agriculture in Latvia in the period 2000–2016

Source: authors' construction based on Agriculture of Latvia 2018 data, 2018

As pointed out by Pilvere and Nipers and Pilvere-Javorska (2017), the EU financial assistance has positively affected the economic performance of both the national economy and agriculture. Two kinds of data on the balance of foreign trade in agricultural goods are available in the database. The data on foreign trade in only agricultural commodities show a positive balance, with the exports exceeding the imports by, on average, 30%. The most significant exports were grain and milk. However, the second kind of foreign trade data (Fig. 2) includes processed food products. Since Latvia imports a lot of processed food products, the second kind of data shows a negative balance for agriculture, which was negative after the accession to the EU too, except for a few periods in the last decade (Agriculture of Latvia, 2018).

EU financial assistance has positively affected the development of both agriculture and food processing. Investment in modern technologies, cooperation and the compliance of product quality

with international standards boosted exports, which are one of the key priorities in business. Exports rose seven-fold after joining the EU. Statistical data on Germany for the same period show no considerable change, which repeatedly indicates the stability of agriculture and the strong position of it. One can assume that agriculture in the old EU Member States has reached a certain level of development and a certain position in the global market; no significant growth is observed, and agriculture continues performing well.

Role of farmer NGOs in defending the rights of farmers and contributing to agricultural development

As pointed out by Kuhmonen (2018) and White (2017), the CAP has become a complicated policy. Since the emergence of the CAP, the number of Member States has increased from 6 to 28, with different farming conditions and agricultural development levels in the Member States. With

the CAP becoming an increasingly green policy, as pointed out by Alons (2017) and Cortignani and Dono, (2018), farmers are also burdened, as they have to follow policy changes and meet certain requirements along with doing their production-related tasks. Now agricultural activity is impossible without farmer NGOs that, on the one hand, provide explanations to farmers and, on the other, advocate the interests of farmers, so that they could be able to cope with the reforms of the CAP.

The social-economic contribution of agriculture as well as of nongovernmental organisations could not be expressed in numbers. Farmer NGOs represent a link among the farmer, the public and national institutions with regard to policy-making matters. Their key functions are as follows:

- to do informative and explanatory activities;
- to inform the public about the social-economic contribution of agriculture;
- to defend the interests of farmers with regard to policy-making matters;
- to provide national institutions with information about the situation in rural areas.

As the CAP shifted from producer support to the focus on environment-friendly farming, agriculture is being turned into a business industry in which the farmers themselves have to adapt their agricultural activity to market trends, be competitive and, in addition, comply with environment and animal welfare requirements. In order that farmers can understand and meet EU and national requirements in a timely manner, an important role in the daily routine is played by farmer organisations, the purpose of which is to carry out explanatory activities and remind the farmers about deadlines. One of the examples of policy complicity in Latvia is Cabinet Regulation No. 126 of 10 March 2015 regarding the Procedures for Granting of Direct Payments to Farmers. EU and national financial assistance is key to being competitive, and farmers have to carefully familiarise themselves with minimum eligibility criteria for receiving the assistance. In addition to such requirements as the minimum area for crops and livestock and crop density, farmers have to be aware of environmental protection, animal welfare and food hygiene requirements. Noncompliance with the requirements is subject to financial assistance reductions or penalties, while in some cases deadlines for meeting the requirements, which are often affected by unfavourable weather conditions too, have to be strictly observed. For this reason, farmer organisations have a duty to inform the public and national institutions about the specifics and complexity of agriculture, as the public often believe that agriculture is a small, privileged industry, and farmers representing 3% of the total

EU population receive 30% of the total EU budget, but contribute only 6% to the total GDP of the EU. In this situation, farmer organisations should provide an explanation of the socio-economic contribution of agriculture to rural areas that could not be measured in terms of macroeconomic indicators.

The performance of farmer NGOs depends on their available financial resources. In Latvia, public funding is allocated for strengthening the capacity of farmer NGOs, while in Germany farmer NGOs are funded only from their membership fees. The funding is necessary for personnel remuneration, participation in international farmer organisations, working groups established by the European Commission, etc. According to the State Support (2018), funding of EUR 700.9 thousand was available for farmer NGOs. The size of government assistance depends on the number of farmers and their financial capacity. In Latvia, the Ministry of Agriculture is interested in funding farmer NGOs, thereby acquiring aggregated information about the real situation in the key agricultural subindustries.

The authors started in summer 2018 farmers survey, to identify their opinion regarding farmer NGOs, using online survey tools and surveying face to face. The target is to receive more than one thousand answers, and approximately 20% from face to face interviews. The online survey is closed, receiving 922 answers, but face to face interviews still continue, and detailed results will be available after finishing face to face interviewing. But already the first 922 answers show the tendency, that 85% of the respondents pointed out that state administration institutions would not be able to make agricultural policies without the involvement of the NGOs. However, 80% of the respondents indicated that farmer NGOs should be partly funded by the government (Zdanovskis and Pilvere, 2018).

Conclusions

Agriculture is one of the most ancient industries that has undergone significant structural changes and experienced fast technological advancement in the last decades, but it still plays an important role in food supply and in preserving socio-economic values in rural areas.

The CAP has undergone several important reforms, turning from an instrument focusing on producer support and market regulation into an environment-friendly agricultural policy, which is confirmed by the composition of support measures of the 1st and 2nd pillars, while also sticking to one of the priorities – food safety.

EU financial support has positively affected the development of agriculture and macroeconomic

performance in Latvia, yet the fast process of adaptation to CAP requirements and market trends in the new EU Member States in the last decade has strongly promoted farm consolidation and changed the composition of final agricultural production in comparison with the old EU Member States where agriculture developed in line with the CAP.

As the regulatory framework has become more complicated and the public has placed an increasing focus on food quality and animal welfare, the role of farmer NGOs in the daily routine of farmers has increased because the farmer NGOs need to defend farmer interests concerning political matters, explain the public the role of agriculture and farming techniques as well as familiarise the farmers themselves with amendments in the regulatory framework.

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Auswirkungen der Gemeinsamen Agrarpolitik auf die Landwirtschaft und die zunehmende Rolle nichtstaatlicher Organisationen

Summary

Ziel dieser Studie ist es, Trends in der Landwirtschaft unter dem Einfluss der Gemeinsamen Agrarpolitik (GAP) zu beschreiben und die Änderungen der landwirtschaftlichen Indikatoren und Trends mit Deutschland zu vergleichen.

Deutschland gilt als eine der Großmächte der Welt mit einer hochentwickelten Wirtschaft. Deutschland ist kein Land, in dem Wirtschaftswachstumsraten miteinander verglichen werden, aber die Methoden, die sie erreicht haben, seit man glaubt, dass jeder Schritt gründlich durchdacht ist und den größten Wert erzielt.

Die Landwirtschaft gilt als einer der ältesten Sektoren, die meist mit der Nahrungsmittelproduktion verbunden sind. Aus wirtschaftlicher Sicht umfasst die Landwirtschaft neben der Nahrungsmittelerzeugung auch die Forstwirtschaft und die Fischerei und ist ein Rohstofflieferant für sekundäre Industrien. Unter den landwirtschaftlichen Teilsektoren wird der Hauptbeitrag zum Bruttoinlandsprodukt (BIP) durch die Forstwirtschaft geleistet, die ebenfalls zu den führenden Wirtschaftssektoren Lettlands und zu den wertvollsten Ressourcen des Landes zählt. Im Rahmen der Forschung, die die Auswirkungen der Landwirtschaft auf die makroökonomischen Indikatoren des Landes charakterisiert, werden die Indikatoren aller drei Subsektoren zusammengefasst, während die Analyse der Auswirkungen der Industrie auf die Gesellschaft nur auf den Indikatoren des Subsistenzsektors der Kulturpflanzen- und Viehwirtschaft beruht, da dieser Subsektor die größten Auswirkungen auf die sozioökonomischen Indikatoren in ländlichen Gebieten hat.

Die Landwirtschaft spielt eine wichtige Rolle in der Volkswirtschaft und in der Bereitstellung sozialer Funktionen in ländlichen Gebieten. Außerdem spielt sie eine wichtige Rolle bei der Erhaltung der ländlichen Umwelt, bei der Beschäftigung, bei der Förderung des Tourismus usw. Die Landwirtschaft weist eine relativ geringe Wertschöpfungsaktivität auf. Daher spielt die Landwirtschaft in Ländern mit starken industriellen und vielfältigen Dienstleistungen eine geringe Rolle für das BIP und die Wirtschaftsstruktur insgesamt. Bei der Bewertung dieses Indikators müssen jedoch der

Entwicklungsstand des Staates und die Möglichkeiten der landwirtschaftlichen Tätigkeit berücksichtigt werden. In Lettland ist der Anteil der Landwirtschaft im Jahr 2016 mit 3,9% sehr ähnlich dem Weltdurchschnitt und um ein Vielfaches höher als in den westeuropäischen Ländern, wo er bei etwa 1% liegt. Die Landwirtschaft steht im Mittelpunkt des Wachstums des Landes, insbesondere in den Entwicklungsländern und sogar in Industrieländern, in denen die Landwirtschaft eine wichtige Rolle in der einheitlichen Wirtschaft gespielt hat, bis sich die Industrie entwickelt hat.

Gleichzeitig ist dies eine komplexe Branche, in der Wetter, begrenzte Landressourcen, Marktschwankungen, Technologiemangel, Umweltpolitik, politische Haltung usw. die wichtigsten Faktoren sind. Die Landwirtschaft zeichnet sich durch hohe Investitionen aus, die je nach Teilsektor mindestens ein halbes Jahr oder länger rentabel sind, und die Forstwirtschaft auch nach Jahrzehnten. Soweit landwirtschaftliche Tätigkeiten nicht in eine wirtschaftlich rentablere Region überführt werden können und die klimatische Situation sowohl positiv als auch negativ beeinflusst werden können, sind Sektor kontrollen und finanzielle Unterstützung von Landwirten in komplexen Situationen erforderlich.

Die Gemeinsame Agrarpolitik, die die Industrie kontrolliert, ist eine der ältesten Politiken in der Europäischen Union (EU), nachdem viele Reformen bis heute funktionieren. Aus Sicht der Produktion und der Marktkontrolle ist sie zu einer umweltfreundlichen Landwirtschaftspolitik geworden. In beiden Säulen sind rund 85% der Mittel für umweltfreundliche landwirtschaftliche Aktivitäten vorgesehen. Der Beitritt zur EU eröffnete Lettland neue Möglichkeiten und eine große finanzielle Unterstützung für die Entwicklung der Landwirtschaft und veränderte die Struktur der landwirtschaftlichen Produktion, der landwirtschaftlichen Erzeugnisse und der landwirtschaftlichen Betriebe erheblich. Eine ähnliche Situation wird in anderen neuen Mitgliedstaaten beobachtet. Die alten Mitgliedstaaten der EU haben sich parallel zur GAP entwickelt, sodass sie sich langsam anpassen können, während die neuen Mitgliedstaaten sich relativ schnell an die politischen

Anforderungen anpassen und auf dem Weltmarkt konkurrenzfähig sein müssen. In den neuen Mitgliedstaaten hat sich die Struktur der landwirtschaftlichen Erzeugnisse und landwirtschaftlichen Betriebe in den letzten 15 Jahren wesentlich stärker verändert als in den alten Mitgliedstaaten. In Lettland ist der Anteil der pflanzlichen Erzeugung im Vergleich zu Deutschland um 9% gestiegen, und der Anteil der tierischen Erzeugnisse ist dementsprechend zurückgegangen, während sich der Zeitraum in Deutschland nicht ändert. Mit der Größe der landwirtschaftlichen Betriebe nimmt die Zahl der kleinen landwirtschaftlichen Betriebe mit einer bewirtschafteten Fläche von bis zu 100 ha in beiden Ländern ab, in Lettland hat jedoch die Zahl der landwirtschaftlichen Betriebe mit einer bewirtschafteten Fläche von mehr als 100 ha in der gesamten landwirtschaftlichen Struktur rasch zugenommen und bewirtschaftete 56,6% der landwirtschaftlichen Nutzfläche des Landes (LIZ). Es ist daher offensichtlich, dass die Landwirtschaft zu einem Wirtschaftszweig wird, in dem sich die Landwirte entscheiden, wirtschaftlich rentable und weniger arbeitsintensive Produkte herzustellen.

Wenn die Agrarpolitik immer anspruchsvoller wird und der Druck der Öffentlichkeit und die

Umweltanforderungen steigen, wächst die Rolle der Bauernorganisationen beim Schutz der Interessen der Landwirte. Parallel zur Interessenvertretung führen Organisationen Interpretationsarbeit durch, unterrichten die Öffentlichkeit über Lebensmittelprodukte und unterrichten die Landwirte selbst über Änderungen der regulatorischen Vorschriften und Anforderungen, die zu beachten sind.

Die für die Forschung gestellten Aufgaben sind: Beschreibung der Auswirkungen der GAP auf die Landwirtschaft und ihren Platz in der Volkswirtschaft; und Bewertung der Rolle der NRO der Landwirte beim Schutz der Interessen der Landwirte und bei der Entwicklung der Industrie. Die Autoren verwenden die Forschungsarbeiten zum Thema sowie die auf den Websites des Statistischen Zentralamts, der Europäischen Kommission und des Landwirtschaftsministeriums veröffentlichten Informationen. Verwendete Methoden: Monographie-Beschreibungsmethode, Analyse- und Synthesemethoden, logisch konstruktive Methode.

Keywords: Rolle der Landwirtschaft; GAP; Bauernverband.