




## Opening statement

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 #ficompass



Ladies and gentlemen,

- It is an honour for me to open today's meeting from the position of the country holding the Presidency.
- After two years of covid restrictions, I am pleased that we can see each other not only through screens but also face to face and that I can personally greet my colleagues from the Commission.
- We are already awaiting the culmination of several years of work together, i.e., the delivery of the Commission's decision to approve the CAP Strategic Plan for the new programming period.
- The CAP Strategic Plan is an important, but not the only, way of promoting and raising awareness of more resilient and sustainable agricultural sector.
- For the first time, the CAP Strategic Plan brings together the two pillars of the CAP, i.e. direct payments, including cross-compliance conditions, with sectoral interventions and rural development into one common instrument. The purpose of this merger is to improve the CAP's response to the challenges and opportunities emerging at EU, national and farm level.
- The new programming period is also characterised by increased flexibility for Member States to decide how and from which instruments to address the needs of the sector. In doing so, the administration and management of the CAP must be simplified and the administrative burden significantly reduced.
- Since the beginning of the preparation of the CAP Strategic Plan, a broad platform of interested institutions and sector representatives has been consulted to reach a solution that will ensure optimal development and support for the sector, while at the same time being less administratively burdensome for them.
- Support in the form of financial instruments for the agriculture and forestry sector has long been working optimally for applicants in the form of the PGRLF programmes. During its many years of operation in the country, the PGRLF has become an integral part of the support in the agricultural sector. It has been particularly helpful at times when it was necessary to provide start-ups with a substantial guarantee of bank loans.
- However, the CAP Strategic Plan remains a key instrument through which we can support competitive and sustainable agriculture, which is essential for the food security of our citizens.
- The preparation of the CAP Strategic Plan has been influenced not only by the aforementioned pandemic covid 19, but also by Russia's unexpected invasion to Ukraine and its consequences, such as the sharp increase in commodity prices and input costs. The level of uncertainty about the global food supply situation is high, raising concerns about global food security.

- On the other side, this crisis can also be seen as an opportunity. Investing in modern technologies will make it possible to reduce energy inputs. Investments in digitalisation and precision farming will make it possible to reduce inputs of fertilisers or pesticides.
- However, for farmers, especially vulnerable farmers, the situation is critical at this time. Assistance to farmers must be targeted and effective.
- The Strategic Plan therefore targets most of its funding at supporting economically sustainable agricultural income. Direct support for basic income acts as an essential safety net to keep farmers in the area and to ensure security, and helps to balance the volatility of agricultural markets and farmers' incomes. Our plan is to focus support on smaller farms, hence the redistributive payment, i.e., a payment of 23% for the first 150 hectares of each farm. Support is also targeted at young and active farmers.
- In addition to this basic support, the Strategic Plan will focus on ensuring a viable income in disadvantaged areas and in sensitive sectors essential for social and territorial balance. These include, for example, cattle breeding and the cultivation of fruit, vegetables and hops. Modernisation of farms, including digitalisation to enable more efficient use of energy or water, is essential - in this regard we plan to support almost a fifth of farms in the Czech Republic.
- The CAP strategic plan also includes support for entrepreneurial activities with an emphasis on primary production and downstream processing, making the sector more attractive, encouraging young people to enter and promoting stability of production and income through diversification.
- I very much welcome the opportunity to exchange views on investment strategies in different countries, the success of which and the appropriateness of the various instruments will be tested in the coming years.