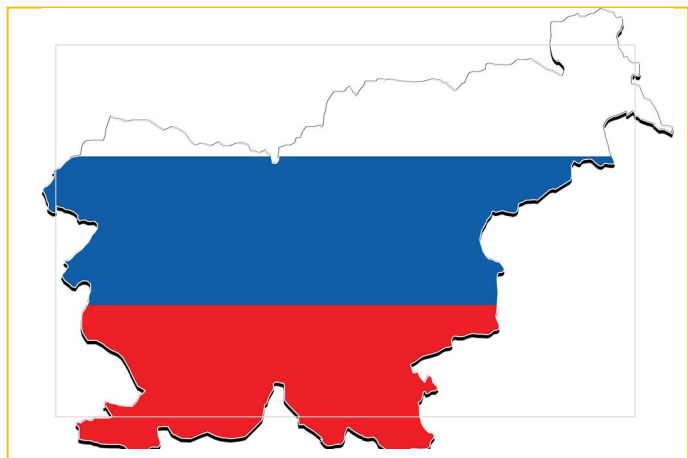


SLOVENIA AND THE CAP

10 YEARS OF SUCCESS



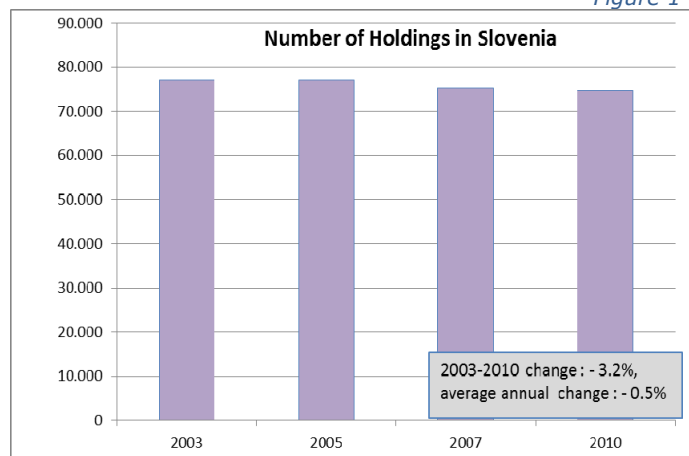
Ten years ago, on 1 May 2004, the EU enlarged from 15 to 25 Member States (and with two subsequent enlargements to 28). The balance of these ten years of EU membership is clearly positive for agriculture and the agri-food sector in Slovenia.

1. Structural Adjustment

Fewer farms

The number of farms dropped by 3% in Slovenia since 2003.

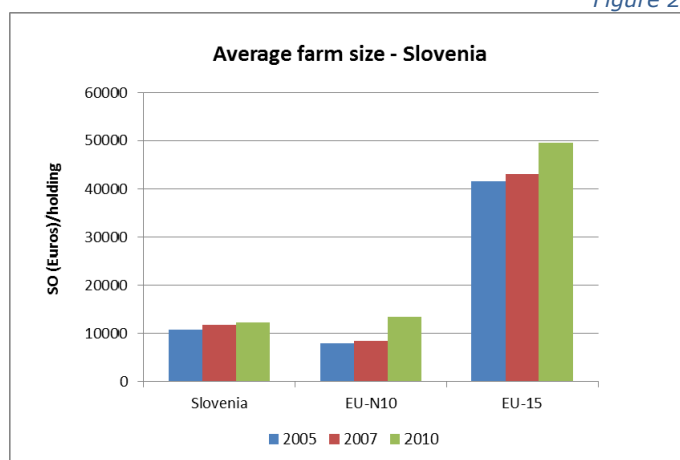
Figure 1



Bigger farms

Farms in Slovenia were 9% smaller in economic size¹ than the EU-N10 average with the value production/holding showing 2.5% growth/year, (EU-15: 3.5% and EU-N10:11.2%).

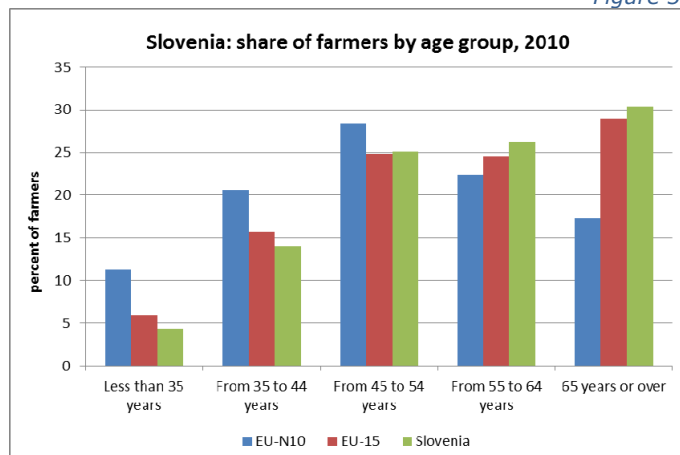
Figure 2



Age structure

In general, farm managers in Slovenia tend to be older than the average for the EU-N10. The share of farmers over 55 years at 56% is greater than in the EU-15.

Figure 3

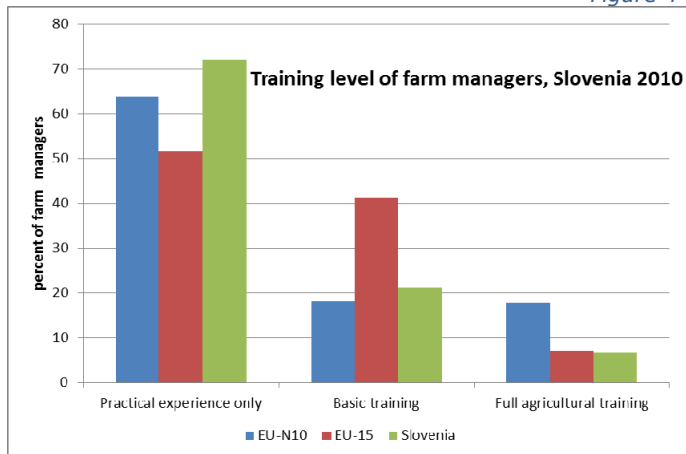


¹ Economic size is measured by the value of Standard Output (SO).

Training of farm managers

A higher percentage of farm managers in Slovenia rely on practical experience (72%) and basic agricultural training (21%) than in the EU-N10, with just 7% fully trained.

Figure 4

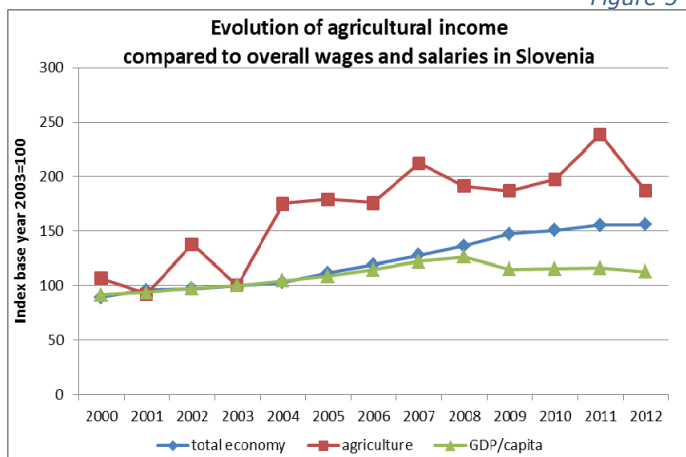


2. Income

Agricultural income rising fast

From 2003 to 2012 Slovenian agricultural income² grew by 87% (+7.2 % on average per year), compared to overall wages and salaries in the whole economy which increased by 56% (5.1% per year) and growth of just 13% in GDP per capita (1.3% per year).

Figure 5

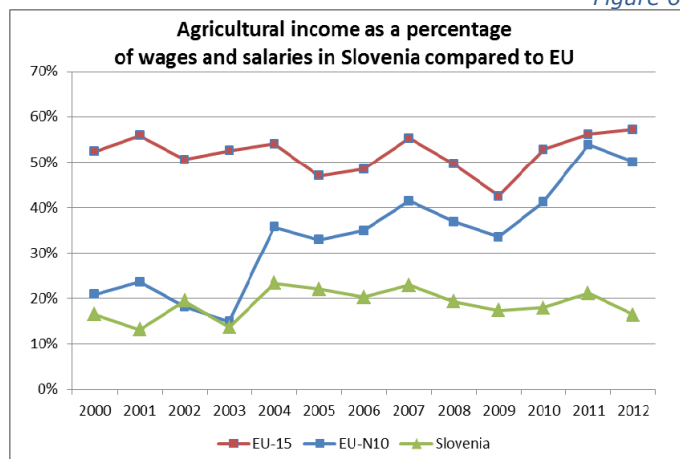


² Agricultural income is measured by entrepreneurial income per full-time non-salaried "Agricultural Work Unit", using an index with base year 2003=100.

Though lower than average wages

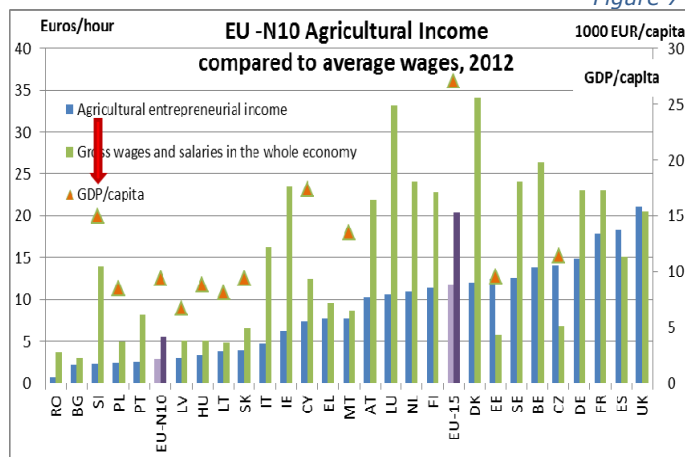
Agricultural income in Slovenia as a share of average wages and salaries is very low (less than 25%) compared to the average for the EU-N10 and the EU-15. This is because Slovenia has the lowest hourly agricultural income and the highest hourly average wages and salaries within the EU. In 2012 agricultural earnings reached just 16% of average wages and salaries, compared to the EU-15 average of 57% and the EU-N10 average of 50%.

Figure 6



Compared to the EU-15, agricultural income in Slovenia (hourly earnings of €2.30) was below 20% of the EU-15 level (€11.70). Meanwhile the average hourly wage rate for the economy reached 69% of the EU-15 level (€14 compared to €20.40). This should be seen in the context of Slovenia's relative GDP/capita, which is 55% of the EU-15.

Figure 7

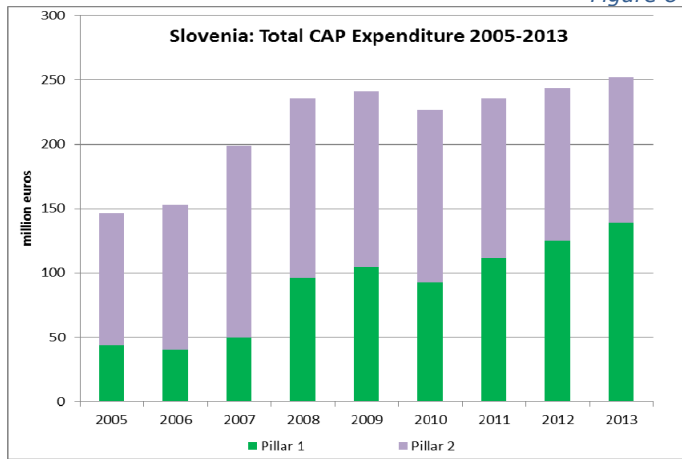


3. CAP Expenditure

Investing in rural communities and supporting farm incomes

Over the period 2005 -2013, total CAP spending in the Slovenia was 1.9 billion euros. Slovenian farmers received 800 million euro in direct aids and market measures to support farm income (Pillar 1) and over 1.1 billion euro was spent modernising agriculture, making it more sustainable and developing rural areas (Rural development or Pillar II).

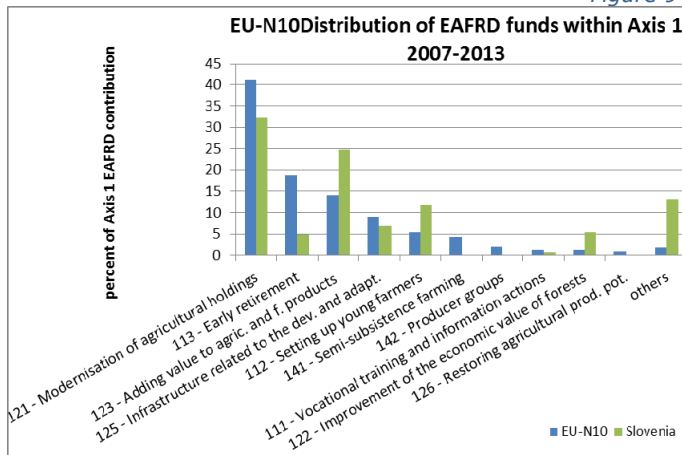
Figure 8



Investing in competitiveness

Almost one-third of funds under Axis 1 went to investment aid for modernisation of agricultural holdings in Slovenia, followed by schemes which add value to production (25%).

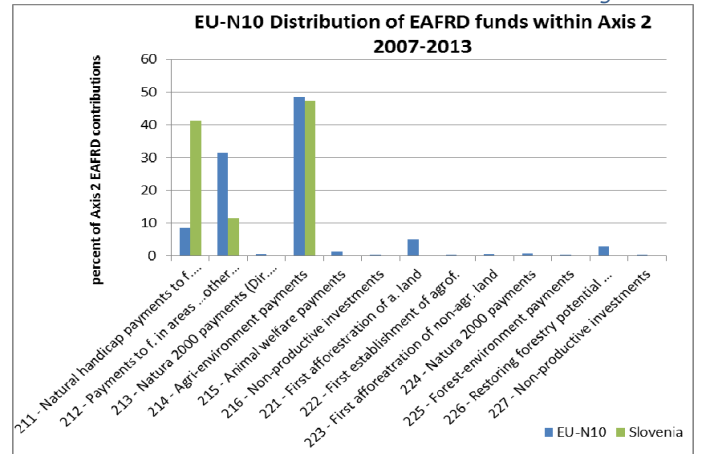
Figure 9



A more sustainable agriculture sector

Within Axis 2 almost half (47%) of Rural Development money was spent on agri-environment measures, over 40% on mountainous areas with natural handicaps and 11% on other areas with natural handicaps.

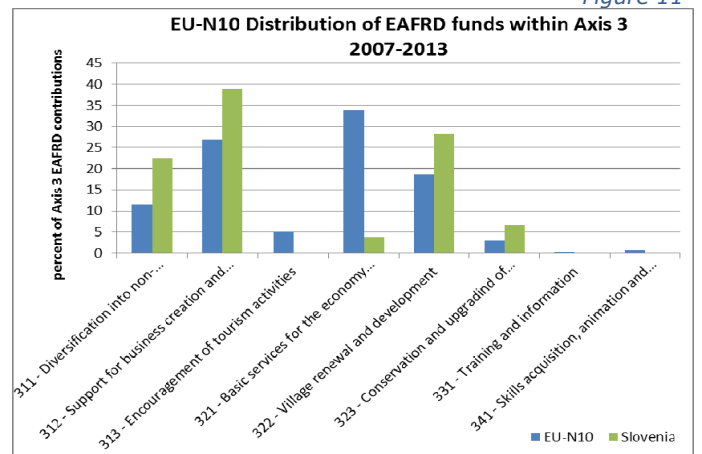
Figure 10



Quality of life and diversification of rural areas

Slovenia's focus within Axis 3 is on provision of support for business development, which accounts for 39% of spending, followed by village renewal and development (28%) and diversification into non-agricultural activities (22%).

Figure 11

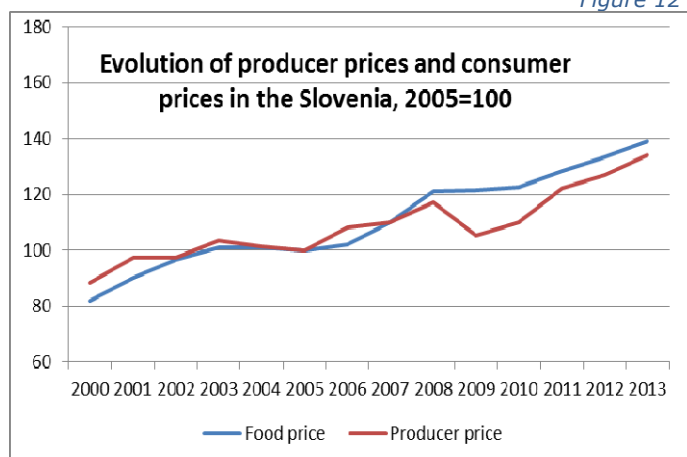


4. Prices and share of food in household expenditure

Food prices rise faster than producer prices

Agricultural commodity prices increased by 35% in nominal terms in Slovenia from 2004 to 2013, while consumer food prices grew by 37% over the same period.

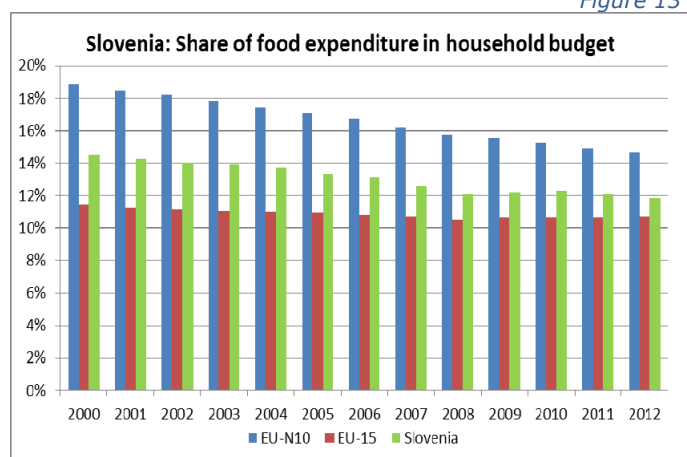
Figure 12



Food accounts for a declining share of household expenditure

Food accounts for a declining share of household expenditure in Slovenia, though it has not yet reached the level of the EU-15.

Figure 13

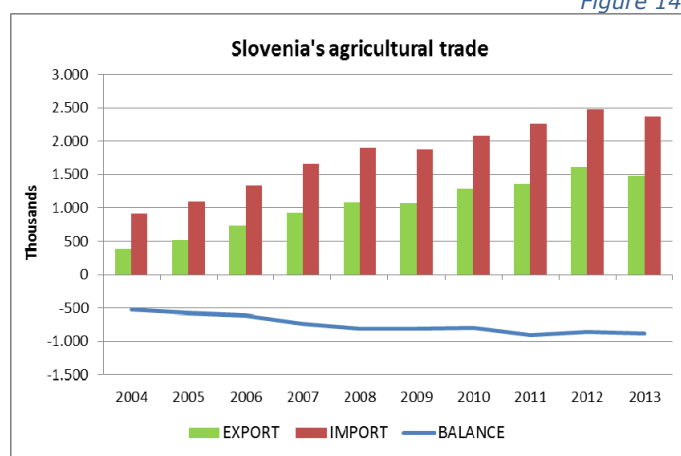


5. Trade

Exports growing faster than imports

While Slovenian agricultural exports have grown almost fivefold over the past ten years, imports have more than tripled, increasing the agricultural trade deficit by €360 million.

Figure 14



See the individual EU-N10 enlargement fiches and more on *Briefs*:

http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/index_en.htm

Policy Perspectives homepage:

http://ec.europa.eu/agriculture/policy-perspectives/index_en.htm



Contact: DG Agriculture and Rural Development, Unit for Agricultural Policy Analysis and Perspectives.
 Tel: +32-2-29 64165 E-mail: Agri-E1@ec.europa.eu © European Union, 2014.
 This Brief does not necessarily represent the official views of the European Commission.
 Reproduction authorised provided the source is acknowledged.