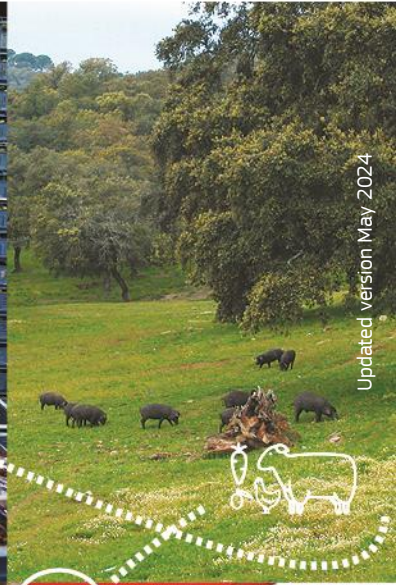




European Commission



Updated version May 2024



At a glance:

# LITHUANIA'S CAP STRATEGIC PLAN

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions, addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The impacts of both the Russian aggression against Ukraine and the extreme weather conditions caused by climate change, highlight the integral link between food security and the need of transition to sustainable and resilient food systems. In this context, the CAP Strategic Plans offer opportunities: e.g. to reduce dependence on synthetic fertilisers and scale up production of renewable energy without undermining food production; and to transform the sectors' capacity in line with more sustainable production methods.

*Lithuania submitted its first proposal for a CAP Strategic Plan on 5 January 2022, after consultation with stakeholders. On 20 October 2022, Lithuania submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 21 November 2022. The Commission approved Lithuania's subsequent amendment request on 25 April 2024. This document presents some of the main features of the CAP Strategic Plan of Lithuania.*

## 1. DID YOU KNOW?



Lithuania's agricultural sector is characterised by relatively favourable production conditions, but has structural constraints. In particular, the high share of small farms results in low average farm incomes. Agriculture attracts young farmers and plays a significant role in the country's economy. Despite the challenging demographic conditions faced by Lithuania overall, **the share of the population living in rural areas (56.2%) is one of the highest in the EU.**

- There are around **150 300 agricultural holdings in Lithuania** and approximately 45% of the total area of the country is used for agriculture.
- The **share of young farmers** in Lithuania is increasing. More than 7% of farm managers are below 35 years old.
- The primary sector (including agriculture, forestry and fisheries) accounts for **3.6% of Lithuania's total gross value added (GVA).**



## 2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF LITHUANIA

The Lithuanian Plan's main goal is to ensure the sustainable development of the agriculture and food sector in the country. Among others, this is achieved by increasing the added value and the competitiveness of the sector, supporting farm viability, especially of small- and medium-sized farms, promoting sustainable production methods, while also ensuring adaptation to climate change and nature conservation. Enhancing innovation and increasing the attractiveness of rural areas are also emphasised.

### 2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Lithuania's Plan puts a strong emphasis on ensuring a **fair income for farmers**. A total of around EUR 3 billion is allocated for income support (covering approximately 2.8 million hectares) and contributes to maintaining local production. Particular attention in the Plan is also paid to ensuring a fairer distribution of income support among farmers by allocating 20% of the above amount to small- and medium-sized farms to improve their viability.

**Additional support** is given to sectors in difficulty **to help address the challenges they face and improve the quality, competitiveness or sustainability** of their output. The sectors concerned include protein crops, fruit and vegetables, nuts, dairy cows, seed potatoes, beef, sugar beet, sheep and goats.

An important share of the CAP support, around 35% of rural development funding, is allocated to **farm modernisation** (including farms of young farmers) and **sustainable investments**, such as investments in modern machinery for more sustainable fieldwork, more animal-friendly stables or renewable energy. In order to diversify financing sources, support is also used to help beneficiaries access loans on preferential terms.

- *Farms below 50 hectares receive an additional 16% of support per hectare compared to larger farms, through the redistributive payments.*
- *Nearly 2 000 farms receive support for a variety of single-farm or collective investments, such as the construction of farm buildings or storage capacity for manure, the development of the processing of on-farm production and preparation for selling, installation of renewable and alternative energy sources and the purchase of farm equipment.*

## 2.2 A GREENER CAP

The Plan uses 25% of the direct payments budget to support actions that incentivise farmers who voluntarily implement **environmentally and climate-friendly practices going beyond the mandatory** (eco-schemes). Farmers or other land managers can choose to participate in 9 different eco-schemes that cover all types of agricultural area (arable land, permanent crops, grassland, wetlands) and receive support for a wide range of management practices. Some of these include managing pastures and meadows in order to reduce soil erosion or improve soil quality, carrying out sustainable practices in orchards and berry plantations by restricting the use of fertilisers and pesticides, applying no-tillage techniques or converting arable land into grassland.



Furthermore, the Plan supports sustainable farming practices and encourages the expansion of the area covered by organic farming. It is foreseen that the area under **organic farming** in Lithuania will increase by half and reach almost 13% by 2028.

In order to receive income support, farmers and foresters have to respect certain **minimum good agricultural and environmental conditions** (GAECs). Such requirements involve, among others, increased establishment of buffer strips along water courses, increased soil cover to avoid bare soils in sensitive periods and crop rotation on arable land. They need to be respected on around 96% of the farmland.



- *Over the period 2023-2027, more than EUR 1 billion will be spent on 'green' interventions, such as eco-schemes, maintenance of organic farming, afforestation or forest regeneration.*
- *Supported by almost EUR 160 million, more than 1 million hectares of arable land is managed using no-till farming methods that avoid disturbing the soil, in order to reduce greenhouse gas emissions and improve soil health.*



## 2.3 SOCIALLY SUSTAINABLE CAP

The Lithuanian Plan aims to implement a **comprehensive generational renewal strategy** to ensure the agricultural sector remains attractive for young farmers. Nearly EUR 70 million is used to give young farmers, who manage farms smaller than 70 hectares, a premium in order to support their income. This is complemented by specific support for setting-up and the investments needed by young farmers in the initial years of launching their farm business.

Community-led local development continues to play an important role and is implemented with the LEADER approach, which brings together public, private and civil-society stakeholders to **find shared solutions for the development of the rural economy and society**. Stakeholders come together in 49 local action groups, which reach all rural areas in Lithuania; they implement tailor-made local initiatives, in particular aimed at addressing the pressing challenges of employment and social exclusion in rural areas. These activities, for example help in creating and developing services and businesses in rural areas, using local resources, markets and knowledge to support sustainable development.

**Improving animal welfare** is also a high priority of the Plan. That is why almost 50% of livestock units benefit from actions to improve their welfare, particularly in the dairy, pig and poultry sectors. For example, support is provided for livestock farms to ensure that animals have access to pastures or that pigs are kept with intact tails in more spacious housing systems in pig farms.

- ➔ *More than 4 600 young farmers are supported to start their farming activities.*
- ➔ *The Plan support, also through the LEADER groups, the development of 25 Smart Villages. These projects contribute to the reduction of disparities between the levels of development of various regions and help rural settlements and towns to address the local social problems via digital and novel solutions.*



### 3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Plan promotes training, advisory services, information and knowledge transfer between the agri-food sector, researchers and other stakeholders. Particular attention is paid to **innovation and advanced solutions**, targeting a wide range of possible topics. These include enhancing the positive impact of farming on the climate and environment, increasing the competitiveness and value added of the agri-food industry and promoting recycling and zero- and low-waste technologies. More than **45 000 persons benefit from advice, training, knowledge exchange**, or participate in projects meant to spread innovative practices, led by the European Innovation Partnership (EIP) operational groups.

Rural areas in Lithuania take full advantage of the improved broadband coverage supported by the Recovery and Resilience Plan and the European Regional Development Fund (ERDF). This not only helps with the **implementation of innovative digital solutions**, but also enhances the attractiveness of rural areas.

- *More than 17 000 advisors are expected to gain new skills and participate in activities connected to knowledge exchange and strengthening of links between researchers, advisors and farmers.*
- *40 EIP operational group projects receive support under the Plan.*





## 4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	3 012 267 192	n/a	3 012 267 192
Sectoral support	8 313 140	2 749 140	11 062 280
Rural development	977 475 810	233 163 341	1 210 639 151
<b>Total</b>	<b>3 998 056 142</b>	<b>235 912 481</b>	<b>4 233 968 623</b>

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflects possible transfers between pillars and includes technical assistance.

EU FUNDING RESERVED FOR	In EUR	%
Environmental and climate objectives under rural development	<b>402 186 291</b>	<b>41%<sup>1</sup></b>
Eco-schemes under direct payments	<b>753 066 801</b>	<b>25%<sup>2</sup></b>
LEADER	<b>62 912 950</b>	<b>6%<sup>1</sup></b>
Complementary redistributive income support	<b>602 453 439</b>	<b>20%<sup>2</sup></b>
Young farmers (generational renewal)	<b>142 579 625</b>	<b>n/a<sup>3</sup></b>

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115. The Complementary redistributive income support under Direct Payments may be lower than 10%, in line with Article 29 of Regulation (EU) 2021/2115.

<sup>1</sup> as compared to the rural development allocations set out in Annex XI of Regulation (EU) 2021/2115

<sup>2</sup> as compared to the direct payments allocations set out in Annex IX of Regulation (EU) 2021/2115

<sup>3</sup> not applicable as the minimum contribution to young farmers is set as absolute amounts in Annex XII of Regulation (EU) 2021/2115

More financial information can be found in section 6 and in Annex V of Lithuania's CAP Strategic Plan.

