

Money, money, money -
insight into the pond aquaculture subsidy
system in the Czech Republic

Michal Kratochvíl
Czech Fish Farmers' Association





Introduction

Do we need subsidies in the pond aquaculture? (highway to hell or necessity to keep the business going on?)

Would the pond farming be sustainable (profitable) without the external financial support?

The Czech Republic (national) pond subsidy system, effect on economic situation of SME

Why is essential to support (Czech) pond fish farmers?

Aquaculture: ~ 20-21,000 tons fish

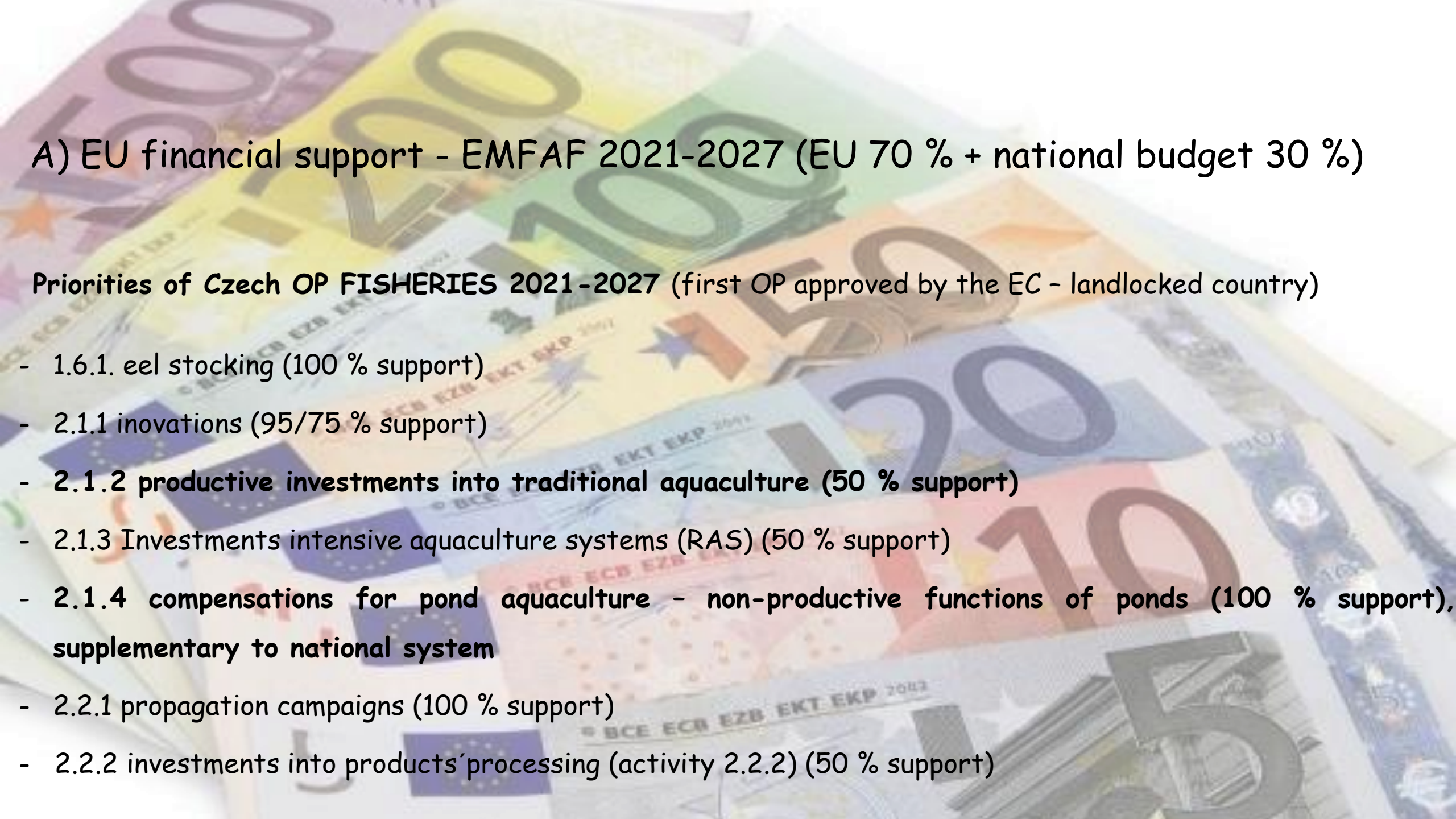
- ▶ Ponds ~ 96.4 % of production
- ▶ Reservoirs (limited harvesting)
~ 0.2 % of production
- ▶ Special systems (RAS, raceways)
~ 3.4 % of production

cca 90 % of production = carp

Angling (open waters) - recreational activity

- ▶ Two angling unions with 350,000 members
- ▶ Carp is the most favourite species for anglers (3,000 tons/year)

Preservation of unique pond systems (rural areas) - non-productive functions



A) EU financial support - EMFAF 2021-2027 (EU 70 % + national budget 30 %)

Priorities of Czech OP FISHERIES 2021-2027 (first OP approved by the EC - landlocked country)

- 1.6.1. eel stocking (100 % support)
- 2.1.1 inovations (95/75 % support)
- **2.1.2 productive investments into traditional aquaculture (50 % support)**
- 2.1.3 Investments intensive aquaculture systems (RAS) (50 % support)
- **2.1.4 compensations for pond aquaculture - non-productive functions of ponds (100 % support), supplementary to national system**
- 2.2.1 propagation campaigns (100 % support)
- 2.2.2 investments into products' processing (activity 2.2.2) (50 % support)

B) national financial support (100 % state budget)

How to achieve national financial support?

1. Political willingness
2. Friendly national budget
3. Legislation background
4. Compatibility with the EU internal market
 - a) notification - approval by EC
 - b) *de minimis* regime - reporting (individual and national envelopes)
 - c) block exemption (EU regulation)

The Czech Republic national compensation/subsidy system

- 1.) compensation of the nature protection restrictions - The conservation of nature and landscape act (Act No. 114/1992 Coll.)
- 2.) subsidy for providing non-productive functions of ponds - The fishery act (Act No. 99/2004 Coll.)
- 3.) compensation of predators' damages (cormorant, otter) - The act on compensation of damages caused by selected specially protected animals (Act. No 115/2000 Coll.)
- 4.) subsidy for building, restoration, reconstruction and desiltation of ponds - The water act (Act No. 254/2001 Coll.)
- 5.) compensation for the vet eradication programme - The veterinary act (Act No. 166/1999 Coll.)
- 6.) subsidy for natural disasters (floods) - EC 2023/C 107/01 - „Guidelines for the examination of State aid to the fishery and aquaculture sector“
- 7.) subsidy for breeding programs, aquatic genetic resources -The breeding act (Act No. 154/2000 Coll.)
- 8.) subsidy for fish stocks insurance - together with farmers' program (50 % cofinanced)

1.) NATURE PROTECTION = loss of income

- POND = „significant landscape element” (according to Czech legislation)
- NATURA 2000 network:
 - Special protection areas (bird areas)
 - Special areas of conservation (habitats, species)
- compensation for income foregone OR contracts
- restrictions:
 - A) elimination or low fish stock and other restrictions (no feeding, manuring) leading to lower weight gain
 - B) differences of fish stock composition (e.g. no grasscarp)
 - C) indirect restriction (water manipulation, vegetation maintenance)

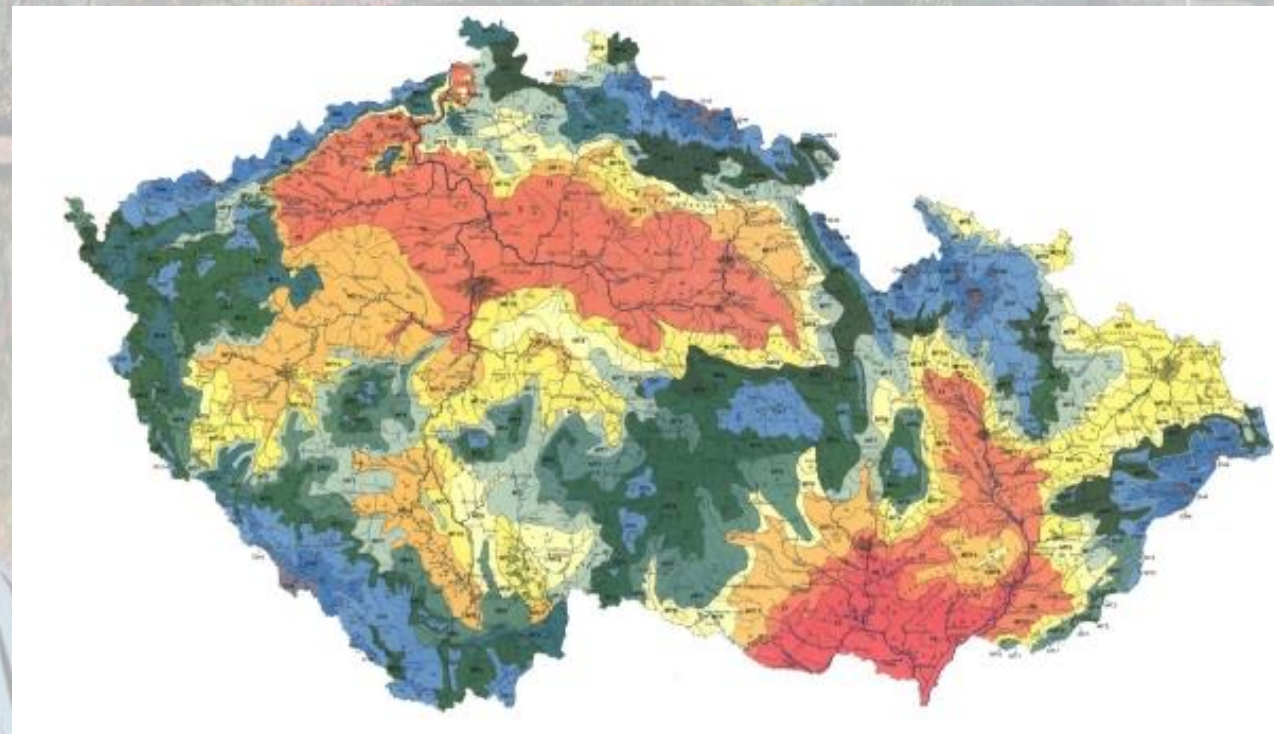


1.) NATURE PROTECTION = loss of income

- compensation (EUR) = theoretical income (EUR) for certain climate region * pond area (ha) - real weight gain (harvest - stocking) * average fish price/kg (2.8 EUR/kg) * 0,8
- 3 climate zones (warm, mild warm, cold) - climate regions

Theoretical income for certain climate area/ha

Climate area	One-year harvesting	Two-years harvesting	Three-years harvesting
Warm regions (T3-TR5)	1,559 EUR	3,118 EUR	4,677 EUR
Warm regions (T1-T2)	1,307 EUR	2,614 EUR	3,921 EUR
Mild warm (MT8-MT11)	1,106 EUR	2,212 EUR	3,318 EUR
Mild warm (MT7)-cold	905 EUR	1,810 EUR	2,715 EUR



2.) Non-productive functions of ponds - state aid (notified by EC 2014-2024)

- Annual budget 3.4 mil. EUR
- Fish ponds ≥ 5 ha
- Tariff = dependent on number of hectars (app. 28 EUR/ha/year), max. 40 EUR/ha/year
- 10 sub-programs (3 areas):

Water management services

- 1.) accumulation of the water in the landscape (ha)
- 2.) retention effect during flood events (ha)
- 3.) providing sport and leisure time activities (ha)
- 4.) secondary wastewater treatment (ha)

Desiltation

- 5.) desiltation of pond fishing pit (ha)

Ecosystem services

- 6.) preservation of natural littoral zone and wetland (ha)
- 7.) restriction of grass carp stocking (ha)
- 8.) restriction of fish feeding (ha)
- 9.) restriction of mineral substances application and manuring (ha)
- 10.) other restrictions based on verdict of nature protection authority (ha)

3.) compensation of damages caused by piscivorous predators and pests

Act. No. 115/2000 Coll. (the list of chosen, specially protected animals: cormorant, otter, beaver, wolf, bear, lynx, elk)

- condition: animals specially protected when damage occurs

2013 - cormorant removal from the list » no compensation (2014-2017)

- act amendment (2018) for 2018-2020
- act amendment (2020) for 2021-2023

- Only in ponds, no rivers (wildlife)
- No. of cormorants (observation every 3-4 days, average No./day)
- daily racion = 0.5 kg
- fish price (EUR/kg) - price list in region or national price list
- Usually only primary damages, not secondary losses compensated

- Shooting support from the government - 20 EUR/ind.

year	damage (thds. EUR)	compensation (thds. EUR)
2011	3,712	1,593
2012	3,714	1,619
2013	3,212	1,984
2014	3,989	0
2015	5,214	0
2016	4,981	0
2017	3,603	0
2018	3,537	0
2019	3,998	1,488
2020	3,716	2,944
2021	4,372	2,020

3.) compensation of damages caused by piscivorous predators and pests

the otter issue - highly protected, partial compensation for damages

Calculation: No. of otters (10*10 km) * 0,8 (food intake) * 365



the beaver issue - protected species (derogation)
- no compensation for damages on the water management structures



4.) Building, restoration, reconstruction and desiltation of ponds

Decrease of production volume/area caused by enormous input of sediments to ponds (siltation)

- ~ 200 mil. m³ of 600 mil. m³ of pond capacity is filled with sediments

National program (based on water act. No. 254/2001 Coll.)

ponds - building and restoration > 2 ha, public support - max 80 %, = extensive farming!!!

desiltation (2-30 ha), sediment min. 40 cm, 10 EUR/m³ (max. 78,300 EUR/ha)



group	income	costs	subsidies (EU + national)	profit/loss (subsidies included)	profit/loss (subsidies excluded)
1	2,566	2,377	508	126	-319
1	5,952	6,075	1,142	814	-1,265
1	3,403	3,219	240	104	-57
1	4,410	4,320	177	73	-87
1	4,868	4,409	329	459	130
2	2,778	2,586	567	192	-375
2	1,736	1,676	172	60	-112
2	1,898	1,758	93	115	47
2	1,910	1,785	350	124	-226
2	2,064	1,755	117	259	191
3	1,602	1,345	52	257	205
3	373	322	36	51	14
3	765	780	29	-15	-44
3	591	442	230	51	-81
3	2,230	2,124	64	84	42
3	376	412	76	-36	-112
3	391	481	44	1	-133
3	480	434	47	47	0
3	617	362	28	255	227
3	351	218	33	133	100
3	784	750	59	28	-25
3	477	352	21	125	105
3	661	508	31	153	123
3	479	465	34	9	-21
4	439	411	77	23	-50
4	102	128	14	-26	-40
4	73	67	2	6	4
4	14	28	15	-13	-30
4	56	37	0	16	19
4	73	52	3	22	19

SME
in thds. EUR



Do we need subsidies in the pond aquaculture?

Would the pond farming be sustainable (profitable) without the external financial support?

Hvala vam na pažnji

Thanks for your attention