



Areas with Natural Constraints (ANC)

Part 3

✓ Specific constraints

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Introduction

REGULATION (EU) No. 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005 provides for that, during the planning period of 2014–2020, areas facing significant economic constraints might be delimited and support payments of 25 to 450 EUR/ha a year can be made in these areas.

According to the conditions of the Regulation, the following three categories of areas are distinguished:

- (a) mountain areas;
- (b) areas, other than mountain areas, facing significant natural constraints;

Fine-tuning

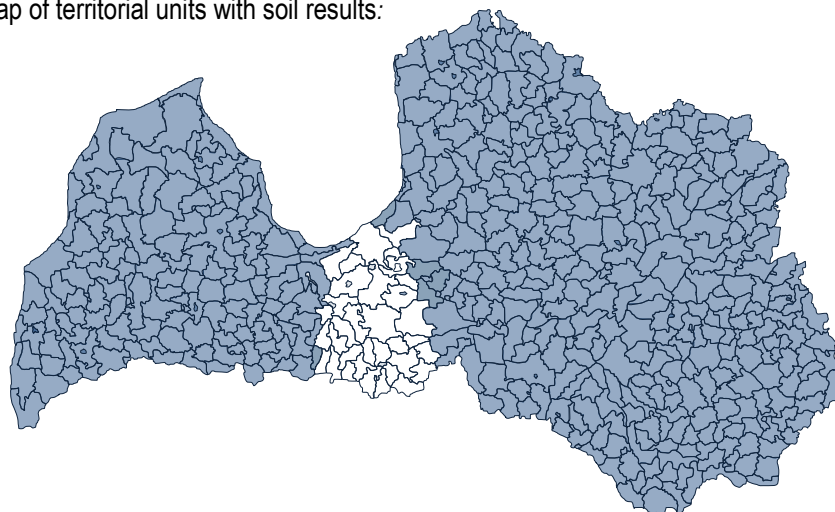
Simultaneously, the Regulation provides for that after the aforementioned categories have been identified, Member States shall carry out fine-tuning, which means the identification of certain areas and their deprivation of ANC status, if it is justifiably established that the economic constraints in the identified areas have been overcome by investments or by normal land productivity, or the management system compensates for income loss or added costs.

- (c) other areas affected by specific constraints.

In Latvia's case, mountain areas have not been identified, wherewith activities have been carried out to identify the areas of Latvia, which would correspond to the category of areas, other than mountain areas, facing significant natural constraints.

In order to identify areas, other than mountain areas, facing significant natural constraints in compliance with Article 32, Clause 1(b) and Article 32, Clause 3 of the Regulation, a report "Testing the biophysical criteria for Areas with Natural Constraints" has been prepared.

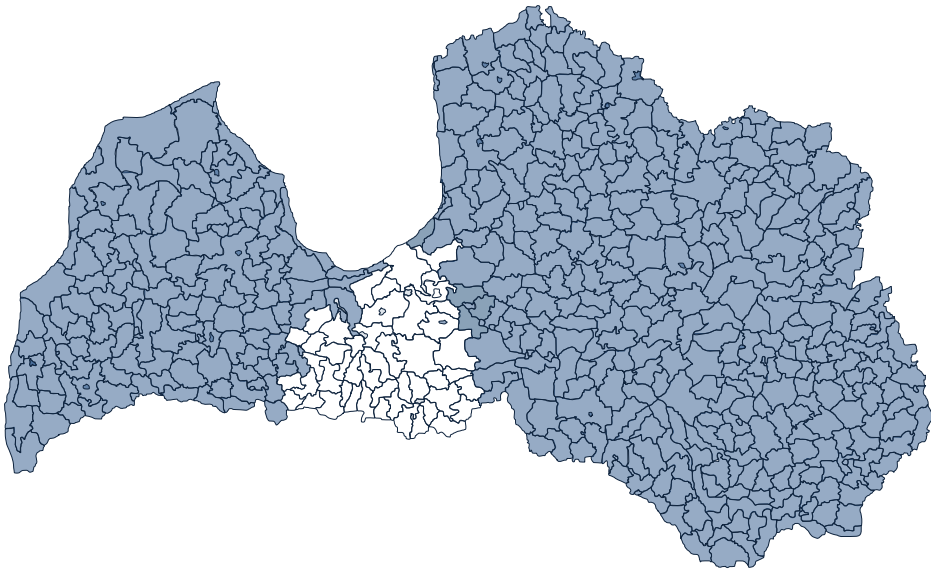
As a result of the report, based on the biophysical criteria, the areas compliant with ANC conditions have been identified. Territories where the thermal-time sums is LFA criterion occurrence possibility >20% (8 measurement method, period 1968-2008) on the map of territorial units with soil results:



Within the framework of fine-tuning, Latvia has carried out the simulation of criteria referred to in the Guidelines "Fine-tuning in areas facing significant natural and specific constraints"

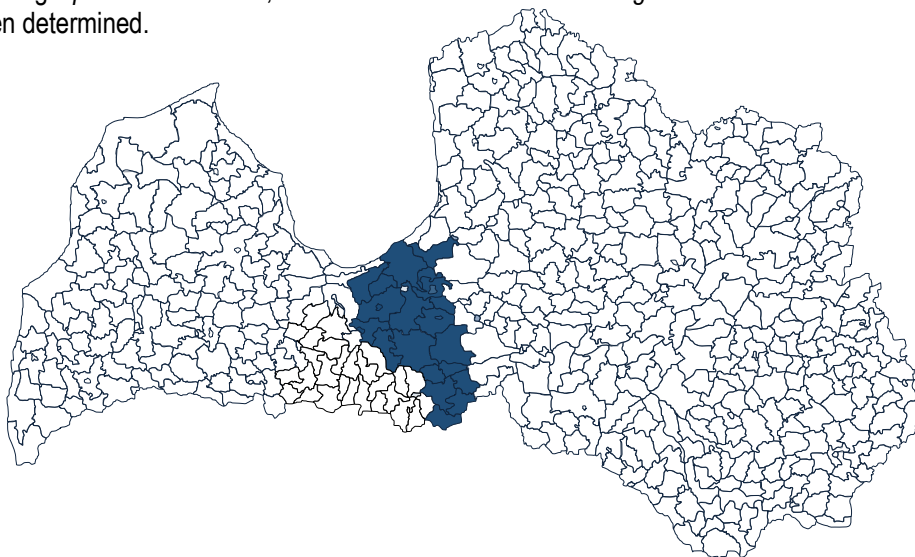
In order to identify Fine-tuned areas, a report "Areas with Natural Constraints (ANC): Part 2. Fine-tuning" has been prepared.

By combining the biophysical criteria and results obtained during fine-tuning modulation, Latvia has identified ANC area, the amount of Agricultural Areas is 2123 thsd. ha or 88.8% of the total agricultural area in the country.



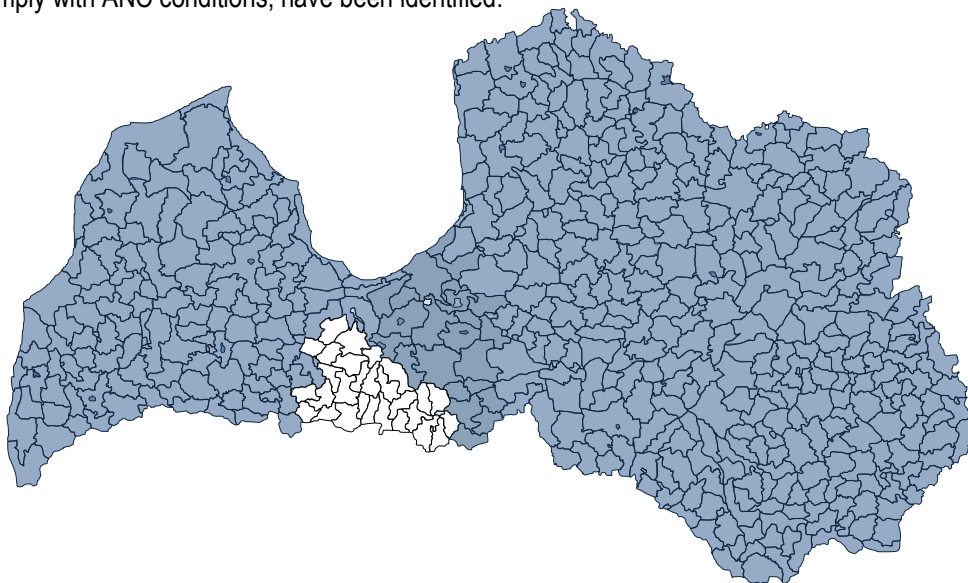
Summary

In modelling *Specific constraints*, Latvia has used the *Cultivated agricultural Areas* indicator. The conformity threshold of 85% has been determined.



As a result, in the identified areas which comply with ANC, the amount of Agricultural areas is 97 thsd.ha (4% of the total amount of Agricultural areas) or 1.6% of the territory of Latvia.

Respectively, as a result of modulation of Biophysical criteria, Fine-tuning, and *Specific constraints*, the areas of Latvia, which comply with ANC conditions, have been identified.



In the identified ANC area, the amount of Agricultural Areas is 2220 thousand ha or 93% of the total Agricultural area in the country.

Testing criteria for areas affected by specific constraints

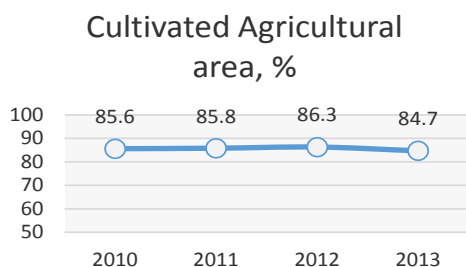
REGULATION (EU) No 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 december 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005
Article 32 Designation of areas facing natural and other specific constraints

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 31 if they are affected by specific constraints and if it is necessary for land management to be continued in order to conserve or improve the environment, to maintain the countryside, to preserve the tourist potential of the area or to protect the coastline.

Areas affected by specific constraints shall comprise farming areas within which the natural production conditions are similar and the total extent of which does not exceed 10 % of the area of the Member State concerned.

Latvia has identified areas, in which it is necessary to provide support for land management to maintain countryside. Latvia has identified the criterion “Cultivated Agricultural area” as a criterion for determining areas.

The criterion is highly crucial, taking into account high land abandonment risk and environmental risk. Latvia has 2.3 million of Agricultural area (AA) in terms of the aim of use. On average, the proportion of Cultivated Agricultural area in Latvia is 85%; in certain parishes, the indicator of Cultivated Agricultural area is below 30%. In total, approximately 350 thsd. ha of Agricultural area were not used in 2013. If compared to previous years, there is a tendency for the amount of Cultivated Agricultural area to reduce.



Data source: RSS by MoA

Figure 1: The proportion of cultivated land used for agriculture, %

The relative low amount of Cultivated Agricultural area can be explained by the aggregation of several factors, of which the most important one in the identified region is Riga proximity — in Latvia economy, Riga region concentrates a half of inhabitants of the country, as a result Agricultural area is not managed in important areas as territory developers create plans for residential and business buildings. As a result of the financial crisis, the amount of planned construction has significantly decreased; as a result, some lands are not used for any activity at all, thus degrading rural areas and negatively affecting environmental condition. The results of farmer surveys within the framework of research¹ indicate at such factors affecting Agricultural area management as Agricultural area condition, its availability, management conditions (lease, land acquisition expenses, amount of support), and financial support is mentioned in solutions as an important factor. The cultivated land indicator being below 85% demonstrates the particular difficulties on the areas as indicated on the map in Figure 3 concerning land management conditions and practices due to various factors, including social and economic conditions on the given area.

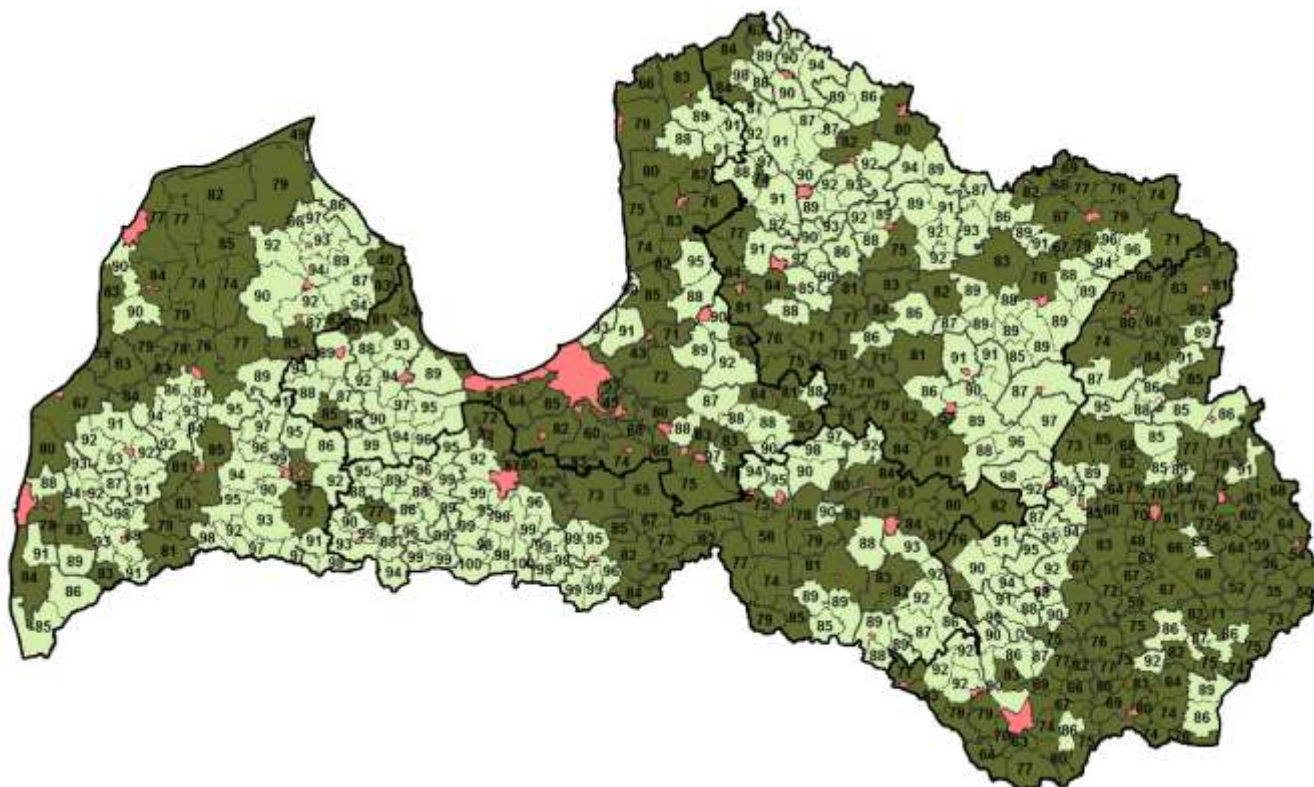
The National Development Plan of Latvia², which has been developed taking into account EU2020 common goals, sets out the aim “[425] Percentage of cultivated land in the total area of agricultural land”, planning to reach the use of agricultural land in the amount of 95% by 2020.

Taking into account the findings, it is necessary to carry out activities in the identified territories that would maintain and improve land management in order to maintain the countryside, at the same time, contributing to the improvement of the environmental condition and enhancing the tourism potential in these territories. One of the solutions for improving the situation is for these areas to apply ANC support measures.

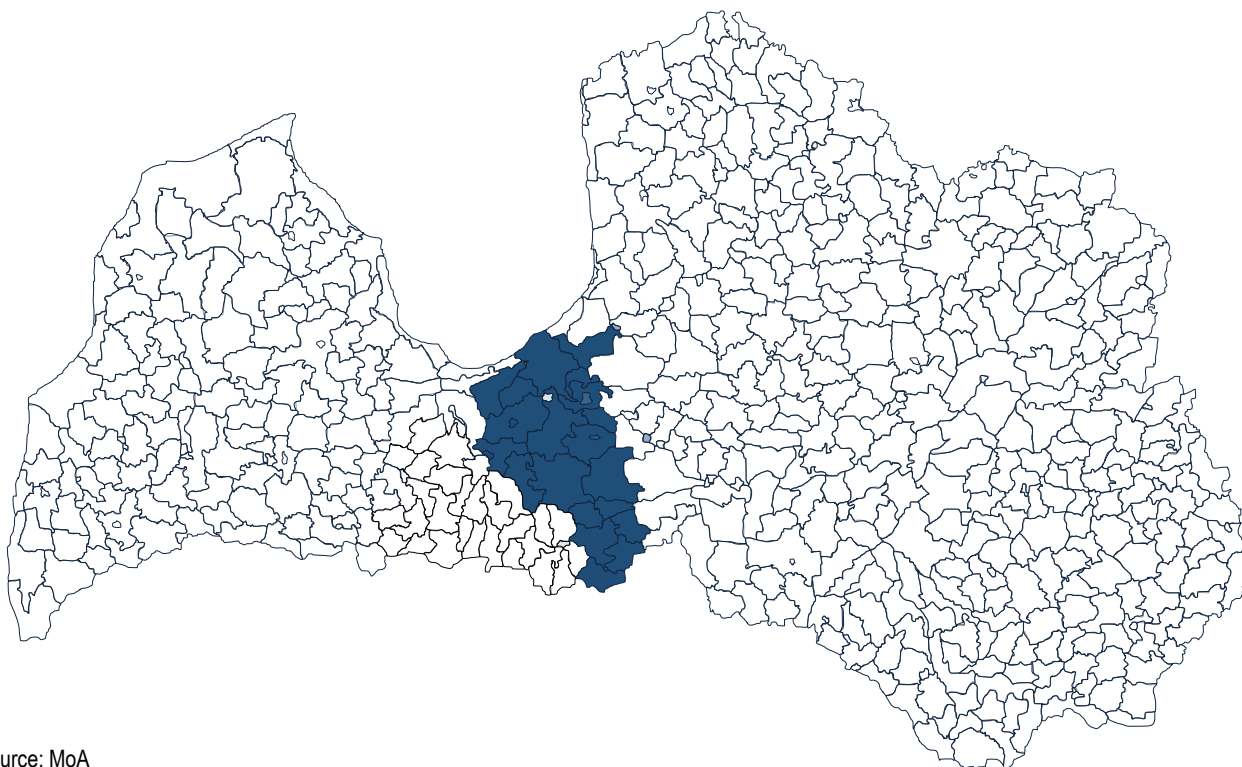
¹ http://lufb.ltu.lv/conference/Latvia_Agricult_Science_Successful_Farming/Latvia_Agricult_Science_Successful_Farming-98-104.pdf

² http://www.pkc.gov.lv/images/NAP2020%20dokumenti/NDP2020_English_Final.pdf

The source of data used to identify areas affected by the criterion is the State Land Service (Payment Agency) which, according to its functions, carries out annual physical control in all the Agricultural area. The identified threshold for including an area in ANC is areas, in which the proportion of Cultivated Agricultural area below 85%.



Data source: RSS by MoA
 Figure 2: The proportion of Cultivated Agricultural area, %, in the cross-section of parishes

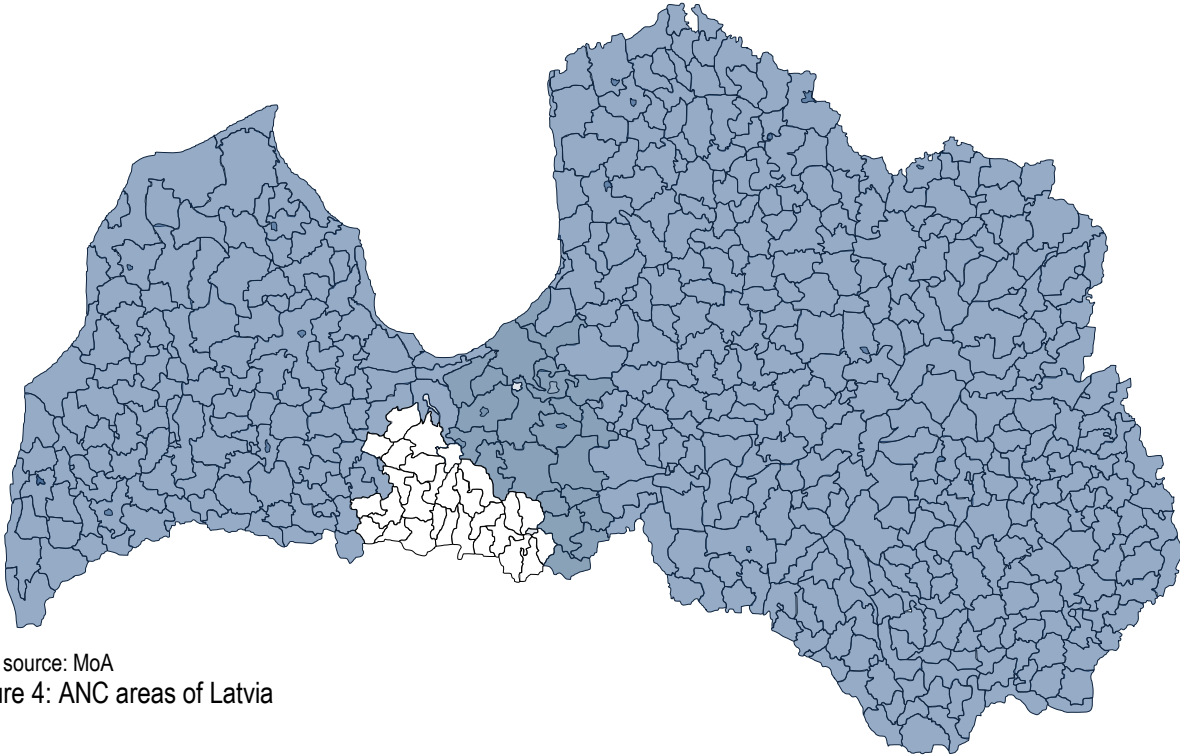


Data source: MoA
 Figure 3: Areas facing Specific constraints

The amount of Agricultural areas in the identified areas is 4% of the total amount of Agricultural areas or 1.6% of the territory of Latvia, complying with Clause 4 of Article 32 "Designation of areas facing natural and other specific constraints" of the REGULATION (EU) No. 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/200.

ANC area of Latvia

Respectively, as a result of modulation of Biophysical Criteria, Fine-tuning, and Specific Constraints, the territory of Latvia, which would comply with ANC conditions, have been identified.



Data source: MoA

Figure 4: ANC areas of Latvia

In the identified ANC, the amount of Agricultural Areas is 2220 thsd. ha or 93 % of the total Agricultural area in the country.