

Agriculture, forestry and rural development

Agriculture and forestry still represent an important part of the economic basis in the rural areas, thus the rural development is strongly linked to the agricultural sector.

The natural preconditions for agriculture are similar on both sides of the border. The Alpine part (primarily the western regions) is characteristic for its mountains and valleys with poor opportunities for intensive agriculture. Forestry is an important activity in this area, while farmers are also involved in milk production, stock breeding and upkeep of alpine pastures. The eastern part is characterised by large surfaces of cultivated land, fruit and vegetable production, and vineyards. The production is intensive, especially in the Pomursko and Podravsko regions, in Süd/Oststeiermark and in Südburgenland. Through various agriculture policies the share of bio farming is increasing, both in the number of producers and the share of the land.

The production capacities of individual farms are overwhelmingly rather small; many farmers need different types of income for their economic stability. In order to survive, the agrarian sector as such needs both innovation and cooperation. In the entire programme area, diversification of the agriculture production has been supported. Food processing and branding, product quality improvement, support in development of new marketing paths, improvement of business and marketing skills have gained on importance and support in the cross-border initiatives as well. In Slovenia, this potential is still not exploited enough due to two reasons: high standards and conditions that an individual producer has to meet to enter the market, and smaller production capacities.

Diversification in the field of rural tourism still has a lot of potential, especially regarding tourist farms, local cuisine, wine, traditions. On the other hand, development of new products and services to improve the quality of life in rural areas is to be supported, as these services can likewise provide job opportunities for the local people.

By 2013 significant changes in the European agrarian policy will take place (expiring of market regulations, expiring of the given structure of the EU agricultural budget, downsized future agricultural budget, expiring export grants). Thus the whole agrarian sector could then be faced with a highly liberalised market with strong impact on viability of the farms, the employment capacity, the level of income, and finally on the rural area as such.

In this view it would be relevant for the agrarian sector to use all opportunities to gain or keep competitiveness of the farms and their products, among others the opportunity of cross-border cooperation. The potential for cross-border cooperation will be favoured by similar structures and a similar natural production basis in the neighbouring regions.

To summarise the chapter, agriculture represents a relevant pillar of rural structures in wider parts of the cooperation area, mostly under favourable natural conditions. However, small-size farming is a structural risk and represents a permanent challenge regarding competitiveness. A lot of good practices in the field of product innovation, food processing and marketing indicate promising ways.