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 rural economy in Slovakia.

1. Structural Adjustment

Fewer farms
The number of farms has fallen by two-thirds in Slovakia since 2003.

Bigger farms
Farms in Slovakia have grown (in economic size\(^1\)) by 266% since 2005. It is the most dynamic country in the whole EU, with the value of production/holding showing 30% average growth/year, albeit from a low base (EU-15: 3.5% and EU-N10: 11.2%).

Older age structure compared to other new Member States
In general, farmers in Slovakia are older than the average for the EU-N10, however there are less elderly farmers than in the EU-15.

\(^1\) Economic size is measured by the value of Standard Output (SO).
Training of farm managers
A higher percentage of farm managers in Slovakia rely on practical experience (76%) and basic agricultural training (15%) than in the EU-N10 and the EU-15.

Figure 4

2. Income
Agricultural income rising fast
From 2004 to 2012 Slovakian agricultural income\(^2\) nearly quadrupled (+18.8 % growth on average per year despite income losses in 2009 and 2010), compared to overall wages and salaries in the whole economy which doubled (9.1 % per year) and 40% growth in GDP per capita (4.3% per year).

Figure 5

Though lower than average wages
Agricultural income in Slovakia has been lower than average wages and salaries in the whole economy (and even negative in 2009 and 2010). The ratio of agricultural earnings to the average for the economy, was lower than the average for the EU-N10 and the EU-15, apart from 2008, and 2012 when agricultural earnings rose to 60% of average wages.

Figure 6

\(^2\) Agricultural income is measured by entrepreneurial income per full-time non-salaried "Agricultural Work Unit", using an index with base year 2004=100.
3. CAP Expenditure

**Investing in rural communities and supporting farm incomes**

Over the period 2005-2013, total CAP spending in Slovakia was 4.5 billion euros. Slovakian farmers received 2.1 billion euro in direct aids and market measures to support farm income (Pillar I) and more than 2.4 billion euro was spent modernising agriculture, making it more sustainable and developing rural areas (Pillar II).

**A more sustainable agriculture sector**

Within Axis 2 roughly 30% of Rural Development money was spent on mountainous areas with natural handicaps and agri-environment measures and 12% on restoration of forestry.

**Investing in competitiveness**

Over half of funds under Axis 1 went to investment aid for modernisation of agricultural holdings (52%) in Slovakia, followed by schemes which add value to production (24%) and infrastructure (13%).

**Quality of life and diversification of rural areas**

Slovakia’s focus within Axis 3 is on diversification into non-agricultural activities, which accounts for more than one-third (34%) of spending, followed by village renewal and development (28%) and provision of basic services in rural areas (26% of expenditure).
4. Prices and share of food in household expenditure

Food prices rise faster than producer prices
Agricultural commodity prices increased by 16% in nominal terms in Slovakia, from 2004 to 2013, while consumer food prices grew by 26% over the same period.

Food accounts for a declining share of household expenditure
Until 2009 food accounted for a declining share of household expenditure in Slovakia, since then it remains at around 16%, above the EU-N10 average.

5. Trade

Exports growing faster than imports
Slovakian agricultural exports have grown almost fivefold over the past ten years, while imports have tripled in value, reducing the agricultural trade deficit by over €200 million.