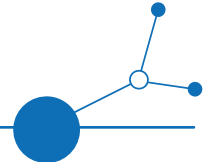




ANNEX 6

Pilot action by the City of Brno



Version 1
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A. Executive summary of the Analysis of the potential for food cooperation in Brno Metropolitan Area

The **Analysis of the potential for food cooperation in Brno Metropolitan Area (BMA)** served as a major part of the pilot action executed by the City of Brno and includes several overlapping themes. An analysis of conceptual documents was prepared as an important starting point for building food cooperation. This is complemented by an overview of the existing food cooperation activities in the BMA. The basic level is capturing agricultural production. The overlapping level is the identification of farmers and actors involved in the distribution of local products. On this basis, an appropriate approach to the future development of food cooperation is conceived. The analysis was created by two external suppliers, GaREP (regional economic consultancy) and Friends of the Earth Czech Republic, from June to September 2024 and quantitative and qualitative approaches were used during its development.

The topic of food cooperation is relatively limited in **strategic and other policy documents**. However, related themes closely linked to food cooperation are widely covered. These include more general references to agriculture, land use, information on crops grown, food production or the presence of farmers. Some strategies, particularly those of the Local Action Groups (LAGs), also make more specific references, e.g. to the presence and organisation of farmers' markets, regional brand certification, and include information on organic farming.

The theme of food cooperation brings many **benefits and advantages for BMA in different thematic areas**, namely local economy, tourism, business and employment, land use, environment, well-being and health of the population or cooperation and relationships. The ten main benefits of addressing the theme of local production, distribution and consumption are thus:

- positively influencing the management of agricultural land (in its territory),
- supporting local food production and food security,
- promoting the protection of natural resources and the environment,
- adaptation to climate change in the landscape,
- protection of biodiversity,
- an effective approach in territorial cooperation and strengthening territorial links,
- support for small farmers and entrepreneurs,
- strengthening local economies and communities,
- improving the quality of life of residents,
- reducing carbon footprint and negative environmental impacts.

In terms of **natural characteristics and conditions for agriculture**, the Brno Metropolitan Area can be divided into two parts - the **more forested and less fertile northwest** and the **relatively flat and more fertile southeast**. The centre of the BMA is the heavily urbanised area of Brno and



its immediate hinterland, where on the one hand there are very limited conditions for agricultural activities, on the other hand there are many consumers and many institutions that deal with the topic or can make a significant contribution to the development of food cooperation.

On the territory of the Brno Metropolitan Area, **agricultural land (52.7%) slightly prevails** over non-agricultural land (47.3%).

- The highest proportions of agricultural land are found in the administrative districts of a municipalities with extended powers Židlochovice (80.0%), Hustopeče (74.2%) and Bučovice (70.3%), all of them are located in the agriculturally intensive south-east part of BMA.
- On the other hand, the lowest shares of agricultural land are located in the administrative districts of municipalities with extended powers Blansko (26.9%) and Brno (32.6%), i.e. in the north and more forested or built-up areas.

Compared to the national average, more cereals, leguminous crops, and vegetables are grown in the **arable area** of the South Moravian Region, while less oilseeds and root crops are grown. In terms of long-term development, the area of leguminous crops and vegetables is increasing in the South Moravian Region, while other crops are rather stagnant. In the case of vegetables, the largest areas were planted with onions, cabbage, tomatoes, and peppers in the long term.

- Cereals are the most commonly grown crop in the BMA, accounting for an average of 68.0% of the land across the BMA. The spread between the administrative districts of a municipalities with extended powers is not large - cereals account for around two thirds everywhere.
- Other more represented crops on land include forage crops, accounting for an average of 14.5% in the BMA. Higher values are shown by the north-western administrative districts of a municipalities with extended powers, with higher ruggedness and less favourable conditions for agriculture.
- Other cultivated crops already occupy less than 5% of the land in the whole BMA. These include mainly leguminous crops with 4.1% and oilseeds with 3.6%.
- The area covered by vegetables in the whole BMA totalled 483.10 ha, representing a share of 0.62% of the land.

The most suitable areas for local vegetable production are in the southern part of the BMA in the floodplains of the Jihlava and Svatka rivers, while the northern and northwestern parts of the BMA with slightly higher rainfall are suitable for potato cultivation. Due to the low proportion of permanent grassland, grazing (extensive) cattle farming is only suitable in the northern part of the BMA, while intensive cattle farming (i.e. mainly dairy cows) and pig farming without grazing can be implemented anywhere in the BMO due to the good conditions for growing fodder cereals and forage crops.

In the case of livestock, the **farming intensity** in the South Moravian Region was higher than the national average only for poultry, while for other species it was slightly lower (pigs, goats, horses) or significantly lower (cattle, sheep). In general, it can be stated that the South Moravian Region has **favourable climatic conditions for crop production**, as it is the only maize agricultural production area in the country. Livestock farming is therefore not given such a prominent place.



- Dairy cows, i.e. milk cows, are kept in the BMA by 18 entities, with 12 holdings having more than 10 head. The total number of dairy cows in the BMA can be estimated at between 4 500 and 5 000 head.
- Beef calves, or beef cattle, are not a typical type of livestock in the BMA. Depending on the amount of aid, the number of calves in BMA can be estimated at between 200 and 300 head. There are approximately 6 entities keeping more than a unit quantity of cattle.
- Sheep and goats are kept in numbers of about 1 000 by less than 30 farmers. The average number of animals per farmer is about 35. No farmer keeps more than 100 head.
- Sows, i.e. pig nurseries, are located at four BMA sites.
- Similarly, there are four chicken farmers (Měnin, Pohořelice, Rostěnice-Zvonovice, Šaratice).
- There is also a tradition of fish farming in the BMA.

The total area and the number of farms in **organic farming** are still increasing, however, the area of 25 619 ha in the organic farming regime in the South Moravian Region in 2022 represented the fourth lowest share among the 14 regions of the Czech Republic in total agricultural land. Organic farming is (at least so far) mainly associated with permanent grassland in the Czech Republic, but in the case of the South Moravian Region, it is the only one in the Czech Republic that is mostly arable land (and in the case of the specific Capital City of Prague).

- The share of arable land in organic farming in the BMA is significantly small at 3.49%.
- Due to the nature of agricultural production in BMA (**dominance of intensive crop production on arable land, predominance of cereals, minimum permanent grassland**), the overall potential for increasing the share of land in organic farming is limited.

A key condition for food cooperation is knowledge of the **most important stakeholders on the supply and demand side in the Brno Metropolitan Area**. The number of economic entities in the field of crop and livestock production and natural persons from among agricultural entrepreneurs has been increasing over the last ten years, although especially in the case of economic entities, the pandemic of the covid-19 disease and the subsequent all-out war in Ukraine (energy crisis and inflation) had a negative impact. Thus, in 2023, 7,347 economic entities in crop and livestock production and 1,452 natural persons from among agricultural entrepreneurs were registered in the BMA. From the spatial point of view, the division of the BMA into the north-western part with less favourable conditions for agriculture and the south-eastern part of the BMA with more favourable conditions for agriculture was again confirmed.

The size structure of agricultural entities according to the area of cultivated land has been changing in the long term, with the number of farmers with a relatively small area of cultivated land decreasing and the number of farmers with a medium and large area of cultivated land increasing; in this respect, an area of agricultural land of 50 ha appears to be borderline.

Data on the size of agricultural entities according to the area of cultivated arable land are not commonly available, so the Single Area Payment Scheme (SAPS) data was used to identify the most significant entities.



- In 2022, around 200 farms with over 50 ha of cultivated land benefited from the area payment in the BMA. Among the largest were ROSTĚNICE, a.s.; BONAGRO, a.s.; Agro MONET, a.s.; Mendel University in Brno and AGRO Ořechov, a.s.
- At the same time, in 2024, there were a total of 84 organic farmers in BMO, the largest of which are EKOFARMA PROBIO s.r.o. and AGREKO-ÚSTÍ, s.r.o.; however, their number is growing significantly every year.

Food cooperation in the BMA is closely linked to short supply chains in the agriculture and food processing industry. Suitable commodities for cooperation are therefore products that can go directly from the producer (farmer) to the customer or that are transformed into a final product by a local processor.

- Thus, **local agricultural products** can be clearly classified as vegetables and fruit, where producers are dispersed throughout the BMA, but there are areas with a higher concentration of agricultural activity (around Brno, Drásov and Ivančice).
- The most common **vegetables** are potatoes and onions, various types of brassicas and root vegetables, while apples are the most common fruit. Within other crop production, one more farm producing mainly cereals and leguminous crops and three farms growing mushrooms were identified in the BMA.
- Within **livestock production**, actors focus mainly on cattle farming, production and processing of milk and dairy products, as well as goat farming and production of goat products. There are also several fish farms in the BMA and poultry farms are no exception. The farms are spread throughout the BMA.

Local food products include mainly fruit processors (jams, bars, marmalades, and other products). A special category are butcheries and sausage shops, which are involved in meat processing and sausage production (usually not direct farmers) and are located mostly in Brno and larger towns.

Smaller local bakeries are evenly distributed throughout the BMA, while there is only a minimum of cereal to flour processors. There are also wine-growing villages on the southern border of the BMA, but most wine growers and subsequently wine producers carry out this activity mainly for their own consumption, family, and friends (typical South Moravian wine-growing villages with many wine entrepreneurs are located south of the BMA).

The primary **method of sales for farmers** is wholesale to a distributor, processor, or retail chain. However, majority of smaller agricultural producers also opt for direct sales to customers.

- The traditional way is to sell from the yard, but more and more often there is also a shop with its own staff and regular opening hours, where the farmer offers not only his own products, but also the products of other farmers. The own shop or yard sale can be complemented by an e-shop, or the seller may only have an e-shop where he offers his products. Self-delivery of purchased products in combination with the above-mentioned options is no exception.
- Farmers' sales methods are mostly related to the size of the farmer and his sales strategy. No territorial dependence or correlation with the nature of the products offered was identified.



The method of sales does not depend on the type of product, but mainly on the size of the entity.

Shops with food products from the region are located mainly in Brno and larger towns, most often offering a diverse mix of farm products from various producers and healthy food, but it can also be from more distant imports.

Markets with local products, usually called farmers' markets, are held in 11 districts of Brno, with the only permanent and largest market being the Zelný trh (Cabbage Market). In other parts of the BMA, local markets are held mainly in the larger towns, with high frequency in Blansko and Tišnov, and frequent markets in Vyškov and Bučovice.

Public catering in the BMA plays a key role in food cooperation, with school canteens and hospital kitchens being important actors. Some school canteens have already joined the 'Really Healthy School' programme and focus on sourcing quality ingredients from local producers. However, there is a lack of coordination on the part of the institutional authorities to promote local production by canteens and dispensaries.

Other important actors in food cooperation are **local coordinators**, i.e. entities from the territory supporting the creation and functioning of networks and promoting regional products (typically Local Action Groups). The LAG Podbrněnsko and the LAG Brána Vysočiny are particularly active in this respect, implementing the projects "Living Region Podbrněnsko" and "Living Region Tišnovsko" on their territory. The essence of both projects is the sustainable management of local resources, linking local suppliers with buyers and the use of local organic food not only in households, but also in school and public catering. On the initiative of the LAG Slavkov Battlefield, the Catalogue of Handicraft Production (a clear compendium of traditional crafts) was created, while the LAG Vyškovsko and all the mentioned above have created a local brand.

An important role is also played by **interest organisations** that defend the interests of selected groups of entities operating in the BMA (typically the Agrarian Chamber of the Czech Republic, the Association of Private Agriculture of the Czech Republic, the Fruit Growers' Union of the Czech Republic, the Vegetable Growers' Union of Bohemia and Moravia). **Non-profit organisations** are also part of the network of actors, their specific visions and know-how can provide expert support on key topics or methodically guide representatives of food cooperation structures. In this respect, we can mention the association Really Healthy School, the Friends of the Earth Czech Republic, the Association of Local Food Initiatives, or the Association of Non-Profit Organisations of the South Moravian Region. **Academic institutions** (especially Mendel University in Brno and Masaryk University) are an integral part of the professional discussion on food cooperation.

Inspiration for the functioning of food cooperation can also be drawn from abroad, especially in Italy, where the concept of the so-called "food district" is well developed.

There is definitely potential for food networks within the BMA. Initially, it is advisable to operate with multiple core networks, which can build on each other, interconnect, but also operate in parallel or in a limited space. In particular, the public catering food network, which can be very well influenced by the public sphere, offers potential. Given the ongoing climate change and its impacts on the BMA, there is also the potential for a network to improve the use of water resources.



A first form of food cooperation in the BMA could be, for example, an **Information and coordination food network in the BMA**. The basic objectives include raising awareness of the topic and the possibilities for cooperation. This network would play a substantial coordinating role. Such a platform seems to be a necessary starting point for a deeper and more comprehensive food cooperation in the future.

B. SWOT analysis of food cooperation in Brno Metropolitan Area

The SWOT analysis is part of the above-mentioned analysis and captures the key drivers of food cooperation. The **internal factors relate to the situation in BMA or are related to the activities of local actors** and are organised as strengths (positives, development factors) and weaknesses (negatives, problems).

External factors (opportunities and threats) are based on an assessment of general and specific influences on food cooperation that BMA actors cannot influence, only react to.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ■ An area with favourable conditions for agriculture and food production. ■ Presence of a large number and diversity of small farmers and livestock breeders. ■ Presence of a large urban market (demand from urban residents, relatively educated and financially secure population). ■ Tradition of holding (farmers') markets in towns, often with regional products. ■ Tradition of gardening and distribution of any surplus produce to family, friends and neighbours. ■ Local patriotism, positive perception of Czech and regional/local food. ■ Positive perception of regional/local food and products as better quality and healthier. ■ Existence of regional brands and other labels for regional/local producers ('regional food', 'KLASA', etc.). 	<ul style="list-style-type: none"> ■ Little food self-sufficiency. ■ Fragmented market for local products both on the producers' and sellers' side. ■ Decline in employment in agriculture and food processing, loss of students and schools in these fields. ■ Low production of local products, insufficient demand from supermarket chains. ■ Ability to supply agricultural products from smaller producers only for part of the year (typically 'in season'). ■ Strong position of large agricultural and food companies (largest average farm size in the EU, dominance of large food holdings). ■ Weak promotion of local producers and opportunities to buy local products and food. ■ Insufficient training opportunities for the development of food networks (farmers, food producers, retailers).



<ul style="list-style-type: none"> ▪ Increasing environmental education in schooling and as lifelong learning. ▪ Existence of many activities at local level. ▪ A range of collaborative activities at local level. 	<ul style="list-style-type: none"> ▪ Lack of a regional or metropolitan food strategy. ▪ Lack of coordination of activities on the topic (local and with a wider impact). ▪ Lack of a regional distribution-supply chain to coordinate the distribution of regional produce to consumers and to the public catering sector.
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OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ New growing technologies (e.g. hydroponic systems). ▪ New varieties more resistant to drought. ▪ Agricultural policy measures, increased subsidy support. ▪ Increasing trend towards healthy eating and healthy living in general. ▪ Increasing support for organic farming and environmentally friendly attitudes in society. ▪ Linking local food producers, local catering establishments, tourism and agro-tourism (organising tastings and degustations, food festivals, etc.). ▪ Locally oriented approach of public administration with catering businesses (purchasing local products and food for school canteens, health and social care facilities, etc.). ▪ Central introduction of the obligation for public institutions to use responsible public procurement from the national level. ▪ Sustainable Purchasing Action Plan under preparation (minimum standards for responsible public procurement in food purchasing, e.g. minimum 5% organic obligation). 	<ul style="list-style-type: none"> ▪ Negative impacts of climate change at regional level (drought and associated water scarcity, extreme weather conditions). ▪ Significant proportion of food sold in supermarkets (multinational supermarket chains). ▪ Price orientation of the Czech consumer. ▪ Increasing imports of cheap food from abroad, with associated low food security (risk of supply disruptions in times of global crises). ▪ Increasing legislative and administrative measures, placing a significant burden on smaller producers. ▪ Shortage of seasonal workers (at harvest time or other exposed times of the year). ▪ Increasing financial instability (rising prices of inputs and costs in general in contrast to low buyer prices). ▪ Risk of greenwashing (i.e. deliberately misleading the consumer about the environmental benefits of a product) by some operators. ▪ Perception of organic farming and regional/local products as a marketing gimmick, ideologisation of the issue



<ul style="list-style-type: none">▪ Ongoing update of the school catering ordinance under the authority of the National Institute of Health, which is likely to require the use of short supply chains by all school canteens from 2025.▪ Increasing digitalisation of regional/local products and food sales (e-shops, online shopping and booking options, use of social networks).▪ Developing community life, increasing numbers of community events and activities.▪ Linking different forms of local food cooperation at (supra)regional level, sharing costs and examples of good practice.	<p>(fight against capitalism, European Green Deal, etc.).</p> <ul style="list-style-type: none">▪ Lack of agricultural land for expansion of existing and start-up producers.
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C. Full Czech version of the Analysis of the potential for food cooperation in Brno Metropolitan Area

Full Czech version of the Analysis of the potential for food cooperation in Brno Metropolitan Area can be found in the separate document to this Annex on the pilot action by the City of Brno.