

EXECUTIVE SUMMARY

1. BASIC INFORMATION

Historically Lithuania is an agricultural country. Even nowadays the agricultural sector performs very important economic, social, environmental and ethno-cultural functions, and is considered to be a priority sector of the national economy.

Total area of the country is 6.53 million ha. Total population – 3.692 million. At the end of 2001 the number of people in the agriculture, fishery and forestry sectors constituted about 17.4% of total employment. GDP per capita in 2001 – 13752 Litas (3929 USD)

Of the 6.530 thousand hectares of total area, utilised agricultural area (UAA) at the beginning of 2001 equalled 3.488,7 thousand hectares, or 53.4 per cent of total country territory. Arable land accounted for 2.932,6 thousand hectares (84.1 per cent of UAA), meadows and natural pastures – 497.1 thousand hectares, or 14.2 per cent of UAA and permanent crops - 59 thousand hectares, or 1.7 per cent of UAA. Forests cover 1998.4 thousand hectares (or 30.6 per cent of total country area), water bodies – 262.1 thousand hectares (or 4.0 per cent of total country area), roads – 131 thousand hectares (or 2.0 per cent of total country area), build-up territories – 187.3 thousand hectares (2.9 per cent of total country area), other land – 462.5 thousand hectares (or 7.1 per cent of total country area). The reclaimed area equalled 3.05 million hectares, 85 per cent of which has been drained.

The composition of soil in Lithuania is far from uniform. 13 per cent of the agricultural land is sandy, over 37 per cent is sandy loam, over 39 per cent of clay loam, 3 per cent of clay, about 8 per cent of peat. The greater part of the Lithuanian territory is lowlands separated by low hills.

1.1 Land reform

The process of land reform and restoration of ownership rights to land started in 1991. The ownership rights have been restored to up to 79 per cent of land area. By the beginning of 2002 the total number of private land owners reached 555.700. Restitution process has not been finished yet. By 2000, there were registered 67 thousand family farms on the Farm Register. The average statistical size of farm is 17.2 hectares. It is expected, that by 2006 the average size of farm will reach 18.2 hectares and by 2010 – 22.0 hectares. The number of corporate type enterprises reduced sharply. By 2001 963 agricultural companies remained active, while in 1995 there were 2611 ones.

Co-operation can be defined as one of the ways that allows small producers to strengthen their position. By the end of 2000 there were involved 12 thousand rural people into the co-operative activities. The total number of agricultural co-operatives makes up to 371. Currently, 130 agro service co-operatives and 110 agriculture co-operatives are registered. However, the vast majority of them have less than 10 shareholders.

With regard to economic issues, both agriculture and the processing industry are characterised by structural imbalances (fragmentation and small units), outdated technology, and lack of capital for investments causing low productivity and thereby lack of competitiveness.

1.2. EU accession

Since the restoration of independence the political and economical orientation of Lithuania has been linked with Europe. The main criterion for EU membership is approximation of the Lithuanian legal framework with EU laws. In the main strategic documents, such as National *Acquis* Adoption Plan and Institution Development Plan, Lithuania has a clear vision of a way it will transpose the Common Agricultural Policy (CAP) elements during the pre-accession period. Lithuania has set itself an ambitious goal to be ready for the EU membership by the 1st of January 2004. Since some harmonisation and implementation of the EU *acquis* concerning agriculture will take longer than until the 1st of January 2004, a few transitional periods and technical adjustments are requested by Lithuania.

In 2000 SAPARD program has started its support to rural development. The annual grant aid provision makes up 29829 thousand EURO, with slight increase of 1.7 per cent every year.

2. RURAL POPULATION

In 2000 the rural population of Lithuania was 1176.8 thousand or 31.8 per cent of the total population whereas the average percentage of the rural population in the EU member states is 17.5 per cent. About half of rural inhabitants consisted of persons of working age, either employed or unemployed. Share of female employment in active population – 41.8 in %. During the last three years, the changes in the labour force in rural areas has not been very great, but there are certain adverse tendencies which give reason for concern: the number of the employed decreases while unemployment is growing.

About 56 per cent of the population employed in agriculture are persons of retirement age. As many as two thirds of the farmers are 60 or over years old, and only 2 per cent of them are under 30. Low standards of living and other unfavourable factors (injuries, occupational diseases) determined rural population's life expectancy: in 1999 rural population's life expectancy was 5 per cent lower than the life expectancy of urban population. Lithuanian rural people are less educated compared to urban population.

According to survey of 2001, per capita average income was 409.5 Litas per month (urban population – 455.4 Litas/month, rural population – 310.9 Litas/month, agricultural population – 249.9 Litas/month).

Note: official exchange rate in 2001 was 1 Euro = 3.45 Litas

3. AGRICULTURAL PRODUCTION

Agricultural share in GDP in 1999 was 8.6%. Share of agriculture in Gross value added – 6.3%.

3.1 Grain crops

The total crop area makes up to about 2.15 million hectares. Grain and fodder crops take up the largest proportions of the total crop area (44.5% and 45.6% accordingly, in 2001).

3.2 Rapes

Rapes are the most suitable oil crop for cultivation in Lithuania. Compared to 2000, area covered by rapes crop reduced to 5 per cent and accounted to 50.7 thousand hectares. It is expected, that by 2010-2015 the rape crops will extend to 210-

230 thousand hectares. It will enable Lithuanian rape producers to deliver 150-200 thousand tonnes to the external markets annually.

3.3 Potatoes

The total potato cultivation area remains stable and makes up to 4.7-4.8 per cent of the total crop area (about 102.2 thousand hectares in 2001). Development of the sector is closely related to the establishment of the specialized farms.

3.4 Flax

Over the last years area covered by flax increased significantly from 8.8 thousand hectares in 1999 to 10.2 thousand hectares in 2001. It is expected, that the total demand of the local textile industry in fibre flax raw material will increase up to 17-18 thousand tonnes in 2010 and 20 thousand tonnes in 2015.

3.5 Vegetables

Lithuania's geographic position and climate are favourable for field vegetable cultivation. Increase in output, that is supposed to reach 500 thousand tonnes in 2004, 632 thousand tonnes in 2010 and 650 thousand tonnes in 2015, is closely related with the aid from EU structural funds.

3.6 Fruits and berries

Average fruit and berries production is 134.0 thousand tonnes per year. The main part (90 %) of fruit and berries is produced by farmers and town dwellers in their small holdings. Specialised agricultural companies have storage capacity able to contain 22 thousand tonnes of fruit and vegetables. Small fruit, berries and mushroom processing enterprises enter the market.

Development of the agricultural sector will help to solve social problems, as it enable establishment of working places in rural area, especially in the regions where natural conditions impose constraints on traditional agriculture. It is supposed, that by 2015 there will be created 10 thousand additional working places in rural area.

3.7 Meat production

Meat sector plays an important role in agricultural production. The total worth of the breeds in 2000 made up to 17.8 per cent of total Lithuania agricultural output. About 17.4 thousand people are involved in the livestock breeding sector, and 3.9 thousand in the meat processing industry. However, productivity is low in comparison with the EU countries.

Traditionally two species of breeds – cattle and pigs - dominate in the herds. At the beginning of 2002 the total number of cows amounted to 441.8 thousand the total number of pigs was 1010.8 thousand. Majority of livestock farms are small in size. At the beginning of 2002 there were 239.363 herd owners, 209.557 of them have 1-5 heads. In 2000 meat production fell down by 15 per cent.

3.8 Milk production

Milk production is one of the main branches of agricultural production. In 2000 1.725 million tonnes of milk have been produced, that made up about 18 per cent of total agricultural output and 41.0 per cent of livestock production. Currently there are 38 milk-processing companies, 17 of which have the EU veterinary number,

and are qualified as exporters of dairy products into the EU countries. The main trade partners are the EU countries, CIS and the USA.

Due to different factors (change in nutrition pattern, decreased purchasing power) the domestic per capita consumption of milk dropped during the last decade.

4. LABOUR EFFICIENCY IN AGRICULTURE

The rather large number of people engaged in agriculture is determined by the low efficiency of labour, partial employment and small farms. A better labour efficiency on larger farms of 50 and over hectares is determined by a better availability of agricultural machinery and equipment. The increase in income is also related to the size of the farm because larger farms can afford to buy agricultural machinery and increase labour efficiency.

5. FOREIGN TRADE

Lithuania, traditionally, is an exporter of food products. During 1994-2000 the share of agricultural and food products in total foreign trade dropped from 16.6 per cent to 10.8 per cent. Its share in the total exports was 11.6 per cent, and its share the total imports made up 10.2 per cent in 2000.

An agreement on economic, commercial and trade cooperation with the EU was signed in 1992, which was followed by a free trade agreement in 1994. Since 1995 free trade agreements have been enforced with all EU member states. In June 1995 the Europe Agreement which granted the status of an associate country for Lithuania was signed. Free trade agreements between Lithuania, Latvia and Estonia were enacted in 1994. Beside the above mentioned free trade partners of Lithuania FTAs have been signed with Poland, Slovakia, Slovenia, Czech Republic, Turkey, Hungary, Ukraine, and EFTA countries.

6. ECONOMIC MEASURES OF MARKET REGULATION

The main economic state regulation measures in agriculture may be divided into two categories. The first comprises price and income support measures. The second covers structural measures as well as measures for the improvement of crop and livestock quality.

6.1 Prices

Price reform may be seen as a several stage process. The first stage resulted in the replacement of a differentiated purchase price system by a uniform agricultural product price system. The last stage in the year 2000 marked the beginning a pre-accession stage, i.e. the stage of adjustment to EU price policy. Intervention and target prices were stipulated.

6.2 Taxes

With the reestablishment of its independence Lithuania changed the whole taxation system, agricultural taxes included, fundamentally.

Pursuant to the Law on Tax Administration agricultural entities shall pay the following taxes: value added tax, excise duty, personal income tax, corporate income tax, land tax, tax on land lease, road tax, and make mandatory health insurance contributions. The amount of tax paid by agricultural entities has been gradually diminishing. The only reason for shrinking amounts of tax paid is a marked drop in production.

7. SOCIAL WELFARE

By the number of employees agriculture takes the first place among the economy of Lithuania. Agriculture remains a main activity among the rural population: the sector employs 54.0 per cent of total rural employment. A large part of food products is produced by rural population on farms themselves. Therefore, rural population's in kind income makes up one third of the total household income per member, and in the case of a farmer – 45 per cent in 2000.

7.1 Rural unemployment

The most important social problem of the countryside is a high unemployment rate. The unemployment rate of rural population rose from 9 per cent in 1999 to 12.8 per cent in 2000. The highest unemployment rate is among young people, the age group under 25.

7.2. Poverty

The highest level of poverty was recorded in the countryside, while the lowest – in biggest cities. In 2001, more than one quarter of all rural inhabitants and every twelfth town dweller were living below relative poverty line. The countryside is still unattractive to local and foreign investors. Investment in rural areas per head was 2.6 times lower than in urban areas.

7.3. Rural infrastructure

Compared to urban areas, Lithuanian rural areas have a lower standard of living in terms of physical infrastructure. Although, at the end of 1997 there were no villages without electricity, wide disparities between rural and urban areas existed in water supply, central heating systems, sewage and telephone networks. Only 43.5% of rural residential units, or one third of rural settlements, have central piped water supply systems. Approximately 700,000 rural inhabitants use drinking water from 300,000 dug wells. The same is true for sewage systems. In total, 733 sewage systems have been installed in rural areas. They serve around one third of rural inhabitants. Poor development of water supply and sewage systems raises major environmental issues.

To conclude, poor water supply and sewage systems represent a major threat to rural environment. Besides, existing disparities in infrastructure between rural and urban areas and poorer quality of life may lead to migration from rural to urban areas. These trends would have a negative impact on rural development and threaten the sustainability of rural communities.

8. WATER

Geographical location of Lithuania is favorable with respect to surface and groundwater resources. There are 29,000 rivers with total length of 64 000 km but only 18 rivers are longer than 100 km. The Nemunas River basin occupies 74 % of the territory of the country (with also 74 % of total population). Number of lakes larger than 0.5 ha comprises 2850 with total area of 908 km². Rainfall during the average year amounts to 748 mm. Renewable water resources of Lithuania reach 15.4 km³, beside that 10.8 km³ of water are transit flows from Byelorussia, Poland and Russia. Surface water availability is 7.043 m³/cap/y. In 2000 total amount of 3 578 million m³ of water was withdrawn for power production, industrial and domestic purposes. 93 percent or 3290 million m³ was used for energy production (mainly for cooling of Ignalina Nuclear Power Plant). 242 million m³ was used for industry, household, agriculture and fisheries. Industry consumed 21.5%, household use was 44.2%, agricultural sector – 0.7% and fisheries 33.1% of total water volume.

Lithuania is probably the only country in Europe using exclusively groundwater resources for potable water supply. The supply of drinking water is provided by the municipalities, which are in most cases the owners of the water supply companies. Municipalities are also responsible for the extraction, delivery, treatment and monitoring of drinking water, and for the provision of information on drinking water quality to the public. There are approximately 1.330 individual supplies of drinking water exceeding 10 m³/day or serving more than 50 persons, and 80 larger drinking water supplies extracting over 1.000 m³/day or serving more than 5.000 persons.

3 525 million m³ of waste water was discharged into surface water bodies in 2000. Energy sector is responsible for the largest amount of discharged water (Ignalina NPP and Kruonis Hydro-accumulation PP). 168 million m³ of waste water needed purification before discharging into surface water bodies. 80% of waste water was treated in biological treatment plants, 18% of waste water was only mechanically treated and 2% was discharged without purification. In 2000 about 86% of discharged waste water in Lithuania has failed to satisfy the EU environmental requirements.

9. ENVIRONMENTAL ISSUES

Lithuanian agriculture occupies over 53% of the land area of the country and its impact on the environment is big. The major environmental issues related to agriculture are soil erosion, pollution of surface water and groundwater, as well as use of fertilisers and pesticides.

9.1 Surface and groundwater pollution

Pollution of surface water and groundwater is of primary concern. Groundwater is the main source of drinking water in Lithuania. Drinking water supply faces serious problems, particularly in rural areas and on the outskirts of cities, where piped water supply is less common. National groundwater quality is monitored, as well as for well-water quality: in 1996 it was estimated that 60 per cent of dug wells did not meet hygiene standards, and 37.5% were polluted by nitrates.

Severe pollution of surface and groundwater by nutrients from large-scale pig and poultry breeding units and livestock production is common and problematic in rural areas. Major environmental problem results from 24 large pig-breeding complexes, each producing between 12,000 and 54,000 pigs per year (in 1997, 520,000 pigs were raised), and 5 large poultry farms. The problems result primarily

from inadequate waste storage facilities and poor application of waste treatment technology.

In recent years, due to a decline in industry, point-source pollution has decreased, while non-point source pollution, which mostly results from agriculture, was increasing until 1995, and only in last couple of years started to decrease.

The pollution of soil because of recent agricultural practice does not exceed permissible marginal concentrations. Although individual rare cases of higher pollution with fertilisers, pesticides or other chemical materials might be encountered. Fertilisation of fields in the European Union is 1.5 times more intensive than in Lithuania. For comparison, in the EU the average figure for 1998 was 126 kg/ha of fertiliser active material while in Lithuania is was 99 kg/ha.

9.2 Fertilizers and pesticides

Use of fertilisers and pesticides is one of the most important sources of soil contamination with heavy metals. On average, fertiliser application fell to 99 kg per ha in 1997. In 1991, 196 kg of fertiliser was applied per ha. Before the agricultural reform, average pesticide use stood at some 2.0 kg per ha. Recently, average use remained below 0.5 kg per ha. Generally, the economic recession and financial difficulties of farmers explain this reduction. Though fertiliser application fell, accumulative effects may represent potential environmental danger.

9.3 Drainage and irrigation

Drainage and irrigation systems affect the natural environment. The total drainage area is estimated at 3 million hectares, of which 2.6 million have a functioning drainage system. Irrigation systems cover almost 8,000 ha of farmland. Restructuring of agriculture made some irrigation systems redundant, and they are abandoned. About 60 per cent of irrigation systems continue to function

Most land reclamation works in Lithuania were carried out during 1966-1990. In separate years, 120 - 140 hectares of land per year was drained. This created very good conditions for intensifying agricultural production and improving the social conditions of people. On the other hand it brought environmental damage.

Abandoned lands in Lithuania have become an ordinary phenomenon. Coastal and moraine plain areas becoming long-fallow lands can have a negative effect on bio-diversity there since this area is quickly grown by deciduous bushes and low-value wood. For the protection of bio-diversity extensive farming is preferable in such areas, and the least productive and suitable lands should not be used for agricultural purposes.

9.4 Impact of agriculture on biodiversity

During the Soviet period, biological diversity was most adversely affected by land drainage, which resulted in the drying out of natural meadows and wetlands, small rivers were canalised, river valleys were damaged, small plantations in fields and single farmsteads were removed. During the last 30 years, 70 % of the wetland have been lost. Vast areas of wetlands suffer from eutrophication, which has adverse effects on vegetation.

Most often intensive farming has a negative impact on biodiversity, although in recent years the opposite process is also taking place in Lithuania. The agricultural crisis speeded-up the degradation of meadow and other "open" habitats. With decreased agriculture and increased fuel prices, use of meadows and pastures has

significantly decreased. The less favoured, most often wet areas that were at further from farms were abandoned, and these areas were the most valuable ones from the biodiversity point of view. In such wet areas that were mowed and grazed, rare species of waders and other meadow birds that are protected in Lithuania and the EU were breeding. Currently succession processes are taking place in those abandoned areas, and the open areas are becoming overgrown with bushes and tall grasses. Such conditions lead to local losses of these habitats, and thus of the rare bird populations.

9.5 Organic farming

Lithuania's integration into the EU implies a challenge to produce only competitive agricultural products. All necessary preconditions for the production of organic products exist in Lithuania: a favourable ecological situation, state support, expanding local and foreign market of organic products, national and international recognition of the certification enterprise 'Ekoagros' – all that results in possibilities to export organic products.

The number of organic farms is constantly increasing. In 1993, the first organic farmers were certified. In 2001, 230 organic farms and 19 processing and trade enterprises were certified. The area of certified organic farms is 0.18 per cent of the total area of agricultural land in Lithuania. An average size of the organic farm is 20 ha. The major part of certified lands is meadows - 50 per cent and cereals - 40 per cent, 10 per cent of the area is used for vegetables, leguminous, potatoes, berry plantations, orchards, etc. As a rule, organic and conventional farms are mixed, i.e. they produce different products: grain, potatoes, livestock products, fodder, etc. Only a few farms are specialised in producing of vegetables, fruit, berries, mushrooms, or herbs.

As for livestock production, the major organic product is milk (90 per cent). However, milk as well as beef and poultry are sold as ordinary products, without the mark of organic certification. There is no processing plant producing livestock organic products.

Organic products are in greater demand in Lithuania now, however, the network of distribution channels of organic products has not been developed yet. A survey results show that only 45 per cent of certified organic products were sold as organic ones with a 20-40 per cent surcharge.

The number of organic farms increases by 20-30 per cent annually. If the certification of land follows the same pattern, in 2006 this area will comprise 0.5 per cent of the total agricultural land, while the goal is to have 1 per cent of the total agricultural land area turned into organic farms before 2006.

10. ENVIRONMENTAL PROTECTION IN AGRICULTURE

Taking into account the diversity of natural resources of Lithuania, the following ecologically sensitive territories are identified:

- *Particularly sensitive, very sensitive and sensitive territories.* Their area amounts to about 1934 thousand ha.
- *Protection zones of water bodies* cover the area of 195 thousand hectares
- *Karst region of Northern Lithuania* is an area of 193.5 thousand hectares.
- *The Nemunas River water-meadow region* – 52.4 thousand ha.

- *Ecological protected territories.* There are 1062 protected territories in the country (773903 hectares or 11.9% of the national territory): 5 state strict reserves (24004 ha), including 4 natural and 1 cultural reserves, 5 national parks (152294 ha), 30 regional parks (436000 ha), 258 state nature reserves (150299 ha), 101 municipality nature reserves (11186 ha), and 662 protected items of a natural landscape.

In 2000, an operational concept of national ecological networks (NECONET) in Lithuania, was created, as well as its implementation strategy that conform to European standards. The implementation of ecological network is necessary for ecologically balanced development of the region and for implementation of the principles of sustainable development, maintenance of landscapes and biodiversity, as well as implementation of the EU Habitat and Bird Directives (Natura 2000 areas), Agri-Environmental programmes, as a process of the EU accession, and also Biodiversity and Bern Convention (EMERALD network). The general structure of ecological network - core areas, corridors, buffer zones and stepping stones - is accepted in the country. Development of the national ecological network provides Lithuania a tool for setting priorities in biodiversity protection and will start integration of general and cross-sectoral policies, applying concepts of European and Regional Ecological Networks.

11. NATURA 2000

Since the beginning of 1999, the first steps in the implementation of Natura 2000 in Lithuania has been the responsibility of an EU approximation project supported by the Danish governmental funding agency DANCEE in co-operation with the Lithuanian Ministry of Environment. On the basis of thorough scientific work including field investigations as well as literature studies, a list of proposed Natura 2000 sites which are suitable for the protection of the species and habitats covered by the Habitats and Birds directives was produced. The guidelines and criteria for the selection of Natura 2000 protected areas were created as well.

Altogether, more than 317 separate sites are now included on the list of Natura 2000 sites proposed by scientists and technical experts. Preliminary, these territories occupy an area of 919 253 hectares that make 13.8% of the Lithuania's territory. Out of total number of proposed 317 sites, 84 are SPAs (286 430 ha), while 277 – SACs (632 816 ha).

Existing protected areas in Lithuania cover almost 12% of the country. Almost two thirds of potential NATURA 2000 sites are located in the existing network of protected areas. The remaining part should be designated after the list of Natura 2000 sites will be approved in 2002.

Due to the complexity of Natura 2000 and its interaction with agriculture and forestry, it is necessary to involve several ministries in finding the best solutions for the implementation of the Natura 2000 network. Such co-operation is being facilitated by organising round-table discussions and informal meetings involving staff from the Ministry of Environment as well as staff from the Ministry of Agriculture, including the Department of Forestry.

12. GENETICALLY MODIFIED ORGANISMS (GMOS)

GMOs and GMPs in Lithuania are considered as the new phenomenon - the product of the last decade of XXth century – first years of XXIst century. In order to

co-ordinate the national efforts in the field of management of GMOs and GMPs, a GMO division in the Nature Protection Department of the Ministry of Environment was established and a Consultative Committee on GMO management.

There are several other governmental institutions, which are obliged to work closely with the Ministry of Environment on this issues, namely: Ministry of Health, Ministry of Agriculture, State Food and Veterinary Service, Customs Department and several others.

It is a need to establish the framework of an administrative system for competent and effective decision-making process on notifications and requests related to GMOs, including the establishment of the administrative systems and develop the overall integrated National Biological Safety Framework in Lithuania.

13. POSITIVE IMPACT OF NITRATE DIRECTIVE ON ENVIRONMENT

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The Nitrates Directive has the objectives of reducing water pollution caused or induced by nitrates used in agriculture and preventing such pollution.

According to investigations of the Ministry of Health together with Geological Survey water quality in one third of dug wells (total number was 5775) throughout the territory of Lithuania concentration of nitrates is higher than the allowable standard 50 mg/l. The polluted wells are scattered evenly throughout the whole territory of the country. Most of them are located close to dwelling houses, barns, toilets, heavily fertilised orchards and gardens. Main reason of pollution of the well water with nitrates is inadequate distances from the barns, dunghills and toilets. The concentration of nitrates in the wells in the countryside is up to 100 times higher than in open agricultural fields.

The eutrophication of the Curonian Lagoon is very high and is constantly increasing. During 16 years of monitoring, clear increase of abundance of phytoplankton is observed. Due to these reasons, in the negotiation with the EU Lithuania has committed itself to prepare a Programme for protection of waters from pollution with nitrogen compounds from agricultural sources till 2003 and to start its implementation in the whole territory of the country from the date of accession.

13.1 CGAP

Code of Good Agricultural Practice (CGAP) for Lithuania was prepared and submitted to the Commission in 2000. It summarises existing national legislation that regulates protection form nitrate pollution in agriculture and EU requirements that will need to be transposed into national legislation.

In 2002, a working group should be established at the Ministry of Agriculture that will be responsible for the preparation of the Programme for protection of waters from pollution with nitrogen compounds from agricultural sources.

14. INSTITUTIONS

The institutional system consists of the following agricultural and environmental organizations:

- Ministry of Agriculture (MoA).
- Rural Development Department on a County scale,
- Agricultural Division on a District scale, and Units of Agricultural Advisory Service together with other non-governmental organizations are implementing the policy on the local level;

- Agencies for Regional Development are responsible for the common supervision of the Regional policy implementation. In its turn, it is the Ministry of Management Reforms and Municipality Affairs that is responsible for the coordination of the above institutions.

A public authority – the State Food and Veterinary Service carries out the functions of public administration related to animal health and well-being, veterinary control of the production and handling of animal products, veterinary control of the production and trade of veterinary preparations, veterinary control at the border, livestock identification and registration, and approximation of national veterinary legislation with the *acquis*.

The main water institutions are municipalities and regional departments of the Ministry of Environment. Municipalities are the owners of water supply and sewerage companies. Regional departments of the Ministry of Environment issue permits for water used and wastewater discharge.

Water users can unite to associations according to the established order by other laws. Enterprises of water supply are united into the Lithuanian Association of Water Suppliers.

The administration and management of land reclamation works were the duties of state land reclamation services. The two level land reclamation offices had been established for this purpose. The ownership and administration rights had been delegated to the county administrations. The organisation of maintenance, reparation, rehabilitation and construction of land reclamation structures are within the responsibility of district land reclamation offices, which are in some counties actually merged to the agricultural offices. To formulate the policy, and together with other interested parties to co-ordinate its implementation is under responsibility of Ministry of Agriculture.

In the field of self-government and education of private farmers and other land users the non-governmental organisations play a significant role. Currently there are over 70 different NGOs and producer associations in Lithuania. The most significant of them are the Lithuanian Agricultural Chamber and the Lithuanian Agricultural Advisory Service (LAAS). The Agricultural Chamber joins the multiple associations in different professional fields as well as Associations of agricultural land users that have been established on the territorial basis. The LAAS has local advisory offices in all 44 districts. Its task is to give consultations/recommendations to the farmers as well to develop and to organise advisory and training programmes.