

## Commentary

Estimated economic result of Czech agriculture for 2019 achieved a profit of CZK 17.5 billion. Compared to the previous year it increased by 11.9%. The level of entrepreneurial income in 2019 had reached the fourth highest value since 2011.

According to preliminary results of 2019, the output of the agricultural industry at basic current prices reached CZK 140 254.0 million, of which crop output accounted for CZK 79 217.7 million, animal output for CZK 52 813.2 million, agricultural services output for CZK 3 723.5 million and inseparable non-agricultural secondary activities for CZK 4 499.7 million.

The crop output value went up by 4.6% year-on-year. Most cereals (with the exception of oats) recorded an increase in harvest, with the highest for rye (+31.1%). The harvest was also higher for hops (+39.4%), fodder maize (+23.3%), vegetables (+13.7%) and potatoes (+6.7%), but significantly lower for wine (-34.5%), fruits (-31.4%), rape (-18.0%) and protein crops (-6.7%).

Compared to the previous year, prices of all cereals decreased, the most in case of grain maize (-9.8%), wheat (-9.4%) and rye (-6.4%). The prices of sugar beet (-18.4%), wine (-12.0%), hops (-5.8%) and protein crops (-1.8%) also fell down. On the contrary, prices of potatoes (+32.2%), fresh vegetables (+13.2%) and fruit (+6.1%) increased, except for apples and pears.

Compared to 2018, the animal output rose by 2.2%. All commodities except cattle, eggs and other animal products showed higher year-on-year output index. Cattle production decreased by 3.5% in 2019, while the price fell by 4.2%. Production of eggs increased, but the price fell by 6.5%. Pig production decreased by 5.1% but price went up significantly by 17.7%. Milk production similarly went slightly down (-0.2%) but the price increased (+2.7%).

The share of crop output prevailed (56.5%) over animal output (37.7%) in the agricultural industry output at basic current prices in 2019. Agricultural work carried out by contractors, i.e. the agricultural services output accounted for 2.7% and inseparable non-agricultural secondary activities, covering also a renewable energy production, for 3.2%.

Cereals (39.2%), industrial crops (22.5%) and forage plants (19.2%) shared the largest proportions in the crop output, whereas milk (51.4%), pigs (16.8%) and cattle (13.4%) dominated in the animal output.

The production value includes subsidies for hops, potatoes, cattle, sheep and goats and milk. The total volume of subsidies on products decreased by 11.5% year-on-year, with the most significant drop recorded for milk subsidies (-19.0%) and subsidies for potatoes for starch production (-10.9%).

The intermediate consumption increased by 3.2% y-o-y. Its share in the agricultural sector production (excluding subsidies on products) was 68.9%. Intermediate consumption comprised mainly of feed (35.5%) and of energy and lubricant consumption (15.4%). Gross value added amounted to CZK 44.9 billion, which represents a year-on-year increase of 3.7%.

At constant prices of 2000, the agricultural output reached CZK 108 214.1 million CZK in 2019; it increased by 1.5% in comparison with 2018. The value of crop output went up by 4.0% to CZK 55 992.0 million, y-o-y. The value of animal output decreased by 0.9% to CZK 46 982.1 million, y-o-y. The output value at constant prices is directly influenced by the volume of production.

The estimated volume of other production subsidies paid in 2019 amounted to CZK 34 678.6 million, i.e. a year-on-year increase of 5.3%. In this volume the Single Area Payment (SAPS) accounted for CZK 11 865.7 million and the Greening Grant CZK 6 530.0 million.

Compared to 2018, the compensation of employees increased (+4.3%), while the estimated number of full-time equivalent workers remained unchanged, y-o-y.