

Commentary

Entrepreneurial income expressed at basic current prices decreased by 2.9% in 2022 compared to 2021, from CZK 26,335.9 million to CZK 25,582.7 million. Compared to the preliminary results published in March 2023, there was a decline in entrepreneurial income by 8.4%. The preliminary results were calculated based on data available in March 2023. These preliminary results were further refined, especially for input and output prices. While in 2021 the rate of growth of agricultural production was higher than the rate of growth of costs, in 2022 the rates were balanced, the deterioration of cost profitability was mainly influenced by higher prices of fertilizers and energy.

The output of cereals and industrial crops, which is calculated taking into account the stocks and exercise prices during the marketing year, had a significant influence on the economic result in the years 2021 and 2022, in contrast to other commodities, for which the prices and stocks of the calendar year enter the calculation. Due to the war in Ukraine, the prices of cereals and oilseeds rose sharply in the second quarter of 2022, which was also reflected in the increase in the economic result of the agricultural sector for 2021. On the contrary, the fall in the prices of these commodities in the first and even more in the second quarter of 2023 (with the simultaneous increase in stocks from the 2022 harvest towards the end of the marketing year), affected the economic result of 2022 both in comparison with the year 2021 and with the preliminary results of 2022.

The output of the agricultural industry (OAI) at current basic prices (2020) reached CZK 191,857.0 million in 2022. It represents the increase of 14.7% compared to 2021, when the OAI was CZK 167,198.3 million. This increase was influenced by the rise of animal output by 23.1% and crop output by 10.0%.

The output increased for almost all cereals except grain maize. For wheat, it grew by 21.9%, for rye by 39.0% and for barley by 40.7%, but for grain maize it fell by 17.8%. Industrial crops went up in value by 5.2%, of which the largest increase was recorded for protein crops (+36.1%), soya (+24.5%), rape (+14.6%) and sunflower (+7, 2%). On the contrary, the output of sugar beet (-10.9%) and hops (-38.9%) decreased. There was also an increase in the output recorded for potatoes (+17.1%), but a decrease for fruits (- 1.2%). The output of vegetables and wine production remained almost unchanged.

The increase in the output of crop production was mainly caused by an increase in prices used in the EAA calculations. There was a year-on-year increase in cereal prices, in particular for rye (+38.8%), barley (+29.4%), grain maize (+21.7%) and wheat (+18.0%). Prices also went up for industrial crops, especially protein crops (+20.3%), hops (+13.4%) and rape (+6.8%). The price of sugar beet remained almost unchanged and the price of sunflower decreased slightly (-3.8%). The price of vegetables rose (+11.6%) and the price of fruits went down (- 13.0%). There was also a price rise recorded for potatoes (+21.0%). On the contrary, a decrease in prices was observed for wine (-2.5%) and prices of fodder crops were almost unchanged.

Harvests of most types of crop commodities decreased year-on-year, cereals by 0.1%, industrial crops by 6.8%, fodder crops by 11.1%, vegetables by 10.5% and potatoes by 2.5%. Only fruits (+14.6%) and wine (+1.9%) harvests were higher.

The output of animal production rose across its spectrum. Production of cattle increased by 29.0%, of pigs by 17.8% and of poultry by 21.0%, the milk production (+24.7%) and the production of eggs (+13.0%) also rose.

An increase in the output of animal production was driven by a rise in prices; in case of cattle by 29.1%, while the production was up just 3.3%. The price for pigs grew by 25.2%, while their production decreased (-5.9%). For poultry a higher price index was also recorded (+20.4%), while production was almost unchanged. The price of milk increased year-on-year by 25.4% and eggs by 28.2%. Milk production remained almost unchanged and egg production fell by 11.9%.

The Production includes subsidies for hops, potatoes, cattle and milk. In total, product subsidies decreased by 5.8% in 2022.

When the production of the agricultural sector is evaluated at constant basic prices of 2000, then OAI decreased in 2022 compared to 2021 by 2.3%. Crop production was lower by 3.5% and animal production by 1.0%.

Crop production accounted for 62.0% of OAI in 2021, in 2022 it was 59.5% at basic current prices. Cereals (44.2% in 2021 and 48.5% in 2022) and industrial crops (23.6% in 2021 and 22.5% in 2022) contributed most significantly to the crop production.

Animal production reached in 2021 32.1% of OAI at basic current prices, in 2022 it was 34.4%. Milk production (54.8% in 2021 and 55.6% in 2022), pigs for slaughter (14.1% in 2021 and 13.5% in 2022) and cattle for slaughter (12.6% in 2021 and 13.2% in 2022) were the most important contributors to the animal production.

The agricultural work supplied to other units, i.e. the agricultural services output, accounted for 2.6% of the total OAI in 2021 and increased to 3.0% in 2022. Non-agricultural inseparable secondary activities contributed to the OAI with 3.3% in 2021 and 3.1% in 2022.

The share of the intermediate consumption in the OAI was 64.5% in 2021 and 66.6% in 2022. The most important items of intermediate consumption were the consumption of feedingstuffs (35.4% in 2021 and 34.3% in 2022) and energy and lubricant consumption (15.8% in 2021 and 16.5% in 2022). Intermediate consumption grew by 18.6% year-on-year.

Gross value added at basic current prices in 2021 amounted to CZK 59,408.0 million. In 2022, it grew by 7.8% to CZK 64,046.7 million. After deducting the fixed capital consumption, the result is a net value added at basic current prices, which reached in 2021 CZK 36,520.1 million. In 2022, it increased by 6.3% to CZK 38,818.8 million.

The factor income in 2021 amounted to CZK 71,395.2 million. In 2022, it rose by 2.7% to CZK 73,341.4 million. The compensation of employees in 2021 reached CZK 34,677.6 million; in 2022, it grew by 6.0% to CZK 36,758.3 million.

The gross fixed capital formation in 2022 increased y-o-y by 8.7% from CZK 26,814.4 million to CZK 29,160.1 million.

In 2022, the factor income in agriculture per total annual work unit (per 1 AWU), expressed by indicator A, went down by 4.5% compared to 2021. The deflator (the implicit price index of the GDP at market prices) in 2022 accounted for 108.5. Indicator B, which measures trends in the real net entrepreneurial income per non-salaried AWU, was by 1.1% lower. Net entrepreneurial income, expressed by indicator C, dropped by 10.5% in real terms in 2022.