

## **Commentary**

*The output of the agriculture industry (OAI) in the year 2008 valued at the current basic prices was 119 776,1 mil. CZK. OAI in the year 2009 decreased sharply by 18,4 % to 97 682,7 mil. CZK. The crop output dropped by 18,3 %, the animal output was lower by 19 %. Cut price of cereals, industrial crops, milk and pigs was the main cause of this change.*

*If we compare the agricultural output measured at current constant prices of the year 2000 then OAI decreased by 4,1 % from the year 2008 to 2009, the crop output came down by 2,6 % and the animal output by 5,6 %.*

*The crop output shared OAI by 52,2 % in the year 2008 (valued at current basic prices). In the year 2009 it shared OAI by 52,3 %, where cereals (42,3 % in the year 2008 and 36,8 % in the year 2009) and industrial crops (26,3 % in the year 2008 and 26,5 % in the year 2009) had a major proportion in the crop output. Substantial decrease in output of grapes was by 30,6 % in the year 2009 due to big fall of harvest volume.*

*The animal output shared the OAI by 43,8 % in the year 2008 and by 43,2 % in the year 2009. The milk production (43,7 % in the year 2008 and 38,2 % in the year 2009) and breeding of pigs for slaughter (22,6 % in the year 2008 and 23,4 % in the year 2009) represented the most important part of the animal output. The rest of the total OAI is made up by the agricultural work supplied to the other unit, that is the agricultural services output (2,2 % in the year 2008 and 2,7 % in the year 2009) and non-agricultural secondary activities (inseparable); 1,8 % in both followed years.*

*The intermediate consumption (IC) at market prices shared OAI by 74,2 % in the year 2008 and by 80,6 % in the year 2009. The intermediate consumption of feedingstuffs represented the biggest part of it, which was 39,9 % in the year 2008 and 37,0 % in the year 2009. The IC went down by 11,4 % within one year.*

*The gross value added at basic prices (GVA) in the year 2008 was 30 868,6 mil. CZK. GVA in the year 2009 decreased by 38,8 % to 18 904,0 mil. CZK. After deduction of the fixed capital consumption (FCC) we get the net value added at basic prices (NVA). NVA amounted to 16 258,5 mil. CZK in the year 2008 and within one year it decreased by 74,2 % to 4 200,0 mil. CZK.*

*The factor income at basic prices was 40 642,4 mil. CZK in the year 2008 and it went down by 22,3 % within one year, therefore it amounted in the year 2009 to 41 593,0 mil. CZK. The compensation of employees in the year 2008 was 26 056,2 mil. CZK. It came down in the year 2009 by 5,5 % to 24 635,9 mil. CZK because of decrease in number of workers.*

*Gross fixed capital formation was in the year 2008 17 112,2 mil. CZK and decreased by 31,6 % in the year 2009 to 11 701,2 mil. CZK. All items have been decreased, the biggest fall was in materials (-43,5 %).*

*Income from agricultural activity per full-time labour equivalent (1 AWU), as it is measured by Indicator A, decreased by 17,9 % in 2009. The deflator (the implicit price index of GDP at market prices) was 98,3 % in the year 2009.*

*The main reason for this decrease was a fall in the volume of crop and animal output in the year 2009.*

*Cereals are the most important product of the Czech agriculture, its share in output was 22,1 % in the year 2009. There was a decrease in the output at basic prices of this crop by 27,8 %, the cereal volume decreased by 7,3 %, the real price was lower by 22,1 %. The volume of oilseeds was higher by 6,7 %, real price went down sharply by 25,5 % and the output at basic prices was lower by 20,5 %. In the crop output as a whole in 2009, the real price was lower by 15,0 % than in 2008 and the crop output at basic prices decreased by 16,9 %.*

*The output at producer prices and real price of cattle in the year 2009 were at the same level as in the previous year. Pig production is the second most important product of the animal output. The real price has not been changed, volume and output at producer and basic prices went down by 15,2 %. Output of poultry at producer and basic prices went down by 13,3 % as a result of decrease of real price (-7,3 %) and of volume (-6,5 %).*

*Milk production has a substantial share in the agriculture of the Czech Republic. Sharply decreased the output at producer and basic prices (-28,3 %). The main reason of this change was the fall of the real price by 28,0 %. Volume in the year 2009 was under the level of the previous year by 0,4 %.*

*Animal output at basic prices decreased by 18,0 %.*

*The volume of the agricultural industry went down by 3,6 and the output at basic prices was by 17,1 % lower than in 2008.*

*The overall value of intermediate consumption costs was lower (-9,9 % real terms) than in the previous year due to a decrease in majority items. On the back of the overall developments of output and input, agricultural gross value added at basic prices in the Czech Republic decreased by 37,7 % in 2009.*

*During the interannual rise in real value of fixed capital consumption by 2,4 % net value added decreased at a rate of 73,7 %. By increase of other taxes on production (+7,9 % in real terms) and in spite of increase in other subsidies on production (+14,0 %), the decreasing rate of real agricultural factor income, the basis of income Indicator A, was limited to 20,9 %. The volume of agricultural labour input have been reduced in 2009 by 3,7 %.*

*For the agriculture of the Czech Republic, expenditure on compensation for employees is the important item. It shared the factor income by 64,1 % in the year 2008 and by 78,0 % in the year 2009. In the year 2009 compensation of employees was by 3,8 % (in real value) lower than in 2008, and net operating surplus showed decrease by 51,5 %. The net entrepreneurial income, expressed by Indicator C, dropped in the year 2009 by 74,1 % in a real value. Indicator B, which measures trends in real net entrepreneurial income in relation to trends in unpaid labour input, went down by 73,7 % in 2009.*