

## **Commentary**

Estimated economic results of Czech agriculture for the year 2015 represents a profit in amount 16.9 bill. CZK. Compared to the last year it decreased by 27.3 %.

According to preliminary results for 2015 the output of the agricultural industry at basic current prices reached 127 048.7 million CZK, of which 75 149.7 million CZK for crop output, 46 008.6 million CZK for animal output, 3 258.6 million CZK for agricultural services output, and 2 631.8 million CZK for inseparable non-agricultural secondary activities.

The crop output declined by 5.4 %, y-o-y, due to lower harvest of major commodities. Prolonged drought caused lower harvest of cereals which was by 6.3 % lower than in previous year (grain maize fell by 46.8 %, oil seeds by 17.6 %, forage plants by 21.5 %, potatoes by 27.6 %, sugar beet by 16.0 %). Output of cereals decreased by 2.4 % (of which grain maize of 34.0 %), of forage plants by 19.8 %, of potatoes by 20.0 % and of sugar beet by 16.0 %. Output of oil seeds decreased by 4.5 % due to lower harvest (according to preliminary year was lower as sowing area so yield per hectare, cost prices increased).

The animal output decreased even by 10.7 % compared to 2014. The production of cattle, poultry and milk increased, on the other hand prices (except of cattle, sheep and goats and milk) decreased. Significantly decreased the price index for pigs (-12.9 %), for milk (-17.2 %) gently for poultry (-1.5 %).

On the other side, there was an decrease in values of intermediate consumption (5.9 %), The intermediate consumption was constituted mainly by animal feedingstuffs (35.6 %) and energy and lubricants consumption (15.8 %). Its share in the output of the agricultural industry was 70.7 %.

In the output of the agricultural industry at basic current prices in 2015 the share of crop output prevailed (59.2 %) over animal output (36.2 %). The crop output included mainly cereals (44.1 %) and industrial crops (27.0 %); milk production (48.5 %) and raising of pigs for slaughter (18.0 %) dominated in the animal output.

The agricultural output at constant prices of 2000 reached 105 567.0 million CZK in 2015; it decreased by 6.3 % in comparison with 2014. For the crop output a decrease by 12.3% to 56 332.4 million CZK was recorded. The value of animal output grew by 1.7 % to 45 565.5 million CZK, y-o-y. The value of output at constant prices is directly influenced by the volume of production.

Abovementioned changes have had an impact on the decrease of net value added (-16.6 %).

Estimated volume of the subsidies paid amounted to 31 263.5 mil. CZK, the annual decline was 5.2 %. Compared to last year there was a decline in the single area payment (SAPS). Another direct payments were postponed to the beginning of the year 2016.

Compared to last year the compensation of employees slightly increased (+0.2 %) despite decrease in number of workers (-0.1 %).

Factor income from agriculture activity per full-time labour equivalent (1 AWU) as it is measured by Indicator A decreased by 10.5 % in 2015. The deflator (the implicit price index of GDP at market prices), Eurostat's estimate of the expert's recommendations for 2015 was 100.67 %.