

Commentary

Estimated economic results of Czech agriculture for the year 2016 represents a profit in amount 20.2 bill. CZK. Compared to the last year it increased by 25.9 %. After a record level of CZK 23.4 billion in 2014, the estimated amount of entrepreneurial income for 2016 ranks second.

According to preliminary results for 2016 the output of the agricultural industry at basic current prices reached 129 265.7 million CZK, of which 77 338.1 million CZK for crop output, 46 332.1 million CZK for animal output, 3 004.1 million CZK for agricultural services output, and 2 591.5 million CZK for inseparable non-agricultural secondary activities.

Thanks to good weather conditions the crop output increased by 3.5 % y-o-y. Prolonged drought in the year 2015 caused low yields per hectare of grain maize and fodder maize, of sugar beet, potatoes and forage plants. In 2016, on the contrary, harvesting of these commodities increased. Output of grain maize was higher by 59.1 %, forage plants by 27.3 % - including fodder maize even 52.8 %, potatoes by 28.7 % and sugar beet by 22.8 %. The high increase in the output of other industrial plants by 43.9 % was due to high harvest hops (up 59.2 %). The annual drop in output, mainly due to lower harvest occurred in protein crops (-13.1 %), fruits (-18.1 %) and grapes (-9.8 %).

The animal output decreased slightly (-0.2 %). The production of cattle, pigs, sheep and goats increased, but with the exception of pigs decreased with each product price index. The highest decreases were recorded for milk (-14.7 %) and eggs (-11.3 %). Delays in payment of subsidies to farmers in 2015 and move to 2016 is due to the increase in production of cattle, sheep and goats, milk production is nevertheless still in a slump.

On the other side, there was an decrease in values of intermediate consumption (-3.2 %), the main reason was a decline in prices of other fuels and propellants, electricity, fertilizers and feedinfstuffs. The intermediate consumption was constituted mainly by animal feedingstuffs (35.3 %) and energy and lubricants consumption (15.1 %). Its share in the output of the agricultural industry (without subsidies on products) was 68.8 %.

In the output of the agricultural industry at basic current prices in 2016 the share of crop output prevailed (59.8 %) over animal output (35.8 %). The crop output included mainly cereals (38.7 %) and industrial crops (27.9 %); milk production (47.4 %) and raising of pigs for slaughter (18.9 %) dominated in the animal output.

The agricultural output at constant prices of 2000 reached 112 774.7 million CZK in 2016; it increased by 6.2 % in comparison with 2015. For the crop output an increase by 11.4 % to 62 907.6 million CZK was recorded. The value of animal output grew by 0.2 % to 46 163.9 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 increase of net value added (+20.1 %).

Estimated volume of the subsidies paid amounted to 30 838.0 mil. CZK, the annual decrease was 3.4%. The single area payment (SAPS) was 12 232.1 million CZK, it decreased by 3.4 % compared to last year. There is a new subsidy, so-called Greening in amount 6 740.4 mil. CZK.

Compared to last year the compensation of employees slightly increased (+1.2 %), while the estimated number of employees converted to full-time employment remained unchanged y-o-y.

Factor income from agriculture activity per full-time labour equivalent (1 AWU) as it is measured by Indicator A increased by 10.26 % in 2016. The deflator (the implicit price index of GDP at market prices), Eurostat's estimate of the expert's recommendations for 2016 was 100.31 %.

