

Commentary

Output of the agriculture industry (OAI) at the current basic prices reached CZK 133,868.5 million in the year 2017. In 2018, OAI increased by 1.4% to CZK 135,681.7 million. This slight increase was influenced by the rise of crop output by 2.1% and animal output by 0.5%. In the crop production, yields of most crops declined due to unfavorable climatic conditions. The total harvest was lower for cereals, protein crops, potatoes, forage crops and vegetables, higher harvest was recorded for most of the technical crops, grapes and fruits. As for the production in monetary terms, it was lower for grain maize by 8.8%, for sunflower by 20.9%, for soya by 29.9%, for protein crops by 19.9%, for sugar beet by 16.0%, for hops by 21.1%, for potatoes by 3.6% and for fodder maize by 15.5%. On the contrary, the production was higher for rye (19.1%), oats (30.5%), rape (17.6%) and fodder root crops (33.9%), and moreover for cauliflower, tomatoes and fruits. The increase in production was primarily affected by higher prices.

In the animal production, almost all commodities except pigs showed the higher annual output index. In case of price indices, they were higher for all products with the exception of pigs and eggs. The highest increase was recorded for sheep and goats, where output index increased by 14.1% and the price index by 13.8%. For pigs, the output index decreased by 13.4% and the price index by 15.8%.

The output included subsidies for hops, potatoes, cattle, sheep and goats and milk; although the volume of subsidies decreased for all listed commodities, the milk subsidies were lower even by 9.8% year-on-year.

When evaluating OAI at 2000 constant basic prices, then OAI in 2018 decreased by 1.4% compared to 2017. Crop output was lower by 5.1% but animal output went up by 2.9%.

Whereas the crop output in 2017 accounted for 55.4% of OAI at basic current prices, it was 55.8% in 2018. In both years the most important share in crop output had cereals (38.5% in 2017 and 39.9% in 2018) and industrial crops (26.0% in 2017 and 26.5% in 2018).

Animal output at basic current prices contributed to OAI with of 38.4% in 2017 and with 38.1% in 2018. The most significant products/items in animal output in both years were milk (50.0% in 2017 and 51.8% in 2018), pigs for slaughter (17.9% in 2017 and 15.4% in 2018) and cattle for slaughter (14.1% in 2017 and 14.6% in 2018).

The rest of the total OAI was made up by agricultural services output (i.e. agricultural work supplied to other units), that accounted for 2.9% of the total OAI in 2017 and 2.7% in 2018. Non-agricultural non-indivisible secondary activities, which include since 2015 also energy production from renewable sources, contributed with 3.3% in 2017 and 3.4% in 2018.

The ratio of intermediate consumption was 67.1% of OAI at market prices in 2017 and 68.1% in 2018. The most important items were consumption of feedingstuffs (35.4% in 2017 and 35.3% in 2018) and energy consumption (15.5% in 2017 and 15.7% in 2018). The intermediate consumption increased by 2.9% y-o-y.

Gross value added at basic prices amounted to CZK 44,098.6 million in 2017. In 2018, it went down by 1.9% to CZK 43,278.9 million. After deducting the consumption of the fixed capital consumption the net value added at basic prices (NVA) is obtained. NVA reached the amount of CZK 25,373.9 million in 2017 and decreased y-o-y by 7.8% to CZK 23,403.2 million.

Factor income in 2017 was CZK 56,528.5 million and went down by 2.5%, year on year, to CZK 55,124.3 million in 2018. In 2017, the compensation of employees amounted to CZK 28,899.1 million, while in 2018, employee compensation grew by 7.1% to CZK 30,950.9 million despite a slight decrease in paid labor.

In 2018, the gross fixed capital formation increased by 8.9% from CZK 22,474.9 million to CZK 24,471.8 million in the comparison with the previous year.

Indicator A, expressed as an Income from agricultural activity per full-time labour equivalent (1 AWU), decreased by 4.7% in 2018. The deflator (the implicit price index of GDP at market prices) was 102.5 in the year 2018.

Cereals are the most important product of Czech agriculture; their share in the output of the agriculture industry was 22.3% in 2018. The cereal volume decreased by 6.6%, whereas the output of cereals at basic prices rose by 3.3% and the real price increased by 10.6%. In case of oilseeds, the volume was higher by 16.6% and the output at basic prices by 11.0%, but real prices got lower by 4.8%.

An increase in the real price of potatoes was 10.5%, but the volume of potatoes fell down by 14.9% and the output at basic prices by 6.0%.

In 2018, the total crop output the real price was by 3.7% higher than in 2017. The volume went down by 3.9% and the crop output at basic prices by 0.4%.

In the year 2018, the real price of cattle decreased by 2.3% and of pigs fell down by 17.9% but the real poultry price increased by 1.6%. The output at basic prices of cattle rose by 1.5 %, and of poultry by 2.9%, but of pigs was lower by 15.6%. The volume of cattle was higher by 5.0 %, of pigs by 2.8% and of poultry by 1.3%.

Milk production has a substantial share in the agricultural sector of the Czech Republic. Volume in the year 2018 was by 2.7% lower than the level of the previous year. The real price decreased by 0.4%, the output at producer prices increased by 2.3% and the output at basic prices by 1.5%. The animal output declined by 1.6% at producer prices and by 2.0% at basic prices.

The volume of the agricultural industry fell by 1.1%, the output at basic prices decreased by 1.2% and the real price was by 0,1% higher than in 2017.

The real value of intermediate consumption was above the level of the previous year by 0.5%. Following the trends in output and input, the agricultural gross value added at basic prices in the Czech Republic decreased by 4.3% in 2018.

With the year-on-year increase in real value of fixed capital consumption by 3.5%, the net value added decreased by 10.1%. By decrease of other taxes on production by 2.3% (in real terms) and by slight decrease of other subsidies on production by 0.8%, the declining rate of real agricultural factor income, which is the basis for the calculation of income Indicator A, reached 4.9%. The volume of total agricultural labour input in 2018 was lower by 0.2%.

Expenditures on compensation of employees represent an important cost item in the agricultural sector of the Czech Republic. They shared in the factor income by 51.1% in 2017 and by 56.1% in 2018. In 2018, the compensation of employees was by 4.4% (in real value) higher than in 2017, and net operating surplus showed fell down by 14.2%.

Indicator B, which measures trends in real net entrepreneurial income in relation to trends in unpaid labour input was lower by 22.6% and the net entrepreneurial income, expressed by Indicator C, decreased by 22.1% in 2018.