

## Commentary

*Entrepreneurial income expressed at basic current prices decreased by 58.0% in 2023 compared to 2022, from CZK 25,995.0 million to CZK 10,922.2 million. The year-on-year decline of the entrepreneurial income was due to the lower value of crop production in 2023 compared to an above-average year 2022.*

*The output of the agricultural industry (OAI) at current basic prices reached CZK 176,790.6 million in 2023. It represents the decrease of 7.9% compared to 2022, when the OAI was CZK 191,856.7 million. This decrease was influenced by the drop of crop output by 17.4%. On the contrary, the animal output rose by 6.3%.*

*The output decreased for almost all cereals, whereas the most significant drop was registered in wheat (-28.8%) and barley (-26.8%) production. Industrial crops went down in value by 10.2%, mainly due to a decrease in rape (-16.3%). The rest industrial crops also recorded a decrease except hops (+60.0%), and sugar beet (+5.3%). A decrease in the value of production also occurred in fodder crops (-15.2%), wine (-25.2%) and fruits (-11.7%). On the contrary, there was a year-on-year increase in potatoes (+25.1%) and vegetables (+30.6%).*

*The decrease in the output of crop production was mainly caused by a decrease in prices used in the EAA calculations. There was a year-on-year decrease in cereal prices, in particular for grain maize (-32.9%), wheat (-32.7%) and rye (-29.7%). Prices also went down for industrial crops, especially sunflower (-34.1%) and rape (-29.7%). There was also a price rise recorded for potatoes (+41.2%), vegetables (+14.2%), fruits (+14.1%) and fodder crops (+7.6%). On the contrary, a decrease in prices was observed for wine (-10.9%).*

*Harvests of most crop commodities decreased year-on-year, cereals by 2.7%, industrial crops by 1.8%, fodder crops by 4.9%, potatoes by 12.4%, fruits by 22.4% and wine by 16.1%.*

*The output of animal production rose mainly due to an increase of production of pigs (+15.2%) and of poultry (+8.0%), the milk production (+3.4%) and the production of eggs (+24.3%) also rose. Cattle production remained almost unchanged.*

*An increase in the output of animal production was driven mainly by a rise in prices. The price for cattle grew by 2.7%, while their production has hardly changed. The price for pigs also grew (+23.7%), while their production decreased by 6.8%. For poultry a higher price index was also recorded (+7.9%), while their production was almost unchanged. The price of milk remained almost unchanged and the price of eggs increased year-on-year by 28.6%. Milk production rose by 4.1%, while egg production fell by 3.3%.*

*The Production includes subsidies for cattle, sheep and goats and milk. In total, product subsidies decreased by 26.5% in 2023.*

*When the production of the agricultural sector is evaluated at constant basic prices of 2000, then OAI decreased in 2023 compared to 2022 by 0.5%. Crop production was lower by 1.5% and animal production increased by 0.5%.*

*Crop production accounted for 59.5% of OAI in 2022, in 2023 it was 53.3% at basic current prices. Cereals (48.5% in 2022 and 41.1% in 2023) and industrial crops (22.5% in 2022 and 24.5% in 2023) contributed most significantly to the crop production.*

*Animal production reached in 2022 34.4% of OAI at basic current prices, in 2023 it was 39.7%. Milk production (55.6% in 2022 and 54.1% in 2023), pigs for slaughter (13.5% in 2022 and 14.7% in 2023) and cattle for slaughter (13.2% in 2022 and 12.5% in 2023) were the most important contributors to the animal production.*

*The agricultural work supplied to other units, i.e. the agricultural services output, accounted for 3.0% of the total OAI in 2022 and increased to 3.4% in 2023. Non-agricultural inseparable secondary activities contributed to the OAI with 3.1% in 2022 and 3.5% in 2023.*

*The share of the intermediate consumption in the OAI was 66.6% in 2022 and 68.5% in 2023. The most important items of intermediate consumption were the consumption of feedingstuffs (34.3% in 2022 and 32.9% in 2023) and energy and lubricant consumption (16.5% in 2022 and 16.2% in 2023). Intermediate consumption fell by 5.2% year-on-year.*

*Gross value added at basic current prices in 2022 amounted to CZK 67,072.4 million. In 2023, it decrease by 13.1% to CZK 55,683.6 million. After deducting the fixed capital consumption, the result is a net value added at basic current prices, which reached in 2022 CZK 39,257.1 million. In 2023, it fell by 21.4% to CZK 30,868.4 million.*

*The factor income in 2022 amounted to CZK 73,779.8 million. In 2023, it decreased by 18.3% to CZK 60,272.7 million. The compensation of employees in 2022 reached CZK 36,758.3 million; in 2023, it grew by 4.0% to CZK 38,228.6 million.*

*The gross fixed capital formation in 2023 increased y-o-y by 13.0% from CZK 30,391.7 million to CZK 34,334.5 million.*

*In 2023, the factor income in agriculture per total annual work unit (per 1 AWU), expressed by indicator A, went down by 25.5% compared to 2022. The deflator (the implicit price index of the GDP at market prices) in 2023 accounted for 108.2. Indicator B, which measures trends in the real net entrepreneurial income per non-salaried AWU, was by 66.3% lower. Net entrepreneurial income, expressed by indicator C, dropped by 61.2% in real terms in 2023.*

