

Commentary

The output of the agriculture industry (OAI) in the year 2016 at the current basic prices was CZK 132,970.3 million. OAI in the year 2017 increased by 0.4% to CZK 133,465.8 million. This slight increase was influenced by animal output by 13.0%, while crop output decreased by 7.1%. In crop production, due to unfavorable climatic conditions, yields on most crops declined. The total harvests were lower for cereals, most of the technical crops, other oilseeds, forage crops, fruits and potatoes, with higher crops showing protein crops, sugar beet, vegetables and grapes. This trend was copying production in monetary terms, which was lower for cereals by 8.8%, for maize for grain by 26.4%, for rape by 20.3%, for fodder crops by 8.5%, for fodder maize by 15.2%, on the contrary the production of rye, oats, protein crops, sunflower, soya, vegetables, fruit, grapes was higher. The increase in production was affected by a higher harvest area, higher price or both. Higher harvest and higher price index resulted in a 25.2% y-o-y increase in grape output.

In animal production, the higher annual output index shows all commodities. With the exception of sheep, goats and poultry, there was a higher price index for each product. The highest increase was in eggs, where output increased by 37.7% and the price index by 23.1%. For milk, output increased by 21.0% and the price index by 25.7%.

The output includes subsidies for hops, potatoes, cattle, sheep, goats and milk; milk subsidies are almost 30% year-on-year, while for other commodities the volume of subsidies has not changed much. When comparing OAI at the basic constant 2000 prices, then the OAI decreased by 5.8% in 2017 compared to 2016. Crop output was lower by 10.3%, animal output declined by 0.2%.

Crop output accounted for 60.0% of OAI in 2016, in 2017 it was 55.6% at basic current prices. The most important representation in crop output was cereals in both years (39.2% in 2016 and 38.5% in 2017) and technical crops (27.5% in 2016 and 26.0% in 2017).

Animal output was represented in the OAI in 2016 at basic current prices of 34.2%, in 2017 it was 38.5%. The most significant share of animal output in both years was milk (46.7% in 2016 and 50.0% in 2017), breeding of pigs for slaughter (19.3% in 2016 and 17.9% in 2017) and cattle for slaughter (16.0% in 2016 and 14.1% in 2017).

The rest of the total OAI is made up by the agricultural work supplied to the other unit, that is the agricultural services output accounted for 2.5% of the total OAI in both years. Non-agricultural non-indivisible secondary activities, which included energy production from renewable sources from 2015, contributed 3.2% in 2016 and 3.3% in 2017.

The ratio of intermediate consumption was 65.6% of OAI in market prices in 2016 and 66.9% in 2017. The most important items were consumption of feedingstuffs (35.5% in 2016 and 35.6% in 2017) and energy consumption (14.9% in 2016 and 15.6% in 2017). Intermediate consumption increased by 2.3% within one year.

Gross value added at basic prices in 2016 amounted to CZK 45,695.2 million. In 2017 it fell by 3.4% to CZK 44,159.6 million. After deducting the consumption of the fixed capital consumption we get the net value added at basic prices (NVA). NVA amounted to CZK 28,007.6 million in 2016 and within one year decreased by 5.8% to CZK 26,381.8 million.

Factor income in 2016 amounted to CZK 57,448.7 million and grew by 0.2% year on year, thus reaching CZK 57,536.4 million in 2017. In 2016 compensation for employees amounted to CZK 27,444.5 million, while in 2017 employee compensation grew by 5.3% to CZK 28,899.1 million despite a slight decrease in paid labor.

In 2017, gross fixed capital increased by 7.7% from CZK 20,897.7 million to CZK 22,515.5 million in the previous year.

Income from agricultural activity per full-time labour equivalent (1 AWU), expressed as Indicator A, decreased by 1.4% in 2017. The deflator (the implicit price index of GDP at market prices) was 101.47 in the year 2017.

Cereals are the most important product of the Czech agriculture, its share in output was 21.4% in the year 2017. The cereal volume decreased by 13.3%, the output at basic prices of this crop fell by 10.1% but the real price increased by 3.8% and. The volume of oilseeds was lower by 14.4%, the output at basic prices by 18.1%, the real prices decreased by 4.3%.

The increase in the real price of potatoes was 0.8%, but the volume of potatoes decreased by 2.4% and the output at basic prices by 1.8%.

In the crop output as a whole in 2017 the real price increased by 3.0% than in 2016. The volume decreased by 11.0% and the crop output at basic prices by 8.4%.

In the year 2017 the real price of cattle increased by 3.4%, of pigs by 8.9% but and the real poultry price decreased by 3.7%. The output at basic prices of cattle went down by 1.3 %, of pigs was higher by 3.0% and of poultry by 2.1%. The volume of cattle was lower by 4.4 %, of pigs by 5.4% and of poultry was higher by 6.0%.

Milk production has a substantial share in the agriculture of the Czech Republic. Volume in the year 2017 was by 0.5% above the level of the previous year. The real price increased sharply by 23.9%, the output at producer prices increased by 24.5% and output at basic prices by 19.3%. The animal output increased at producer prices by 13.7% and at basic prices by 11.4%.

The volume of the agricultural industry fell by 12.7%, the output at basic prices decreased by 1.1% and the real price was by 13.9% higher than in 2016.

The real value of intermediate consumption was above the level of the previous year by 0.8%. On the back of the overall developments of output and input, agricultural gross value added at basic prices in the Czech Republic decreased by 4.8% in 2017.

During the interannual decrease in real value of fixed capital consumption by 0.9% net value added decreased at rate of 7.2%. By decrease of other taxes on production by 4.4% (in real terms) and by slight increase of other subsidies on production by 3.9%, the decreasing rate of real agricultural factor income, the basis of income Indicator A, was limited to 1.3%. The volume of total agricultural labour input have was higher in 2017 by 0.1%.

For the agriculture of the Czech Republic, expenditure on compensation for employees is the important item. It shared the factor income by 47.8% in the year 2016 and by 50.2% in the year 2017. In the year 2017 compensation of employees was by 3.8% (in real value) higher than in 2016, and net operating surplus showed decrease by 5.9%.

Indicator B, which measures trends in real net entrepreneurial income in relation to trends in unpaid labour input was lower by 10.5% and the net entrepreneurial income, expressed by Indicator C decreased by 9.6% in 2017.