



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 7/12/2004

GAIN Report Number: EZ4017

Czech Republic

Grain and Feed

Crop Situation Update

2004

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Report Highlights:

This year's weather conditions are favorable for Czech grain production in MY 2004/05. After a significant drop last year, production should return to MY 2002/03 levels with total grain production of 6.5 million MT and wheat production at 3.6 million MT. However, barley and rye areas are smaller and production will be lower this year compared to MY 2003/04 with barley production at 1.8 million MT and rye production at 109 thousand MT. Corn production will be 631,000 MT, a 32% increase.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[EZ]

Production

According to Eurostat, the Czech Republic's total grain area in 2004 is 1,543 thousand hectares, which is a 5.7% increase compared to the previous year. Larger area and higher yield at 4.23 MT/ha (in 2003 3.95 MT/ha) will result in a 13% increase in production in MY 2004/05, which should be over 6.5 million MT. Grains occupy over 61% of total arable land.

After three years of decline more winter crops were planted last fall. Spring crop area is lower this year than compared to a year ago as spring crops were substituted for poor winter crops. Farmers seeded 738,000 ha of winter wheat (+36% since last year), 119,000 ha of winter barley (+20%), 94,000 ha of spring wheat (-12%), 362,000 ha of spring barley (-19%), and 80,000 ha of corn (-6%). Rye area is 29,000 ha (-31%) and oats 57,000 ha (-26%).

Wheat yield is expected to be over 4.3 MT/ha (+6.6%), barley 3.7 MT/ha (-1.6%), rye 3.7 MT/ha (-2.6%), and corn 7.93 MT/ha (+42%). Winter crops survived dry fall and mild winter very well. Cooler spring weather had a positive impact on spring crops, so overall yields and production are expected to return to the levels of MY 2002/03 after a significant drop last year.

Trade

Low grains harvest in Central Europe in MY 2003/04, accompanied by higher prices abroad than in the Czech Republic, resulted in exports of both milling and feed wheat.

To prevent shortages (especially of feed wheat), the Ministry of Agriculture (MoA) opened a duty free quote on 300,000 MT of wheat for January – April 2004 period (the quota was not drawn – see table below). MoA also restricted exports of certain categories of wheat, barley, corn, and wheat flour until the end of April (for more information see GAINS report EZ4004 - Czech Government Opens Duty Free Import Quota). On May 1, 2004, the Czech Republic became a member of the EU and as of this date trade cannot be restricted within the EU.

Czech Republic's Trade With Wheat, Rye, Barley and Corn in MY 2003/04 in MT:

	Imports				Exports			
	Wheat	Rye	Barley	Corn	Wheat	Rye	Barley	Corn
July	245	12,203	1,821	119	26,937	603	11,924	10,982
August	42	4,548	1,060	52	11,523	52	6,976	19,206
September	335	1,620	1,061	157	14,709	752	11,081	2,527
October	86	985	478	394	7,127	1,111	28,025	3,245
November	43	0	970	146	20,034	817	33,455	2,830
December	1	0	2,071	415	30,473	983	35,716	97
January	1	3,300	206	506	23,893	711	8,541	1,086
February	1	0	440	1,474	8,544	290	7,266	190
March	40	500	122	2,624	2,988	270	18,875	576
April	23	0	187	566	10,257	191	16,200	1,961
TOTAL	796	23,180	8,419	6,456	156,487	5,783	178,061	42,704

Import / Export of major grains in MY 2003/04 (July-April) in MT by destination:Import:

Wheat		Rye		Barely		Corn	
Country	MT	Country	MT	Country	MT	Country	MT
Slovakia	294	Belarus	11,685	Slovakia	6,480	Slovakia	2,173
Germany	197	Russia	6,134	Austria	1,110	Hungary	1,469
Austria	127	Germany	4,596	Germany	676	France	1,125
Netherlands	111	Poland	594	Poland	100	Austria	392
France	37	Slovakia	95	Nespec.	22	Germany	380
UK	14	France	48	Netherlands	14	U.S.A.	289
Sweden	8	Serbia/M	24	Denmark	12	Netherlands	260
Switzerland	3	Italy	4	France	10	Chile	84

Export:

Wheat		Rye		Barely		Corn	
Country	MT	Country	MT	Country	MT	Country	MT
Germany	67,981	Austria	4,353	Slovakia	36,461	Poland	15,095
Hungary	19,583	Poland	603	Hungary	34,563	Germany	13,969
Romania	16,594	Slovenia	561	Germany	30,876	Netherlands	4,611
Ukraine	15,476	Serbia/M	100	Poland	22,749	Austria	4,083
Switzerland	11,084	Bosnia/H	95	Romania	19,841	Switzerland	2,946
Bosnia/H.	11,072	Hungary	46	Austria	17,197	Slovakia	1,296
Croatia	3,975	Slovakia	25	Croatia	8,676	Croatia	550
Slovenia	3,365			Switzerland	4,862	Hungary	100

Source: Czech Statistical Office

Notes: Serbia/M – Serbia and Montenegro; Bosnia/H – Bosnia and Herzegovina

Prices

Prices of major grains in MY 2003/04 in CZK (exch. Rate 1USD = 26 CZK):

	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004	April 2004
Milling wheat	3,492	3,714	3,823	3,874	4,073	4,330	4,528	4,612
Feed wheat	2,979	3,139	3,189	3,324	3,351	3,624	3,957	3,872
Malting barley	3,697	3,688	3,729	3,740	3,798	3,877	3,916	
Feed barley	2,718	2,790	2,909	3,032	3,076	3,409	3,543	
Rye	3,497	3,595	3,548	3,704	3,721	3,895	4,016	
Feed oats	2,571	2,623	2,761	2,777	2,893	2,966	2,973	
Feed corn	3,008	3,300	3,438	3,594	3,703	3,987	4,172	

Policy

With the EU accession on May 1, 2004, Czech farmers are eligible for direct payments at 25% of the EU 15 level in 2004, which are paid out on hectare according to a Single Area Payment Scheme (SAPS). These payments may be topped-up from the national budget by maximum 30%. Farmers may also receive subsidies through the Operational Program and the Horizontal Plan for Rural Development (for more information, see GAINS report EZ4016).

Payments will be handled by the Agrarian Payment Agency, former State Agricultural Intervention Fund. Upon EU accession, the Czech Republic applies intervention prices decided by the EU Commission.

The Czech Republic, as a member country of the EU, applies EU's tariff rates (see http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/tarchap?Lang=EN) for products from third countries.