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Slovakia

Grain and Feed

Crop Update

2006

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Report Highlights:

Slovakia's 2006 grain production declined by close to 14 percent. Poor weather conditions during the winter and a dry summer contributed to the decline. However, the demand for rapeseed will increase because of the rise in biofuels production in the EU. Slovakia will export large amounts of its rapeseed to Germany and the Czech Republic.

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

Expected Development

Crop production in Slovakia is expected to be average this year and much lower than in 2005, an exceptionally good year. The year-on-year decline in production of grains will be about 14 percent, however, 2,162 thousand MT of domestically produced grains will be sufficient to satisfy Slovak demand.

Weather Conditions

Decline in this year's crop production is due mainly to unfavorable weather conditions. The beginning of the year was affected by a long, hard winter and large amounts of snow caused flooding in the spring. This situation delayed spring plantings. The summer in Slovakia was hot and dry, which in some regions accelerated harvest of wheat.

Except for wheat and rapeseed, sown areas of most of the crops decreased. Since the supply of grains is sufficient, Slovak grain producers will consider selling grain for industrial use.

Quality

In general, the quality of the grain crop this year is average. Because of the significantly dry summer the wheat spikes in some areas are smaller and some of them were burned. On the other hand, the harvested wheat didn't require additional drying.

Rapeseed suffered losses because of the ice and snow. Hailstorms damaged rapeseed fields and lowered hectare yields in some regions.

However, this year there is significantly larger demand for Slovak rapeseed and growers are offered appreciably higher prices. This trend is foreseen to continue due to increasing production of biofuels in the EU. A large amount of Slovak rapeseed will be exported to Germany and the Czech Republic.

Expected Production of Selected Crops in Slovakia, June 20, 2006:

| Commodity | Sawn Area (1,000 ha) | | | Production (1,000 MT) | | | | Yield (MT/ha) | |
|-----------|----------------------|-------|--------------|-----------------------|---|--------------|-------|------------------------|--------------|
| | 2006 | 2005 | Index | Reality 2005 | Estimate of June 20, 2006 (Mean value and margin of error**) | | Index | Estimate June 20, 2006 | Reality 2005 |
| | | | 2006 2005 | | Estimate 2006 | Reality 2005 | | | |
| Wheat | 350.9 | 375.8 | 93.4 | 1,607.9 | 1,397.5 | A | 86.9 | 3.98 | 4.31 |
| Rye | 12.8 | 24.5 | 52.2 | 68.6 | 26.9 | B | 39.2 | 2.09 | 2.84 |
| Barley | 185.2 | 206.0 | 89.9 | 739.3 | 670.3 | A | 90.7 | 3.62 | 3.62 |
| Oats | 20.8 | 20.2 | 103.0 | 38.2 | 39.8 | B | 104.2 | 1.92 | 2.00 |
| Triticale | 12.2 | 17.2 | 70.9 | 52.4 | 27.3 | B | 52.1 | 2.25 | 3.04 |

| | | | | | | | | | |
|-------------------------|--------------|-------|-------|---------|----------------|---|-------|--------------|-------|
| GRAINS TOTAL | 581.9 | 643.7 | 90.4 | 2,506.4 | 2,161.9 | A | 86.3 | 3.72 | 3.93 |
| Rapeseed | 123.8 | 107.4 | 115.3 | 235.1 | 267.7 | A | 113.9 | 2.16 | 2.21 |
| Potatoes | 1.4 | 1.5 | 93.3 | 24.0 | 21.1 | B | 87.9 | 15.46 | 16.00 |

Source: Statistical Office of the Slovak Republic, www.statistics.sk

** Margin of Error:

A = up to 5%

B = from 5.01 to 10.0%

C = from 10.01 to 15.0%

D = from 15.01 to 20.0%

E = over 20.0%