

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Czech Republic

Post: Prague

Czech Crop 2018 - Grains Below Average, Rapeseed Up

Report Categories:

Grain and Feed

Oilseeds and Products

Agriculture in the Economy

Agricultural Situation

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Climate Change/Global Warming/Food Security

Dairy and Products

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Report Highlights:

The Czech grain crop (excluding corn) is the second lowest in a decade due to a drop in yields but with essentially unchanged year-on-year sowing area. For some farmers' lower grains return will be offset by solid profit from a good rapeseed crop. Rapeseed area and yield increased year-on-year. Czech bakers, beer makers, and dairy producers plan to increase prices because of reduced harvest and growing commodity prices.

General Information:

MT = Metric Ton, (MMT = Million Metric Ton)

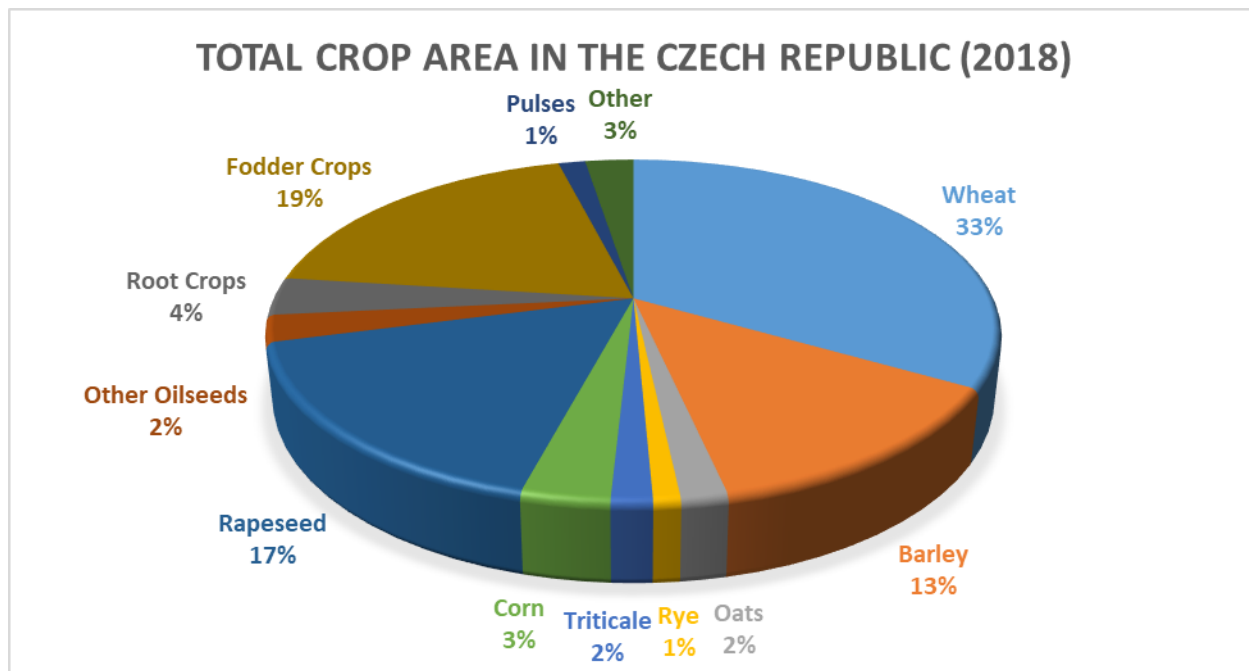
HA = Hectares

MY = Marketing Year. Post and USDA data follow the EU28 local marketing year of July to June for grains excluding corn and for rapeseed; and October to September for corn, sunflower and soybeans

Production

Grains and oilseeds – mainly wheat, barley and rapeseed – are the most important crops in the Czech Republic. Total crop area and commodity shares in the Czech Republic are outlined in Chart 1, below. Planting areas remain quite constant.

Chart 1 Crops and their share on the total crop area of the Czech Republic



Source: Czech Statistical Office

Total production of basic grains (excluding corn) in the Czech Republic in the current MY2018/19 is below both five- and ten-year averages. The Czech Statistical Office estimates total grain production is 3.5 percent lower this year, compared to last year. Winter barley had the largest year-on-year decline, eight percent, because of a significant decline in yield. Total wheat production decreased by 4.3 percent compared to last year, due to a slightly smaller sowing area as well as reduced yield. Spring barley

production is down by 2.7 percent. Overall basic grains yield is estimated at 5.30 MT/HA, which results in total production of 6.6 MMT of grains (excluding corn).

Spring wheat, rye, and oats yields improved year-on-year, resulting in increased production. The most significant yield improvement of 18 percent can be seen in oats where production increased by nearly 15 percent year-on-year.

For corn this is the first official estimate in this marketing year. When compared to last year, MY2018/19 yield is down by six percent and production by ten percent, as the sowing area is slightly smaller. See the Table 1 below for more details.

Beginning in 2005, Czech farmers used to plant genetically engineered corn MON810. From a high of 5,090 HA in 2011, Czech farmers planted only 75 HA of Bt corn in 2016 with no plantings in 2017 or 2018 because of marketing issues (i.e. consumer and retail acceptance).

Table 1 Czech Statistical Office Crop Estimate to August 15

Year/ Crop	Sowing Area (000 HA)		Production (000 MT)		Yield (MT/HA)	
	CZSO Final Harvest Data*)	CZSO August 2018 Estimate*)	CZSO Final Harvest Data*)	CZSO August 2018 Estimate*)	CZSO Final Harvest Data	CZSO August 2018 Estimate
	MY17/18	MY18/19	MY17/18	MY18/19	MY17/18	MY18/19
Wheat	832	820	4,718	4,514	5.67	5.51
- winter	785	774	4,530	4,309	5.77	5.57
- spring	47	46	189	205	4.05	4.46
Barley	328	325	1,712	1,635	5.23	5.04
- winter	97	103	568	522	5.85	5.09
- spring	231	222	1,144	1,113	4.96	5.01
Oats	44	43	142	163	3.23	3.81
Rye	22	25	109	127	4.92	5.02
Triticale	36	38	177	181	4.89	4.80
Corn	86	82	588	528	6.84	6.43
Rapeseed	394	412	1,146	1,407	2.91	3.42
Sunflower	21	20	53	45	2.46	2.24
Soybean	15	15	37	31	2.41	2.04

Source: Czech Statistical Office

*) Values were rounded by the FAS office.

Rapeseed has become one of the most profitable crops for Czech farmers; it is used for biofuels production and has good export potential. Among European Union states, the Czech Republic reports the highest share of rapeseed in total crop area. Czech rapeseed area reached 411,802 HA in MY2018/19 – the second-highest area on record, after 418,808 HA in 2013, and four percent higher than MY 2017/18. The yield rose by 7.6 percent year-on-year to 3.13 MT/HA.

The main reason for a drop in grain yields is adverse weather conditions. Satisfactory weather conditions during the planting period and crop development were followed by a very dry season with temperature extremes. Except for a short period in January, precipitation kept below average, from November until harvest. After a mild December and January, February and March brought record-breaking frosts that in places with insufficient snow cover negatively affected crops and led to some winterkill (Central Bohemia). Above average temperatures started in April and continued until present. A very hot summer weather, combined with drought, resulted in earlier harvest. When compared to previous years, the harvest was accelerated by 2-3 weeks. For more details regarding temperatures and precipitation, please see Charts 2 and 3 below.

Chart 2 Average Temperature in Marketing Year 2017/18 in the Czech Republic

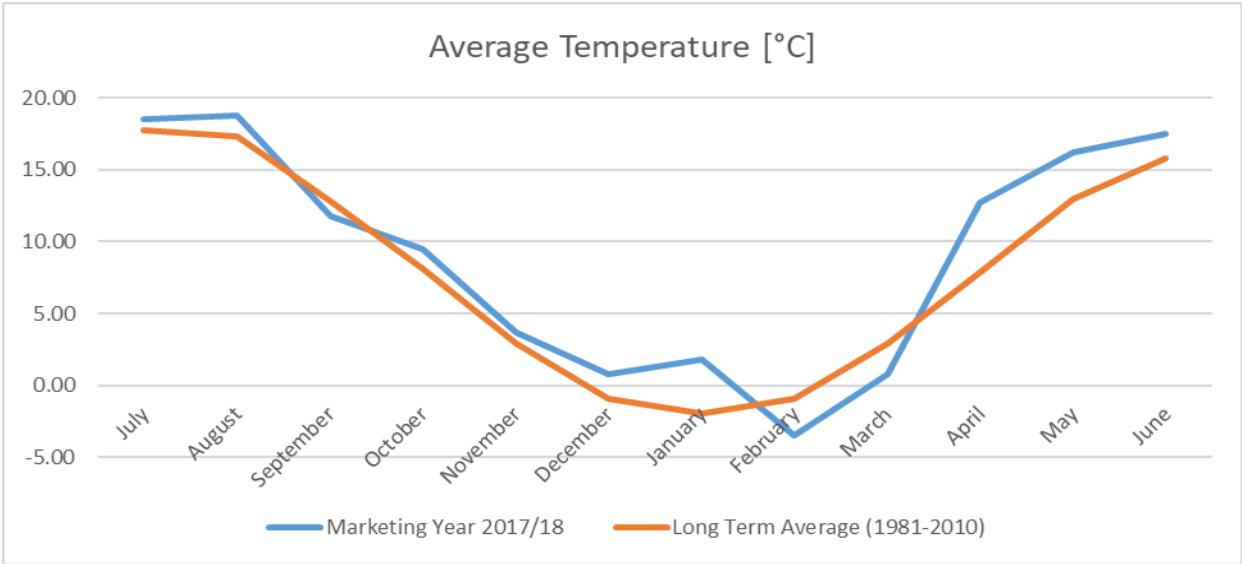


Chart created from data published by the [Czech Hydrometeorological Institute](#)

Chart 3 Average Precipitation in Marketing Year 2017/18 in the Czech Republic

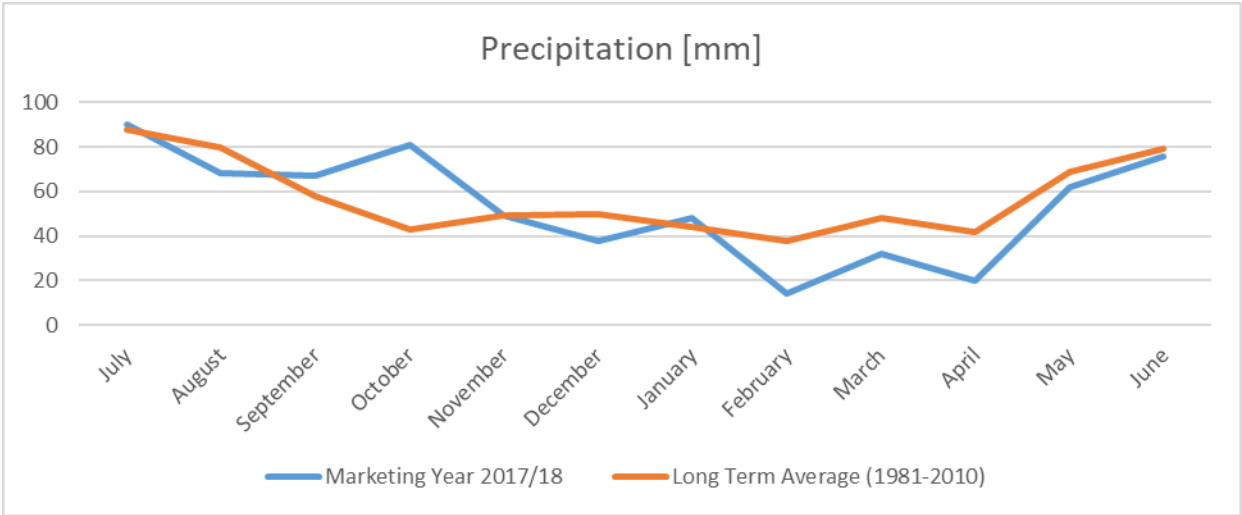


Chart created from data published by the [Czech Hydrometeorological Institute](#)

The Czech Ministry of Agriculture published estimates done by the State Agricultural Intervention Fund based on harvest monitoring. They are quite in line with the latest estimates released by the Czech Statistical Office. The total production of grains (excluding corn) reaches 6.6 MMT and rapeseed production 1.4 MMT, as can be seen in Table 2, below.

Table 2 Czech Ministry of Agriculture Harvest Progress Report to August 20, 2018

	Area to be Harvested (000 HA)*	Percentage Harvested	Average Yield (MT/HA)	Production (000 MT)*
Year/ Crop	MY18/19			
Wheat	820			
- winter	774	99.95	5.59	4,321
- spring	46	99.74	4.45	204
Barley	325			
- winter	103	100	5.08	521
- spring	222	99.77	4.95	1,098
Oats	43	99.58	3.90	166
Rye	25	98.36	4.97	124
Triticale	38	99.87	4.85	183
Rapeseed	412	100	3.45	1,423

Source: Czech Ministry of Agriculture

*) Values were rounded by the FAS office.

Grain Quality and Prices

Lower grain production, as well as slightly lower quality in some grains, is expected to result in increased demand and higher prices, particularly with regard to spring barley and winter wheat. Spring barley that is used for malting purposes has, according to the tests results published by the Ministry of Agriculture in the harvest report, increased nitrogen concentration. Representatives of the Czech Agrarian Chamber said that wheat showed slightly increased nitrogen and gluten concentration. Wheat amount and quality is, however, still sufficient to cover domestic as well as some of the foreign demand for milling wheat. Demand from export markets (Germany) will drive prices up for domestic buyers. Industry sources commented that higher wheat prices of wheat will result in higher bread and bakery products prices. Some of the major Czech beer producers announced increase of beer prices, too. Higher prices of malting barley, reduced hops production, and growth of wages increase their production costs. The same price trend will apply to dairy products, because the very hot and dry weather conditions resulted in a significant drop in fodder crops, resulting in their steeply rising prices.

Trade

Foreign trade in major crops is shown in the following tables. Patterns for trading partners do not significantly change; the major export markets for Czech grains and rapeseed remain Germany and Poland. Exports of major crops, however, dropped significantly in MY 2017/18 because of a significant drop in basic grains production (-12.9 percent), when compared to previous MY 2016/17. Stocks of

grains in MY 2017/28 declined, too. For MY 2018/19 it is forecast that exports will remain on similar level as in MY 2017/18. For more details about major Czech exports, please see Tables 3-5.

Table 3 Czech Republic's Wheat Exports

Partner Country	(000 MT)	
	MY16/17	MY17/18
World, out of which:	3,056	1,890
Germany	2,442	1,354
Austria	227	265
Poland	295	174
Italy	38	64
Slovakia	10	21

Source: Czech Statistical Office External Trade Database

Table 4 Czech Republic's Barley Exports

Partner Country	(000 MT)	
	MY16/17	MY17/18
World, out of which:	531	317
Germany	318	153
Poland	96	59
Slovakia	48	50
Austria	45	37
Italy	13	16

Source: Czech Statistical Office External Trade Database

Table 5 Czech Republic's Rapeseed Exports

Partner Country	(000 MT)	
	MY16/17	MY17/18
World, out of which:	399	234
Germany	264	113
Poland	118	116
Slovakia	12	4

Source: Czech Statistical Office External Trade Database

For more information on situation in the EU grain and feed and oilseeds market please refer to the [EU-28 Grain and Feed Annual](#) report and [EU-28 Oilseeds and Products Annual](#) report in our GAIN system available at <http://gain.fas.usda.gov>.