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GAIN Report

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Approved By:

Russell J. Nicely, Agricultural Attaché

Prepared By:

Jana Mikulasova, Agricultural Specialist

Report Highlights:

The Czech Republic has witnessed exceptional grain crop in MY14/15. Record yields and average but sufficient quality will cover both the domestic and export demand. Outlook for MY15/16 has been very positive, however, it will not exceed the level of MY14/15.

General Information:

MT = Metric Ton

MY = Marketing Year. Post and USDA official data both follow the EU28 local marketing year of July to June except for corn which follows an October to September calendar.

An exceptional grain crop in the Czech Republic in marketing year (MY) 2014/15 has been the third highest one since 1990. Above average yields resulted in a copious crop and a large surplus of grains on the Czech market. Original estimates published by the Czech Statistical office in October 2014 had indicated very good crop but the final data published in February exceeded the original expectations. Total crop in MY14/15 reached 8.78 million MT of grains.

For comparison, the grain crop in MY13/14 totaled 7.51 million MT. As MY13/14 also slightly exceeded the average, the large surplus of grain on the market translates to increased stocks and lower grain prices. The market prices are, however, still almost double the guaranteed intervention price, so no intervention purchases of grain have been made since 2010 in the Czech Republic.

Satisfactory to rather average quality of grains can cover both domestic and foreign demand. Export markets for Czech grains are represented nearly 100 percent by the neighboring EU member states.

Sowing areas for grains in the Czech Republic have been gradually decreasing. The reduced grain area has been offset by steadily improving yields. According to the Czech Statistical Office estimates published in January, the total winter grain area for MY15/16 is lower by 3.4 percent compared to the same estimate for MY14/15, reaching 935,000 hectares. Estimates of spring grain planting areas will be published by the Czech Statistical Office in mid-June.

Outlook for MY 15/16 has been optimistic, winter crops are in good condition, with minimal winterkill, and spring planting conditions have been favorable. Winter crops benefitted from good planting conditions as well and developed fine thanks to the mild winter and absence of spring frosts.

Table 1 Final Harvest Data as published by the Czech Statistical Office:

	Sowing Area (000 HA)		Production (000 MT)	
Crop/ Year	MY13/14	MY14/15	MY13/14	MY14/15
Wheat	829	836	4,701	5,442
Barley	349	351	1,594	1,967
Oats	44	42	139	152
Rye	38	25	176	129
Triticale	47	49	214	244
Corn	97	99	675	832

Wheat

Wheat production in MY14/15 went up significantly, by 741,000 MT, compared to previous year. Higher production has been caused by increase in wheat area (both winter and spring wheat) and yields. Higher yields are largely owed to the beneficial weather conditions. Perfect setting during planting period, a mild winter and a warmer spring (March) allowed very good development of crops.

The quality of MY14/15 wheat has been variable, as some regions faced rainy weather during the harvest. Some of the lower quality wheat has been used as biomass (120 MT in MY13/14 and 150 in MY 14/15 according to Ministry of Agriculture's Grains Situation and Outlook Report). Wheat has been the most important feed ingredient. Feed use of wheat in MY14/15 rose according to an Ag Ministry estimate to 1.45 million MT. There is, however, still ample supply of average milling quality wheat available to satisfy domestic and export demand. The main export market for Czech wheat has traditionally been Germany. For export data please see Table 2 below.

The outlook for Czech wheat production in MY15/16 has been very good. Winter wheat area is estimated by the Czech Statistical Office slightly lower when compared to the previous year, at 755,000 HA. FAS/Prague estimates the total wheat area at approximately 820,000 HA, with a yield higher than 5.5 MT/HA but not exceeding 6 MT/HA.

Table 2 Czech Republic's Wheat Exports

Partner Country	(000 MT)			% Change
	July 2011-June 2012	July 2012-June 2013	July 2013-June 2014	2014/2013
World (Total), Out of which:	1,851	1,119	2,092	86.94
Germany	1,254	923	1,666	80.51
Poland	367	88	192	117.10
Austria	100	51	157	207.13
Slovakia	68	42	42	0.66
Italy	32	5	26	430.78
Hungary	0	1	6	470.23
Switzerland	1	1	2	25.16
France	0	2	0	- 77.97
Netherlands	0	2	0	- 93.74
Cuba	25	0	0	0.00
United Kingdom	0	1	0	- 100.00
Spain	0	1	0	- 100.00
Sweden	0	1	0	- 100.00

Source: Global Trade Atlas

Barley

The second largest grain crop produced in the Czech Republic is barley. The situation and outlook can be described very similar to wheat: Record yield combined with increased areas of both winter and

spring barley has led to exceptional amount of barley in MY14/15. Variable quality allows producers to cover domestic and export demand.

Barley is used in the food industry, mainly for malting, and in the feed industry. The Czech Ministry of Agriculture data captures the decreasing trend in barley feed use and estimates the feed consumption at 640,000 MT in MY13/14 going to 610,000 MT in MY14/15. Barley food use leveled off at 700,000 MT according to the Ministry's Situation and Outlook report in the last three marketing years. Malting barley has been an important export commodity as well, as wheat, with Germany being the main export market. For more details, please see the Table 3 below.

FAS outlook for MY15/16 is a slight drop in production, as the similar area of approximately 360,000 HA will be combined with lower yield, below 5 MT/HA.

Table 3 Czech Republic's Barley Exports

Partner Country	(000 MT)			% Change
	July 2011-June 2012	July 2012-June 2013	July 2013-June 2014	2014/2013
World	346	264	217	- 18.03
Germany	188	135	105	- 21.88
Slovakia	32	46	43	- 5.08
Austria	28	39	34	- 12.95
Poland	80	30	22	- 27.27
Italy	3	4	3	- 20.72
Slovenia	1	1	3	369.74
Romania	7	6	3	- 50.31
Hungary	2	2	2	6.94
Ukraine	2	0	0	- 8.01
Switzerland	1	1	0	- 90.88

Source: Global Trade Atlas

Corn

Reaching 832,000 MT in MY14/15, this is the fifth highest corn crop since 1990. It is exclusively because of a larger area, as the yield was rather average. Unlike with wheat, corn areas have been gradually expanding, having crossed the 100,000 hectare threshold in 2008. Because of this trend, Czech Republic became an exporter of corn instead of being a net importer. For export data please see Table 4 below.

Besides export, corn has been used mainly in the feed industry, where it substitutes with wheat to a certain extent. The Czech Ministry of Agriculture estimates the feed use in MY14/15 at 410,000 MT.

FAS/Prague foresees the situation in MY15/16 very similar to the current MY14/15, with the corn area oscillating close to 100,000 HA and yield being a better average.

Table 4 Czech Republic's Corn Exports

Partner Country	(000 MT)			% Change
	Oct 2011-Sept 2012	Oct 2012-Sept 2013	Oct 2013-Sept 2014	2014/2013
World	553	392	281	- 28.25
Austria	79	136	125	- 8.00
Germany	297	147	77	- 47.56
Slovakia	38	50	41	- 19.60
Poland	117	36	34	- 6.32
Italy	1	8	2	- 74.83
Netherlands	20	13	0	- 98.49

Source: Global Trade Atlas

For more details on situation in the EU grain and feed sector please refer to the [EU-28 Grain and Feed Annual 2015](#) report in our GAIN system available at <http://gain.fas.usda.gov>.

End of report.