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GAIN Report

Global Agricultural Information Network

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Report Highlights:

After meat production temporarily picked up in 2014 and the 1st quarter of 2015, its gradually declining trend returned in the 2nd and 3rd quarter of 2015. A surplus of pork on EU market caused by the Russian import ban pushed prices down and resulted in some Czech swine producers reducing their herds.

General Information:

Swine

Production

Inventories of swine in the Czech Republic have been gradually decreasing almost every year since 2004, when the state became a member of the European Union (EU). Massive investments in order to meet EU standards combined with competition coming from the states with different levels and structure of agricultural support resulted in a significant decline in the swine sector in the Czech Republic. From 3.127 million head as of April 1, 2004, swine inventories decreased during the next decade to 1.607 million head as of December 31, 2014.

Sow inventories have been developing very similarly, dropping to 98,090 head in December 2014. A survey prepared by the Czech Statistical Office to July 31, 2015 shows a 1.6 percent decrease in the number of sows to 96,547 head. Total swine inventories declined as well, the July number is 2.9 percent lower, reaching 1.560 million head.

Statistics for the third quarter of 2015 brought declines in both, the total swine number by 4.4 percent to 1.56 million head and the sow number by 4.3 percent to 96,547 head.

The outlook is not very optimistic, as low prices caused by cheaper imports from EU and the Russian import ban on selected EU agricultural products force farmers to reduce their herds.

Consumption

According to the Czech Statistical Office, slaughter of hogs in third quarter of 2015 decreased by 5.3 percent year-on-year, to 619,134 head. In 2014 2.574 million of hogs were slaughtered. Total swine slaughter in 2014 totaled as reported by Eurostat was 2.64 million head. Sow slaughter number shows an increase, when compared to second quarter of 2015, by 8.3 percent. That signalizes further overall decline in the swine sector.

Trade

Imports included mainly piglets and young pigs from Germany, Denmark and The Netherlands. In the third quarter imports were 6.3 percent lower year-on-year (84,500 head). Exports on the other hand consisted of older pigs for slaughter, 66,400 head, which went to Slovakia, Hungary, and Poland.

Exports in the third quarter were also 6.3 percent lower, when compared year-on-year.

Pork

Production

In 2014 the Czech Republic produced 235,990 MT of pork, which was a 0.7 percent increase compared to production of 2013. In the first half of 2015 meat production was lower year-on-year by 4.4 percent

and in the third quarter and the third quarter it declined by 5 percent. Lowering pork production is related to decreasing farm-gate prices.

Consumption

Consumption of meat in the Czech Republic in general exceeds the European average. Pork accounts for more than 50 percent on total meat consumption in the Czech Republic. Per capita consumption of pork has been stagnating, reaching 40.3 kg in 2013 and was estimated at 40.2 kg per capita in 2014.

Trade

The Czech Republic is a net importer of pork. Imports that originate mainly from Germany, Spain and Poland, grew by 4.8 percent year-on-year in the third quarter of 2015. In 2014 imports of fresh, chilled and frozen pork reached 243,146 MT.

The major export destination has been Slovakia. Exports dropped dramatically during 2015, by 31.8 percent, when compared to the same period of the previous year. In 2014 total exports of fresh, chilled and frozen pork totaled 42,655 MT.

Policy

In 2015 The European Union opened a Private Storage Aid (PSA) scheme for certain cuts, as an emergency measure to help stabilize farmer's situation after the Russian import ban. Czech farmers, however, didn't use this tool, as it was typically used by much larger producers.

Cattle

Production

The Czech cattle herd, as of December 31, 2014, was 1.373 million head of cattle, out of which 566,243 were cows. Cattle inventories have been stagnating, since hitting their bottom in 2011. Third quarter of 2015 shows positive development year-on-year: total cattle inventories increased by 1.4 percent and cow inventories increased by 0.3 percent. The most significant growth out of all categories, of 2.9 percent, was in beef cow inventories. Heifer and dairy cow inventories both declined, by 1.4 and 1.2 percent respectively, which reflects the complicated situation of the EU dairy market after abolishing of the EU dairy quota.

Consumption

The slaughter of cattle in 2014 was very similar to slaughter in 2013, just 0.8 percent higher. In the third quarter of 2015 cattle slaughter grew slightly more, by 1.9 percent year-on-year. The most significant increase of 10.2 percent was in the heifer category. Cow slaughter increased by 2.2 percent.

Trade

In the trade in live bovine animals, exports from the Czech Republic significantly exceeded imports. Imports in the third quarter of 2015 grew significantly, nine fold, year-on-year, involving mainly young cattle from France. Exported are mainly animals for breeding (to Turkey) and for slaughter (to Russia). In 2014 216,286 head of cattle were exported from the Czech Republic, while the imports amounted 2,338 head of cattle.

Beef

Production

Production of beef (and veal) reached 65,529 MT in 2014, which represented a 1.1 percent increase, when compared to 2013. In the third quarter of 2015 beef production increased by 2.6 percent year-on-year.

Consumption

Beef consumption in the Czech Republic has been stagnating for several years at around 9 kg per capita, declining further to 8.1 kg per capita in 2012. Total meat per capita consumption in the same year reached 77.4 kg, which means beef accounted only for 10.5 percent of total meat consumption. According to the Ministry of Agriculture Situation and Outlook Report, thirty years ago this share reached 33 percent. The reasons for such a drop in beef consumption are meat prices development and also changes in diet and lifestyle. Prices of other kinds of meat grew proportionately less and/or are in general more affordable. Czech consumers have been slowly but surely shifting towards healthier eating and started to prefer faster preparation of meals. Traditional Czech dishes that include beef are typically quite time consuming to prepare.

Trade

In beef trade the situation is different, the Czech Republic is a net importer of beef. Major suppliers included Poland, the Netherlands, Germany, and Ireland. Exports go mainly to Slovakia. According to data available in the Czech Statistical Office Foreign Trade Database, total beef imports in 2014 reached 23,840 MT, out of which 313 MT (1.3 percent) were imports from the U.S. Total beef exports in 2014 amounted to 7,803 MT.

Related Reports

For more details on situation in EU livestock sector please refer to the [EU-28 Livestock and Products Annual – EU Meat Production Hits Boundaries](http://gain.fas.usda.gov) available in our GAIN system at <http://gain.fas.usda.gov>.

End of Report.

