

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Vegetable Prices in the Czech Republic Hit the Roof

Report Categories:

Vegetables

Potatoes and Potato Products

Agriculture in the Economy

Agricultural Situation

Agriculture in the News

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Report Highlights:

The prices of some vegetables, especially potatoes, in the Czech Republic are increasing dramatically due to a significant drop in production. Consumers are paying almost 25% more for vegetables (including lettuce, peas, cucumbers etc.) and over 67% more for potatoes. At this point, some imported tropical fruits are cheaper than locally produced potatoes.

Production

The main culprit of a massive surge of vegetable prices in the Czech Republic is an 18% drop in production compared to last year's harvest. According to the Czech Statistical Office, the total harvest of vegetables (excluding potatoes) in 2017 reached 241,692 MT on an area of 10,237 HA, while in 2018 farmers harvested only 198,863 MT of vegetables from a slightly larger area of 10,404 HA.

Potatoes, a staple foodstuff in the Czech Republic, followed the same trend. In 2017 the harvest totaled at 583,560 MT, which is by 105,410 MT (15.3 percent) less than in 2017.

Out of vegetables, the largest decrease in crop show lettuces (49.5 percent), green peas (35.3 percent), gherkins (34.6 percent), and cabbages (34. percent). Onions are down by 11 percent.

The hot and dry weather conditions are the main drivers behind this production drop. Drought is becoming a new and important issue for Czech farmers. Similar conditions affected the vegetable harvest across Europe, therefore cheaper imported vegetables were not available. Local production of vegetables covers approximately 35 percent of domestic consumption. Locally grown potatoes cover approximately 80 percent of domestic consumption, according to the Situation and Outlook Report published by the Czech Ministry of Agriculture.

Czech vegetable sector would welcome more support and investments, storage capacities for vegetables are insufficient, irrigation is needed in many more areas now due to climate change and greenhouses are costly.

Prices

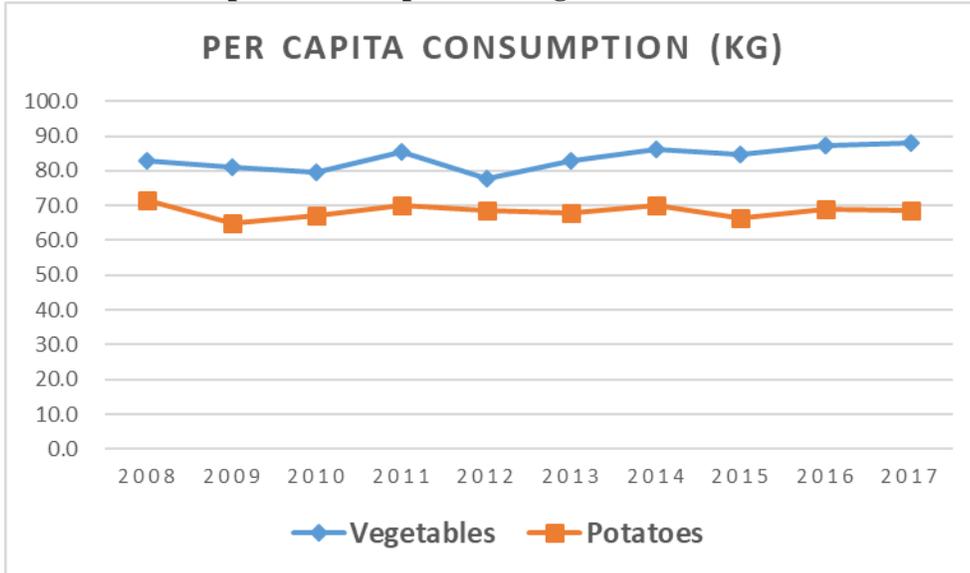
Agricultural producer prices in February were higher by 8.2 percent year on year, while vegetable producer prices grew by 79.3 percent and prices for potatoes were up 55.2 percent.

Market prices for vegetables are strongly influenced by those in the foreign markets, as the Czech Republic relies heavily on imports. Czech consumers are not happy; the consumer price index published by the Czech Statistical Office increased in February by 24.2 percent year on year for vegetables. Consumer prices for potatoes in February are up 67.2 percent, when compared year on year.

Consumption

Czech consumers eat more vegetables, as they slowly adopt healthier eating habits. Consumption of vegetables reached 88.2 kg per capita, in 2017. Consumption of potatoes, on the other hand is stagnant, with Czechs consuming 68.5 kg potatoes per capita in 2017. Consumption trends are shown on Chart 1.

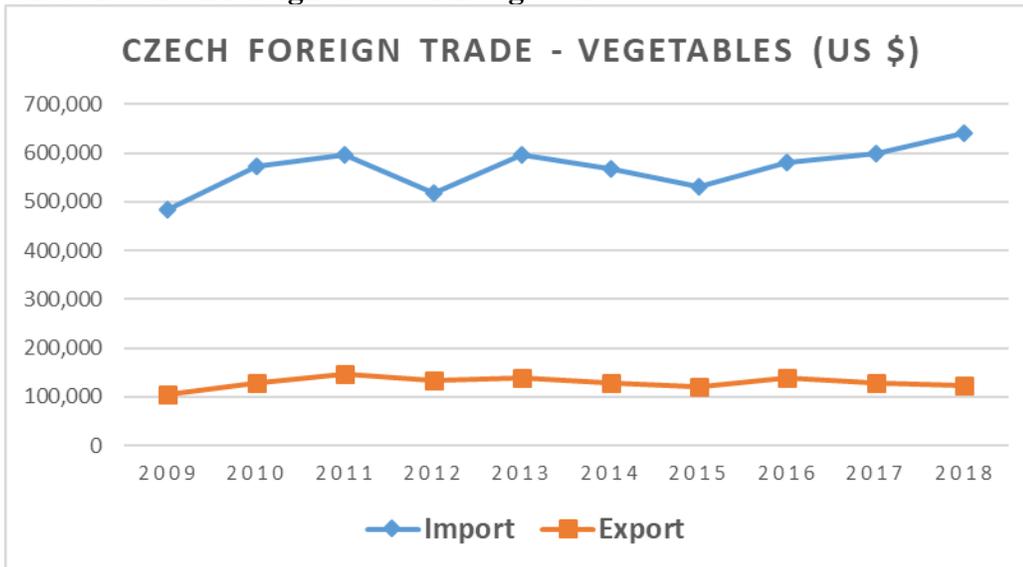
Chart 1 Per Capita Consumption of Vegetables and Potatoes



Trade

The Czech Republic is a net importer of vegetables. The negative trade balance has been increasing for the last decade. According to the Czech Statistical Office's External Trade Database, in 2018 the imports of vegetables to the Czech Republic reached US \$639,429, while exports of vegetables from the Czech Republic were US \$123,070. Czech foreign trade of vegetables (HTS code 07) can be seen in the Chart 2.

Chart 2 Czech foreign trade with vegetables



The Czech Ministry of Agriculture commented in the media that they would like to increase self-sufficiency in the vegetable sector. On top of the European agricultural support payments, the Ministry prepared several national support titles that can be used by vegetable growers. Farmers can apply for

support to build irrigation systems, biological and physical crop protection (replacing chemical protection) and more.

The current extreme prices of vegetables are expected to return to normal soon, as new vegetable crop will be available in Europe in the coming months.