

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Czech Republic

Post: Prague

Czech Agriculture Receives Assistance after Damaging May Frosts

Report Categories:

Fresh Deciduous Fruit

Agriculture in the News

Policy and Program Announcements

National Plan

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Report Highlights:

Fruit growers and vintners suffered a combined estimated loss of 560 million CZK (US \$33 million).
The Ministry plans to increase national subsidies 30 million CZK (US \$ 1.77 million).

General Information:

On June 23, 2011, the Ministry of Agriculture announced it would partially offset losses sustained by fruit growers and vintners in May due to the late season frost damage to crops. The Ministry plans to increase national subsidies for restructuring orchards and for purchasing drip irrigation systems by 30 million CZK (US \$ 1.77 million). Additional help to fruit growers and vintners would come in the form of delayed repayment requirements for other support programs such as the Farmer and Land programs. Fruit growers and vintners suffered a combined estimated loss of 560 million CZK (US \$33 million).

Between May 4 and 6, 2011, temperatures fell in some parts of Czech and Moravian orchards and vineyards regions to -5 degrees Celsius (23 degrees Fahrenheit). According to Ivan Fuksa, Minister of Agriculture, the frosts damaged approximately 10,500 hectares of fruit orchards and 1,150 hectares of vineyards either partially or entirely. Vintners' estimate the value of their losses at 60 million (US \$3.5 million) while fruit growers estimate losses at 500 million CZK (US \$29.5 million).

The Ministry intends to mitigate some of the losses incurred by growers by increasing the national subsidy programs aimed at improving the health of crops and the quality and competitiveness of production. More specifically, the program for orchard renewal will be increased by 20 million CZK (US \$1.2 million) while the program for drip irrigation will be increased by 10 million CZK (US \$0.6 million). Fuksa explained that for only 20 million CZK it would be possible to restructure up to 150 hectares of orchard land.

The Support and Guarantee Agrarian and Forest Fund (PGLRF of its Czech name: Podpůrný a garanční rolnický a lesnický fond) will help farmers by allowing them to postpone repayments of loans issued under the Farmer program which provides resources for the purchase of agricultural machinery, and Land program which provides resources for farmers to more easily purchase land for agricultural purposes. For these programs, if the bank agrees with the postponement of payments, the PGLRF will accept that decision and continue to pay the interest on such loans on behalf of the borrower.