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GAIN Report

Global Agricultural Information Network

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Agricultural Situation

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Report Highlights:

Rapeseed remains the most profitable oilseed for Czech farmers. In MY 2015/16 they experienced another good crop of 1.26 million MT of rapeseed on area of 366,180 HA. Sunflower production has stagnated. Soybean production picked up, as it became eligible for direct payments within the EU Greening scheme.

Please Note: This report is to be read in conjunction with the Annual 2016 EU28 Consolidated Report on Oilseeds and Products (Oilseeds and Products Annual_Vienna_EU-28_4-1-2016) and provides further information on Czech market of oilseeds.

General Information:

MT = Metric Ton

MY = Marketing Year. Post and USDA official data both follow the EU28 local marketing year of July to June for rapeseed and October to September for sunflower and soybean.

General Information

The most profitable oilseeds for Czech farmers are rapeseed and poppy seed used in food industry. Soybeans are becoming more interesting for farmers as well, since they were added to a list of nitrogen fixing crops that help to protect soil and can be used under EU “Greening” measures. Greening direct payments account for 30 percent of EU countries' direct payment budgets. Farmers receiving an area-based payment have to make use of various straightforward, non-contractual practices that benefit the environment and the climate.

Final harvest data published by the Czech Statistical Office in February 2016 shows mixed results for the oilseed crops, as seen in Table 1 below. Lower yields were initially estimated for all oilseeds because of unfavorable weather conditions, however, they did not materialize for rapeseed.

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

Crop/ Year	Area Harvested (000 HA)		Production (000 MT)	
	MY 2014/15	MY 2015/16	MY 2014/15	MY 2015/16
Rapeseed	389	366	1,537	1,256
Sunflower	19	16	42	32
Soybean	7	12	17	20
Poppy Seed	27	33	25	27

Rapeseed

Marketing year 2015/16 brought another good rapeseed crop of 1.256 million MT and yield reaching 3.41 MT/HA. Rapeseed area went slightly down in MY 2015/16 and is foreseen to increase in MY 2016/17. Winter rapeseed area, as surveyed by the Czech Statistical Office to November 30, 2015 and published at the end of January 2016, reached 381,450 HA. Thanks to a mild winter there is almost no winter kill, however, there is higher occurrence of weeds. According to the Union of Oilseeds Growers and Processors, 81 percent of rapeseed vegetation is in a very good or good state, based on favorable weather conditions during and shortly after planting.

Regarding consumption, approximately one third of the rapeseed production is exported, the rest is crushed. Over 300,000 MT is typically used in the food industry, the rest goes to biofuel production. According to the Czech Ministry of Agriculture estimate, around 478,000 MT of rapeseed was used in MY2015/16 for production of FAME (biodiesel). Combination of lower production in MY2014/15 and slightly higher domestic use for biofuels reflects in lower exports in MY2015/16.

Table 2 Czech Republic’s Rapeseed Exports

Partner Country	(000 MT)		
	MY 2013/14	MY 2014/15	MY2015/16 est.*
World (Total), Out of which:	565	542	342
Germany	396	394	306
Slovakia	44	23	26
Austria	16	39	7
Poland	11	22	3
Netherlands	81	64	0
Italy	11	0	0
Hungary	6	0	0

Source: Global Trade Atlas

*Estimate based on July 2015 – January 2016 data provided by the Czech Statistical Office

Table 3 Czech Republic's Rapeseed Oil Exports

Partner Country	(000 MT)		
	MY 2013/14	MY 2014/15	MY2015/16 est.*
World (Total), Out of which:	382	441	517
Poland	212	196	212
Austria	63	101	94
Slovakia	29	26	40
Hungary	30	32	34
United Kingdom	0	4	30
Germany	20	31	27
Italy	12	21	18
Romania	2	6	9
Netherlands	0	15	3
Slovenia	7	4	2

Source: Global Trade Atlas

*Estimate based on July 2015 – January 2016 data provided by the Czech Statistical Office

Sunflower

Compared to rapeseed or poppy seed, sunflower is less profitable for Czech farmers. Lower yields do not outweigh increasing prices of inputs. This fact translates to declining or stagnating planting areas of sunflower, in some places replaced by poppy seed.

Sunflower planting area dropped to 15,450 HA in MY 2015/16. As farm gate prices slightly improved, for MY 2016/17 it is foreseen the area will pick up again and return to the level of MY 2014/15 reaching around 19,000 HA.

Sunflower seeds are primarily grown commercially for production of sunflower oil. It is the most popular cooking oil among Czech consumers. Czech consumers show a stronger interest in the quality and healthiness of oils and fats, but on the other hand, remain price sensitive and purchase the bulk of premium oils and fats at price discounts. Sunflower oil is perceived to be healthy and affordable by Czech customers. Growing domestic use and decrease in stocks drive increase in imports in

MY2015/16.

Table 4 Czech Republic's Sunflower Seed Imports

Partner Country	(000 MT)		
	MY 2013/14	MY 2014/15	MY2015/16 est.*
World (Total), Out of which:	92	80	145
Slovakia	63	36	84
Austria	14	11	23
Hungary	9	24	22
Romania	1	2	9
Poland	1	2	3
Moldova	2	1	1
Bulgaria	1	1	1
Germany	1	2	0

Source: Global Trade Atlas

*Estimate based on October 2015 – January 2016 data provided by the Czech Statistical Office

Table 5 Czech Republic's Imports of Sunflower Oil

Partner Country	(000 MT)		
	MY 2013/14	MY 2014/15	MY2015/16 est.*
World (Total), Out of which:	44	49	53
Hungary	24	28	29
Ukraine	3	3	11
Serbia	3	0	6
Slovakia	9	6	5
Germany	2	4	1
Poland	1	0	1
Austria	1	4	0
United Kingdom	0	2	0

Source: Global Trade Atlas

*Estimate based on October 2015 – January 2016 data provided by the Czech Statistical Office

Soybeans

Soybean production in the Czech Republic is not large, because of the climate. Area has been increasing, from 7,242 HA in MY14/15 to 12,311 HA in MY 2015/16. This trend is expected to continue, as soy can be used for soil improvement thanks to its nitrogen fixing benefits. It has been added to the list of crops that can make farmers eligible for “Greening” direct payments. Greening, a major innovation brought in under the 2013 CAP reform, makes the direct payments system more environment-friendly. Farmers who use farmland more sustainably and care for natural resources as part of their everyday work can benefit financially. Therefore further increase in soybean area is expected, in MY 2016/17 it is forecast to reach at least to 17,000 HA.

Soybean meal has been a key source of protein in feed mixes. Czech Republic's total soybean production was only 20,238 MT in MY 2015/16, therefore the country relies on soybean meal imports.

For import figures look in the Table 6 below.

Table 6 Czech Republic's Imports of Soybean Meal

Partner Country	(000 MT)		
	MY 2013/14	MY 2014/15	MY2015/16 est.*
World (Total), Out of which:	373	409	411
Germany	298	329	372
Brazil	0	0	32
Netherlands	59	77	3
Serbia	1	1	1
United States	1	0	1
Belgium	1	1	0
Poland	9	0	0

Source: Global Trade Atlas

**Estimate based on October 2015 – January 2016 data provided by the Czech Statistical Office*

For more details on situation in the EU oilseeds and products sector please refer to the EU-28 Oilseeds and Products Annual Report in our GAIN system available at <http://gain.fas.usda.gov>.

End of report.