

# Agricultural Situation and Prospects in the Central and Eastern European Countries



## Slovak Republic





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The manuscript has been prepared by Rob Peters with the assistance of Martin Strittmatter. The author accepts full responsibility for any errors which could still remain in the text. The closing date for data collection was end of April 1995.

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## Foreword

The European Union has expressed its intention to offer membership to those countries in central and eastern Europe with which it has an association agreement (see box below). Agriculture has been identified as an important issue for future accession, due to its relative size in some of the Central and Eastern European Countries (CEECs) and to the difficulties there might be in extending the Common Agricultural Policy in its current form to these countries.

A series of ten country reports on the agricultural situation and prospects in the CEECs has been prepared by the services of the European Commission in collaboration with national experts and with the help of scientific advisers. The ten countries covered are Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia, which are associated to the European Union through the Europe Agreements, and Estonia, Latvia, Lithuania and Slovenia, which are in the process of being associated.

The country reports attempt to provide an objective analysis of the current situation in agriculture and the agro-food sector in the CEECs and an assessment of the developments to be expected in the medium term.

*Extract conclusions Copenhagen summit of 22-23 June 1993*

"The European Council today agreed that the associated countries in Central and Eastern Europe that so desire shall become members of the European Union. Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required.

Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union."

## About the data....

The data used in this country report are derived from a CEEC dataset established by DG VI in cooperation with other services of the European Commission and with external experts. Data have been selected after a number of analyses carried out by both external research institutes<sup>1</sup> and DG VI services. They originate from various sources: FAO, OECD, World Bank, United Nations, USDA, national statistics, economic institutes and the European Commission (DG II, Eurostat).

The main objective was to obtain a dataset which was as coherent as possible, offering a good comparability of data.

For the agricultural data, the starting point of the analysis was the work carried out by Prof. Jackson (Institute for Central and East European Studies, Katholieke Universiteit Leuven, Belgium), who compared figures from OECD, FAO and the national statistics of Poland, Hungary, the Czech Republic, Slovakia, Bulgaria and Romania. The conclusion of this study was that the FAO was the most reliable source because these data were standardized, which was not the case for the two other sources.

Moreover, DG VI services compared FAO and USDA data and although for the crop sector there were no important differences, this was not the case for the animal sector where big discrepancies were apparent. This is due to different methodological approaches and also to different coefficients used to transform live animal weight in carcass weight.

In general the FAO data for agriculture were used, but for certain countries and/or for certain products, and in particular for the most recent years, the figures were adjusted or replaced by data from other sources, after discussion with country specialists and with FAO statisticians. In such cases, FAO coefficients and standards were used to avoid a break in the time series.

Despite all efforts to create a coherent, reliable and up to date dataset, all figures presented in this report should be interpreted with care. Significant changes in data collection and processing methods have sometimes led to major breaks in historical series as the countries concerned have moved from centrally planned to market economies. One general impression is, according to some experts<sup>1,2</sup>, that these problems may have led to overestimate the decline in economic activity in general and of agricultural production in particular in the first years of transition, data from 1989 and before being somewhat inflated and data after 1989 underrecording the increase in private sector activity.

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<sup>1</sup> - M. JACKSON and J. SWINNEN (1995) : A statistical analysis and survey of the current situation of agriculture in the Central and Eastern European Countries, report to DG I, European Commission.

- W.J. STEINLE (1994) : First Study on Data Collection on "Visegrad" Countries and ECO Countries, Empirica Delasasse, Eurostat.

<sup>2</sup> S. TANGERMANN and T. JOSLING (1994): Pre-accession agricultural policies for central Europe and the European Union, study commissioned by DG I, European Commission.

## **Executive summary**

### *General situation*

Slovakia became an independent nation on 1 January 1993, when Czechoslovakia was split into two separate countries. After the downfall of the ancien regime in 1989 differing views on the pace of economic reform drove the two states apart.

In 1994 the Slovak economy turned round and grew by an estimated 4.8% after four years of contraction induced by the transition. For 1995 a similar growth rate and in following years a continuation of growth in the 3 to 4% range is expected, with inflation coming down to below 10%, a gradual reduction in the budget deficit to around 3% of GDP and a relatively stable exchange rate.

### *Agriculture*

Growth in agriculture returned one year before the economy as a whole reached a turning point. Currently, the share of agriculture in total GDP is about 6%, while its share in employment is around 7%.

The volume of agricultural output decreased by over 30% during the transition period, with a relatively more steep decline for the livestock sector than for the crop sector, leading to an increase in the share of the latter. In 1994 the volume of output in the crop sector started to rise again, while the livestock sector continued to stagnate.

### *Landuse*

Of the total area of 4.9 mio ha half is used for agricultural purposes and over 40% is covered with woods. Of the utilized agricultural area 60% is arable land, of which 60% is planted to cereals, mainly wheat, barley and maize, and about 25% to fodder crops. The other arable crops - oilseeds, pulses, sugarbeet and potatoes - are of lesser importance in land use terms. In recent years there has been a shift to cereals, oilseeds and pulses to the detriment of fodder crops, sugarbeet and potatoes.

### *Production and consumption*

Production of cereals is slowly recovering to the level of 4 mio t, after two relatively poor harvests in 1992 and 1993, in which demand outstripped production. Over half of cereals production is wheat for food and feed purposes and a quarter is barley used for feed and in the food industry (malt). In most years Slovakia is a net exporter of cereals in the order of 50,000 to 100,000 t.

The main oilseeds produced are rape and sunflower (over 95% of oilseed production). Rapeseed area has been steadily increasing in recent years as demand has outstripped production. Sunflower area has remained more stable with production exceeding domestic consumption. Overall Slovakia is a small net exporter of oilseeds



A declining area and relatively low yields have reduced the level of potato production. Although consumption has dropped as well, mainly due to a reduced feed use of potatoes, imports were still needed to meet domestic demand.

Also sugarbeet area and production have been declining. In combination with the relatively low sugar recovery rate consumption of sugar has tended to exceed production.

In the livestock sector cattle and sheep with a nearly 40% reduction in numbers, and dairy (-32%) have been affected most during transition, while the pig and poultry sectors were affected somewhat less. The decline in livestock production is partly an adjustment to a much lower demand, but also reflects a lower profitability and larger restructuring problems than in the crop sector.

Milk production continued to decline in 1994 by over 11%. Production of beef and veal dropped substantially by 28%, while pork continued its decline of previous years, although at a lower rate (-7%). Only poultry production showed an increase of 4.4%. For pork and poultry Slovakia has become a net importer.

### *Trade*

The regional breakdown of the agro-food trade flows shows that the most important market for Slovak exports is the Czech Republic (55% share in 1994), at a distance followed by the European Union (15%) and the former Soviet Union (14%).

On the import side the Czech Republic is also the most important trade partner (37% share in 1994), followed by the EU (28%).

The commodity structure of agro-food exports shows vegetables, dairy products and beverages as the most important product groups in 1994, representing about 30% of the total agro-food export value. The structure of agro-food imports has remained relatively stable, the main categories being tropical products and animal feed.

### *Farm structures*

In the pre-transition era over 80% of cultivated land was in the hands of collective and state farms with average sizes exceeding 2,600 and 5,000 ha, respectively.

The main objective of the reform policy of the 1991-94 period was to re-establish private property rights in agriculture through restitution of land and assets to former owners, transformation of the agricultural cooperatives and privatization of the state farms.

Basically three forms of farming emerged, transformed coops, other companies (joint stock or limited liability) and individual (family) farms.

By the beginning of 1994 about 18,000 individual farms with an average size of 11.5 ha had been formed, cultivating about 205,000 ha (ie between 8 and 9% of total agricultural area).

All collective farms were transformed into (producer) cooperatives of private owners by 1 January 1993. At the start of 1994 these coops (930 in number) were still managing over 60% of agricultural land with an average size of 1665 ha.

The newly formed corporate farms numbered over 60 with an average size of 290 ha.

Of the 156 state farms, managing about 16% of agricultural area (ie 383,000 ha), 153 remain to be privatized.

#### *Up- and downstream*

In the pre-transition era the up- and downstream sectors of agriculture were state-owned, often with one big state company per branch.

These large enterprises have mostly been split up and partly included in the first round of privatization or earmarked for the second round. Some have been liquidated or are still to be liquidated.

#### *Support policy*

Several types of state support to agriculture can be distinguished such as market support and direct subsidies in the form of income support to farmers in less favoured areas, input and investment subsidies and payments for certain types of services or activities. The direct subsidies make up the bulk of the expenditure on agriculture, which in 1994 amounted to 10.5 bio SK (270 mio ECU), while for 1995 expenditure is forecast at 11.8 bio SK (315 mio ECU).

Market support in the form of intervention buying, export subsidies and border protection has been introduced since 1991 for some of the main commodities (milk and milk products, beef, pork, cereals and potatoes). Market support is given through the State Fund for Market Regulation (SFMR). Support prices vary from 60% of the EU level for milk to 70% of the EU level for wheat.

Nearly half of the direct subsidies are income support for farmers in less favoured areas in the form of hectare payments. Furthermore subsidies are available for the purchase of high quality inputs (eg seeds and breeding animals) and for investment. For the latter the State Support Fund for Agriculture and Food Industry was established in 1994. It provides long term loans at concessional rates for modernization, for the purchase of farm land and forest land, and guarantees and interest subsidies for commercial credits used for farm investments.

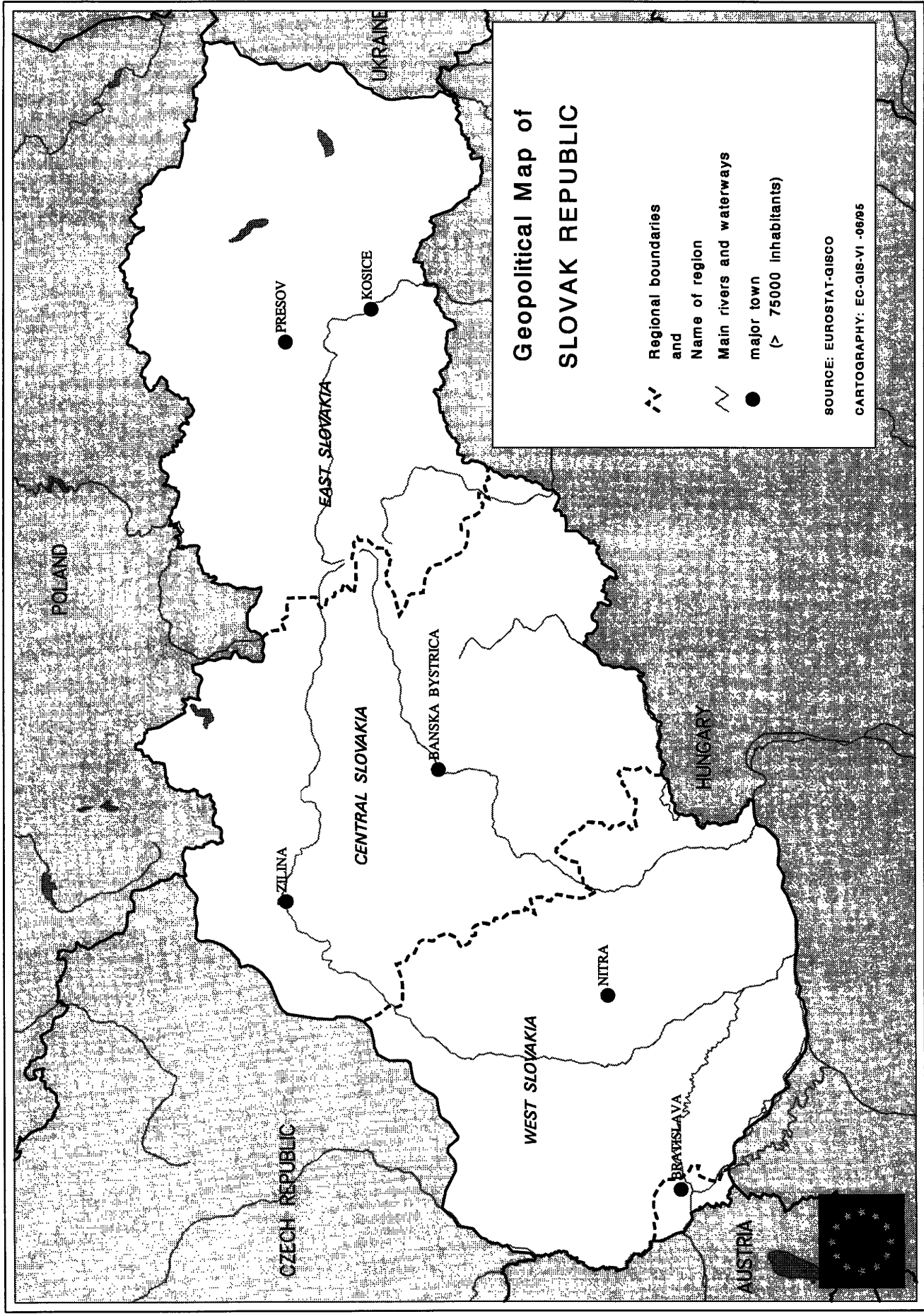
Other support policies cover general services such as extension and training services and certain tax reliefs.

### *GATT commitments*




As far as the ceiling on domestic support is concerned, this is not likely to be a limiting factor. As far as border protection and market access is concerned import tariffs are for most products already near to the levels allowed under GATT and offer a relatively high level of protection. Minimum access tariff quotas are to be opened for a number of products such as beef, pork, poultrymeat and dairy products. Subsidized exports are allowed for a number of products including cereals, sugar, beef, pork, poultrymeat, dairy products and fruit and vegetables.

### *Outlook*

By the end of the decade Slovakia could generally speaking be a net exporter for cereals and oilseeds, although it would have to be competitive at world market prices for its GATT commitments not to be binding, and a small net exporter of milk powder and cheese and possibly of poultry within its GATT commitments. For sugar, potatoes, butter and other meats it would be a (small) net importer.



# Geopolitical Map of SLOVAK REPUBLIC

-  Regional boundaries and Name of region
-  Main rivers and waterways
-  major town (> 75000 inhabitants)

SOURCE: EUROSTAT-QISCO  
 CARTOGRAPHY: EC-QIS-VI -09/95

Table 1: The Slovak Republic in comparison with other CEECs and EU-15

	popul.	GDP	GDP pc	tot. area	agric. area	arable area	agric. production	agric. employment	rainfall
	(mio)	(bio ECU)	(ECU)	(mio ha)	(mio ha)	(ha pc)	(bio ECU)	(000)	(mm/year)
					(% total)		(% GDP)	(% tot. empl.)	
Bulgaria	8.5	9.4	1110	11.1	6.2	55.9	1.131	694	21.2
Czech Rep.	10.3	26.7	2586	7.9	4.3	54.3	0.871	271	5.6
Estonia	1.6	1.5	938	4.5	1.4	30.6	0.266	89	8.2
Hungary	10.3	32.5	3150	9.3	6.1	65.8	2.068	392	10.1
Latvia	2.6	2.2	850	6.5	2.5	39.2	0.232	229	18.4
Lithuania	3.8	2.3	627	6.5	3.5	54.0	0.259	399	22.4
Poland	38.5	73.4	1907	31.3	18.6	59.5	4.648	3661	25.5
Romania	22.7	21.8	961	23.8	14.7	61.9	4.500	3537	35.2
Slovak Rep.	5.3	8.7	1643	4.9	2.4	49.0	0.512	178	8.4
Slovenia	1.9	9.8	5018	2.0	0.9	42.7	0.250	90	10.7
CEEC-10	105.4	188.3	1786	107.7	60.6	56.2	14.7	9540	26.7
EU-15	369.7	5905.1	15972	323.4	138.1	42.7	208.8	8190	5.7

All figures are for 1993. Rainfall long term average.

Source: DGVI CEEC dataset

## **Part I: General overview**

### **1. Geography, climate and demography**

With a total area of 49,035 square kilometres Slovakia is a bit bigger than Denmark. Its neighbours are Poland to the north, Ukraine to the east, Hungary to the south and the Czech Republic and Austria to the west.

Half of the area of Slovakia or 2.45 mio ha is agricultural land of which arable land makes up 1.5 mio ha. Forests cover over 40% of the country (1.99 mio ha), most of which is hilly or mountainous.

The climate is continental with warm summers and cold winters. In summer, the maximum temperature ranges from 32 to 36°C, in winter, the minimum temperature ranges from -12 to -20°C. The hottest month is July with an average temperature of 20.4°C and the coldest one is January with -1.9°C. The driest period is January-March with an average rainfall of 39-43 mm and during the wettest month, ie July, the average rainfall amounts to 73 mm. Long term average annual rainfall is 611 mm.

In 1994 the country had an estimated population of 5.35 million. According to the latest census, 25% of the population is under working age (15 years), and 17% is over retirement age. The urban population represents 57% of the total, with 25% living in towns which have over 50,000 inhabitants. The main cities are Bratislava, the capital with a population of half a million, and Košice with 240,000 inhabitants.

Slovakia is ethnically diverse. There is a sizeable Hungarian minority, nearly 11% of the population. Ethnic Hungarians are in the majority in some parts of southern Slovakia. Recently an agreement with its southern neighbour was struck, in which Slovakia committed itself to respect the minority rights and Hungary to respect the borders<sup>3</sup>. Small groups of Germans (0.1%), Czechs (1.2%), Ukrainians (0.7%), Russians (0.1%) and Poles (0.1%) also exist, and there is sizeable Romani minority.

### **2. Historical background**

The Slovak Republic became an independent nation on 1 January 1993 with the division of Czechoslovakia into two separate countries: the Czech Republic and the Slovak Republic. Czechoslovakia was itself a comparatively recent creation having been formed when the Czech lands ( Bohemia, Moravia and part of Silesia) were brought together with Upper Hungary (Slovakia) and Ruthenia (now part of Ukraine) following the collapse of the Austro - Hungarian empire at the end of the First World War, in 1918. The country inherited 70% of the industrial capacity of the former empire, most of which was located in the Czech lands, while Slovakia was still a more rural society at the time. Czechoslovakia existed as a liberal democracy until its dismemberment as a result of the 1938 Munich agreement and the German invasion. Slovakia was established as a separate state and the Czech Republic was absorbed into the Third Reich.

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<sup>3</sup> The agreement still has to be ratified by the Slovak parliament.

The end of the Second World War saw the restoration of Czechoslovakia as a democratic state (although the country's territory was reduced slightly as Ruthenia became part of the Soviet Union). However, democracy was short-lived as the Communist Party (CPCS) seized power in February 1948 and began the "Stalinisation" of the country's economic and political system (ie nationalisation of industry, introduction of centralised planning, collectivisation of agriculture and elimination of political opposition).

The relative liberalisation of the Soviet Union introduced by Khrushchev during the late 1950s contributed to the emergence of reform-minded communists, led by Alexander Dubcek, within the CPCS. The reformers sought to combine socialist economic principles with political democracy and greater individual liberty under the slogan "socialism with a human face". This process culminated in what became known as the "Prague Spring" of 1968. Czechoslovakia's experiment was crushed by the invasion of Warsaw Pact troops in August 1968. The reversal of Dubcek's reforms was accompanied by a period of political repression. However, a dissident movement remained alive, later becoming associated with a statement of democratic principles and human rights known as "Charter 77", and played an important role in the run up to the changes of 1989.

Although the process of decentralisation had started earlier, one lasting effect of Dubcek's 1968 reforms was the introduction of a federal political structure and division of the country into two administrative entities: the Czech and Slovak states.

The intensification of demands for reform in Czechoslovakia as in other eastern European countries and the so called "Velvet Revolution" were largely made possible by developments in the Soviet Union. On 24 November 1989, Prague saw its biggest demonstration in twenty years when the people demanded the resignation of the government and free elections. On 29 December 1989 Vaclav Havel, a member Charter 77 and imprisoned writer, was elected president of Czechoslovakia.

### **3. Political situation**

During the "Velvet Revolution" dissident groups in Slovakia created Public Against Violence (PAV) and in the Czech part of the country its counterpart Civic Forum. These groupings obtained a clear victory in the first free elections in 44 years which took place in June 1990.

Soon after the elections the faction within PAV led by Vladimir Meciar broke away to form the Movement for a Democratic Slovakia (MDS). The Slovak part of the country was harder hit by the economic transformation than the Czech part as a result of the structure of the industry which was more oriented towards the East<sup>4</sup>. This resulted in a decline in living standards and high unemployment. Thus the population was inclined to vote for a party like the MDS, advocating a slower pace of reform.

By the time the country's second post-communist elections were held in June 1992, the consensus created between Czechs and Slovaks during the "Velvet Revolution" had collapsed. The general elections confirmed the realignment of Czech and Slovak politics when the Civic Democratic Party, led by Vaclav Klaus, declared itself in

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<sup>4</sup> The industrialization of Slovakia took place in the Soviet era, and it was taken up in the division of labour within COMECON.

favour of a rapid economic transformation and the MDS (Movement for a Democratic Slovakia), led by Vladimir Meciar, advocated slower reform. Immediately after the elections Klaus and Meciar held discussions about the future of the federation. Economic reform and Slovak independence appeared as the key questions.

Slovakia, having passed its own constitution, declared itself sovereign in July 1992. At this point Vaclav Havel, still president of Czechoslovakia, stepped down. At the end of November 1992, after a series of negotiations, the new constitutional law on the separation of Czechoslovakia was narrowly passed with the required three fifths majority by the Federal Parliament, leading to the creation of two independent countries on 1 January 1993.

According to the new Slovak constitution the president is elected by the Slovak National Council for a five-year term. The first Slovak president, Michal Kovac, was elected on 15 February 1993. The Slovak National Council consists of 150 deputies elected for a four-year term. The highest executive body is the Slovak government, headed by the prime minister. The prime minister is appointed by the president.

The Slovak political scene has been quite unstable. After months of political infighting, prime minister Meciar and his government were swept from office on 11 March 1994 by a no-confidence vote. The new government, a coalition of five parties, headed by Jozef Moravcik was shortlived. After new elections in September/October 1994, the MDS returned as the largest party in parliament. However, its failure to attain a decisive majority meant that Meciar had to seek coalition partners, which he found in the nationalist Slovak National Party and the populist Association of Slovak Workers. The new coalition, which holds only 83 seats in the 150-seat parliament, could face problems in maintaining its cohesion over the four year term.

#### **4. Economic situation**

After the fall of the communist regime the Czechoslovak government embarked on radical market-oriented reforms. The Slovak economy was somewhat harder hit by the reforms and by the disintegration of the COMECON markets than the Czech one. In 1993 the Slovak economy was still contracting at a rate of 4% after steep falls in the previous years.

However, 1994 showed a remarkable turnaround. Led by strong export growth GDP rebounded by 4.8%. For 1995 the government is expecting a similar growth rate based on first quarter results, which showed a continuing strong export performance. In following years a continuation of growth in the 3 to 4% range is expected, as domestic demand takes over from external demand as the driving force behind the economy.

Inflation jumped in 1991 when prices were liberalized under the federal government. In the following year it was brought down to 10% by the restrictive monetary and fiscal policies of the federal government coupled with the wage moderation. However, the introduction of value-added tax (VAT) from January 1993 caused the inflation rate to rise to 23,2% in that year. In 1994 inflation decreased to a still higher than expected 13.4%. For 1995 and following years the new government aims to bring inflation within the single digit range, although it has also promised to make economic growth a priority. In the first quarter of 1995 annual inflation was running at 12%.



The government has committed itself to bring the budget deficit down to 3% of GDP, in line with the agreement with the IMF. Although on a downward path, the budget deficit still reached 5.7% in 1994 from 6.8% in 1993<sup>5</sup>. With a nominal growth of GDP of 13 to 14% in 1995 the deficit as announced in the 1995 budget would amount to 4.6% of GDP.

Table 2: Main economic indicators

		1990	1991	1992	1993	1994(e)	1995(f)	1996(f)
<b>GDP</b>	% change	-2.5	-14.4	-5.8	-4.1	4.8	4.5	3.5
<b>private sector/GDP</b>	%			32.4	39.0	58.2		
<b>consumer price</b>	% change	10.4	61.2	10.0	23.2	13.4	9.0	8.0
<b>unemployment</b>	%	1.5	11.8	10.4	14.4	14.8	15.0	14.8
<b>budget balance</b>	% GDP	-0.2	-6.0	-7.7	-6.8	-5.7	-4.7	
<b>government debt</b>	% GDP					18.2		
<b>exchange rate</b>	SK/ECU	22.9	36.5	36.7	38.9	38.2	37.5	36.3
<b>current account*</b>	mio ECU	-745	265	133	-596	599		
<b>trade balance*</b>	mio ECU	-511	-388	-156	-707	106		
<b>foreign debt**</b>	bio ECU				2.7	3.5		
<b>intern. reserves**</b>	bio ECU					2.9		

Source: national statistics, SSO and NBS. Forecasts based on national, OECD and EIU projections.

\*1990-91 Czechoslovakia

\*\* end of year

The sharp decline in output during the transition pushed up unemployment to over 14% of the labour force in 1993, and was still rising in 1994 despite the recovery. A rapid reduction from the 15% level is not expected as the restructuring of the economy continues.

One of the new government's first actions was the "temporary suspension" of the second wave of voucher privatization, which had been scheduled by the outgoing Moravcik government to begin on 16 December 1994. The new government decided to halve the asset value of the second wave from 80 to 40 bio SK and to exclude the energy sector and certain other enterprises. It has expressed a preference for direct sales and public tenders of state companies. The review of the privatization programme by the current government is not expected to halt the expansion of the private sector, whose share in national output has been steadily rising to nearly 60% in 1994.

The strong export performance in 1994 contributed to a positive trade balance and current account. Exports, in particular of intermediate goods such as cement, iron and steel, increased by nearly 29% in value, while imports rose by 9.4%. Favouring net exports were inter alia the 10% devaluation in mid 1993, the imposition of a 10%

<sup>5</sup> These figures exclude the budget effects of the trade clearing account with the Czech Republic. The Slovak government sometimes refers to the "net state budget deficit", which includes the balance on the trade clearing account with the Czech Republic. For their bilateral trade within the customs union the Slovak and Czech Republic instituted a clearing account with a fixed 130 mio ECU credit limit. Any amount exceeding this limit must be paid in convertible currency. In 1993 net hard currency payments of Slovakia to the Czech Republic for exceeding the limit amounted to the equivalent of 5.8 bio SK, while in 1994 net payments of the Czech Republic to Slovakia amounted to the equivalent of 8.2 bio SK. The Czech government recently decided to revoke the trading account agreement.

import surcharge on consumer goods in Spring 1994 and the introduction of quality certificates for foodstuffs in Spring 1994.

Exports to the Czech Republic made up 37% and to the EU 29% of the total. Imports from the Czech Republic made up 30% and from the EU 26% of the total. Trade with the Czech Republic, which is largely responsible for maintaining the surplus on overall trade, tended to decrease as far as imports from the Czech Republic were concerned, which were affected in particular by the certification requirement.

The government decided to maintain in 1995 the temporary import surcharge of 10%, originally introduced to shore up the balance of payments and increase foreign currency reserves in preparation for full convertibility of the currency. It recently announced the surcharge would be lowered to 7.5% from January 1996.

After the 10% devaluation in June 1993 the exchange rate has remained stable in nominal terms. The Slovak koruna or crown is pegged to a US\$-DM basket (with respective weights of 60% and 40%).

Slovakia's foreign debt had risen to around 3.5 bio ECU by the end of 1994 from 2.7 bio ECU in 1993. Foreign currency reserves, due to the positive current account and inflow of foreign capital, also rose to an estimated 2.9 bio ECU at the end of 1994.

Foreign direct investment amounted to 151 mio ECU in 1994, an increase of 39% over 1993. Most of the increase was realized in the first three quarters of the year under the Moravcik government. Since 1990 the total inflow of foreign investment has been about 433 mio ECU, with Germany, Austria, the Czech Republic, the US and France accounting for 80% of the total. Due to uncertainty over the economic course of the current government a certain slowdown can be expected in foreign investment inflows, which are already relatively low compared to neighbouring CEECs. Over the first quarter of 1995 the growth in foreign investment slowed down to 2.5%.

## Part II: Agriculture

### 1. Agriculture in the overall economy

Agriculture contracted more severely than the rest of the economy in the first years of transition, especially in the drought year 1992. The low level of production led to a drop in the share of agriculture in GDP from over 8% to around 5%, but as according to data of the Slovak Statistical Office growth returned one year before the economy as a whole reached a turning point, its share has risen again to around 6%<sup>1</sup>.

Table 3: Importance of agriculture

		1989	1990	1991	1992	1993	1994(e)	1995(f)	1996(f)
<b>GDP</b>	% change	1.1	-2.5	-14.4	-5.8	-4.1	4.8	4.5	3.5
<b>ag. production*</b>	% change	4.3	-10.3	-3.9	-28.0	4.7	3.9	3.5	3.0
<b>ind. production</b>	% change	1.1	-2.7	-23.9	-9.9	-11.4	4.3	4.0	2.0
<b>services</b>	% change					1.0	5.5	5.6	6.0
<b>share ag/GDP</b>	%	8.4	6.6	4.9	5.2	5.8	6.0	6.0	
<b>share ag/employm.</b>	%			12.2	9.5	8.4	7.3		
<b>share agro-food/exp.</b>	%					6.8	5.9		
<b>share agro-food/imp.</b>	%					9.4	9.3		

Source: SSO, NBS; RIAFE; DG II. Forecasts based on DG II, EIU.

\* as measured by Gross Agricultural Product at constant prices<sup>2</sup>

In terms of employment the share of agriculture has rapidly been decreasing from over 12% of the labour force to around 7% currently. The total number of persons employed in agriculture dropped by over 100,000 from 1991 to 157,000 in 1994, a decrease of 40%, although this could partly be a statistical effect. The agricultural cooperatives were also engaged in industrial and service activities, which have either disappeared or have been split off. In the latter case the persons employed are now registered in industry or services.

Although agricultural and food exports increased in 1994 compared to 1993, total exports rose much faster, leading to a decline in the share of agro-food in total exports. Agricultural and food imports remained relatively stable, as did the agro-food balance in 1993 and 1994 at around -7 bio SK, on an overall positive trade balance in 1994.

### 2. Landuse

Of the total area of 4.9 mio ha half is used for agricultural purposes and over 40% is covered with woods.

<sup>1</sup> measured as the share of Gross Agricultural Product (GAP) in GDP in current prices.

<sup>2</sup> The growth in GAP in 1993, when the volume of agricultural output (GAO) was still dropping (see table 6), implies an even sharper drop in intermediate consumption (IC), GAP=GAO-IC (see glossary for an explanation of terms).

Table 4: Overview of land utilization

<b>total area*</b>	<b>4903</b>	<b>% tot. area</b>	<b>util. ag. area</b>	<b>2447</b>	<b>% uua</b>
of which: forest	1991	41%	of which: arable land	1485	61%
util. ag. area	2447	50%	perm. grass	833	34%
			perm. crops	51	2%

\* 1000 ha, 1993. Source: SSO, RIAFE

Included in utilized agricultural area are the so called household or garden plots, on which fruit and vegetables are grown for own consumption and some livestock is held (in particular poultry).

## 2.1 Agriculture

Of the utilized agricultural area 60% is arable land. The latter has been slightly decreasing in recent years, while grassland has increased.

Table 5: Allocation of arable land to the main crops (harvested area)

		1989	1990	1991	1992	1993	1994(e)	94/89
<b>Arable area:</b>	000 ha	1509.4	1509.5	1508.7	1486.0	1484.5	1483	98
<b>cereals</b>	000 ha	818.4	776.0	809.1	801.1	834.8	859.7	105
	% arable	54%	51%	54%	54%	56%	58%	
<b>fodder</b>	000 ha	432.3	477.5	418.4	437.0	385.8	363	84
	% arable	29%	32%	28%	29%	26%	24%	
<b>oilseeds</b>	000 ha	64.7	71.3	96.2	70.1	73.9	87.5	135
	% arable	4%	5%	6%	5%	5%	6%	
<b>pulses</b>	000 ha	42.9	44.7	51.9	65.3	66.3	68	159
	% arable	3%	3%	3%	4%	4%	5%	
<b>potatoes</b>	000 ha	55.0	55.2	54.6	51.2	44.8	39.6	72
	% arable	4%	4%	4%	3%	3%	3%	
<b>sugarbeet</b>	000 ha	54.6	51.3	48.3	45.2	32.9	33.2	61
	% arable	4%	3%	3%	3%	2%	2%	

Source: SSO, RIAFE

Up to 60% of the arable land is planted to cereals, mainly wheat, barley and maize, and about 25% to fodder crops, mostly alfalfa and silage maize for the cattle. The other arable crops - oilseeds, pulses, sugarbeet and potatoes - are of lesser importance in land use terms. In recent years there has been a shift to cereals, oilseeds and pulses to the detriment of fodder crops, sugarbeet and potatoes.

## 2.2 Forestry

The area covered by forest has been relatively stable at close to 2 mio ha. Wood production by state enterprises amounted to nearly 3 mio m<sup>3</sup> in 1994 (55% coniferous, 45% from broad leaved trees), mostly from state forests which still make up about 60% of wooded area.

Timber production and employment in forestry have been declining in recent years. In 1990 production still amounted to 4.5 mio m<sup>3</sup>, while the number of persons employed dropped from 30,000 in 1993 to 26,000 in 1994. Most of the timber produced is used on the domestic market.

### 3. Structure of agricultural output

The volume of agricultural output decreased by over 30% during the transition period, with a relatively more steep decline for the livestock sector than for the crop sector, leading to an increase in the share of the latter in Gross Agricultural Output. In 1994 the volume of output in the crop sector started to rise again, while the livestock sector continued to stagnate.

Table 6: Gross Agricultural Output and its components

		1989	1990	1991	1992	1993	1994(e)
<b>GAO*</b>	vol. index	100.0	92.8	85.9	74.0	68.4	74.6
<b>crops</b>	vol. index	100.0	88.4	93.5	79.8	75.3	89.7
<b>livestock</b>	vol. index	100.0	96.2	79.9	69.4	62.6	62.6
<i>share crops/GAO</i>	%	44.1	42.1	48.1	47.6	48.7	53.1
<i>share livest./GAO</i>	%	55.9	57.9	52.0	52.4	51.3	46.9
ag. input prices	1989=100	100.0	104.5	177.7	187.1	221.2	231.4
ag. output prices	1989=100	100.0	102.2	103.8	109.3	122.2	130.5
retail food price	1989=100	100.0	111.5	163.5	174.9	212.1	225.6

\*Gross Agricultural Output (value of sold production plus own producer consumption) at constant 1986 prices.  
Source: SSO

Input prices have tended to rise much faster than producer prices, increasing the cost-price squeeze, reducing agriculture's value added and leading to a negative income situation for the agricultural sector as a whole. Although total losses have tended to decrease in recent years, a return to profitability of the farm sector is only expected for 1996.

Table 7: Profit and loss of the farm sector

		1989	1990	1991	1992	1993	1994	1995(e)	1996(f)
<b>Profit/loss*</b>	bio SK	3.9	2.1	-11.6	-10.3	-6.2	-3.2	-1	0.6

Source: RIAFE

\*individual farms excluded

## 4. Agricultural production and consumption

### 4.1 Arable crops<sup>1</sup>

The most important arable crop are cereals, primarily wheat, barley and maize, which are planted on up to 60% of the arable area.

Table 8: Cereals supply balance

	1989	1990	1991	1992	1993	1994(e)	1995(f)
area (000 ha)	818.4	776.0	809.1	801.1	834.8	859.7	884.0
yield (t/ha)	5.19	4.66	4.95	4.43	3.78	4.30	4.51
production (000 t)	4249.1	3617.2	4003.7	3552.3	3151.9	3700.4	3991.0
consumption	4238.5	3702.3	3761.0	3756.7	3260.9	3636.9	3773.8
o.w. feed use	2932.5	2694.4	2663.4	2652.1	2207.8	2335.0	2412.0
exports	77.2	0.6	230.0	342.6	167.4	135.9	100.0
imports	71.0	9.2	7.4	108.0	343.2	54.3	5.0
ending stocks	951.9	875.4	895.5	456.5	523.3	505.2	627.4

Source: SSO, RIAFE

**Production of cereals** is slowly recovering to the level of 4 mio t, after two relatively poor harvests in 1992 and 1993, in which demand outstripped production. The area planted to cereals area has started to expand again<sup>2</sup> after having dipped in the first transition years and also yields are recovering, although the pre-transition level of 5 t/ha for all cereals has not yet been reached. The pre-transition level of wheat yields was around 5.3 t/ha (compared to 5.9 t/ha for the average EU wheat yield) and 4.5 t/ha for barley (4 t/ha in the EU). Maize yields at 5.5 t/ha were lower than in the EU (7.5 t/ha).

Over half of cereals production is wheat for food and feed purposes and a quarter is barley used for feed and in the food industry (malt).

About two thirds of **cereals consumption** is feed use, predominantly on the farm. The decline in overall cereals consumption up until the 1993/94 marketing year was mainly due to reduced feed use as a consequence of the drop in livestock numbers. The higher overall cereals consumption levels estimated for 1994/95 and forecast for 1995/96 mostly reflect an increase in food use, partly as a substitution for potatoes of which there was a shortage in 1994.

Exports consist mainly of food wheat, barley and in 1994 also maize to the Czech Republic, while imports of cereals have remained relatively low, with the exception of 1992 and 1993 when the State Fund for Market Regulation imported wheat to cover domestic shortages.

The main **oilseeds** produced are rape and sunflower (over 95% of oilseed production). Rapeseed area has been steadily increasing in recent years as demand has outstripped production. Consumer preference has been shifting from animal fats to plant fats and oils. Sunflower area has remained more stable with production exceeding domestic consumption. Since 1993 the area planted to rape has overtaken the area planted to sunflower.

<sup>1</sup> For the crop sector years indicated in the tables are marketing years (July to July).

<sup>2</sup> The increase in area of over 10% between 1992 and 1995 might partly be induced by the higher price support levels (see table 20).

Although pre-transition oilseed yields were not far off EU levels, they have dipped quite sharply in recent years.

Table 9: Oilseeds supply balance

Oilseeds	1989	1990	1991	1992	1993	1994(e)	1995(f)
area (000 ha)	64.7	71.3	96.2	70.1	73.9	87.4	101.5
yield (t/ha)	2.28	1.98	2.23	1.90	1.71	1.79	2.27
production (000 t)	147.3	141.0	214.1	133.3	126.0	156.2	230.3
consumption	121.3	131.7	130.1	122.5	106.0	155.0	163.9
exports	22.8	10.8	93.6	32.8	44.8	48.0	91.9
imports	0.0	0.0	7.6	21.9	29.2	47.7	35.1
stock change	3.2	-1.5	-2.1	-0.2	4.4	0.9	9.7

Source: SSO, RIAFE

Price differences between the Czech and Slovak Republic have given rise to trade flows, sometimes leading to shortages for the Slovak processing industry.

There is one producer of edible plant fats and oils in Slovakia with a processing capacity of 105,000 t of rapeseed and of 50,000 t of sunflower. Domestic meal production for feed use is supplemented by imports of soyameal. Since 1991 six plants for the production of biofuel have been built, which currently process 12,000 t of rapeseed per year (producing 4,000 t of biofuel). This year a production subsidy of 7 SK/litre of biofuel was introduced, in addition to a reduction of the excise duty from 100 to 50% on the wholesale value.

A declining area and low yields have reduced the level of **potato** production. Although consumption has dropped as well, mainly due to a reduced feed use of potatoes, imports were still needed to meet domestic demand. The very low level of production in 1994 led the government to suspend the customs duty and import levy on potatoes for a quantity of a 100,000 t. For 1995 some recovery in production is expected.

Table 10: Potato supply balance

	1989	1990	1991	1992	1993	1994(e)	1995(f)
area (000 ha)	55.0	55.2	54.6	51.2	44.8	39.6	35.3
yield (t/ha)	13.6	14.1	12.3	12.9	18.4	9.6	13.4
production (000 t)	745.4	778.7	669.4	657.8	825.4	381.7	472.3
consumption	975.4	958.7	949.4	852.8	848.6	492.9	530.0
o.w. feed	545.9	513.0	470.8	404.8	362.1	95.4	120.0
exports	0.0	20.0	0.0	5.0	4.5	9.0	0.0
imports	230.0	200.0	280.0	200.0	27.8	120.2	57.7

Source: SSO, RIAFE

Potato growing has been shifting from large scale farms (cooperatives and state farms) to smaller individual farms, which in 1994 accounted for 65% of production. Also a relocation to better quality land, in particular of early potatoes, is taking place, which is expected to have a positive impact on yields (which are less than half the EU level).

Also **sugarbeet** area and production have been declining. In combination with the relatively low sugar recovery rate consumption of sugar has tended to exceed production. Sugar yields, which on average are below 4 t/ha, are low compared to

the EU (over 7 t/ha). The domestic shortfall has been covered by imports from the Czech Republic, which apart from the import surcharge of 10% can enter free of duty in the framework of the customs union. The domestic sugar industry has had to cope with competition from the somewhat cheaper Czech sugar. Two refineries have been closed, while the remaining eight have an annual production capacity of 180,000 t of sugar (if sufficient high quality beet is available).

Table 11: Sugar supply balance

		1989	1990	1991	1992	1993	1994(e)	1995(f)
sugarbeet	area (000 ha)	54.6	51.3	48.3	45.2	32.9	32.2	35.0
	yield (t/ha)	34.33	30.82	31.06	29.35	34.26	34.56	35.01
	production (000 t)	1874.4	1581.1	1500.2	1326.6	1127.2	1113.2	1225.3
sugar yield	%	10.0%	10.5%	12.7%	11.3%	12.4%	10.9%	11.8%
	t/ha	3.44	3.23	3.95	3.30	4.24	3.77	4.13
sugar	production (000 t)	187.6	165.6	190.7	149.3	139.4	121.5	144.6
	other sources*	18.7	31.0	24.0	2.3	18.4	49.9	20.0
	domestic use	268.0	285.2	167.1	142.1	184.1	239.4	201.9
	exports	1.4	1.4	0.0	50.4	9.9	1.1	0.0
	imports	85.8	65.6	18.7	8.1	32.4	36.9	35.0
	ending stocks	95.5	71.1	137.4	104.6	100.8	68.6	66.3

Source: SSO, RIAFE

\*destocking of government reserves

In 1992 50,000 t of sugar were exported with subsidy through the State Fund for Market Regulation, when Slovak food producers gave preference to cheaper Czech sugar and Slovak sugar remained unconsumed.

#### 4.2 Permanent crops and horticulture

The area under permanent crops and the area used for fruit and vegetable production has remained relatively stable, although the volume of fruit and vegetable production has decreased over the transition period. About half of fruit production are apples, while tomatoes, cabbages and carrots are the main vegetables. Important exports of vegetables to the Czech Republic take place, in particular of tomatoes and peppers (paprikas).

Table 12: Fruit and vegetable area and production

		1989	1990	1991	1992	1993	1994
fruit	area (000 ha)	20.5	20.0	19.8	19.4	19.2	19.0
	prod. (000 t)	231.3	163.6	184.8	139.9	174.8	123.4
o.w. apples		124.8	82.1	96.4	58.8	107.3	56.9
vegetables	area (000 ha)	30.6	30.0	32.5	31.3	32.9	34.2
	prod. (000 t)	571.0	496.6	552.1	459.1	453.5	485.5

Source: SSO, RIAFE

Wine grapes are cultivated on around 26,000 ha (productive area) and wine production amounts to between 800,000 and 1 mio hl per year. Around 200,000 hl of wine are exported annually, mainly to the Czech Republic.



### 4.3 Livestock

In contrast with the crop sector, where arable area only declined slightly over the 1989-94 period, the livestock sector experienced a considerable liquidation of herds, which as yet has not stopped. The decline in livestock production is partly an adjustment to a much lower demand, but also reflects a lower profitability and larger restructuring problems than in the crop sector.

Table 13: Livestock numbers

(000 head)*	1989	1990	1991	1992	1993	1994	94/89
cattle	1594.0	1622.5	1563.1	1396.6	1202.7	993.0	62.3
o.w. cows	567.8	558.9	548.7	500.7	433.8	385.9	68.0
pigs	2698.3	2708.5	2520.5	2428.0	2281.2	2179.0	80.8
o.w. sows	185.0	181.8	179.9	180.4	180.2	165.9	89.7
poultry	16369	16395	16478	13866	13372	12234	74.7
o.w. lay. hens		8426	8134	8144	7568	7308	
sheep	648	621	600	531	467	411	63.4
o.w. ewes				368	334	286	

Source: SSO, RIAFE

\* beginning of the year

Cattle and sheep with a nearly 40% reduction in numbers, and dairy (-32%) have been affected most, while the pig and poultry sectors were affected somewhat less.

In the dairy sector **milk production** continued to decline in 1994 by over 11% from the 1993 level. Also the delivery rate to the main dairies has tended to drop, indicating a higher on farm consumption and/or direct sales. Milk yields per cow have started to recover, but have not yet reached their pre-transition levels of 3600 kg and are relatively low compared to the EU average of 5000 kg.

Table 14: Milk supply balance

		1989	1990	1991	1992	1993	1994(e)
cows*	(000)	563.5	554.0	527.0	461.0	411.0	364.0
yield	kg/cow	3647	3569	2983	2973	3043	3267
milk	production (000 t)	2055.0	1977.5	1572.3	1370.5	1250.8	1189.3
	deliveries (000 t)			1211.6	879.1	872.0	820.0
	% of prod.			77%	64%	70%	69%
	cons+stock var. (000t)					1161	1068
	net exports (000 t)					89.4	121.5

Source: SSO, RIAFE

\*dairy cows, annual average

Milk production has declined by over 40% compared to the 1989 level. Of the individual dairy products production of skimmed milk powder continued to drop in 1994 (- 60% since 1989), while production of butter and cheese stabilized (at respectively 50% and 85% of the 1989 level). Slovakia is a net exporter of (subsidized) milk powder and cheese, while for butter it has become a net importer.

The continued liquidation of herds upheld **meat production** in the first years of the transition, but has since started to affect output levels. In 1994 production of beef and veal dropped substantially by 28%, while pork continued its decline of previous

years, although at a lower rate (-7%). Only poultry production showed an increase of 4.4%.

Table 15: Beef/veal supply balance

	1989	1990	1991	1992	1993	1994(e)
prod. (000 t cwe)		146.4	144.0	100.0	102.6	73.4
cons. (000 t cwe)		79.2	78.3	77.1	79.4	64.2
exports (000 t cwe)		67.0	62.8	25.1	24.7	13.1
imports (000 t cwe)		0.7	0.7	0.7	1.3	3.1
end. stocks (000 t cwe)	2.0	2.9	6.5	5.0	4.8	4.0
pc cons (kg cwe)		14.9	14.8	14.5	14.9	12.0

Source: SSO, RIAFE

With the reduction in production and consumption relatively stable, net exports of beef have declined considerably. In 1994 the reduced availability of beef also affected the level of consumption, which dropped from around 15 to 12 kg per capita.

Table 16: Pork supply balance

	1989	1990	1991	1992	1993	1994(e)
prod. (000 t cwe)		268.9	229.9	219.3	185.6	172.4
cons. (000 t cwe)		232.7	221.5	217.9	194.1	176.7
exports (000 t cwe)		44.3	8.0	6.6	1.0	0.0
imports (000 t cwe)		4.2	2.3	4.3	5.9	2.1
end. stocks (000 t cwe)	8.0	4.1	6.8	5.9	2.3	0.1
pc cons (kg cwe)		43.9	41.9	41.1	36.5	33.0

Source: SSO, RIAFE

For pork Slovakia has become a net importer in recent years, as production has declined faster than consumption.

Table 17: Poultrymeat supply balance

	1989	1990	1991	1992	1993	1994(e)
production (000 t cw)	81.8	85.5	72.6	65.0	57.0	59.5
consumption	73.8	84.9	62.2	66.9	59.9	61.0
exports	0.0	0.0	6.9	4.8	3.9	0.6
imports	0.0	0.0	0.0	0.3	4.2	2.5
stock change	8.0	0.6	3.5	-6.4	-2.6	0.4
pc cons (kg)	14.0	16.0	11.8	12.6	11.2	11.4

Source: SSO, RIAFE

Also for poultry Slovakia has become a net importer as demand has outstripped production.

For all meats combined the country is however still a (small) net exporter.

## 5. Agricultural trade

The regional breakdown of the agro-food trade flows shows that the most important market for Slovak exports is the Czech Republic, at a distance followed by the European Union and the former Soviet Union (FSU). The share of agro-food exports going to customs union partner, the Czech Republic, increased from 47% in 1993 to 55% in 1994. The share of agro-food exports going to the EU12 decreased from 15.5% in 1993 to 14.6% in 1994, as did the FSU share from 14 to 13.6%. The most important products in value terms exported to the EU are live animals and dairy products, which are included in the Europe agreement and for which the preferential import quotas were fully used (see annex 3).

On the import side the Czech Republic is also the most important trade partner with a share of 37.3% in 1994 down from 47% in 1993. Agro-food imports from the Czech Republic slowed down in 1994 due to problems over the functioning of the customs union, in particular the food certification requirement introduced by the Slovak side, and the 10% import surcharge also applicable to foodstuffs. The EU's share in Slovak imports increased from 24.3% in 1993 to 28.3% in 1994, with agro-food imports from the EU growing by over 25% in (SK) value terms. Big import items from the EU in value terms are feedingstuffs and fruit.

Complete trade data for Slovakia and the Czech Republic separately are only available from 1993 onwards. Although also in the past a major share of Czechoslovakia's agro-food trade (around 45% of exports and 54% of imports) was with the West, the former COMECON was the second largest trade partner. Apart from the Czech Republic the share in Slovak exports of the other CEECs decreased in 1994, while their share in imports increased.

Besides the existing trade agreements with the EU<sup>1</sup> and EFTA countries, the decision earlier this year by the agriculture ministers of the CEFTA<sup>2</sup> countries to progressively liberalize agro-food trade, could be of influence on the future geographical pattern of Slovak agricultural and food trade. At their meeting in January in Warsaw the ministers agreed that the work on mutual recognition of phytosanitary and veterinary certificates should be concluded by 1 July 1995 and proposed to reduce customs duties by 50% as from 1 January 1996 and to eliminate them by 1 January 1998.

The commodity structure of agro-food exports shows vegetables, dairy products and beverages as the most important product groups in 1994, representing about 30% of the total agro-food export value, while in 1993 besides dairy products, cereals (ie malt barley) and live animals were leading product groups, again representing about 30% of agro-food export value.

The commodity structure of agro-food imports has remained relatively stable, the main categories being tropical products and animal feed (ie soya meal).

A factor which will be of influence on agricultural trade in the coming years are the Slovak Republic's commitments in the context of the GATT Uruguay Round (see §7.3).

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<sup>1</sup> The agreement is currently being renegotiated to take into account the enlargement of the Union to 15 members in 1995 and to adapt it to the GATT Uruguay Round context.

<sup>2</sup> Central European Free Trade Agreement between Poland, Hungary, Czech Republic, Slovakia, with Slovenia in the process of joining.

## 6. Agriculture and environment

The main environmental problems related to agriculture are erosion and water pollution by agro-chemicals.

About 60% or 1.5 mio ha of agricultural land is threatened by erosion of topsoils, of which 670,000 ha urgently require protection. The country's location on the "roof of Europe" facilitates erosion by water run-off, which is aggravated by an inappropriate regulation of water flows. The annual loss of land due to erosion is estimated at 2.8 mio t, leading to the silting of rivers and water reservoirs, floods, eutrophization of surface water and loss of soil fertility.

The quality of ground and surface water has been influenced by over-use of fertilizers and chemicals. Although the application of fertilizers and agro-chemicals has substantially decreased during the transition, this has not yet affected pollution levels. High levels of nitrate in drinking water from groundwater aquifers are a major problem, in particular in the intensively cultivated areas (eg the alluvial plains of the Danube river basin).

Table 18: Fertilizer use

		1989	1990	1991	1992	1993	1994
Total NPK*	000 t	562.5	581.8	286.7	145.9	95.0	99.1
	kg/ha	231.2	239.7	123.1	83.9	41.6	42.0

Source: RIAFE

\*Nitrogen, Phosphate and Kalium

A general problem affecting agriculture and forestry are the acid rains, which have caused damages and losses. The country is situated in the area of greatest atmospheric pollution and acid rainfall in Europe. Long range transborder air pollution accounts for approximately 60% of Slovak air pollution.

## 7. Agricultural policy

### 7.1 Structural reform and privatization

#### 7.1.1 Farm sector

In the pre-transition era over 80% of cultivated land was in the hands of collective (the "old" cooperatives) and state farms with average sizes exceeding 2,600 and 5,000 ha, respectively.

The main objective of the reform policy of the 1991-94 period was to re-establish private property rights in agriculture through restitution of land and assets to former owners, transformation of the agricultural cooperatives and privatization of the state farms.

The basic legal framework for implementing the transformation and privatization in the agro-food sector were laws approved in 1991 and 1992 on the restitution of property, privatization of state enterprises and transformation of cooperatives, and

the land law. Apart from the state farm privatization the process was completed from a legal point of view during the period 1993-94.

Basically three forms of farming emerged, transformed coops, other companies (joint stock or limited liability) and individual (family) farms.

By the beginning of 1994 about 18,000 individual farms<sup>3</sup> with an average size of 11.5 ha had been formed, cultivating about 205,000 ha (ie between 8 and 9% of total agricultural area). Most individual farms were set up by persons who decided to leave the cooperative and to withdraw their land and assets (in kind or sometimes in the form of machine services provided by the coop). The big majority of individual farmers, however, has less than 5 ha. They can be considered as part time farmers, producing primarily for own consumption. The distinction with the private or garden plots, which already existed under the collective system, is not always clear. Of these private plots with an average size of 0.34 ha there were about 295,000 covering 100,000 ha. The share in total production of the small farms and plots for some products is important such as fruit and vegetables (70%), potatoes (50%) and eggs and poultry (50%).

All collective farms were transformed into (producer) cooperatives of private owners by 1 January 1993. At the start of 1994 these coops (930 in number) were still managing over 60% of agricultural land with an average size of 1665 ha. Several reasons contributed to the fact that many of the old collective farms continued as coops such as the fragmentation of ownership (too small plots to start own farming activities), the general atmosphere of uncertainty in the transition years (against the relative security offered by the coop) and lack of entrepreneurial skills and financial resources to set up new entities. For many there was therefore insufficient incentive to switch from being a worker with a regular 8 hour a day job to being a full time independent farmer.

The newly formed corporate farms numbered over 60 with an average size of 290 ha. The owners often are not farmers in the traditional sense, but entrepreneurs organizing land, capital and labour. The farm operates on rented land and the work is contracted out.

The newly established farms are mostly active in the crop sector, which requires less investment, can be operated on an annual basis (in particular in the case of annual land lease contracts), and currently is more profitable than animal production.

Of the 156 state farms, managing about 16% of agricultural area (ie 383,000 ha), 153 remain to be privatized. The privatization of the state farms has been held up by the changes in government and by non-clarified restitutions of land to former owners. Only 20,000 ha of the land on which the state farms operate is state owned, one third being former church land and the remainder in private hands, mostly small owners. Also the privatization of other assets of the state farms has been slow due to lack of interest, the machinery and equipment being obsolete and the operations burdened under high debts. The state farms are mostly located in the less favoured areas with low quality arable land or grassland.

The development of the land market is a crucial problem at the present stage of transformation. Non-transferability of the property shares of the non-members of the coops, lack of liquidity/profitability in agriculture and also problems with the physical identification of plots has so far prevented the development of purchasing

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<sup>3</sup> By the beginning of 1995 this number has risen to nearly 20,000.

and selling on the agricultural land market and the establishment of market prices for land. This has also made the banking sector reluctant to accept land as collateral for loans. Although the effective scale of farm operation has been increased by land leasing, this has happened mainly on the basis of short term contracts, which has also not encouraged investment in agriculture.

### *7.1.2 Up- and downstream sectors*

In the pre-transition era the up- and downstream sectors of agriculture were state-owned, often with one big state company per branch.

These large enterprises have mostly been split up and partly included in the first round of privatization or earmarked for the second round. Some have been liquidated or are still to be liquidated. The envisaged de-monopolization and privatization has however only materialized partly so far, with the exception of the retail trade and some sub-sectors in food processing. In some cases there has been a tendency for state monopolies to be simply replaced by private monopolies or semi-public monopolies (largely as joint stock companies partly owned by the state).

In the distribution of farm inputs, such as seeds, fertilizers and pesticides newly created private suppliers have become active. As far as the production of inputs is concerned the state enterprises have been transformed into private companies, in which the state has kept a (majority) stake (eg tractor manufacturing, fertilizer production).

The banking sector, which in principle also provides financial services to agriculture, is still semi-state controlled. The Slovak Agricultural Bank<sup>4</sup> provides credit to the farm sector in cooperation with state funds such as the Agricultural Support Fund (see § 7.2).

In the downstream sector more has been privatized. Of the 193 state enterprises in the processing industry 124 were included in the first round of privatization and 58 were earmarked for the second round (of which 14 have already been privatized). In general the food industry is still suffering from overcapacity (eg sugar processing) and in need of modernization (eg meat processing).

As far as distribution is concerned commodity exchanges and the wholesale sector are still underdeveloped or missing (eg vegetables, potatoes). The retail sector has been privatized by 80 to 90%.

For agriculture, which in the pre-transition era dealt with monopolistic state enterprises through long term contracts, the reform process has considerably changed the relationships with the up- and downstream sectors and broken many of the pre-reform links in the food chain. Financial flows have not been working and farms have been faced with payment problems by the processing industry, which has encouraged some of the cooperatives to develop their own small scale processing capacity, eg in dairy and meat.

## *7.2 Support policies*

Several types of state support to agriculture can be distinguished such as market support and direct subsidies in the form of income support to farmers in less

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<sup>4</sup> The bank, established in 1990, is a private bank, of which the shares are owned by other banks, insurance companies, the EBRD, coops and the state. Although the state only has a small stake, it indirectly also exerts control through the share holding banks and insurance companies, in which it has (majority) stakes.

favoured areas, input and investment subsidies and payments for certain types of services or activities. The direct subsidies make up the bulk of the expenditure on agriculture, which in 1994 amounted to 10.3 bio SK (270 mio ECU), while for 1995 expenditure is forecast at 11.8 bio SK (315 mio ECU). Market support is channelled through the State Fund for Market Regulation (SFMR) and most of the direct subsidies are paid by the ministry of agriculture and its regional offices. Investment subsidies are allocated through the State Support Fund for Agriculture and Food Industry (SSFAFI).

Table 19: Agricultural budget expenditure\*

		1991	1992	1993	1994	1995(f)
market support (SFMR)	mio SK	2135	1565	985	650	650
o.w. exp. subsidies	mio SK			431	276	
direct subsidies	mio SK	8110	7466	6972	6966	7260
o.w. income support	mio SK	4752	3615	3609	3352	3400
general services	mio SK	1990	2464	1789	1767	2490
other support**	mio SK	2423	2110	3011	931	1400
TOTAL	mio SK	14659	13605	12757	10314	11800
	mio ECU	401	371	328	270	315
tax exemptions	mio SK			2800	216	250

Source: RIAFE, Ministry of Agriculture

\* 1992-1994 real expenditure, 1995 forecast

\*\*Includes also subsidies for forestry and water management

### 7.2.1 Market support

Market support in the form of intervention buying, export subsidies and border protection has been introduced since 1991 for some of the main commodities (milk and milk products, beef, pork, cereals and potatoes). Market support is given through the State Fund for Market Regulation (SFMR).

Table 20: Price support

			1992	1993	1994	1995
<b>milk</b>	instit. price	SK/t*	5.4	5.4	6.7	6.7
		ECU/100 kg	15.0	14.2	17.9	18.2
	producer price	SK/t*	5.8	6.3	6.7	7.2
	EU indicative price	ECU/100 kg	31.0	31.6	31.3	30.9
<b>beef</b>	instit. price	SK/kg lw**	28.0	28.0	31.0	-
		ECU/100 kg cwe	145.6	137.1	154.6	-
	producer price	SK/kg lw**	27.6	28.6	35.2	39.7
	EU interv. price	ECU/100 kg cwe	399	397	378	358
<b>pigs</b>	instit. price	SK/kg lw***	32.0	25.0	27.0	34.6
		ECU/100 kg cwe	124.8	91.8	101.0	131.8
	producer price	SK/kg lw**	27.3	30.3	35.1	39.5
	EU interv. price					
<b>food</b>	instit. price	SK/t	3000	3250	3500	3350
<b>wheat</b>		ECU/t	82	84	92	89
	producer price	SK/t	2769	3530	3477	3150
	EU interv. price	ECU/t	193	139	129	119
<b>feed</b>	instit. price	SK/t	-	3000	3000	-
<b>wheat</b>		ECU/t		77	79	
	producer price	SK/t	2338	3092	3113	3093
	EU interv. price	ECU/t	193	139	129	124
<b>feed</b>	instit. price	SK/t	-	2900	2900	-
<b>barley****</b>		ECU/t		75	76	
	producer price	SK/t	2151	2980	3005	3041
	EU interv. price	ECU/t	183	161	134	124
<b>maize</b>	instit. price	SK/t	-	3600	-	-
		ECU/t		93		
	producer price	SK/t	3117	3521	3611	3647
	EU interv. price	ECU/t	193	166	134	124
<b>potatoes</b>	instit. price	SK/t	-	3000	-	-
		ECU/t		77		
	producer price	SK/t	3818	3383	5278	8200
	EU interv. price		-	-	-	-

Source: RIAFE, European Commission DGVI

\*First class milk with a 3.6% fat content

\*\* A grade slaughter bulls and heifers; the producer price is for A grade bulls

\*\*\*A grade pigs

\*\*\*\*For malt barley a minimum guaranteed price of 3000 SK/t (80 ECU/t) has been proposed for 1995/96.

For crop products years are marketing years, ie 1994=1994/95; 1995 producer prices are RIAFE forecasts.

Minimum guaranteed prices are applied to the intervention purchases of cereals, slaughter cattle and pigs. For cereals the guaranteed prices are set on 15 August (for winter crops) and on 30 November (for spring crops) and are in principle in force for the entire marketing year. If input prices rise substantially (5-10%) the guaranteed prices are adjusted.

For the 1994/95 marketing year the total intervention quantity for cereals was set at 315,000 t (mainly food wheat and barley). For the 1995/96 marketing year a lowering of the guaranteed price for food wheat from 3500 to 3350 SK/t has been



agreed between the Minister of Agriculture, the SFMR and the Chamber of Agriculture and Food Industry (representing farm and food industry interests).

For pigs the intervention quantity in 1995 is limited to 2000 t.

For milk a basic guaranteed price of 6.7 SK/l has been set for 1995 within a national quota of 900 mio l (ie slightly above the 1994 level of deliveries). The basic price can be supplemented with a bonus (eg a winter bonus of 2.30 SK/l for first class milk and of 1.30 SK/l for second class milk, third class milk receives no bonus; summer bonuses are lower). The national quota is distributed to districts and individual producers through the Chamber of Agriculture and Food Industry. A producer can exceed his quota by up to 5%. Between 5 and 10% too much he loses his bonus and above 10% the price is freely negotiable between the producer and the dairy. Also for extra (Q-quality) milk and substandard milk the price is freely negotiable.

Support levels vary from 60% of the EU level for milk to 75% of the EU level for wheat. Support is however targeted at the farm level, while EU intervention prices are wholesale prices, implying a smaller gap when farm gate prices are compared. Also the margin between farm gate and border prices tends to be much larger than in the EU due to downstream inefficiencies.

In 1994 exports of dairy products, malt, slaughter animals, honey, starch and apple juice were subsidized.

Because of shortages on the domestic market a maximum retail price for potatoes (of 12 SK/kg) and a maximum retail margin for meat products was introduced in 1994.

#### *7.2.2 Direct subsidies*

Nearly half of the direct subsidies are income support for farmers in less favoured areas in the form of hectare payments, ranging from 400 to 3400 SK depending on the quality of the soil. Also for sheep and goat rearing in these regions subsidies are available (up to 600 SK per ewe), as well as subsidies to maintain settlement in remote locations (7000 SK per farmer).

Furthermore subsidies are available for the purchase of high quality inputs (eg seeds and breeding animals) and for investment. For the latter the State Support Fund for Agriculture and Food Industry was established in 1994. It provides long term loans at concessional rates for modernization (buildings, equipment), for the purchase of farm land and forest land, and guarantees and interest subsidies for commercial credits used for farm investments.

#### *7.2.3 Other support policies*

Other support policies cover general services such as extension and training services and certain tax reliefs. In 1993 a one off 100% reduction in the payroll tax was granted. In 1994 a 50% reduction on fuel tax was introduced. Agricultural businesses also pay only 50% of the general income tax rate of 40%.

#### *7.3 Trade policy*

Agricultural trade policy will from 1995 onwards to a large extent be determined by the GATT Uruguay Round commitments on market access and export competition. As far as domestic support is concerned, this is not likely to be a limiting factor for

formulating agricultural policy. In 1995 the support ceiling as measured by the Aggregate Measure of Support (AMS) amounts to 12.3 bio SK (327 mio ECU) to be reduced to 10.1 bio SK (233 mio ECU) by the year 2000, which when compared to current support levels leaves a relatively high margin, even if inflation is taken into account over the period under consideration.

As far as border protection and market access is concerned import tariffs are for most products already near to the levels allowed under GATT and offer a relatively high level of protection. Minimum access tariff quotas are to be opened for a number of products such as beef, pork and poultrymeat (10,275 t in total), dairy products and a few others.

Subsidized exports are allowed for a number of products including cereals, sugar, beef, pork, poultrymeat, dairy products and fruit and vegetables. Of the main subsidized exports in 1994 milk powder (over 7,000 t) and cheese (about 6,600 t) were still well below the 1995 level of subsidized exports allowed under GATT (18,300 and 8,700 t respectively).

For more details on the Slovak Republic's Uruguay Round commitments see annex 1.

## Part III: Medium Term Outlook

### 1. Policy scenario

The basic aims of the Slovak Republic's agricultural policy as set out in a policy document<sup>1</sup> published in 1993 are:

- food security (in quantity and quality), ie a minimum self sufficiency degree of 90% for the main commodities;
- appropriate farm income (ie not less than 90% of the average income in other sectors of the economy) and balanced regional development (ie through relocation of crop and animal production to the areas most suited for this type of production);
- sustainable development of agriculture (erosion prevention, reconversion of arable land into grassland, afforestation; landscape preservation; bio-fuel production) and food safety (harmonization of sanitary and phyto-sanitary standards with the EU);
- maintaining agriculture in less favoured areas in a rural development context.

The main policy instruments to attain these objectives are price support and direct subsidization. Minimum guaranteed prices, covering at least 90% of average production costs and adjusted in case input prices rise by more than 5%, are set for the main commodities<sup>2</sup>. In case of surpluses intervention purchases by the State Fund for Market Regulation are carried out at the guaranteed price level. The SFMR can also allocate export subsidies to clear the market. Border protection, ie import tariffs (and countervailing duties prior to 1995), completes the market support system.

In addition to price support, input and investment subsidies and subsidies for farming and related activities in less favoured areas are available.

This basic policy framework is expected to remain in place for the coming years, subject to two important constraints, the budget available for agriculture and the GATT Uruguay Round commitments, which to a large extent determine the level of use of the policy instruments. In view of the government's stated objective to reduce the budget deficit, expenditure on agriculture is not expected to rise much above current levels. Also in the context of the customs union with the Czech Republic widely diverging support levels for agriculture would not seem feasible.

The next paragraph presents a tentative quantification of this policy scenario for the main commodities.

### 2. Commodity projections

The economic background to the projections is an overall economic growth of 3-4% per year till the end of the decade. A slight deceleration of the current growth rate of 4 to 5% can be expected as the economy switches from export led to domestic demand based growth.

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<sup>1</sup> "The Concept and Principles of the Agrarian Policy"

<sup>2</sup> In the case of milk a fixed price is set guaranteeing a minimum profitability of 12%.

For agriculture and the up- and downstream sectors it is assumed that the process of restructuring and adjustment of production capacities will continue through the decade with a gradual return to profitability. The producer cooperatives are expected to continue to provide the bulk of agricultural output with some further development of individual and corporate farms.

The general income growth will lead to a certain recovery of demand for agricultural products, in particular for animal products. The recovery in animal production will also increase the feed demand for cereals.

As far as land use is concerned no major shifts are expected. Total agricultural area will remain unchanged, although productivity increases and reduced demand for some products will slightly reduce the need for arable land, which would be reconverted into permanent grassland. For reconversion the current policy framework provides incentives.

Table 21: Land use projection

	1992	1993	1994	2000
<b>agric. area:</b>	2447	2447	2446	2446
arable land	1486	1485	1483	1465
perm. crops	52	51	50	50
perm. grassl.	831	833	835	853
other	78	78	78	78
<b>arable land:</b>	1486	1485	1483	1465
cereals	801	835	860	870
fodder crops	437	386	373	339
oilseeds	70	74	87	105
sugar beet	45	33	32	35
potatoes	51	45	41	27
other	81	112	90	89

Within the arable crops the shift towards cereals and oilseeds would continue, while area planted to fodder crops would decrease (as dairy numbers continue to drop) as would potato area.

With cereals area stabilizing towards 2000 at a historically high 870,000 ha and a yield growth of up to 2% per year<sup>3</sup>, as there is a certain shift to higher yielding cereals (ie wheat and corn) and input use recovers, production would reach 4.4 mio t. Total consumption would amount to 3.9 mio t, due to an increase in feed and food use, leaving an exportable surplus of over 500,000 t. The Uruguay Round commitments limit the volume of subsidized exports to 109,000 t in 2000, so most of the surplus would have to be exported without subsidy. With a domestic price level of around 4000 SK/t, which would be equivalent to a fob export price of 125 to 130 US\$/t<sup>4</sup>, this would appear possible in the light of expected world market price developments.

<sup>3</sup> By and large this would imply a recovery of cereals yields to their pre-transition levels.

<sup>4</sup> Inflation in the Slovak Republic is assumed to remain in the 5 to 10% range until the end of the decade, leading to some upward adjustment in nominal agricultural prices. To take into account the accumulated inflation differential with the major trading partners until 2000 of 20 to 25% the nominal exchange rate is adjusted from 29 to 35 SK/US\$. The gap between farm gate and border prices is assumed to narrow to western levels.

Table 22: Cereals projection\*

	1992	1993	1994	2000
area (000 ha)	801	835	860	870
yield (t/ha)	4.43	3.78	4.30	5.07
production (000 t)	3552	3152	3700	4409
consumption	3757	3261	3637	3876
o.w. feed use	2652	2208	2335	2445
exportable surplus	343	167	136	533
GATT quantity ceiling				109

\* years are marketing years

A further expansion of **oilseeds** area, in particular of rape for which domestic use is exceeding production, while sunflower would stabilize, and an average annual yield growth of 2 to 2.5% would increase production to 233,000 t. Domestic demand, including a further slight growth in non-food use, would rise to 162,000 t. Taking into account an access commitment of 6,045 t and the limit on subsidized exports of 5,500 t, most of the surplus would have to be exported without subsidy.

Table 23: Oilseeds projection\*

	1992	1993	1994	2000
area (000 ha)	70	74	87	105
yield (t/ha)	1.90	1.70	1.78	2.22
production (000 t)	133	126	155	233
consumption	123	106	154	162
imports	22	29	48	6
exportable surplus	33	45	48	77
GATT quantity ceiling				6

\* years are marketing years

For **sugar** production is expected to increase as beet area stabilizes and productivity<sup>5</sup> increases, but net imports would continue as consumption stabilizes at around current levels.

Table 24: Sugar projection\*

	1992	1993	1994	2000
beet area (000 ha)	45	33	32	35
sugar yield (t/ha)	3.30	4.24	3.77	4.78
production (000 t)	149	139	122	167
other sources	2	18	50	0
domestic use	142	184	239	234
pc use (kg)	26.8	34.6	44.7	42.6
imports	8	32	37	67
exportable surplus	50	10	1	
GATT quantity ceiling				4

\* years are marketing years

<sup>5</sup> A gradual increase in efficiency at farm and plant level is expected, leading to sugar yields approaching 5 t/ha.

With human consumption and industrial use of potatoes remaining stable (at their pre-1994 level, which was a shortage year), but feed use declining, domestic demand would amount to 545,000 t, a level to which production could be expected to adapt, taking into account an import access commitment of 13,800 t. The relocation of potato growing to better quality land is expected to increase yields to the level of 20 t/ha, which would imply an important reduction in the area needed.

Table 25: Potato projection\*

	1992	1993	1994	2000
area (000 ha)	51	45	41	27
yield (t/ha)	12.86	18.44	9.25	20.0
production (000 t)	658	825	382	531
consumption	853	849	493	545
imports	200	28	120	14
exportable surplus	5	5	9	

\* years are marketing years

Production of milk is expected to increase in response to a rise in domestic demand as per capita consumption of dairy products increases, in particular of fresh products. With yields expected to increase by 2% per year the number of dairy cows will nevertheless drop further.

Consumption and production of butter and milk powder are expected to remain stable, implying a continuation of net imports of the former and net exports of the latter. For butter imports would exceed the minimum access level of 1,014 t, while exports of skimmed milk powder (smp) would remain below the ceiling of 15,000 t. Cheese consumption is expected to rise, somewhat reducing the level of exports, which would use up the ceiling on exports for other dairy products.

Table 26: Dairy projections

		1992	1993	1994	2000
MILK	dairy cows (000)	461	411	364	339
	yield (kg/cow)	2973	3043	3267	3760
	production (1000 t)	1371	1251	1189	1276
BUTTER	production (000 t)	21	19	20	19
	consumption	18	22	22	22
	p c cons. (kg)	3.4	4.1	4.1	4.0
	imports	0	5	2	3
	exportable surplus	3	2	0	
	GATT quantity ceiling				
SMP	production (000 t)	31	19	15	16
	consumption	12	13	10	11
	imports	0	7	5	5
	exportable surplus	20	14	10	10
	GATT quantity ceiling				15
CHEESE	production (000 t)	31	30	34	32
	consumption	25	26	26	28
	p c cons. (kg)	4.8	4.9	4.9	5.1
	imports	0	4	2	3
	exportable surplus	6	8	9	7
	GATT quantity ceiling				7

For **beef** a modest growth in per capita consumption of around 1% as incomes grow would increase total consumption to 70,000 t by 2000. Even with a reduced dairy herd the growing demand for beef could be met. With 340,000 cows production potential would be around 68,000 t and could be expanded if a suckler herd for specialized beef production were to be built up. Taking into account a minimum access of 4,000 t and allowed subsidized exports of 28,000 t beef (if exports were to be subsidized) production could increase to 94,000 t (for which a suckler herd of over 100,000 would be needed in addition to the dairy herd).

Table 27: Beef projection

	1992	1993	1994	2000
production (000 t cwe)	100	103	73	68
consumption	77	79	64	70
p c cons. (kg)	14.5	14.9	12.0	12.7
imports	1	1	3	4
exportable surplus	25	25	13	2
GATT quantity ceiling				28

With a modest recovery in per capita **pork** consumption of 1% per year demand would rise to 191,000 t by 2000. If market support for the pigmeat sector were to include export subsidies, then - taking into account a minimum access exceeding the allowed quantity of subsidized exports by 5,000 t - production would have to remain below consumption by this margin to respect the GATT commitments.

Table 28: Pork projection

	1992	1993	1994	2000
production (000 t cwe)	219	186	172	186
consumption	218	194	177	191
p c cons. (kg)	41.1	36.5	33.0	34.7
imports	4	6	2	10
exportable surplus	7	1	0	5
GATT quantity ceiling				5

For **poultry** a slightly more rapid increase in consumption is expected. In this case, if export subsidies were to be used, production could exceed domestic consumption by 7,000 t in 2000 without breaching GATT commitments.

Table 29: Poultrymeat projection

	1992	1993	1994	2000
production (000 t cw)	65	57	60	76
consumption	67	60	61	69
p c cons. (kg)	12.6	11.2	11.4	12.5
imports	0	4	3	4
exportable surplus	5	4	1	11
GATT quantity ceiling				11

By the end of the decade Slovakia could generally speaking be a net exporter for cereals and oilseeds, although it would have to be competitive at world market prices for its GATT commitments not to be binding, and a small net exporter of milk powder and cheese and possibly of poultry within its GATT commitments. For sugar, potatoes, butter and other meats it would be a (small) net importer. The 90% self sufficiency target would be (more than) met for most products, except butter and sugar.

For most of these products competition from the Czech Republic could be expected if the customs union remains in function, and, if the plans within CEFTA to liberalize agricultural trade are realized, also from Polish and Hungarian producers.



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## **GLOSSARY/ABBREVIATIONS**

<b>CEECs</b>	<b>Central and Eastern European Countries</b>
<b>CEFTA</b>	<b>Central European Free Trade Agreement between Poland, Hungary, Czech Republic and Slovakia also known as the Visegrad four, with Slovenia in the process of joining</b>
<b>cwe</b>	<b>carcass weight equivalent (for supply balance sheet calculations)</b>
<b>GAO</b>	<b>Gross Agricultural Output, value of sold production plus own producer consumption</b>
<b>GAP</b>	<b>Gross Agricultural Product, a measure of value added in agriculture (GAP=GAO-IC)</b>
<b>IC</b>	<b>Intermediate Consumption, costs of inputs of materials and services used by agriculture</b>
<b>LFA</b>	<b>Less Favoured Areas</b>
<b>lw</b>	<b>live weight (in tables)</b>
<b>MDS</b>	<b>Movement for a Democratic Slovakia, leading government coalition partner headed by prime minister Vladimir Meciar</b>
<b>NBS</b>	<b>National Bank of Slovakia</b>
<b>NIS</b>	<b>Newly Independent States (from the former Soviet Union)</b>
<b>o.w.</b>	<b>of which (in tables)</b>
<b>pc cons</b>	<b>per capita consumption (in tables)</b>
<b>PPP</b>	<b>Purchasing Power Parity</b>
<b>RIAFE</b>	<b>Research Institute of Agricultural and Food Economics in Bratislava</b>
<b>SK</b>	<b>Slovak koruna or crown, the national currency (SK/ECU=35.7, average rate 1994)</b>
<b>SMP</b>	<b>Skimmed Milk Powder</b>
<b>SSO</b>	<b>Slovak Statistical Office</b>
<b>Visegrad countries</b>	<b>see CEFTA</b>

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## ANNEX 1: Uruguay Round commitments Slovak Republic

<b>Domestic Support Reduction</b>						
	base: 1986-1988	1995		2000		2000/base
	bio SK	bio SK	bio ECU	bio SK	bio ECU	% reduction
<b>Total AMS</b>	12.7	12.3	0.327	10.1	0.232	-20%

<b>Minimum Access</b>				
Tariff quotas selected products:				
	1995		2000	
	quantity (t)	tariff rate (%)	quantity (t)	tariff rate (%)
<b>beef</b>	2238	30	3730	30
<b>pork</b>	5865	30	9775	30
<b>poultry</b>	2172	24	3620	24
<b>butter</b>	608	32	1014	32
<b>potatoes</b>	8280	50	13800	50
<b>oilseeds</b>	4435	15	6045	15

## ANNEX 1 continued

Export Commitments												
	base: 1986 - 1990			1995			2000			2000/base		
	mio SK	000 t	ECU/t*	mio SK	000 t	SK/t	ECU/t*	mio SK	000 t	SK/t	ECU/t**	% value red.
beef	285	36	267.9	34.7	7720	206	182.4	28.4	6423	147	36%	21%
pork	50	6	47.0	5.8	8103	216	32.0	4.7	6809	156	36%	22%
poultry, eggs, poultry prod.	179	14	168.3	13.5	12467	332	114.6	11.0	10418	238	36%	21%
sheep meat	31	2	29.1	1.9	15316	408	19.8	1.6	12375	283	36%	20%
milk powder	421	19	395.7	18.3	21623	577	269.4	15.0	17960	411	36%	21%
other dairy products	378	9	355.3	8.7	40839	1089	241.9	7.1	34070	779	36%	21%
fruit, veg, their products	107	9	100.6	8.7	11563	308	68.5	7.1	9648	221	36%	21%
(oil)seeds, hops	85	7	79.9	6.7	11925	318	54.4	5.5	9891	226	36%	21%
fats/veg. oils	27	5	25.4	4.8	5292	141	17.3	3.9	4436	101	36%	22%
sugar	80	5	75.2	4.8	15667	418	51.2	3.9	13128	300	36%	22%
wine#	60	110	56.4	106.0	532	14	38.4	87.0	441	10	36%	21%
spirits, beverages#	98	640	92.1	618.0	149	4	62.7	506.0	124	3	36%	21%
beer#	41	840	38.5	810.0	48	1.3	26.2	664.0	39	0.9	36%	21%
starch	78	15	73.3	14.5	5055	135	49.9	11.8	4229	97	36%	21%
malt	372	134	349.7	129.3	2705	72	238.1	105.9	2248	51	36%	21%
cereals, flour	288	138	270.7	133.2	2032	54	184.3	109.0	1691	39	36%	21%
<b>Total</b>	<b>2580</b>		<b>2425.1</b>				<b>1651.1</b>				<b>36%</b>	

Source: Slovak schedule

\*SK/ECU=37.5

\*\*SK/ECU=43.75

#quantity commitment 000 hl

## PHARE Assistance to Slovak Agriculture

### 1. General Framework and Background

PHARE Assistance for Czechoslovakia was first established in 1990. In 1992, Phare Assistance was divided into two separate parts for the Czech and the Slovak Republics. Phare funded agricultural activities in 1993 under the "Agriculture and Land Registration Programme", which complemented limited funding for preparatory activities made available from the 1992 General Technical Assistance Facility. In 1994 the so called "Agricultural Reform and Land Registration Programme" (5 Mio ECU) has been put in place to expand the scope of the 1993 programme.

Within the Slovak Republic, the Ministry of Foreign Affairs is responsible for implementing the Phare programme, through the Programme Management Unit established in 1992.

#### Phare agricultural commitments for the Slovak Republic (mio ECU)

1990	1991	1992	1993	1994
0	0	1	3	5

### 2. Specific Actions

The 1993 Programme was used to establish a Policy Advisory Unit at the Ministry of Agriculture, to undertake policy review for 5 different food processing sectors, to initiate institutional and business development in agro-industries, to introduce food standards compatible with those of the EU and to implement a market price information system. Its land registration component provided long-term expertise, training and equipment for the digitalisation of maps in three pilot areas and the partial implementation of a computerised survey and geodetic control network.

The 1994 Programme has been set up to complete and reinforce the previous one ; it has 3 major objectives : to develop private farming and competitive agro-industries ; to restructure the primary and secondary production sectors ; and to establish a property market and privatise land by removing constraints to an effective registration and certification system of land ownership.

A total amount of 2 mio ECU will be made available for the *Agriculture* part of the 1994 programme, which aims to restructure both agro-industries and the primary production sector. The *Land Registration* part represents an amount of 3 mio ECU, and will help to modernise the district and regional offices of the Authority for Geodesy Cartography and Cadastre, and to develop land registration, information and sales systems.

### ANNEX 3: Utilization of the Association Agreement Quotas

PRODUCT (tonnes)	Quota available	Quota utilized	% of utilization	Quota available	Quota utilized	% of utilization
<b>Slovak Republic</b>						
	<b>01.01.94-30.06.94</b>			<b>01.07.94-30.06.95</b>		
<b>CEREALS</b>						
Barley	11833	0	0.0	12600	12600	100.0
Wheat flour	7833	0	0.0	12750	0	0.0
Malt	12186	0	0.0	12700	12700	100.0
<b>Total cereals</b>	<b>31852</b>	<b>0</b>	<b>0.0</b>	<b>38050</b>	<b>25300</b>	<b>66.5</b>
<b>DAIRY PRODUCTS</b>						
<i>Milk powder</i>	<b>538</b>	<b>538</b>	<b>100.0</b>	<b>1090</b>	<b>1090</b>	<b>100.0</b>
<i>Butter</i>	<b>270</b>	<b>270</b>	<b>100.0</b>	<b>460</b>	<b>460</b>	<b>100.0</b>
<i>Cheeses</i>	<b>386</b>	<b>386</b>	<b>100.0</b>	<b>650</b>	<b>650</b>	<b>100.0</b>
<b>POULTRY &amp; EGGS</b>						
Duck meat	42	0	0.0	180	19	10.4
Chicken meat, carcass	535	0	0.0	1160	0	0.0
Chicken meat, deboned & parts	535	0	0.0	1150	0	0.0
Turkeys	190	0	0.0	420	0	0.0
<b>Total Poultry meat</b>	<b>1302</b>	<b>0</b>	<b>0.0</b>	<b>2910</b>	<b>19</b>	<b>0.0</b>
Eggs in shell	1050	0	0.0	2270	7	0.3
Eggs (other)	485	0	0.0	1040	0	0.0
<b>Total eggs</b>	<b>1535</b>	<b>0</b>	<b>0.0</b>	<b>3310</b>	<b>7</b>	<b>0.0</b>
	<b>01.01.94-30.06.94</b>			<b>01.07.94-12.05.95</b>		
<b>GOOSE MEAT</b>						
<i>goose meat</i>	<b>120</b>	<b>0</b>	<b>0.0</b>	<b>260</b>	<b>0</b>	<b>0.0</b>
	<b>01.07.93-30.06.94</b>			<b>01.07.94-30.06.95</b>		
<b>BEEF</b>						
<i>Beef</i>	<b>1170</b>	<b>705</b>	<b>60.3</b>	<b>1250</b>	<b>330</b>	<b>26.4</b>
	<b>1993</b>			<b>1994</b>		
<b>LIVE BOVINE ANIMALS</b>						
Poland, Hungary, Czech & Slovak Republics						
<i>Live bovine animals</i>	<b>39600</b>	<b>39600</b>	<b>100.0</b>	<b>59400</b>	<b>59400</b>	<b>100.0</b>
<b>PIG MEAT *</b>						
Live pigs and meat of swine fresh, chilled, frozen	5350	0	0.0	1935	0	0.0
Processed products	575	0	0.0	188	0	0.0
<b>Total pig meat</b>	<b>5925</b>	<b>0</b>	<b>0.0</b>	<b>2123</b>	<b>0</b>	<b>0.0</b>
<b>SHEEP &amp; GOATS</b>						
Live animals	1045	462	44.2	1295	764	59.0
Meat	1045	312	29.9	1295	278	21.5
<b>Total sheep and goats</b>	<b>2090</b>	<b>774</b>	<b>37.0</b>	<b>2590</b>	<b>1042</b>	<b>40.2</b>

For cereals, dairy products, poultry & eggs, beef, live bovine animals and pig meat, the quota utilized refers to the quantities for which import certificates were requested. For sheep & goats and goose meat, the quota utilized refers to actual utilization.

\* For pig meat, figures available for 1993 relate to Czechoslovakia.

## STATISTICAL ANNEX

Land use Slovak Republic							
000 ha	1988	1989	1990	1991	1992	1993	1994
<b>total area:</b>	4903	4903	4903	4903	4903	4903	4903
forest	1978	1986	1989	1990	1990	1991	
agric. area	2458	2454	2449	2449	2447	2447	2446
other	467	464	465	464	466	465	
<b>agric. area:</b>		2454	2449	2449	2447	2447	2446
arable land		1509	1510	1509	1486	1485	1483
perm. crops		46	53	52	52	51	50
o.w. wine		24	31	31	31	31	30
orchards		21	20	20	19	19	19
hops		1	1	1	1	1	1
perm. grassl.		813	808	810	831	833	835
other		86	78	78	78	78	78
<b>arable land:</b>		1509.4	1509.5	1508.7	1486.0	1484.5	1483.3
cereals		818.4	776.0	809.1	801.1	834.8	859.7
oilseeds		64.7	71.3	96.2	70.1	73.9	86.9
potatoes		55.0	55.2	54.6	51.2	44.8	41.3
sugar beet		54.6	51.3	48.3	45.2	32.9	32.2
fodder crops		432.3	477.5	418.4	437.0	385.8	373.1
o.w. silage maize		178.4	229.6	177.6	185.3	157.9	160.0
alfalfa, luzern		198.3	190	182.6	196.6	184.5	172.4
other		55.6	57.9	58.2	55.1	43.4	40.7
pulses		42.9	44.7	51.9	65.3	66.3	54.9
vegetables		30.5	29.8	32.7	31.2	32.5	34.2

Livestock (000)		1986	1987	1988	1989	1990	1991	1992	1993	1994
cattle	*	1603	1591	1576	1594	1623	1563	1397	1203	993
o.w. cows	*	587	577	572	568	559	549	501	434	386
pigs	*	2318	2422	2617	2698	2709	2521	2428	2281	2179
o.w. sows	*				185	182	180	180	180	166
poultry	*	16391	16599	16321	16369	16395	16478	13866	13372	12234
o.w. lay. hens	*					8426	8134	8144	7568	7308
sheep	*	698	695	672	648	621	600	531	467	411
o.w. ewes	*							368	334	286

\*beginning of year



Commodity balances Slovak Republic											
CEREALS		1986	1987	1988	1989	1990	1991	1992	1993	1994	
all cereals	pl. area (000 ha)				827.7	825.3	812.2	808.9	845.1	873.7	
	harv. area	837.8	827.7	822.6	818.4	776.0	809.1	801.1	834.8	859.7	
	yield (t/ha)	4.38	5.12	5.31	5.19	4.66	4.95	4.43	3.78	4.30	
	production (000 t)	3668.9	4238.7	4369.5	4249.1	3617.2	4003.7	3552.3	3151.9	3700.4	
	consumption				4238.5	3702.3	3761.0	3756.7	3260.9	3636.9	
	o.w. feed use				2932.5	2694.4	2663.4	2652.1	2207.8	2335.0	
	% tot. cons				69%	73%	71%	71%	68%	64%	
	seed use				172.6	171.9	173.6	158.7	190.0	190.0	
	exports				77.2	0.6	230.0	342.6	167.4	135.9	
	imports				71.0	9.2	7.4	108.0	343.2	54.3	
	ending stocks			947.5	951.9	875.4	895.5	456.5	523.3	505.2	
wheat	area (000 ha)				412.4	418.2	408.2	354.2	398.1	442.9	
	harv. area	401.1	403.5	421.1	410.2	416.8	406.8	353.7	397.3	442.9	
	yield (t/ha)	4.42	5.40	5.80	5.53	5.00	5.22	4.80	3.85	4.84	
	production (000 t)	1774.0	2179.7	2441.8	2268.4	2084.0	2123.5	1697.8	1529.6	2143.6	
	consumption				2369.1	2068.4	1907.3	1793.1	1672.5	1996.5	
	o.w. feed				677.7	500.6	605.3	567.7	511.2	550.0	
	exports				77.2	0.6	180.0	244.1	40.5	0.0	
	imports				23.9	4.0	5.2	39.5	202.3	30.0	
	ending stocks			600.5	446.5	465.5	506.9	207.0	225.9	403.0	
	barley	area (000 ha)				199.8	190.6	209.0	252.0	247.0	239.6
		harv. area	211.6	207.0	192.1	199.3	189.5	209.0	251.5	247.0	239.6
yield (t/ha)		4.24	4.49	4.60	4.70	4.82	4.59	4.13	3.33	3.73	
production (000 t)		896.3	929.5	883.1	936.7	913.4	959.3	1038.7	822.5	893.7	
consumption					902.1	873.8	913.8	1115.6	865.9	883.0	
o.w. feed					561.1	602.8	566.3	793.8	557.8	570.0	
exports					0.0	0.0	50.0	26.7	21.9	30.0	
imports					0.0	0.0	0.0	39.7	90.6	50.0	
ending stocks				61.6	96.2	135.8	131.3	67.4	92.7	123.4	
maize		area (000 ha)				155.8	150.7	133.6	156.4	154.3	137.9
		harv. area	163	157	148.4	148.7	103.9	131.7	150.3	145.9	126.7
	yield (t/ha)	4.88	5.80	5.55	5.55	3.56	5.40	4.50	4.62	4.47	
	production (000 t)	792	913	824.1	825.3	369.9	711.2	676.4	674.1	566.3	
	consumption				764.8	567.5	690.6	636.8	556.3	600.0	
	o.w. feed				677.7	500.6	605.3	567.7	511.2	550.0	
	exports				0.0	0.0	0.0	49.6	104.1	20.0	
	imports				47.1	5.2	1.0	14.0	2.7	50.0	
	ending stocks			221.8	329.4	137.0	158.6	162.6	179.0	175.3	
	rye	area (000 ha)				40.5	46.3	38.3	23.7	23.2	31.2
		harv. area	45.7	44.7	45.5	40.3	46.6	38.2	23.8	22.9	31.2
yield (t/ha)		3.33	3.75	3.66	3.77	3.83	3.43	3.20	3.03	3.11	
production (000 t)		152.4	167.8	166.6	151.9	178.5	131	76.2	69.4	97	
consumption					135.3	125.0	174.0	131.8	107.8	102.0	
o.w. feed					35.1	57.5	89.2	61.9	35.1	30.0	
exports					0.0	0.0	0.0	21.5	0.1	0.0	
imports					0.0	0.0	1.2	6.5	46.3	0.2	
ending stocks				58.7	75.3	128.8	87.0	16.4	24.2	19.4	
oats		area (000 ha)				14.4	13.0	14.0	14.6	14.2	13.6
		harv. area	15.0	14.1	13.0	15.1	13.4	14.1	14.4	14.0	13.6
	yield (t/ha)	3.44	3.37	3.45	3.27	3.49	3.13	2.83	2.54	2.45	
	production (000 t)	51.6	47.5	44.8	49.4	46.8	44.1	40.8	35.6	33.3	
	consumption				47.6	42.0	42.1	52.9	36.2	31.0	
	o.w. feed				42.8	39.0	38.8	47.3	29.9	25.0	
	exports				0.0	0.0	0.0	0.5	0.8	0.0	
	imports				0.0	0.0	0.0	4.6	1.3	0.6	
	ending stocks			3.9	5.7	10.5	12.5	4.5	4.4	7.3	

		1986	1987	1988	1989	1990	1991	1992	1993	1994(e)
oilseeds	pl. area (000 ha)				66.2	62.1	83.6	80.8	69.8	81.1
	harv. area	61.3	62.3	62.0	64.7	71.3	96.2	70.1	73.9	86.9
	yield (t/ha)	2.14	2.29	2.29	2.27	1.98	2.22	1.90	1.70	1.78
	production (000 t)	131.0	142.4	142.0	147.1	140.9	213.9	133.4	125.8	155.1
	consumption				121.2	131.6	129.9	122.6	105.8	153.9
	o.w. non-food							1.5	6.0	12.0
	exports				22.8	10.8	93.6	32.8	44.8	48.0
	imports				0.0	0.0	7.6	21.9	29.2	47.7
	ending stocks			11.3	14.5	13.0	10.9	10.7	15.2	16.0
	pc food use				23.0	24.8	24.6	22.9	18.7	26.5
rape	pl. area (000 ha)				30.1	31.8	38.4	27.1	37.9	44.7
	harv. area			27.9	30.1	31.7	38.1	26.9	37.2	44.7
	yield (t/ha)			2.72	2.45	2.39	2.56	1.79	1.56	2.11
	production (000 t)			75.7	73.5	75.8	97.3	48.1	58.0	94.2
	domestic use				68.3	64.5	90.6	69.4	68.1	115.7
	o.w. crushed				68.3	64.5	90.6	67.9	62.1	103.7
	exports				12.4	10.8	11.4	0.0	14.1	23.4
	imports				0.0	0.0	4.2	21.2	24.2	44.9
	ending stocks			7.23	0	0.474	0	0	0	0
	sunflower	pl. area (000 ha)				27.9	28.9	44.2	35.1	31.9
harv. area				28.8	27.7	28.9	43.9	35.1	32.1	33.5
yield (t/ha)				2.07	2.31	1.94	2.29	2.24	2.01	1.64
production (000 t)				59.7	64.0	56.1	100.6	78.8	64.4	54.9
consumption					53.7	58.2	23.4	46.9	36.6	32.9
o.w. crushed					53.7	58.2	23.4	46.9	36.6	32.9
exports					10.4	0.0	82.2	32.8	28.6	23.4
imports					0.0	0.0	3.4	0.7	0.8	1.4
ending stocks				4.1	4.0	1.9	0.2	0.0	0.0	0.0
tot. meal		production (000 t)				68.7	71.1	67.0	64.2	50.8
	consumption				68.7	71.1	43.5	36.4	98.3	210.4
	exports				0.0	0.0	27.7	40.6	43.6	45.0
	imports				0.0	0.0	4.2	12.8	91.1	182.4
	ending stocks									
rape meal	extraction rate				0.58	0.60	0.59	0.59	0.51	0.53
	production (000 t)				39.6	38.5	53.6	40.2	31.8	55.0
	consumption				39.6	38.5	29.5	23.7	13.0	16.9
	exports				0.0	0.0	26.6	28.9	31.1	38.2
	imports				0.0	0.0	2.5	12.5	12.3	0.0
sunfl. meal	extraction rate				0.54	0.56	0.57	0.51	0.52	0.54
	production (000 t)				29.0	32.6	13.3	24.1	19.0	17.9
	consumption				29.0	32.6	14.0	12.7	6.9	11.3
	exports				0.0	0.0	1.2	11.7	12.6	6.6
	imports				0.0	0.0	1.8	0.4	0.4	0.0
soyameal	production (000 t)									
	consumption								78.4	182.2
	exports								0.0	0.2
	imports								78.4	182.4
	ending stocks									

OTHER CROPS		1986	1987	1988	1989	1990	1991	1992	1993	1994
pulses	area (000 ha)				32.0	33.2	41.7	57.7	60.4	48.9
	yield (t/ha)				2.47	2.35	2.44	2.51	1.89	2.87
	production (000 t)				79.0	78.0	101.7	145.0	113.9	140.6
	consumption									221.1
	exports									2.2
	imports									
sugarbeet	pl. area (000 ha)				54.6	51.3	48.4	45.4	33.3	33.5
	harv. area	55.3	52.1	52.8	54.6	51.3	48.3	45.2	32.9	32.2
	yield (t/ha)				34.33	30.82	31.06	29.35	34.26	34.56
	production (000 t)	1697.2	1611.2	1751.9	1874.4	1581.1	1500.2	1326.6	1127.2	1113.2
sugar yield	%	10.4%	10.9%	9.1%	10.0%	10.5%	12.7%	11.3%	12.4%	10.9%
	t/ha	3.20	3.38	3.01	3.44	3.23	3.95	3.30	4.24	3.77
sugar	production (000 t)	177.0	176.3	159.1	187.6	165.6	190.7	149.3	139.4	121.5
	other sources*				18.7	31.0	24.0	2.3	18.4	49.9
	domestic use				268.0	285.2	167.1	142.1	184.1	239.4
	o.w. food				117.6	125.9	92.9	83.1	87.8	110.6
	exports				1.4	1.4	0.0	50.4	9.9	1.1
	imports				85.8	65.6	18.7	8.1	32.4	36.9
	ending stocks			72.8	95.5	71.1	137.4	104.6	100.8	68.6
	pc use (kg)				50.8	53.8	31.6	26.8	34.6	44.7
potatoes	area (000 ha)	58.0	56.3	57.0	55.0	55.2	54.6	51.2	44.8	41.3
	yield (t/ha)	15.92	14.21	15.65	13.56	14.12	12.26	12.86	18.44	9.25
	production (000 t)	923.1	800.2	892.1	745.4	778.7	669.4	657.8	825.4	381.7
	consumption				975.4	958.7	949.4	852.8	848.6	492.9
	o.w. feed				545.9	513.0	470.8	404.8	362.1	95.4
	exports				0.0	20.0	0.0	5.0	4.5	9.0
	imports				230.0	200.0	280.0	200.0	27.8	120.2
	pc cons (kg)				81.4	84.1	90.6	84.5	91.4	74.2
	wine grapes	area (000 ha)				24.0	23.8	23.3		21.6
wine	yield (t/ha)				33.33	41.11	51.30		37.58	44.94
	production (000 t)				800.4	980.2	1195.1	830.2	812.3	1006.7
fruit	area (000 ha)									
	production (000 t)				231.3	163.6	184.8	139.9	174.8	123.4
o.w. apples				124.8	82.1	96.4	58.8	107.3	56.9	
vegetables	area (000 ha)				30.6	30.0	32.5	31.3	32.9	34.2
	production (000 t)				571.0	496.6	552.1	459.1	453.5	485.5

\*destocking of government reserves

Commodity balances Slovak Republic										
DAIRY PRODUCTS		1986	1987	1988	1989	1990	1991	1992	1993	1994(e)
dairy cows	(000)				563.5	554.0	527.0	461.0	411.0	364.0
yield	kg/cow				3647	3569	2983	2973	3043	3267
milk	production (000 t)	2033.7	2031.2	2047.7	2055.0	1977.5	1572.3	1370.5	1250.8	1189.3
	deliveries (000 t)						1211.6	879.1	872.0	820.0
	% of prod.						77%	64%	70%	69%
	dairy cons. (000 t)								782.6	698.5
	tot. cons. (000 t)								1161.4	1067.8
	exports (000 t)									
	imports (000 t)									
	net exports								89.4	121.5
	p.c cons. (kg)								218	199
butter	production (000 t)	36	35.8	37.3	39.6	39.0	30.0	21.0	18.7	19.9
	consumption					34.8	22.2	18.3	22.0	21.7
	exports					3.9	8.9	2.7	1.8	0.0
	imports					0.0	0.0	0.0	4.5	1.8
	ending stocks				1.5	1.8	0.8	0.8	0.3	0.2
	p.c cons. (kg)					6.6	4.2	3.4	4.1	4.1
smp	production (000 t)				37.8	54.0	46.0	31.0	19.1	15.1
	consumption					42.3	25.4	11.5	12.5	10.0
	exports					12.9	20.0	19.8	13.6	10.2
	imports					0.0	0.0	0.0	7.2	4.9
	ending stocks				1.6	0.4	1.0	0.7	0.8	0.6
cheese	production (000 t)					39.3	30.0	31.0	30.2	33.7
	consumption					36.3	25.5	25.5	26.1	26.2
	exports					3.0	4.1	5.9	8.4	9.3
	imports					0.0	0.0	0.0	4.3	2.2
	ending stocks				0.1	0.1	0.6	0.2	0.3	0.7
	p.c cons. (kg)					6.9	4.8	4.8	4.9	4.9

MEATS		1986	1987	1988	1989	1990	1991	1992	1993	1994(e)
beef/veal	prod. (000 head)				483.0	482.0	697.0	456.0	429.0	307.0
	prod. (000 t lw)				210.7	210.7	251.8	172.0	170.4	121.9
	av. sl. weight (kg lw)					437.1	361.3	377.2	397.2	397.1
	kg cw/kg lw					0.695	0.572	0.581	0.602	0.602
	prod. (000 t cwe)					146.4	144.0	100.0	102.6	73.4
	cons. (000 t cwe)					79.2	78.3	77.1	79.4	64.2
	exports (000 t cwe)					67.0	62.8	25.1	24.7	13.1
	imports (000 t cwe)					0.7	0.7	0.7	1.3	3.1
	end. stocks (000 t cwe)				2.0	2.9	6.5	5.0	4.8	4.0
	pc cons (kg cwe)					14.9	14.8	14.5	14.9	12.0
pork	prod. (000 head)				3141.0	3093.0	2753.0	2329.0	2168.0	2040.0
	prod. (000 t lw)	328.4	344.0	367.0	382.1	375.6	328.4	313.3	265.2	246.3
	av. sl. weight (kg lw)					121.4	119.3	134.5	122.3	120.7
	kg cw/kg lw					0.716	0.700	0.700	0.700	0.700
	prod. (000 t cwe)					268.9	229.9	219.3	185.6	172.4
	cons. (000 t cwe)					232.7	221.5	217.9	194.1	176.7
	exports (000 t cwe)					44.3	8.0	6.6	1.0	0.0
	imports (000 t cwe)					4.2	2.3	4.3	5.9	2.1
	end. stocks (000 t cwe)				8.0	4.1	6.8	5.9	2.3	0.1
	pc cons (kg cwe)					43.9	41.9	41.1	36.5	33.0
poultrymeat	production (000 t lw)				111.3	116.3	98.8	88.4	77.6	81.0
	kg cw/kg lw				0.735	0.735	0.735	0.735	0.735	0.735
	production (000 t cw)				81.8	85.5	72.6	65.0	57.0	59.5
	consumption				73.8	84.9	62.2	66.9	59.9	61.0
	exports				0.0	0.0	6.9	4.8	3.9	0.6
	imports				0.0	0.0	0.0	0.3	4.2	2.5
	stock change				8.0	0.6	3.5	-6.4	-2.6	0.4
	pc cons (kg cw)				14.0	16.0	11.8	12.6	11.2	11.4

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