



NATIONAL AGRICULTURAL
AND FOOD CENTRE

RESEARCH INSTITUTE OF AGRICULTURAL
AND FOOD ECONOMICS

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Economic and social aspects of Slovak agri-food sector

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Slovak Agriculture at a Glance

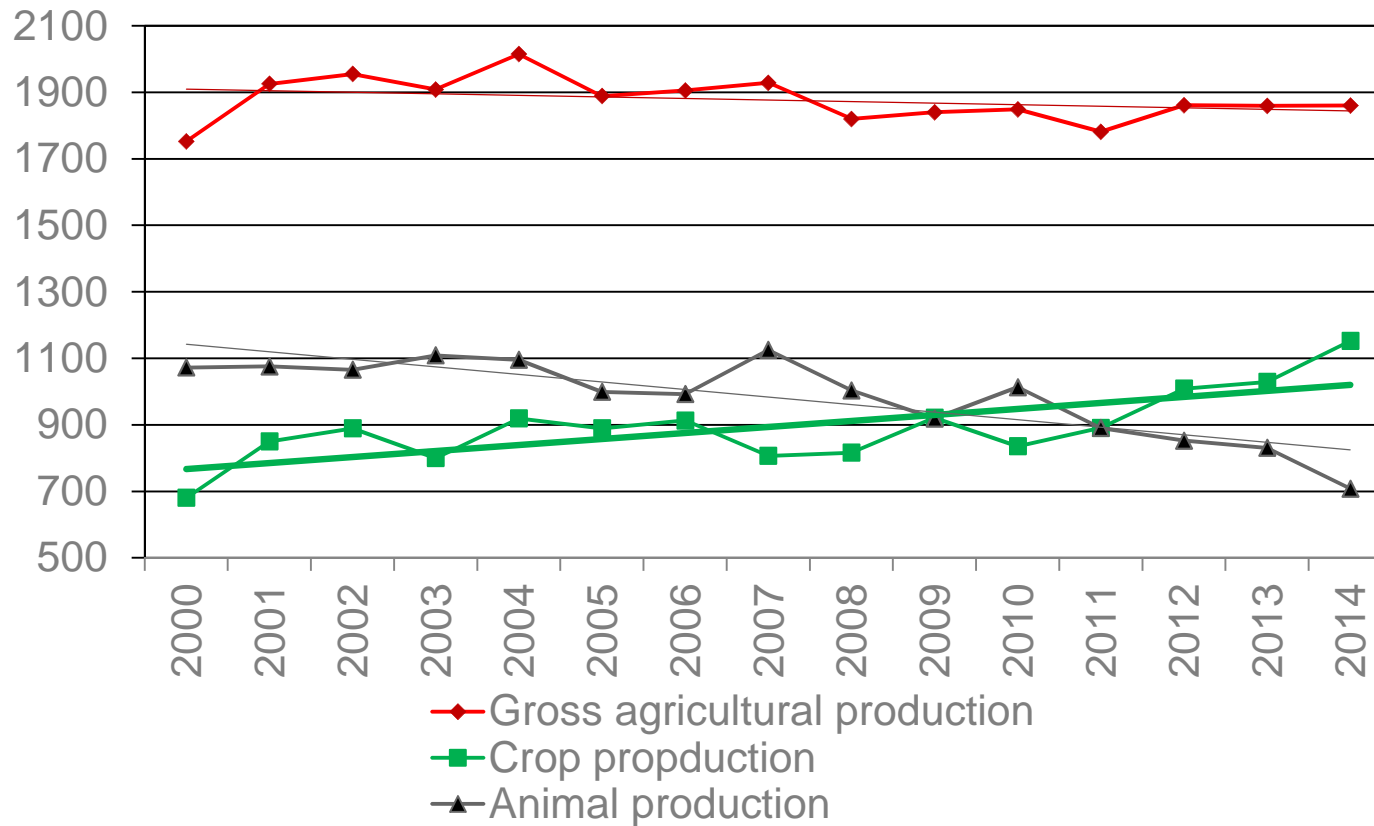
In 2014, Gross Agricultural Production in current prices decreased (7.5%) due to the decline in both crop production by 3.3% and animal production by 12.9%. GAP at constant prices remained unchanged.

v mil. €

Gross agricultural output	2013	2014	Index 2014/2013
Gross agricultural output at current prices	2,223.4	2,055.7	92.5
of which: plant production	1,244.2	1,203.0	96.7
animal production	979.3	852.6	87.1
Gross agricultural output at 2010 constant prices	1,859.5	1,860.4	100.1
of which: plant production	1,029.0	1,152.3	112.0
animal production	830.5	708.1	85.3



Development of gross agricultural production, in million € at constant prices

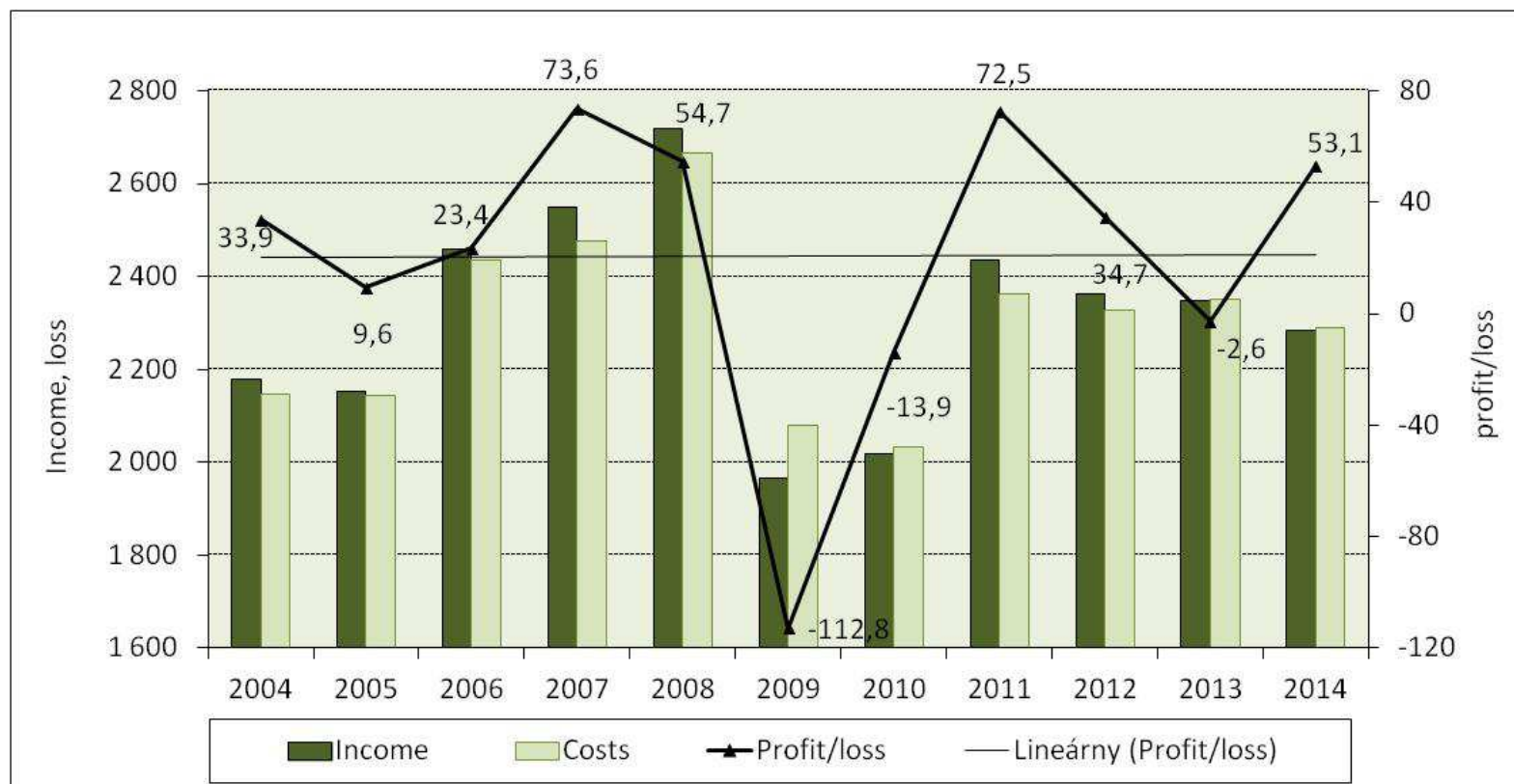


Compared to 1990, gross agricultural production declined by 30 %. In the last three years there are signs of stabilization mainly in the area of crop production.

The structure of production has changed with a preference for crop production. It can be related to production costs.



Development of income, costs and profit/loss in agricultural production, in mil. €



Primary production in agriculture generated an overall profit of € 53.1 million according to the SO SR representing an increase of profit by 55.7 million compared to the previous year. The level of the result of economic activity per enterprise reached on average € 47 thousand. Highly profitable enterprises with annual profit exceeding € 280 thousand per enterprise accounted for almost 7.0 % creating as much as 67 % of total profit in agriculture. Their share in land accounted for 16.2 %, in production 23.6 % and 15.5 % in total subsidies.



Development of foreign trade - the development of foreign trade of the SR in 2014 was characterised by a different development between the total and agri-food foreign trade. While the total foreign trade showed a growing trend, the agri-food foreign trade recorded a year-on-year drop. The negative balance of agricultural trade increased year-on to - € 1,038.1 million as a result of a greater dynamics in a decrease in export compared to import.

Indicator		2013	2014	Index 2014/2013
Foreign trade Slovakia, total in mil. €	Export	64,172	64,801	101.0
	Import	59,940	60,152	100.4
	Turnover	124,112	124,953	100.7
	Balance	4,232	4,649	109.8
Of that:				
Agri-food sector Slovakia, total in mil. €	Export	3,215	2,749	85.5
	Import	3,898	3,787	97.2
	Turnover	7,113	6,537	91.9
	Balance	-683	-1,038	151.9



Source: Statistical Office of the SR

The total expenditure to agriculture in 2014 accounted for € 705.3 mil. and dropped by 1.1 % on the year-on-year basis. The highest share in total expenditure consisted of the costs associated with direct payments (57.4 %) and the costs of rural development (26.8 %). The remaining 15.8 % consisted of expenditure associated with general services, MOE, OPF, state aid and national measures.



Titles in mil. €	2013			2014		
	EU	SR	Total	EU	SR	Total
Market-oriented expenditure	9,7	2,3	12	8,1	2,8	10,9
Direct payments	324,9	40,3	365,2	352,2	52,9	405,1
Rural Development Programme 2007-2013	174,5	49,6	224,1	91,7	27,6	119,3
Rural Development Programme 2014-2020	0	0	0	52,0	17,7	69,7
2007 - 2013 OPF SR	1,1	0,4	1,5	1,7	0,6	2,3
State aid and national aids	0	16,1	16,1	0	7,0	7,0
General services	0	94,3	94,3	0	91,0	91,0
SPOLU	510,2	203	713,2	505,7	199,6	705,3



The share of rural population and rural areas SR according to a new typology
(31.12.2013)

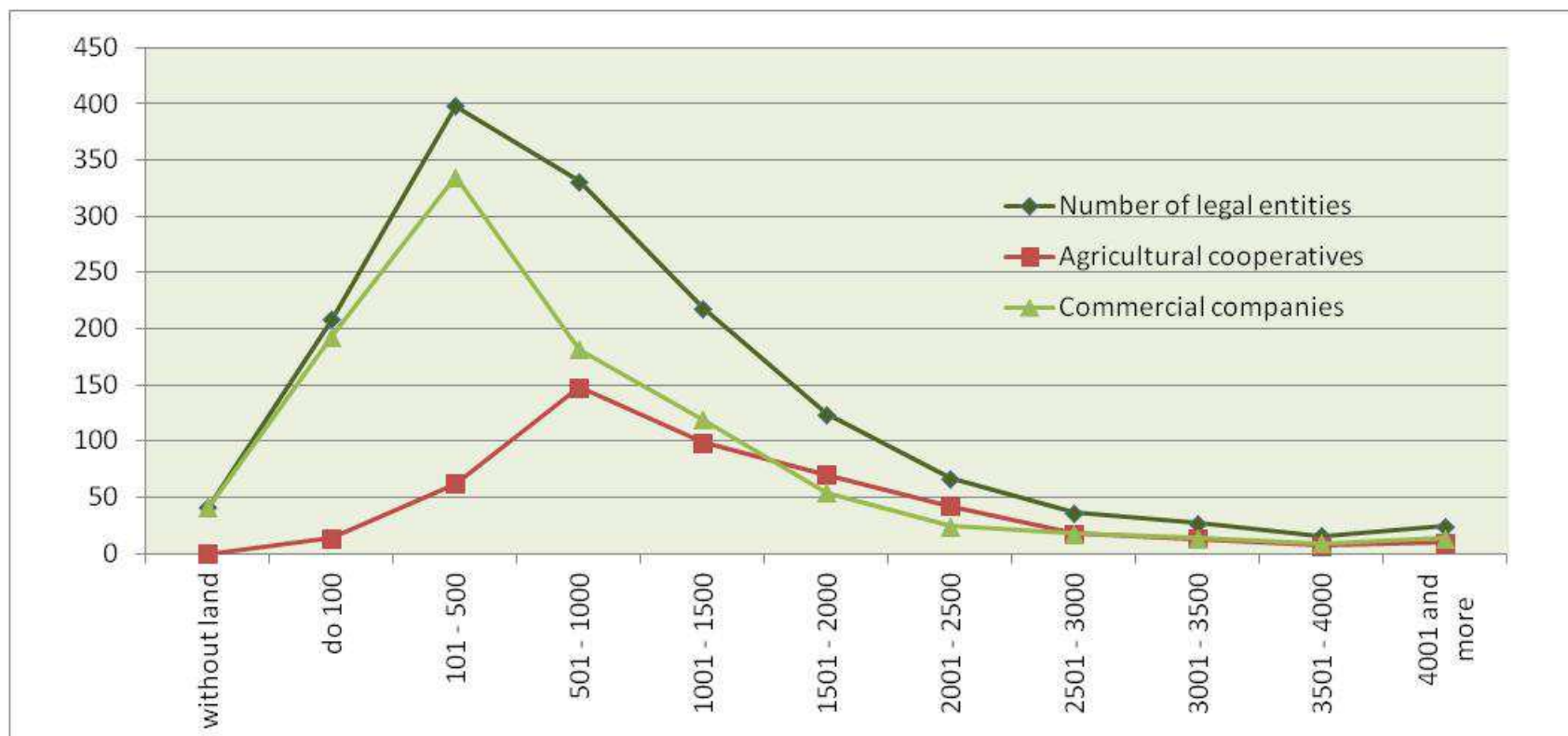
Region	Area in km ²	The share of the SR, in %	Number of residents in region	The share of the Slovak population, in %
Predominantly urban region	2,060	4.2	606,586	11.2
Intermediate regions	18,045	36.8	2,729,724	38.4
Predominantly rural regions	28,931	59.0	2,729,638	50.4
SR total	49,036	100.0	5,415,949	100.0

Slovakia is classified as a predominantly rural region, this area occupy almost 60% of the territory.

Approximately 50.4% of population lives in the rural regions of Slovakia, 38.40% in intermediate regions and 11.2% in urban regions.



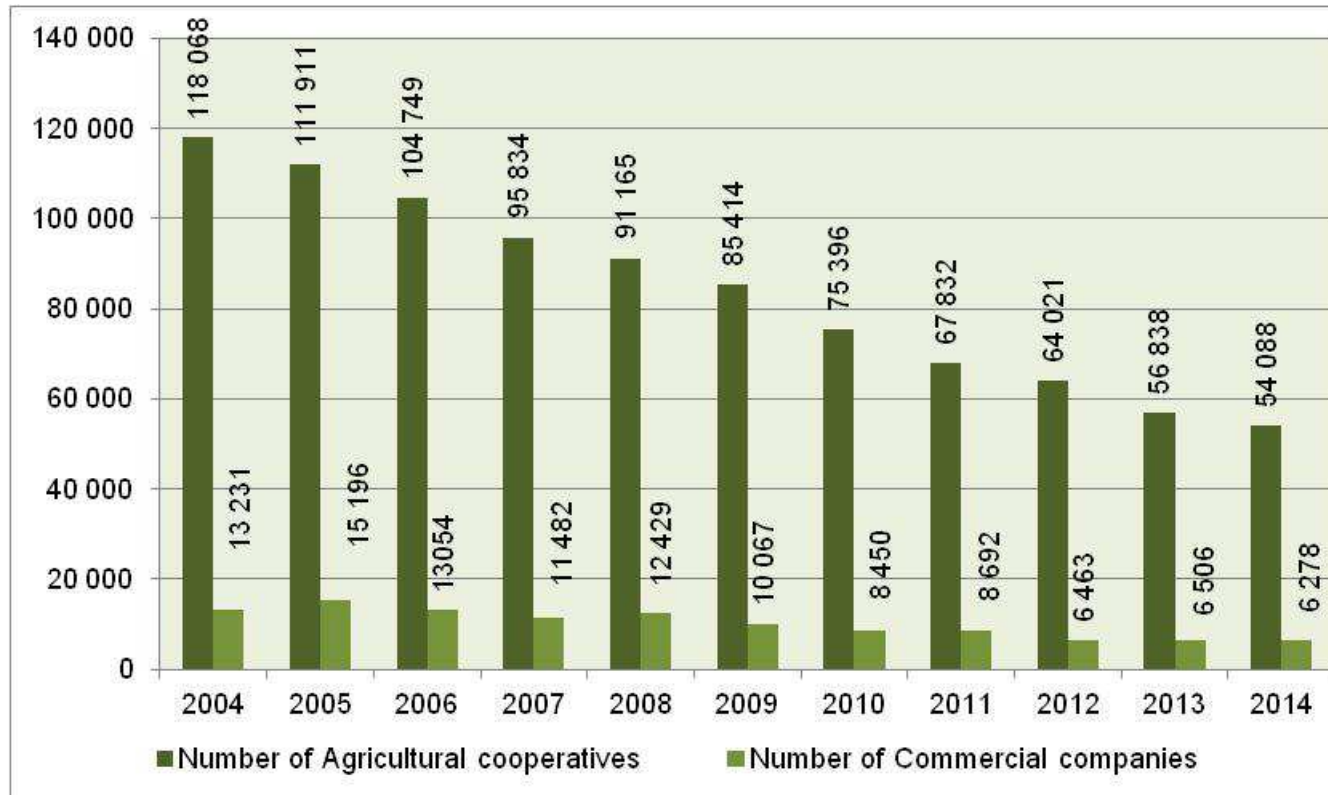
Number of legal entities - agricultural cooperatives and commercial companies by agricultural land intervals



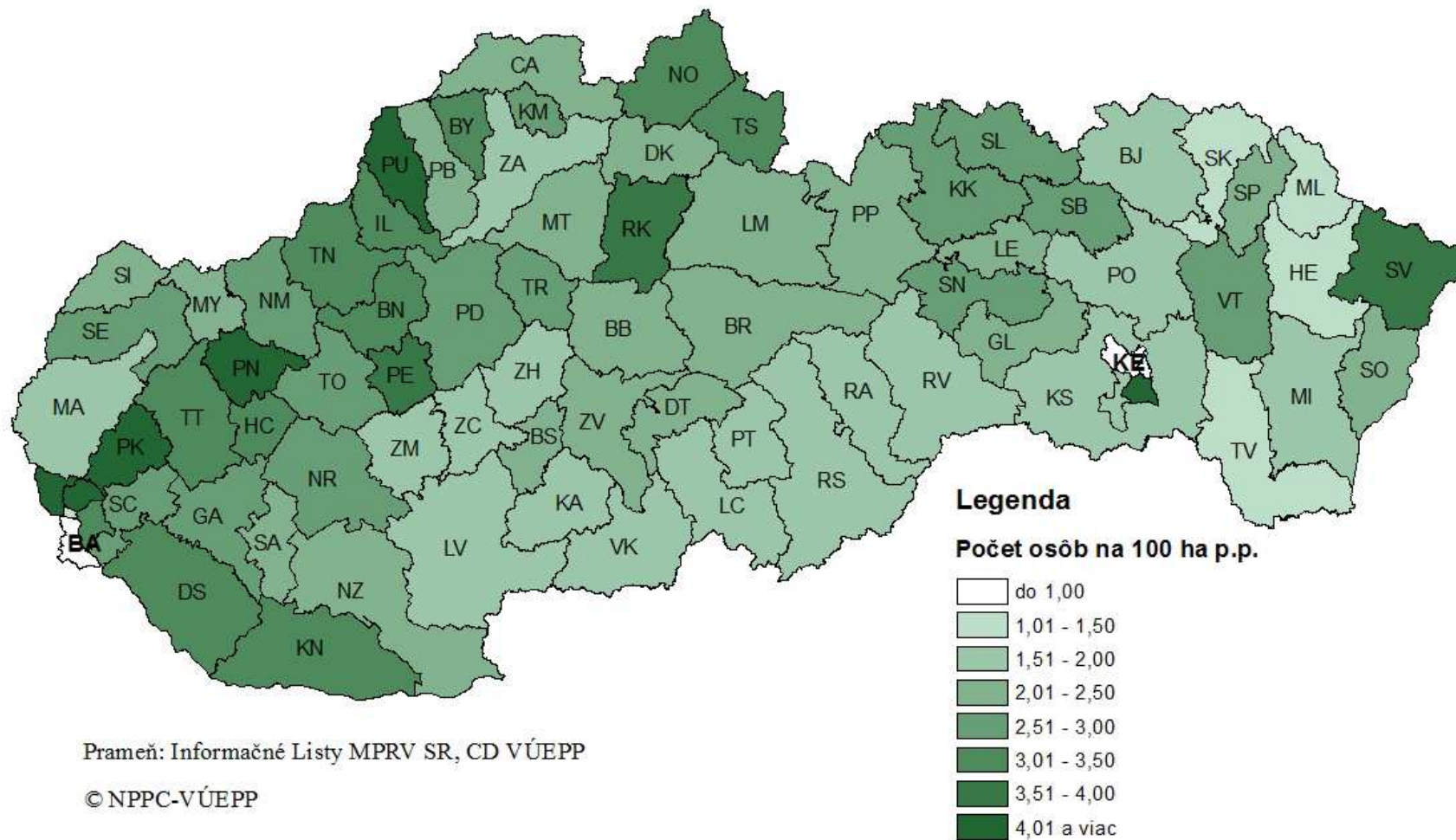
In 2014, most enterprises did business on the area from 100 to 1 000 ha of agricultural land. Agricultural cooperatives have predominantly farmed on the area from 501 to 1 000 ha of a.l., commercial companies farmed on the area from 101 to 500 ha of a.l.



Development of ownership structure of agricultural cooperatives and commercial companies



Employment in agriculture per 100 ha of agricultural land



Prameň: Informačné Listy MPRV SR, CD VÚEPP

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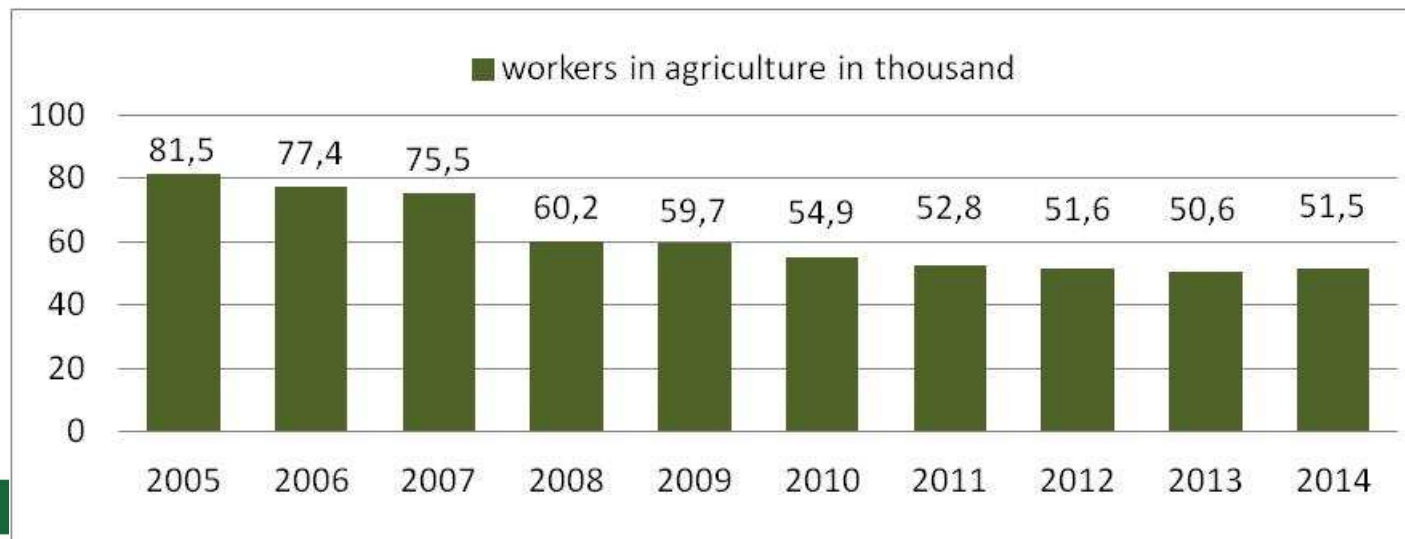
Development of the number of workers in agriculture of the SR



In 1989 – 360.7 thousand people worked in agriculture, in 2005 – 81.5 thousand people.

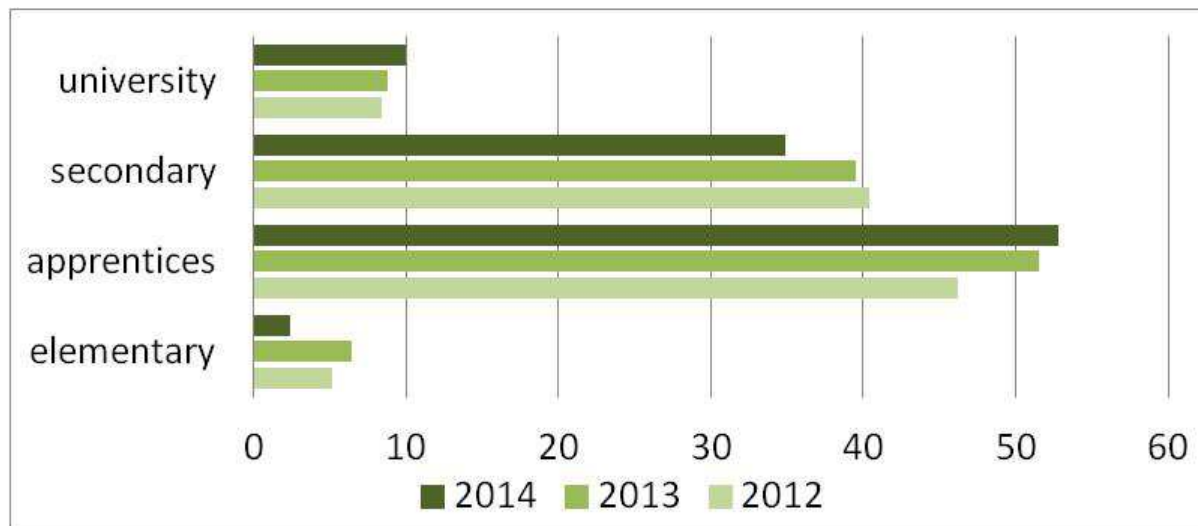
In 2014, the long-term continuous decrease of the number of people working in agriculture stopped. The number of workers reached 51.5 thousand persons, which represented a year-on-year increase of 1.8%. The share of agricultural workers in the total number of workers in the Slovak Republic economy (ESA 2010) accounted for 2.3 %.

Average wage in agriculture sector over the last decade did not reach the level of wages in the national economy. In 2014 it accounted for € 653.00 and it increased by 4.3 % (€ 27.0) on the year-on-year basis.



The structure of workers in agriculture by education in %

In 2014, the share of workers with university education increased to 10.0 %. A slight decrease was recorded in relation to workers with secondary school education and their share in the total number decreased to 34.9 % (especially men). The share of apprentices increased to 52.8 %. The number of workers with elementary school education continued to decrease on the year-on-year basis to 2.4 % (especially men).



The average age of agricultural workers decreased and reached 46.6 years (in the SR economy it was 41.0 years). The aging of male labour force continued and there was decrease of workers in younger age categories, but opposite development was recorded in relation to women.

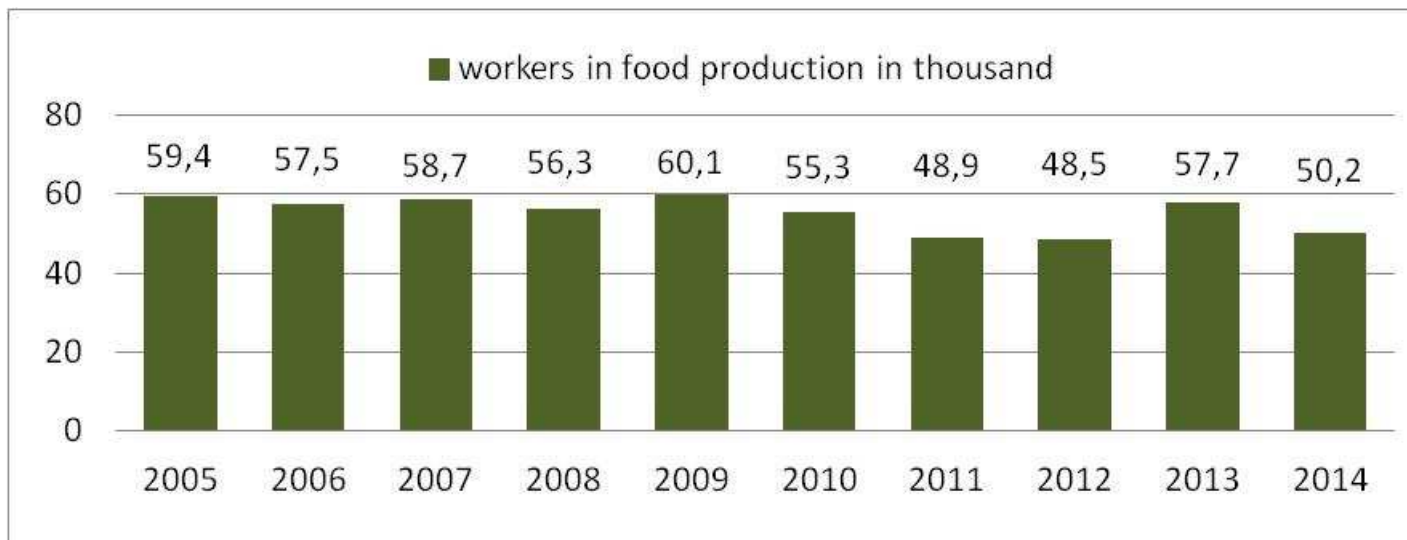


Development of the number of workers in food production



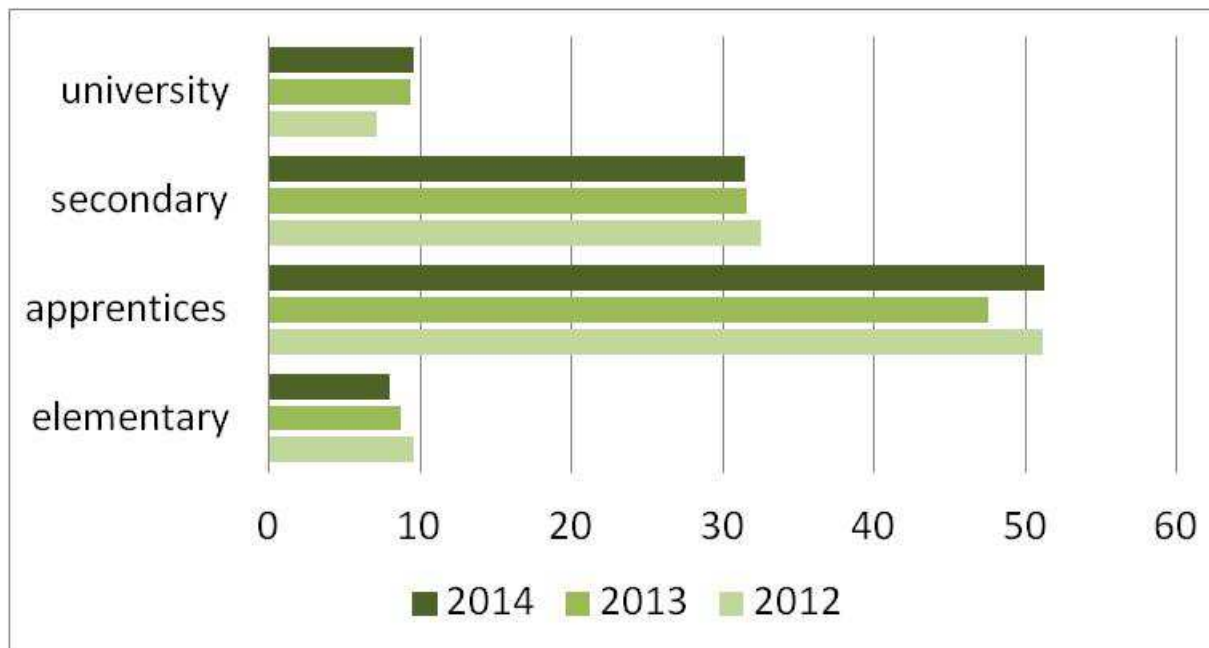
In 2014, according to the Labour Force Sample Survey (LFSS), the number of workers in the food production decreased by 13.0 % (7.5 thousand persons) to 50.2 thousand persons.

The average wage reached the level of € 771.00 and it has interannually increased by 5.2 %.



The structure of workers in food production by education in %

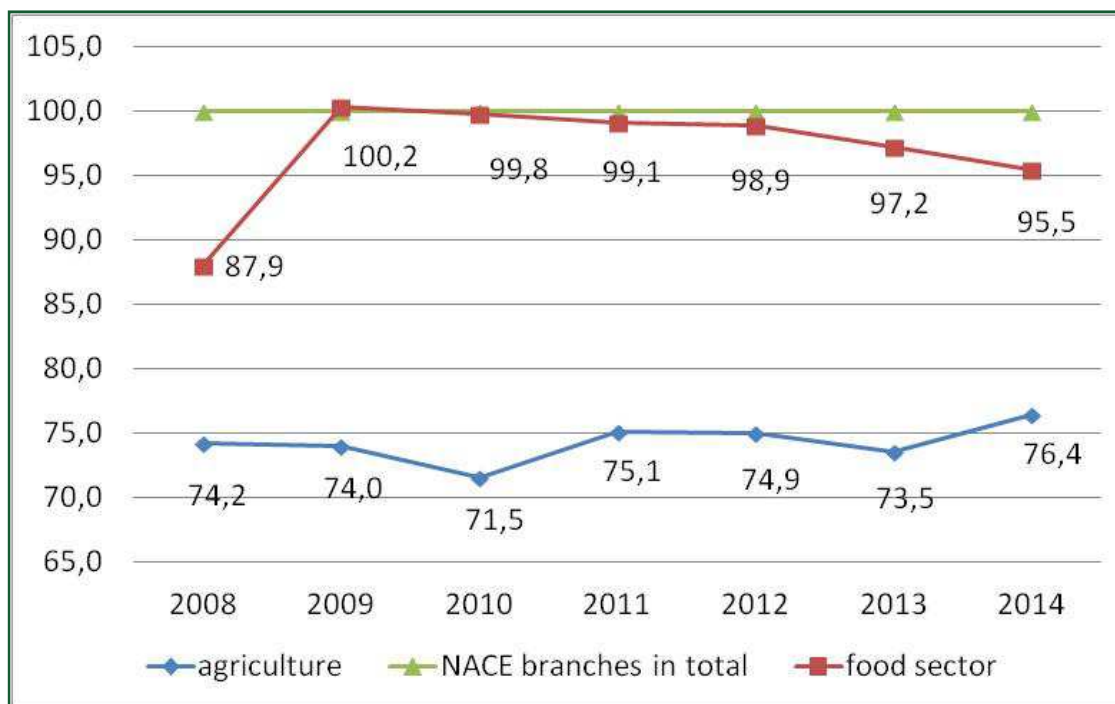
In terms of education, the structure of workers within food production showed a similar development as in agriculture. The number of workers with university education increased to 9.6 % and the number of apprentices to 51.3 %. The number of workers with secondary education decreased on the year-on-year basis to 31.5 %. Simultaneously, the number of workers with elementary education decreased to 8,0 %.



The average age of workers has interannually decreased to 40.5 years and compared to agriculture it was lower by 6.1 years and compared to the SR economy it was lower only by 0.5 years. The average age of women decreased to 40.1 years and the age of men decreased to 40.7 years.



The development of wage disparity for agriculture, food sector in relation to the Classification of Economic Activities branches in total, in %



Occupation disparity plays a very significant role in Slovak labour market, it becomes evident that agricultural wage tends to have more disparity then the wage in the food sector.



Conclusion

- Slovakia is classified as a predominantly rural region, this area occupy almost 60% of the territory and 50.4% of the population lives there.
- The economic performance of agriculture has decreasing trend, in spite of this fact agriculture continues to be one of the decisive components of rural economy.
- Agricultural population has a regressive trend, this continuing trend could lead to possible complications in reproductive base of labour force in agriculture. The cause of the decline in agricultural employment in Slovakia, resides in decline of agricultural production, combined with a lack of domestic sales, dissolution of non-agricultural activities and consequently with a low proportion of diversification activities. But last, not at least it is wage unattractiveness in agriculture discourages people to work in agriculture. Wage disparity between agriculture and the national economy continue to persist.
- In the food industry, the economic situation is significantly better than in agriculture. Employment in the food industry in Slovakia is affected by the growing competitiveness of food products in the EU market. In order to succeed in the domestic and foreign markets, the enterprises seeking to increase their competitiveness, inter alia by improving productivity and cost reducing, which is related to staff reducing.
- The average wage in the food industry is higher than in agriculture and it has tendency to achieve the average level of wage in the SR economy.





**Thank you very much
for your attention**

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