



Council of the
European Union

Brussels, 13 January 2022
(OR. en)

5176/22

AGRI 8
AGRIFIN 4
AGRIORG 5

NOTE

From: General Secretariat of the Council
To: Council

Subject: Continuing critical situation in the pig sector in the Czech Republic -
request for introducing exceptional EU support measures
- Information from the Czech delegation

Delegations will find in the Annex a note from the Czech delegation on the above-mentioned subject, to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 17 January 2022.

Continuing critical situation in the pig sector in the Czech Republic - request for introducing exceptional EU support measures

In light of the continued critical situation in the pig sector across the EU, the Ministry of Agriculture of the Czech Republic is calling on the European Commission to take urgent action to remedy the threats that farmers are facing across the sector. The pig meat crisis has been allowed to worsen over many years, which is why we are formally petitioning the EC for urgent action. The Czech Republic calls upon the Commission to introduce exceptional and urgent EU support measures to counteract this market disturbance (under Art. 219 of the CMO regulation).

Overview of the pig meat market in the EU

According to EUROSTAT, in the 52nd week of this year the average price in the EU for pig carcasses in cold storage (carcass classes S-E) was 133.2 EUR/100 kg. This is 1.2% higher than the equivalent figure for the previous year. In comparison with the previous month, and considering the very low prices over a long period, the increase is 1.4%. In comparison with the previous week, the price is almost the same (+0.1%). From this point of view, the price of this agricultural commodity has stagnated, even though it has yet to impact on production costs.

The piglet price for the same week was 32.2 EUR/piglet. In comparison with the previous week, this represents an increase of 2.2%. In comparison with the previous month, the price has increased by 11.0%. However, in comparison with the previous year, there has been a significant decrease (-8.7%).

Exports of pig meat from the EU during the period January to September 2021 compared to the same time period in the previous year were higher at about 104.6 thousand tonnes (3.4%).

According to EUROSTAT statistics for the 52nd week of 2021, the highest prices (class E) for this commodity were in Sweden (198.18 EUR/100kg), Cyprus (192.01 EUR/100 kg) and Bulgaria (176.20 EUR/100 kg). The lowest prices were recorded in Belgium (112.29 EUR/100kg), in the Netherlands (114.02 EUR/100 kg) and Denmark (128.42 EUR/100kg).

For the same week (52), the Czech Republic ranked 8th among member states for prices paid to farmers (class E) for this agricultural commodity (132.93 EUR/100kg).

Overview of the market in the Czech Republic

Over the last 10 years, pig carcass prices have fallen to their lowest level. Czech pig farms are highly specialised. Some farms are devoted exclusively to pig production, while others specialise in either pigs or poultry. Therefore, diversification for these specialist farms can be difficult.

In the Czech Republic, the pig meat industry has come under increasing threat from African swine fever. Pressure has also been applied as a result of the growing numbers of infected animals near the border. Of course, the other major factor that has negatively impacted prices in the Czech Republic is the ongoing Covid crisis.

During the first eleven months of 2021, the average price for farmers was 26.58 Czech Crowns/kg of live weight. Additionally, the growing costs associated with feed, electricity, veterinary services, etc., which often fall below production costs, are another major obstacle for Czech farmers.

According to market information statistics obtained from the State Agricultural Intervention Fund (TIS, SZIF), the price paid to farmers for pigs raised for slaughter in the Czech Republic (classes S – U) in the 51th week of 2021 was 33.33 Czech Crowns/kg. This price relates to pig carcasses in cold storage, which accounts for 25.64 Czech Crowns/kg of live weight. In this instance, the alarmingly low price obtained for farmers is a cause for concern.

Prices paid to farmers for pigs raised for slaughter according to SEU classification class (Czech Crowns/kg of live weight)

Year	Month												Annual average
	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.	
2016	27.08	26.40	25.87	25.45	25.64	27.63	30.37	32.12	32.54	33.38	32.72	31.97	29.26
2017	31.86	31.16	31.23	32.13	33.44	34.72	34.88	34.15	33.66	32.20	30.89	29.89	32.52
2018	28.37	27.25	27.00	27.21	26.70	26.56	27.13	27.36	28.08	27.78	27.06	26.76	27.27
2019	26.90	26.82	26.74	28.13	30.54	32.79	33.66	34.21	34.81	35.04	35.24	36.95	31.82
2020	37.35	35.71	36.20	36.07	33.74	31.74	30.83	29.18	28.39	27.33	26.99	25.90	31.64
2021	25.43	24.63	25.83	27.09	27.75	28.82	28.80	27.80	25.99	25.25	24.95		26.58

Source: Czech Statistical Office

Comparison of prices paid to farmers for pigs raised for slaughter over respective time periods

Prices for farmers	Average 2019	Average 2020	%	Average I-XI 2020	Average I-XI 2021	%	November 2020	November 2021	%
Czech Crowns/kg of live weight	31.82	31.64	99.4	32.16	25.58	79.6	26.99	24.95	92.4
Czech Crowns/kg of meat	40.90	40.71	99.5	41.42	33.59	81.1	33.80	31.84	94.2

Source: Czech Statistical Office