Lithuanian agriculture after 10 years in EU: Challenges and Opportunities

by

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Conference on Achievements and challenges in the food sector and rural areas during the 10 years after the EU enlargement

12-14 May 2014

Rawa Mazowieka, Poland
Agenda

- Through transition to accession: building the basis for policies and implementation
- 10 years of growth and development in food and agricultural industry
- Changing structure of farms and farming
- Commodity developments in response to changing policies and market conditions
- Challenges and opportunities for Lithuanian agriculture
Through transition to accession

- Institutional reforms establishing agencies
- Farm support policies
- Rural support policies
- Agricultural registry and Animal identification systems
- Investment programs to enhance competitiveness
- Credit and loan guarantee programs
- Regulatory systems for quality and safety
- Market information and promotion programs
- Farm advisory and education system
- Trade policies and agreements
Agenda

- Through transition to accession: building the basis for policies and implementation
- 10 years of growth and development in food and agricultural industry
Domestic food and beverage product sales, mil Lt
Export food and beverage product sales, mil Lt
Total food and beverage product sales, mil Lt
Value of crop and livestock, 1000 LTL
Share of production value, %

Crop
Livestock
Agenda

- Through transition to accession: building the basis for policies and implementation
- 10 years of growth and development in food and agricultural industry
- Changing structure of farms and farming
Changing number of farms
## Changing number of farms, 1000

<table>
<thead>
<tr>
<th>Size</th>
<th>2004 to 2008</th>
<th>2008 to 2012</th>
<th>2004 to 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 30 hectares</td>
<td>-57.8</td>
<td>-24.8</td>
<td>-82.6</td>
</tr>
<tr>
<td>&gt; 30 hectares</td>
<td>+2.2</td>
<td>+1.8</td>
<td>+4.0</td>
</tr>
<tr>
<td>Total</td>
<td>-55.6</td>
<td>-23.0</td>
<td>-78.6</td>
</tr>
</tbody>
</table>
Changing area in farms
### Changing area in farms, 1000ha

<table>
<thead>
<tr>
<th>Size</th>
<th>2004 to 2008</th>
<th>2008 to 2012</th>
<th>2004 to 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 30 hectares</td>
<td>-309.2</td>
<td>-149.1</td>
<td>-458.3</td>
</tr>
<tr>
<td>&gt; 30 hectares</td>
<td>+353.5</td>
<td>+315.3</td>
<td>+668.8</td>
</tr>
<tr>
<td>Total</td>
<td>+44.3</td>
<td>+166.2</td>
<td>+210.5</td>
</tr>
</tbody>
</table>
Comparison of farm size structure
Agenda

- Through transition to accession: building the basis for policies and implementation
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Crop area harvested, 1000 ha
Milk per cow, kg/head
Crop prices, LTL/ton

- Soft wheat
- Barley
- Rye
- Rapeseed
- Potatoes
- Sugar beet
Selected Crop prices, LTL/ton
Dairy milk prices and sales
Cattle sales and purchase price
Pig sales and purchase price
Poultry sales and purchase price
Value of milk and meat products, 1000 LT
Value of crop products, 1000 LT

Value of grains and rapeseed production

- Wheat
- Barley
- Rye
- Rapeseed

Years: 2000 to 2012
Direct payments by source, mil Lt

- **2004**: 192 (410 EU, 0 additional national, 0 beef cattle)
- **2005**: 259 (466 EU, 0 additional national, 0 beef cattle)
- **2006**: 283 (551 EU, 0 additional national, 0 beef cattle)
- **2007**: 411 (553 EU, 0 additional national, 0 beef cattle)
- **2008**: 451 (637 EU, 0 additional national, 0 beef cattle)
- **2009**: 0 (765 EU, 0 additional national, 0 beef cattle)
- **2010**: 0 (905 EU, 0 additional national, 0 beef cattle)
- **2011**: 194 (1000 EU, 0 additional national, 33 beef cattle)
- **2012**: 106 (1117 EU, 0 additional national, 46 beef cattle)
- **2013**: 46 (1231 EU, 0 additional national, 0 beef cattle)

Legend:
- **Green**: Additional National Direct Payments, LTL mill.
- **Red**: Funds addressed to support the beef cattle*, LTL mill.
- **Blue**: EU Direct Payments for areas declared, LTL mill.
Relative importance of subsidies, fadn
Gross profit and subsidies, Euro
Export, import and trade balance of agr and food products with EU, Mil LTL

![Graph showing export, import, and trade balance of agr and food products with EU from 2000 to 2013 in Mil LTL.]

<table>
<thead>
<tr>
<th>Year</th>
<th>Export EU-28</th>
<th>Import EU-28</th>
<th>Trade Balance EU-28</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>937</td>
<td>392</td>
<td>-545</td>
</tr>
<tr>
<td>2001</td>
<td>1151</td>
<td>282</td>
<td>-869</td>
</tr>
<tr>
<td>2002</td>
<td>1236</td>
<td>292</td>
<td>-944</td>
</tr>
<tr>
<td>2003</td>
<td>1411</td>
<td>189</td>
<td>-222</td>
</tr>
<tr>
<td>2004</td>
<td>2135</td>
<td>180</td>
<td>355</td>
</tr>
<tr>
<td>2005</td>
<td>3102</td>
<td>3528</td>
<td>-2266</td>
</tr>
<tr>
<td>2006</td>
<td>3909</td>
<td>4931</td>
<td>-1022</td>
</tr>
<tr>
<td>2007</td>
<td>5023</td>
<td>5118</td>
<td>-95</td>
</tr>
<tr>
<td>2008</td>
<td>6726</td>
<td>5501</td>
<td>1225</td>
</tr>
<tr>
<td>2009</td>
<td>6780</td>
<td>6749</td>
<td>461</td>
</tr>
<tr>
<td>2010</td>
<td>8007</td>
<td>7869</td>
<td>138</td>
</tr>
<tr>
<td>2011</td>
<td>9481</td>
<td>8356</td>
<td>1125</td>
</tr>
<tr>
<td>2012</td>
<td>10937</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The trade balance is calculated as (Export EU-28 - Import EU-28).
Export, import and trade balance of agr and food products with non-EU, Mil LTL
Export, import and trade balance of agr and food products, Mil LTL
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Wheat, barley, rye purchase price in Lithuania for 2009-2013 and prognoses up to 2020, LTL/t
Rape and rape products prices for 2009-2013 and prognoses up to 2020, LTL/t
<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat</th>
<th>Barley</th>
<th>Rye</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.2</td>
<td>3.1</td>
<td>2.5</td>
</tr>
<tr>
<td>2010</td>
<td>4.3</td>
<td>3.3</td>
<td>2.8</td>
</tr>
<tr>
<td>2011</td>
<td>4.2</td>
<td>3.0</td>
<td>2.0</td>
</tr>
<tr>
<td>2012</td>
<td>4.8</td>
<td>3.4</td>
<td>2.8</td>
</tr>
<tr>
<td>2013</td>
<td>4.1</td>
<td>3.4</td>
<td>2.5</td>
</tr>
<tr>
<td>2014</td>
<td>4.2</td>
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<tr>
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<td>2019</td>
<td>4.6</td>
<td>3.5</td>
<td>2.8</td>
</tr>
<tr>
<td>2020</td>
<td>4.6</td>
<td>3.5</td>
<td>2.8</td>
</tr>
</tbody>
</table>
Wheat, barley, rye area harvested for 2009-2013 and prognoses up to 2020, thous. ha
Wheat balance for 2009-2013 and prognoses up to 2020, thous. t
### Barley Balance for 2009-2013 and Prognoses up to 2020, thous. t

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>858</td>
<td>526</td>
<td>237</td>
<td>19</td>
</tr>
<tr>
<td>2010</td>
<td>741</td>
<td>550</td>
<td>207</td>
<td>19</td>
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<tr>
<td>2011</td>
<td>760</td>
<td>524</td>
<td>264</td>
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<tr>
<td>2012</td>
<td>742</td>
<td>503</td>
<td>175</td>
<td>207</td>
</tr>
<tr>
<td>2013</td>
<td>696</td>
<td>499</td>
<td>64</td>
<td>52</td>
</tr>
<tr>
<td>2014</td>
<td>718</td>
<td>559</td>
<td>49</td>
<td>49</td>
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<tr>
<td>2015</td>
<td>744</td>
<td>593</td>
<td>50</td>
<td>44</td>
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<tr>
<td>2016</td>
<td>770</td>
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<td>2017</td>
<td>799</td>
<td>587</td>
<td>54</td>
<td>51</td>
</tr>
<tr>
<td>2018</td>
<td>826</td>
<td>573</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>2019</td>
<td>854</td>
<td>580</td>
<td>54</td>
<td>54</td>
</tr>
</tbody>
</table>
Rye balance for 2009-2013 and prognoses up to 2020, thous. t
Rape balance for 2009-2013 and prognoses up to 2020, thous. t
Beef and veal, pork and poultry (carcass weight) purchase prices for 2009-2013 and prognoses up to 2020, LTL/t
Beef and veal balance for 2009-2013 and prognoses up to 2020, thous. t
Pork balance for 2009-2013 and prognoses up to 2020, thous. t
Poultry balance for 2009-2013 and prognoses up to 2020, thous. t
Milk (3.7% fat) purchase and butter, cheese factory prices for 2009-2013 and prognoses up to 2020, LTL/t
Milk balance for 2009-2013 and prognoses up to 2020, thous. t
Cheese balance for 2009-2013 and prognoses up to 2020, thous. t
Butter balance for 2009-2013 and prognoses up to 2020, thous. t
Value of meat and dairy pdn, 1000 LT

Value of production
Share value of meat and livestock

Share of value of production

- Milk
- Cattle
- Pigs
- Poultry
Value of crop production, 1000 LT

Value of grains and rapeseed production

- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020

Legend:
- Wheat
- Barley
- Rye
- Rapeseed
Share value of crops
Combined value of crop, livestock and dairy, 1000 LT
Value share of crops and livestock
Summary

- Agriculture as grown
- Prognosis for next financial framework is also good
- Wheat, rapeseed and dairy are the main sectors of growth since EU membership and in the future
- Good pre-accession policies and institutional development, dynamic land market, and agricultural orientation of population contributed to these positive outcomes
Thank you!

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