

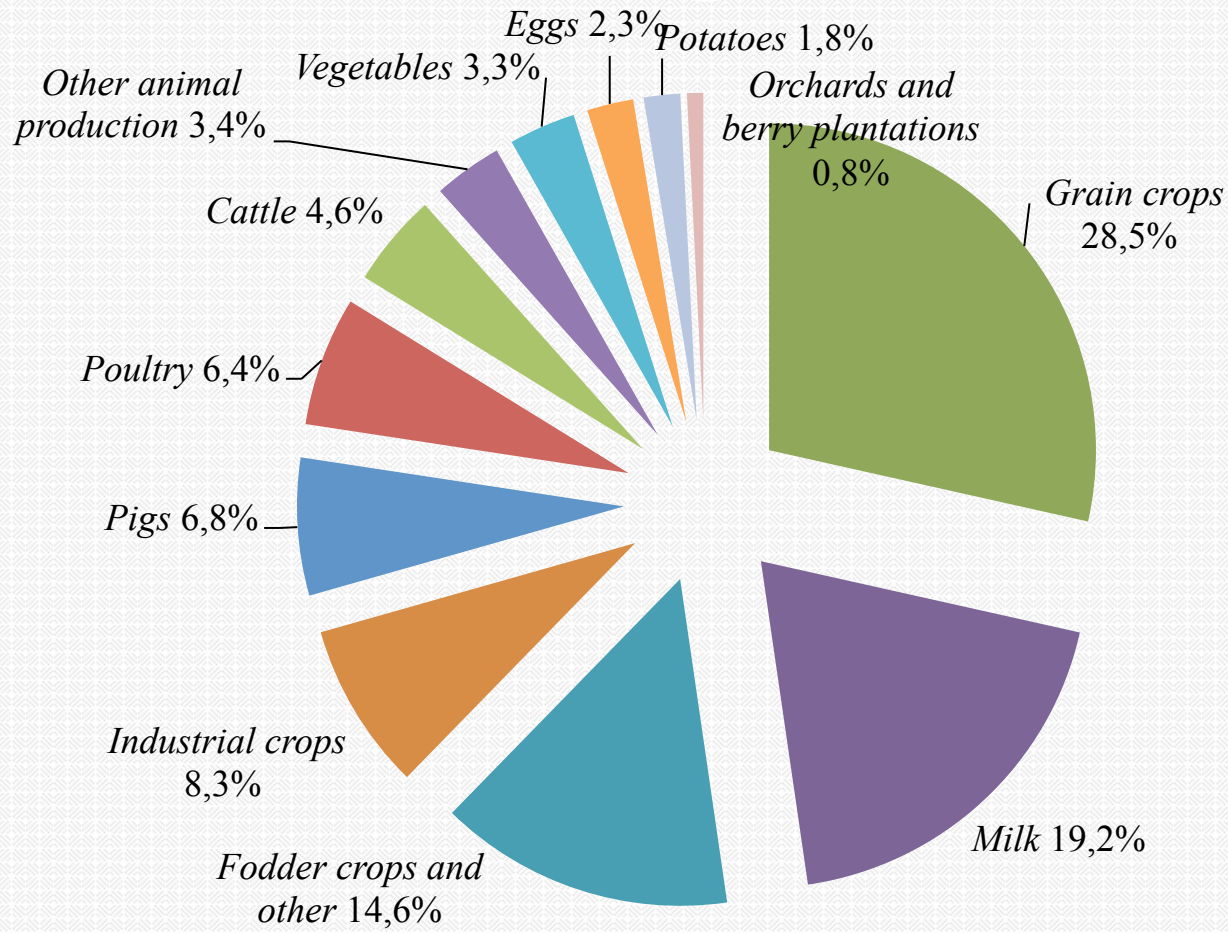
Horticulture Today in Lithuania and its Challenges

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**LITHUANIAN VEGETABLE PRODUCERS
ASSOCIATION**

2019 10 31

Structure of gross agricultural production in 2018



Source: Lithuanian Statistics

Fruit and vegetables farming systems, 2018



Conventional – 19 936. 68 ha

NKP – national quality product produced applying integrated production system with stricter fertilization and pesticide requirements, certified by Ekoagros.

6 192.88 ha



Organic

3 890.39ha

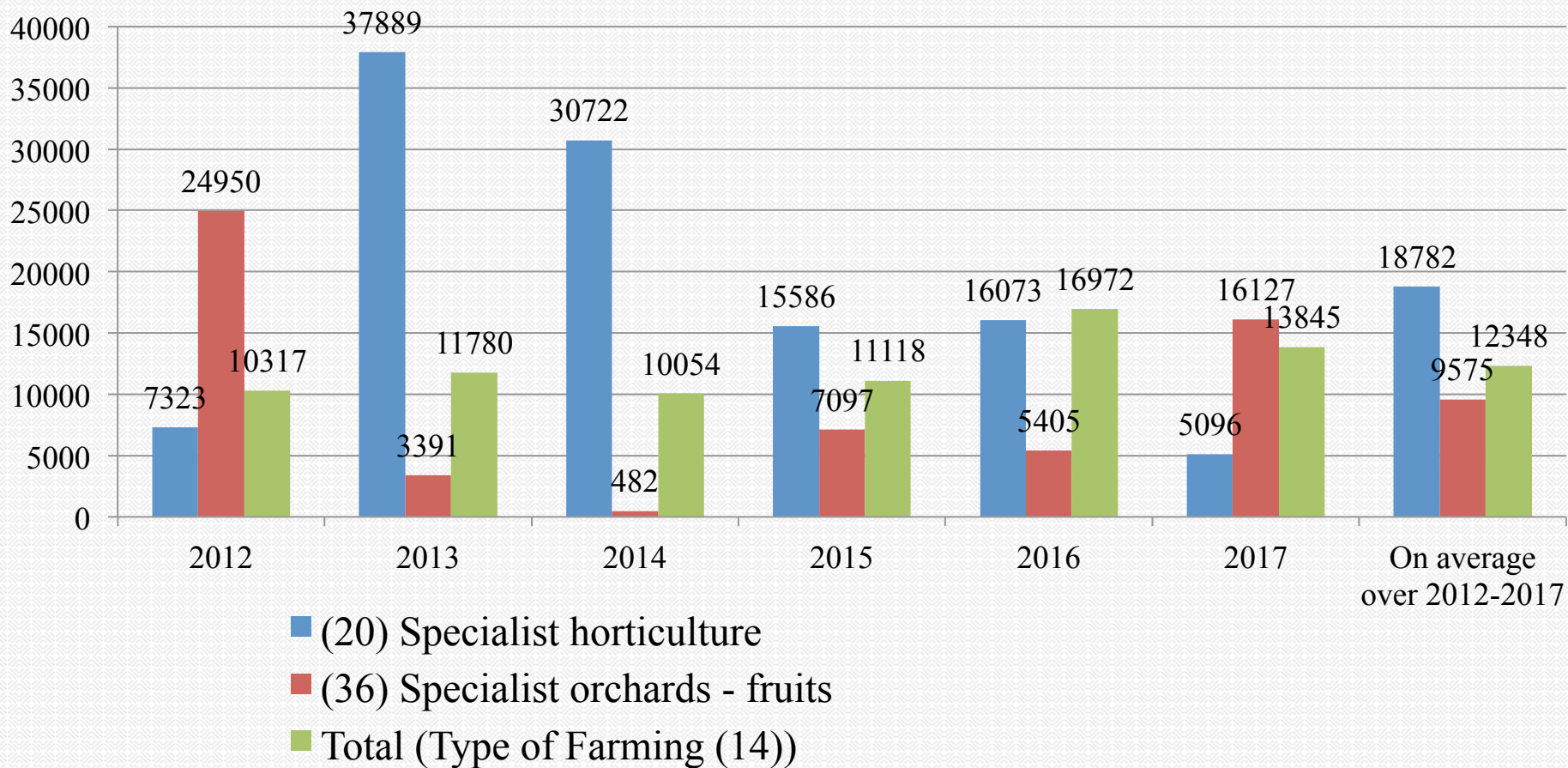


Situation – positive factors



- ✓ The priority of agricultural policy – enhancing competition through investing in farms giving priority to animal husbandry and horticultural farms. Outcome – a bigger average farm size and farm production value.
- ✓ Fruit & vegetables school program – organic and national quality products: carrots, apples, pears and juices of apples, pears, carrots, currants, strawberry, raspberry, aronia).
- ✓ Increasing purchasing of horticultural production, while purchasing of other agricultural products was decreasing:
 - potatoes - by 28.0 percent
 - fruit & berries – by 26.3 percent
 - vegetables – by 11.1 percent

Gross investment of farms in Lithuania in 2012–2017, EUR



Situation – positive factors (payments)



- ✓ For sustainable fruit & vegetable production
 - vegetables & potatoes – 318 EUR/ha
 - fruit & berries – 336 Eur/ha
- ✓ Coupled payments:
 - vegetables in heated greenhouses 210 Eur/are
 - field vegetables – 344 Eur/ha
 - fruit & berries – 227 Eur/ha
 - Seed potatoes – 212 Eur/ha

Payment rates paid for horticultural crops from the EU budget in Lithuania in 2014–2018



Kind of payment	2014	2015	2016	2017	2018
basic payment, EUR/ha	114,4	56,7	59,4	62,8	63,2
greening payment, EUR/ha	–	44,9	46,6	49,2	49,8
payments on the first 30 hectares, EUR/ha	30,8	48,8	51,8	56,3	57,9
young farmer payment, EUR/ha	–	45,8	45,8	45,8	47,9
Coupled crop payments for:					
potato seed area, EUR/ha	–	–	–	585,1	212
greenhouse (with a heating system) vegetables, EUR/a	–	527,0	453,4	208,7	208,2
field vegetables (except leguminous vegetable), EUR/ha	–	324,2	310,9	381,8	344,2
fruit and berries EUR/ha	–	207,4	230,3	225,6	227,5

Situation – constraining factors

- ✓ High VAT rate (21 percent) for production.
- ✓ Higher input prices because of small market.
- ✓ Lower level of technical equipment and farming technologies than in old EU states still requires high investments in agricultural machinery, irrigation, melioration, modern storages and post harvest equipment.
- ✓ Disparity between small and big farms.
- ✓ Low degree of growers cooperation.
- ✓ Low processing capacity.
- ✓ Each year government tax decisions and environmental requirements place new burdens for growers.
- ✓ Rather low consumer confidence in commercial production.
- ✓ Inadequate advisory system.

Entities of manufacture of fruit and vegetables in Lithuania and their sales* in 2014–2018



Indicators	2014	2015	2016	2017	2018
Number of enterprises	41	46	50	55	54
Number of employees	1058	1186	1218	1191	1106
Sales in domestic market, EUR mill.	42,4	45,4	46,3	46,9	50,8
Export value, EUR mill.	30,6	30,9	38,9	45,5	49,0

* VAT and excise duty incl.
Source: Lithuanian Statistics

Challenges



- ✓ Changing climatic conditions.
- ✓ Access to EU support for farm investments.
- ✓ Production sustainability ensuring food security and stability without damage to farm economic viability.
- ✓ To increase significantly farm production value which is on average 37 percent lower than EU average.
- ✓ Risk and crisis prevention management measures are not functioning.

Preconditions for sector development



- ✓ Special programs and eligibility criteria for EU support for farm investments to implement the defined sector priorities, targeting both small and big farms to increase farm production added value in local and foreign markets.
- ✓ Coops seeking EU PO recognition.
- ✓ Adjusted harvest insurance model.
- ✓ Quality improvement of advisory system and implementation of research results on a farm.
- ✓ Development of a working disease and pest monitoring system to ensure rational plant protection.
- ✓ Communication – raise consumer confidence, inform about the product (production methods, MRL) and farmer (how he produces), etc.

Fruit & Berries



- Lithuanian climate is unfavourable for fruit and berry production, spring frosts;
- Limited selection of winter hardy varieties and rootstocks;
- Self sufficiency by local fruits and berries is low and fluctuating – from 29 to 41 per cent;
- The main crop is apple.

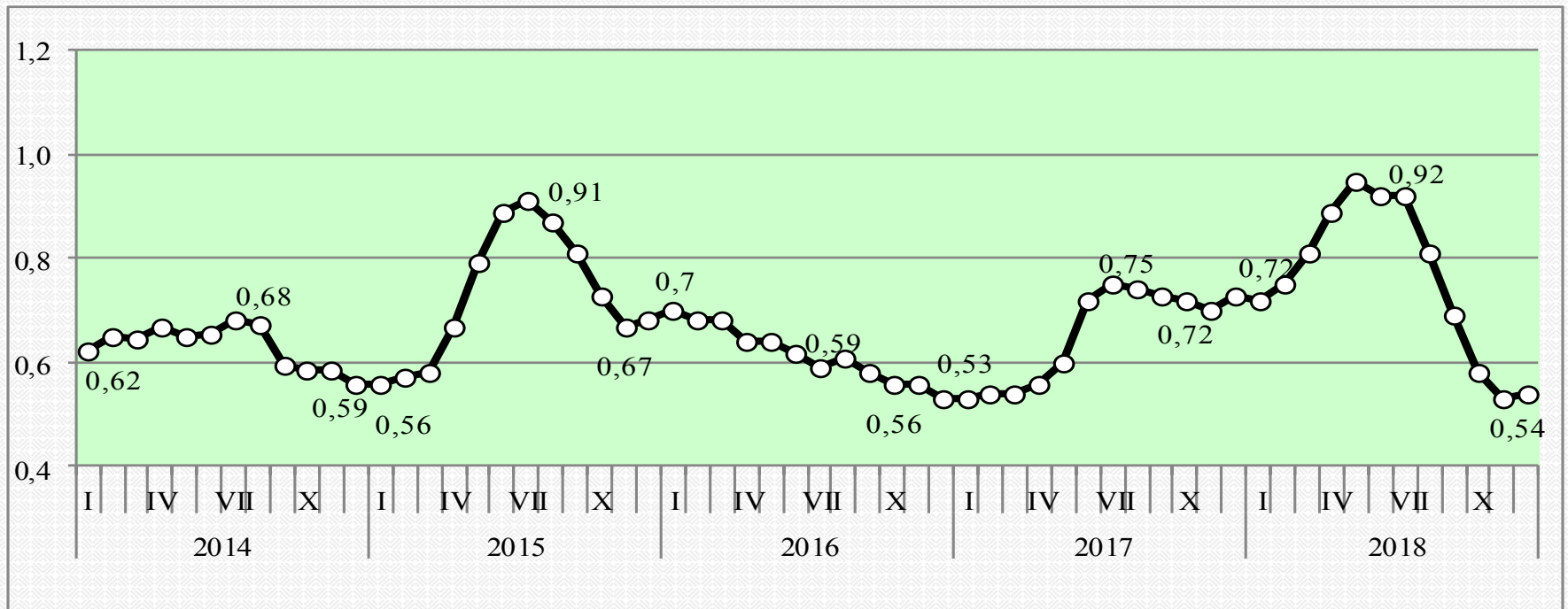
Area, harvest, yield of orchards and berry plantations in 2014–2018



Indicators	2014	2015	2016	2017	2018	Change 2018 compared to 2014, %
Total area of orchards and berry plantations, thou. ha	30,4	30,5	29,5	30,2	30,4	0
of which fruit bearing	26,4	25,3	24,5	26,0	26,5	0,4
Harvest, thou. t	70,2	87,1	79,2	99,2	105,6	50,4
Yield, t/ha	2,66	3,44	3,24	2,57	3,99	50,0

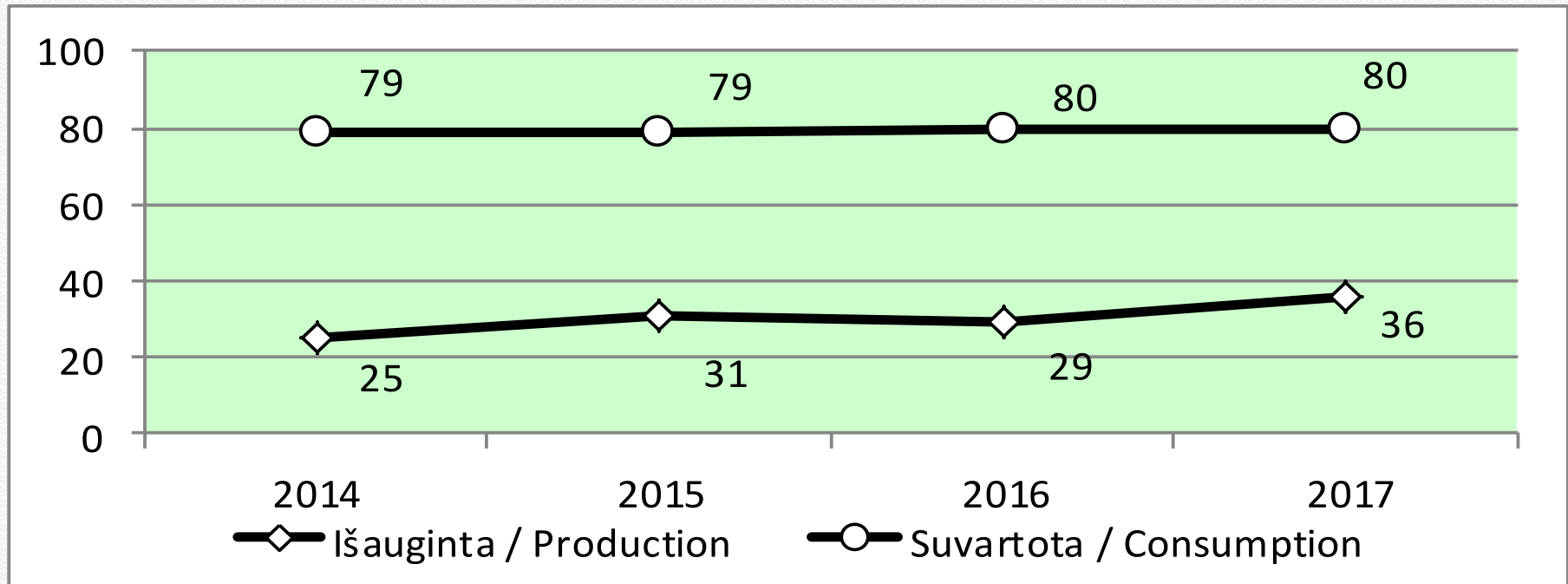
Source: Lithuanian Statistics

Average retail price of apples in Lithuania in 2014–2018, EUR/kg



Source: Lithuanian Statistics

Per capita production and consumption of fruit and berries in 2014–2017, kilograms



Source: Lithuanian Statistics

Potatoes

- In the last five years the total area under potatoes has decreased by 8.1 thou ha, while in production farms it is stable, even significantly increased this year.
- The reason for decrease – lower consumption, attractiveness of grain sector.
- Three last years the climatic condition for potato production were very unfavourable.
- Self-sufficiency – 100 per cent.
- Export increasing due bad crops in Europe. Trade balance positive. Import mostly in April-June (68,2 percent of total import).

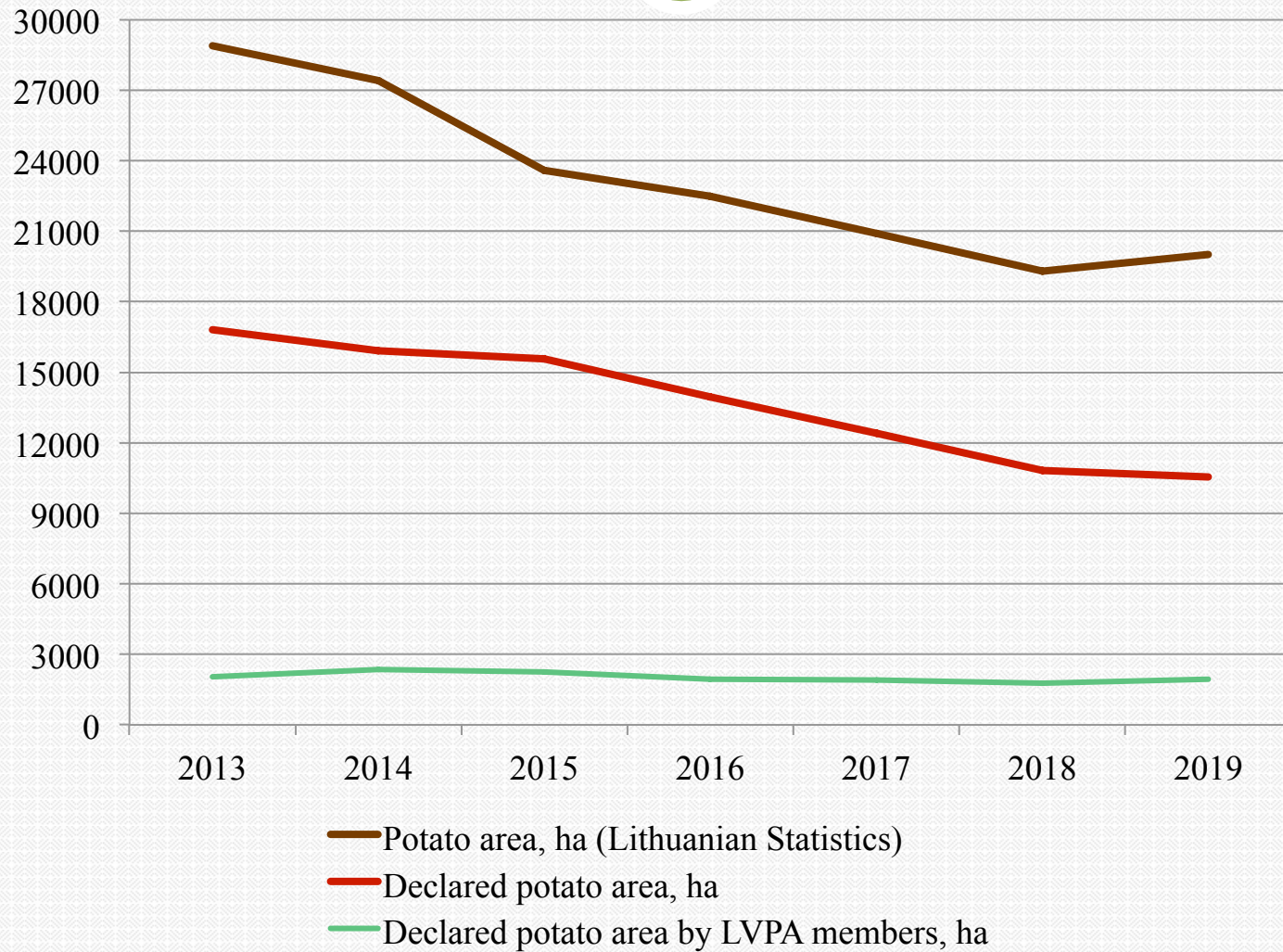
Crop area, harvest and yield of potatoes 2014–2018



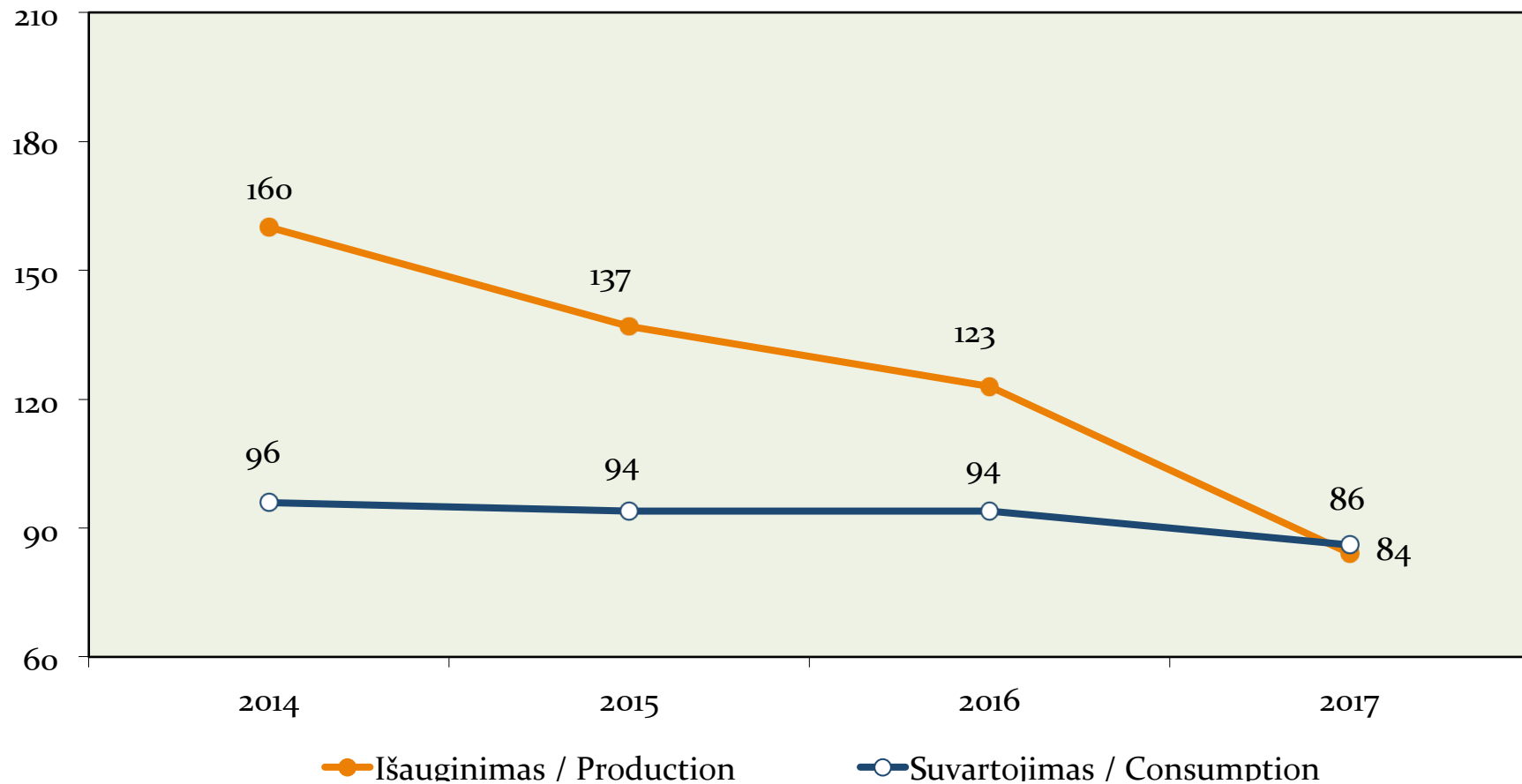
Indicators	2014	2015	2016	2017	2018	Change 2018 compared to 2014, %
Crop area, thou. t	27,4	23,6	22,5	20,9	19,3	-29,6
Total harvest, thou. t	468,5	399,2	351,5	237,0	296,2	-36,8
Yield, t/ha	17,2	17,0	15,9	12,3	15,5	-10,2

Source: Lithuanian Statistics

Potato area in Lithuania 2013-2019, ha

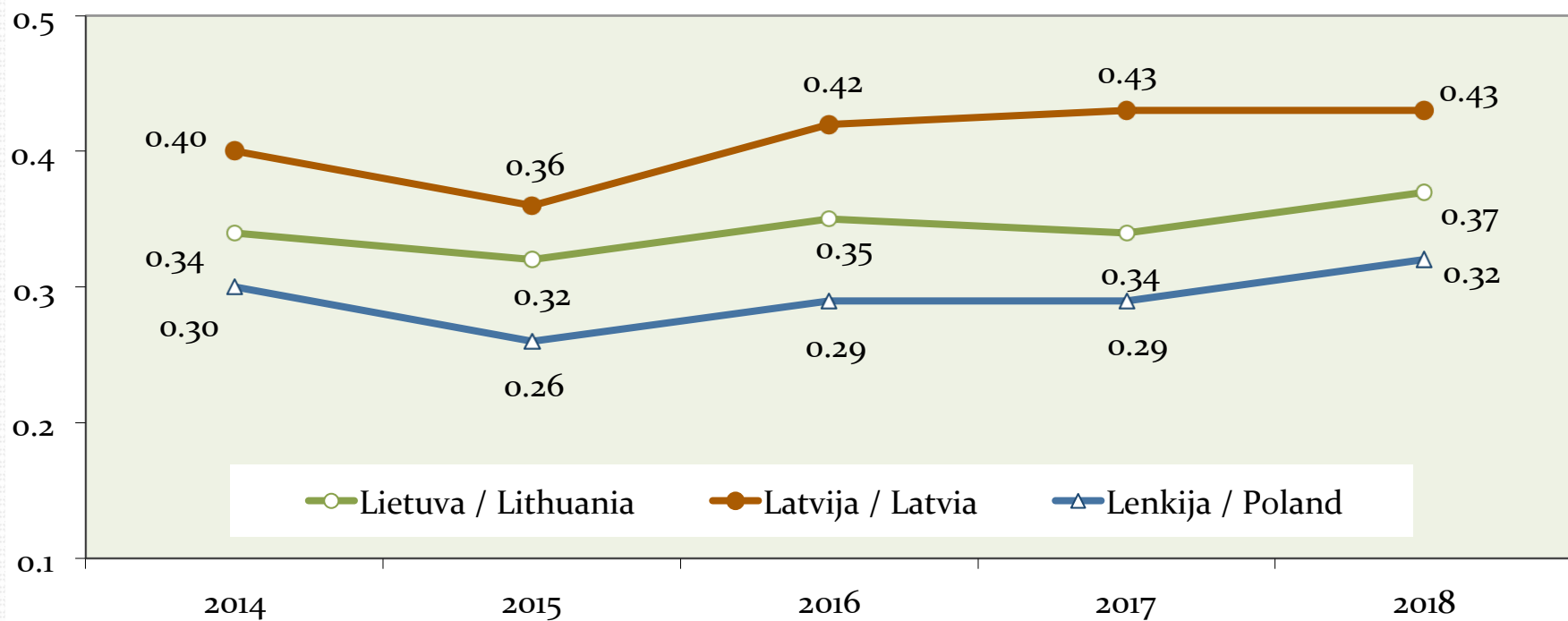


Per capita production and consumption of potatoes in 2014–2017, kg



Source: Lithuanian Statistics

Average retail price of potatoes in Lithuania, Latvia and Poland in 2014–2018, EUR/kg



Source: Lithuanian Institute of Agrarian Economics

Lithuania's foreign trade in fresh potatoes 2014–2018



Indicator	2014		2015		2016		2017		2018	
	amount thou. t	value, EUR mill.	amount thou. t	value, EUR mill.	amount thou. t	value, EUR mill.	amount thou. t	value, EUR mill.	amount thou. t	value, EUR mill.
Export	20,9	4,6	8,7	1,6	10,7	1,7	8,1	1,5	13,0	2,1
Import	14,7	2,7	3,9	1,5	3,4	1,8	7,1	2,5	5,4	1,8
Balance	6,2	1,9	4,8	0,1	7,3	-0,1	1,0	-1,0	7,6	0,3

Main export directions: Italy, Latvia, the Netherlands,
Hungary

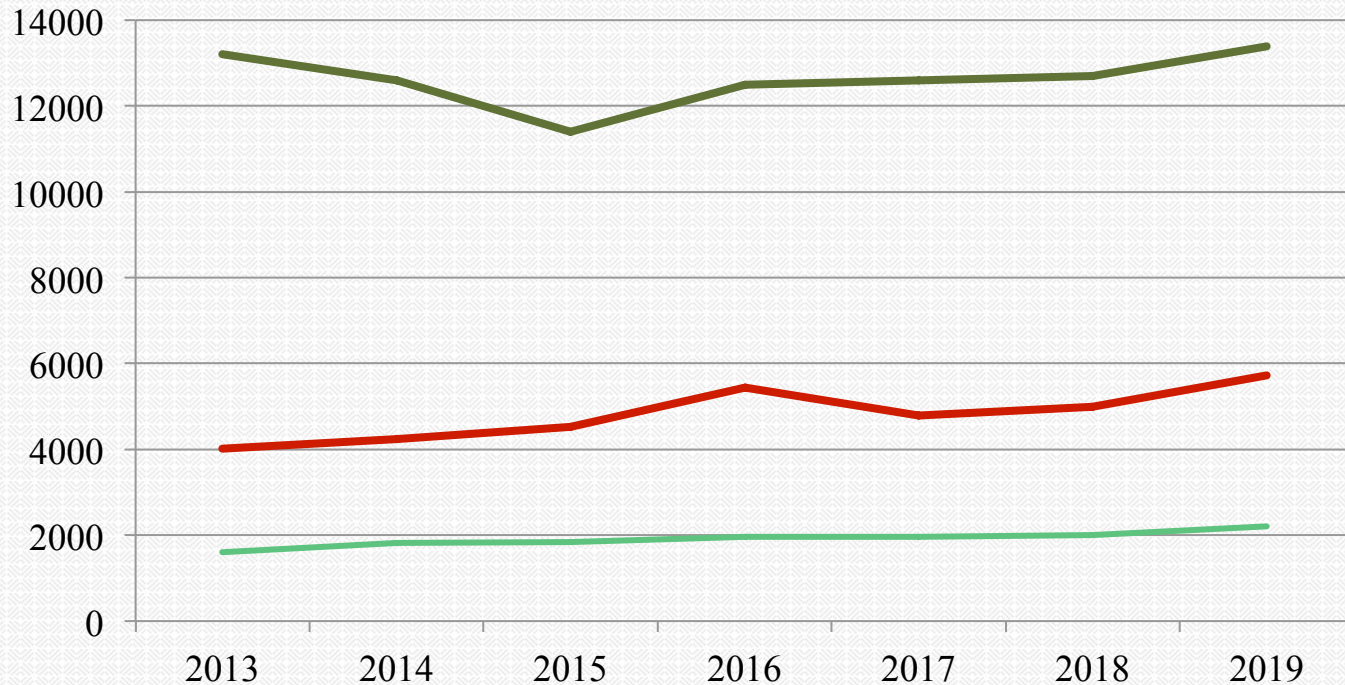
Source: Lithuanian Statistics

Vegetables



- Recently total area under vegetables has been slightly increasing.
- Three last years the climatic condition for vegetable production were unfavourable.
- Trade balance positive. Export amount and value are increasing, import – amount and value decreasing. The demand for import decreased by 6,7 %.
- Self-sufficiency of main root vegetables – 100 %.
- Amount of purchased vegetables is increasing, most of them purchased for fresh consumption, except beetroot – 79.1 % for processing.

Vegetable area in Lithuania 2013-2019, ha



— Vegetable area, ha (Lithuanian Statistics Department)

— Declared vegetable area, ha

— Declared vegetable area by LVPA members, ha

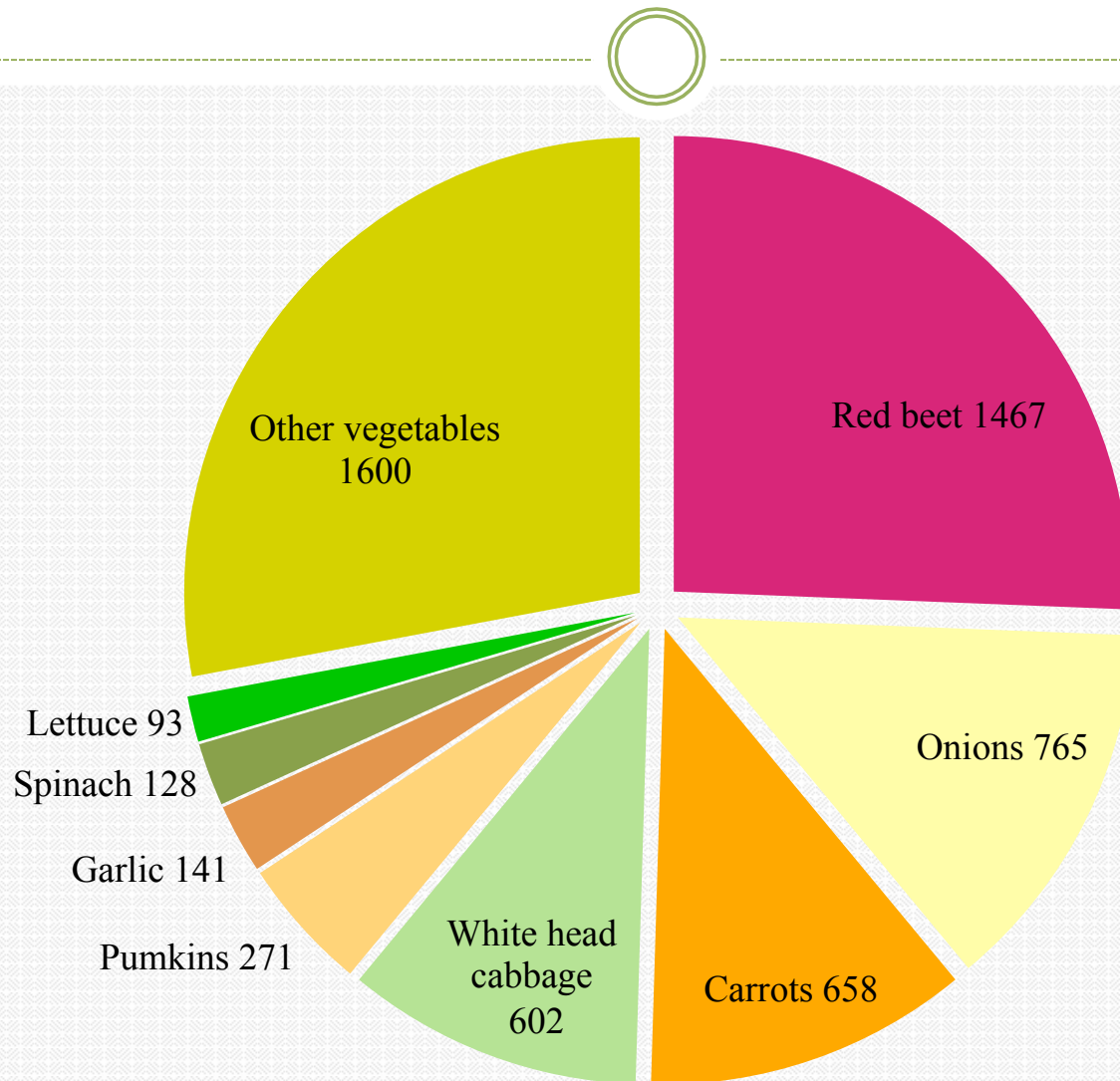
Crop area of vegetables in 2014–2018, thou. ha



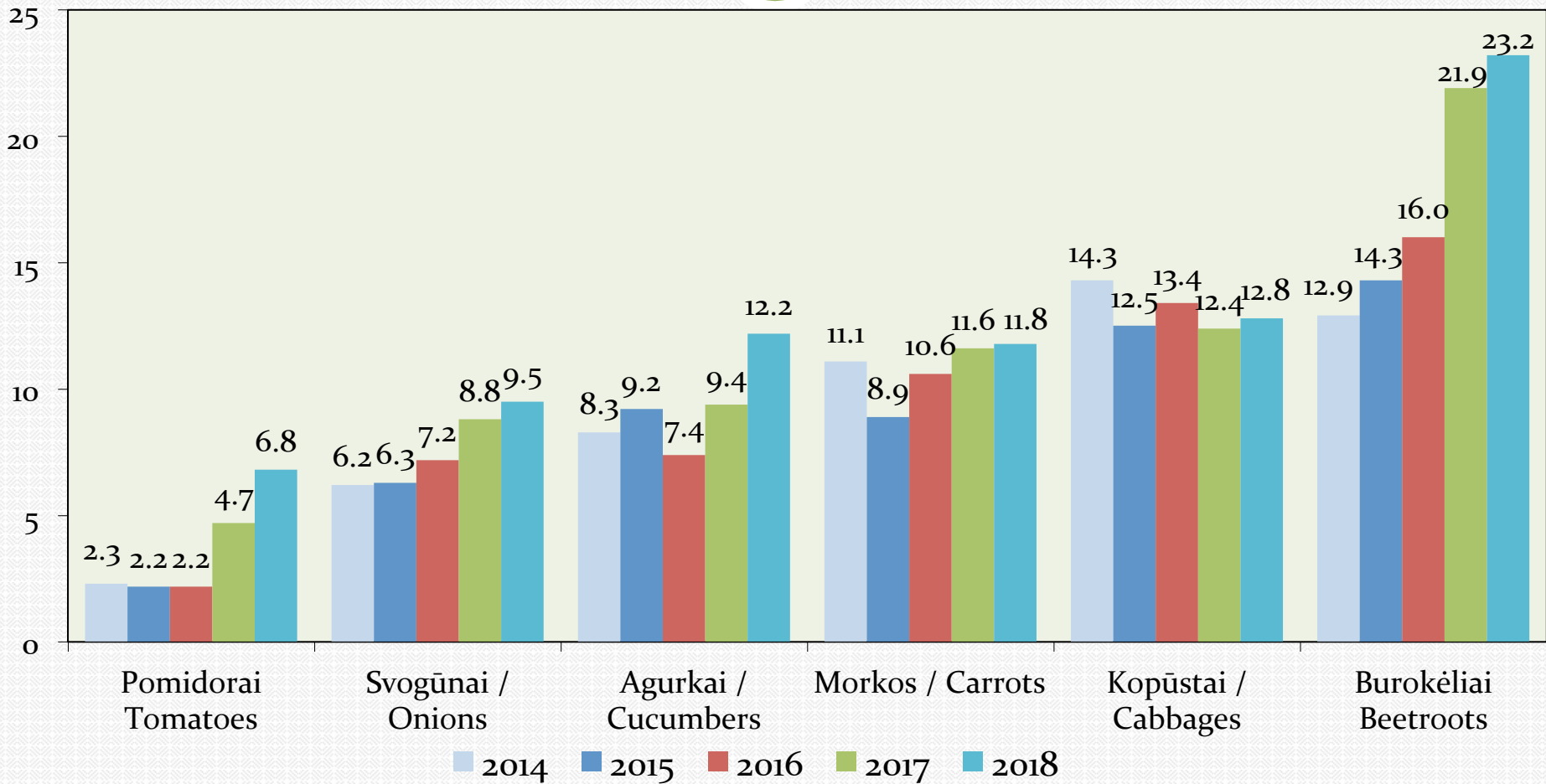
Vegetables	2014	2015	2016	2017	2018	Change 2018, compared to 2014, %
Open field vegetables, total	12,1	10,9	12,0	12,1	12,3	1,7
of which:						
cabbages	2,8	2,4	2,6	2,6	2,5	-3,8
beetroots	1,9	1,8	2,0	2,2	2,3	4,5
carrots	2,1	1,9	2,2	2,1	2,0	-4,8
onions	1,8	1,5	1,8	1,8	1,9	5,6
Greenhouse vegetables, total	0,5	0,5	0,5	0,5	0,5	0,0

Source: Lithuanian Statistics

Declared vegetables in 2019, ha



Purchase of vegetables in 2014–2018, thou. t



Source: Lithuanian Statistics

Thank you for your attention!

