



COMPETITIVENESS OF LITHUANIAN FARMS AND AGRICULTURE PRODUCTION FROM PRESENT TO MEDIUM TERM PERSPECTIVES

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CONTENT

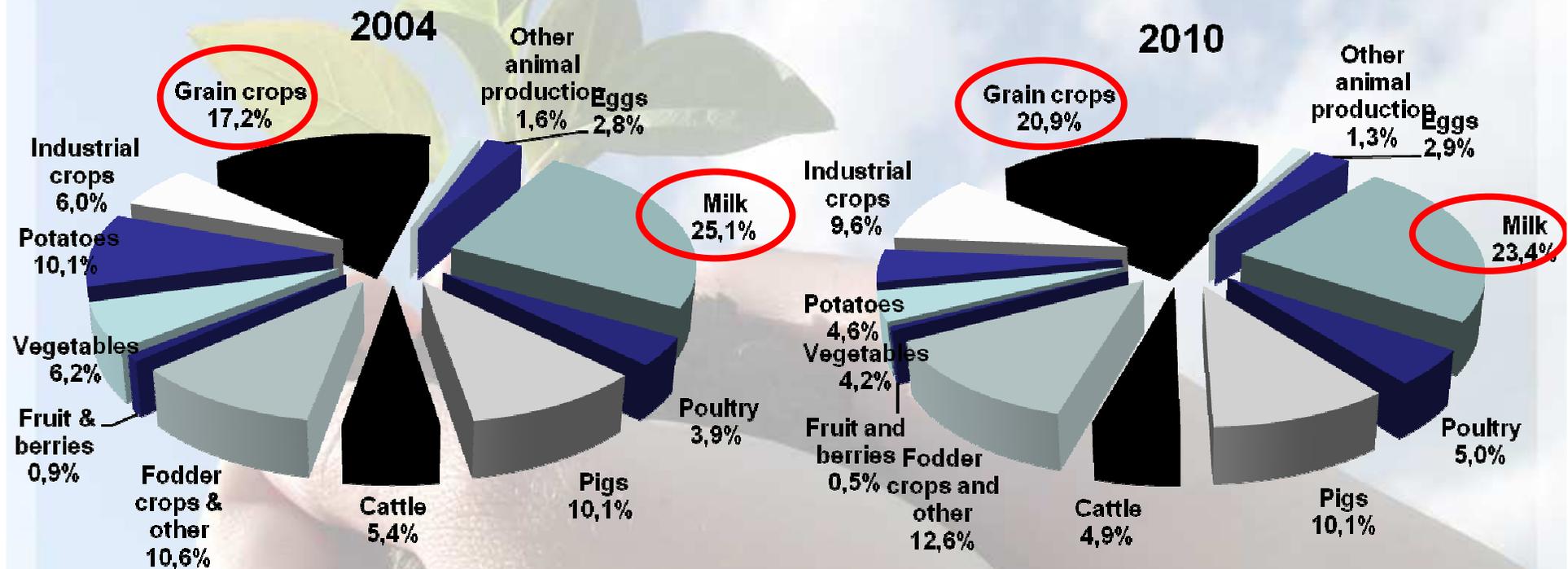
- **Lithuanian macroeconomic situation**
 - **Factors, influencing competitiveness**
 - **Foreign trade**
 - **Competitiveness of Lithuanian farms**
 - **Key challenges in Midterm perspective**
 - **Conclusions**
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- A hand holding a small green plant against a blue sky with clouds. The hand is positioned at the bottom center, with the fingers gently cupping the base of the plant. The plant has several bright green leaves and a thin stem. The background is a clear blue sky with soft, white clouds. The overall image conveys a sense of growth, care, and environmental focus.

LITHUANIAN MACRO ECONOMIC INDICATORS, 2004, 2006 AND 2010

	2004	2006	2010	2010/2004
GDP, at current prices, mill. Euro	18158,6	23978,5	27410,2	1,51
GDP per capita, at current prices, Euro	5285,4	7064,7	8339,0	1,58
CPI (comparing to December of previous year), %	2,9	4,5	3,8	
GAP, mill. Euro	1318,4	1422,9	1792,1	1,36
GVA created in agriculture, hunting and forestry, mill. Euro	751,7	913,7	818,9	1,09
Share of agricultural and related activities in gross value added, %	4,66	4,30	3,41	0,73
Exports of agricultural and food products, mill. Euro	856,3	1568,7	2838,8	3,32
Share of agricultural and food products in total exports, %	11,5	13,9	18,1	1,58
Imports of agricultural and food products, mill. Euro	855,7	1434,4	2298,2	2,69
Share of agricultural and food products in total imports, %	8,6	9,3	13,0	1,52
Foreign trade balance of agricultural and food products, mill. Euro	0,5	134,3	540,7	

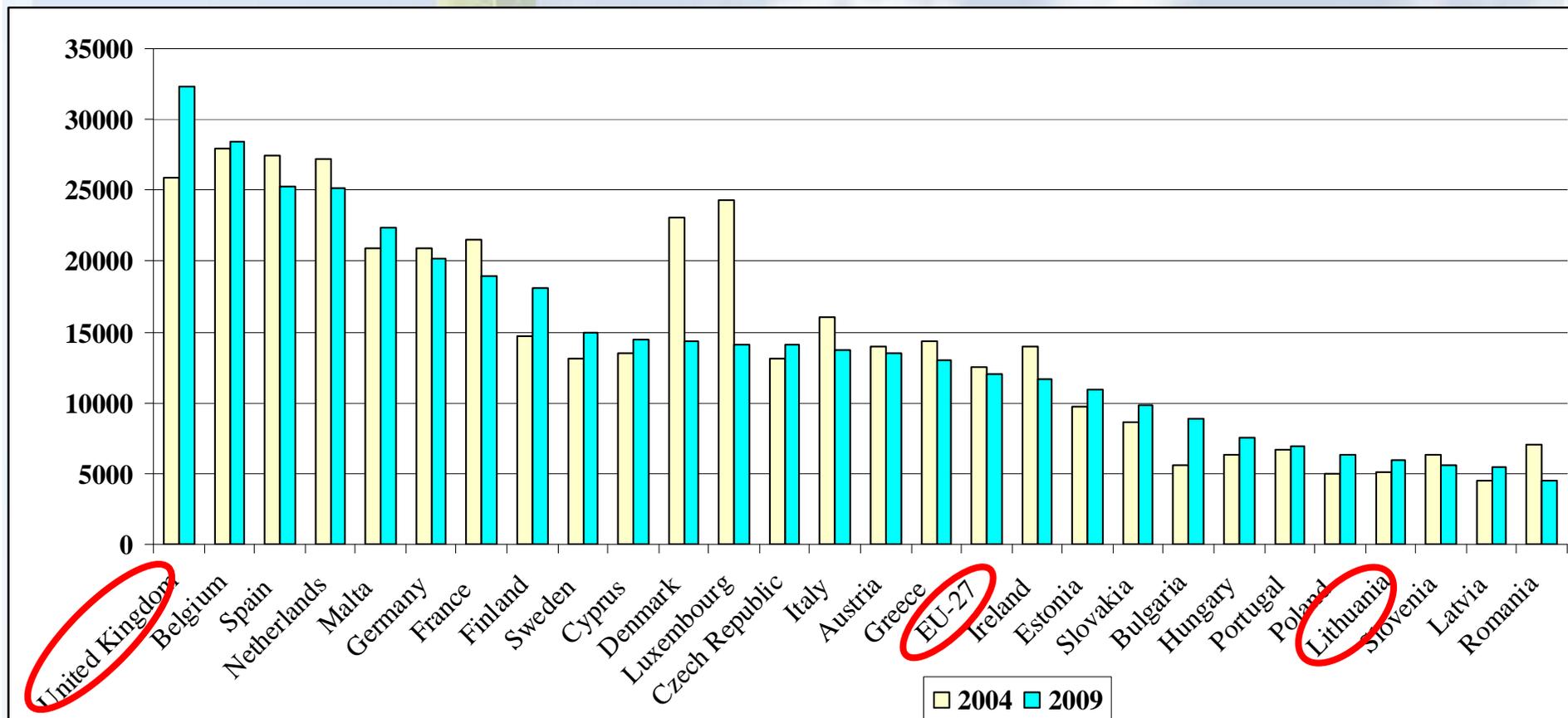
Data source: Lithuanian Statistical Department

STRUCTURE OF GROSS AGRICULTURAL PRODUCTION IN LITHUANIA IN 2004 AND 2010



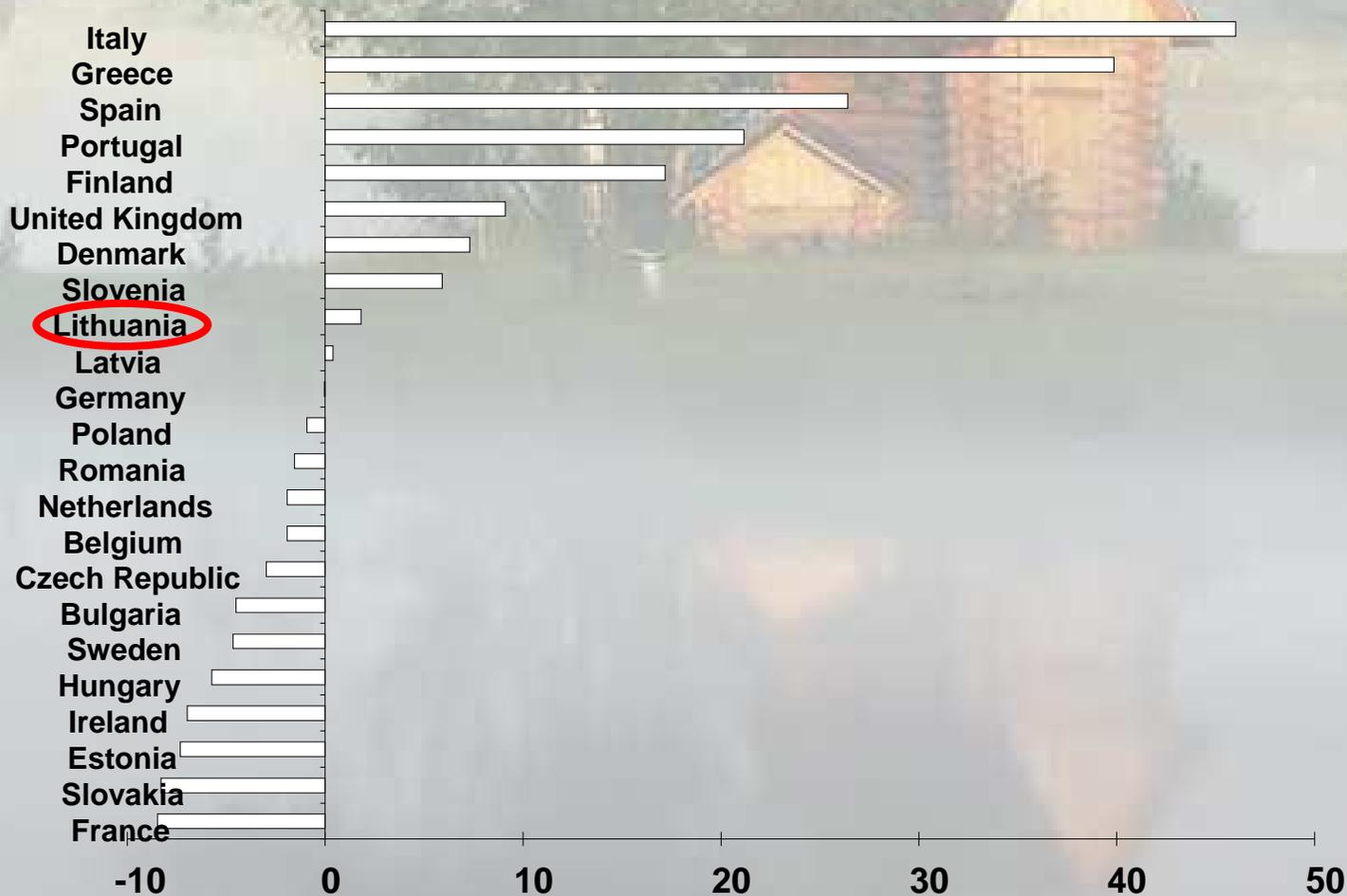
Data source: Lithuanian Statistical Department

NET VALUE ADDED IN AGRICULTURE PER AWU IN THOUSANDS PPS, IN EU-27, 2004 AND 2009



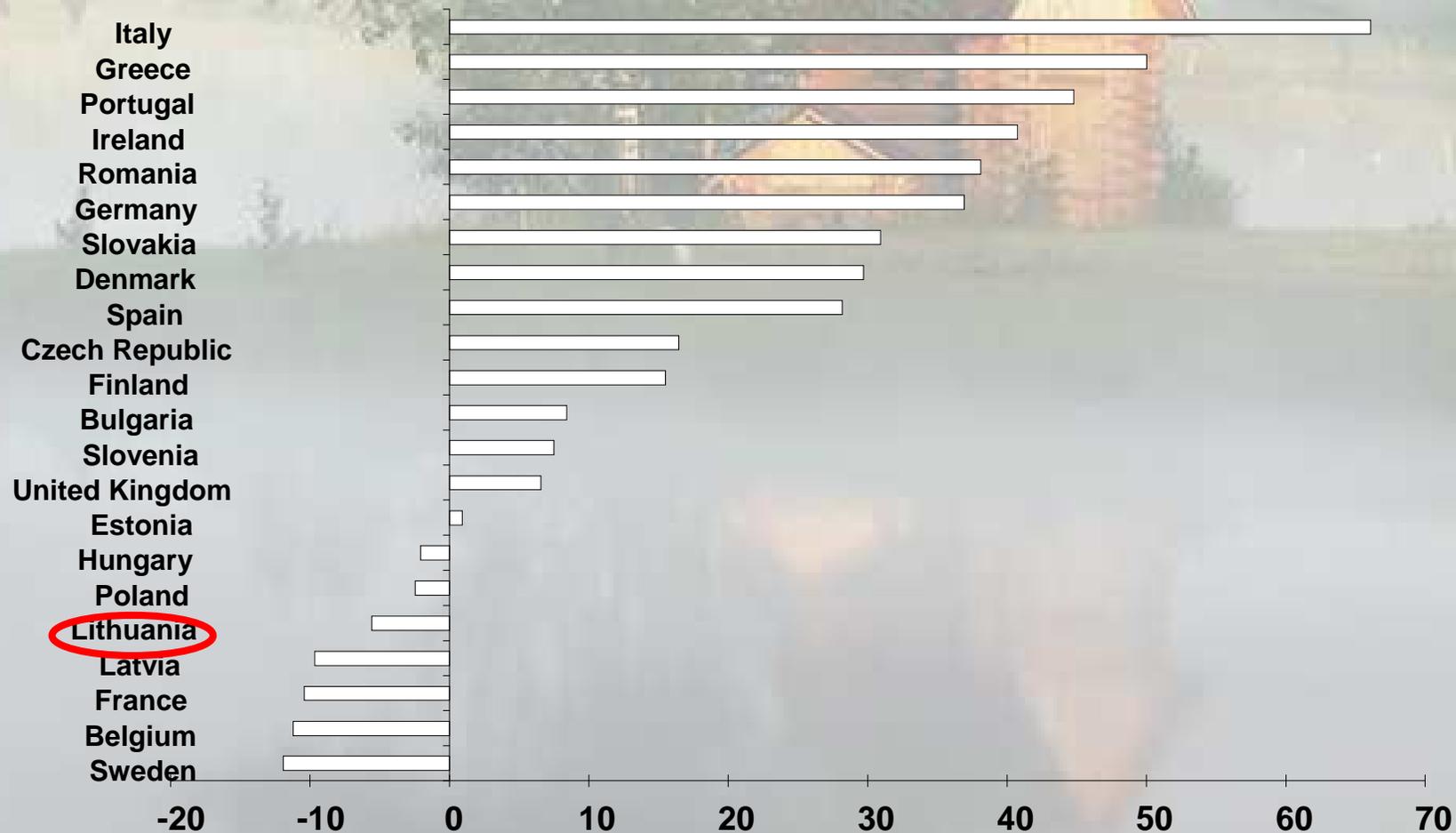
Data source: EUROSTAT

DIFFERENCES OF THE WHEAT PRICES AMONG EU-27, COMPARING WITH THE WORLD PRICES IN 2009, IN PERCENTAGE POINTS (WORLD PRICE = 100%)



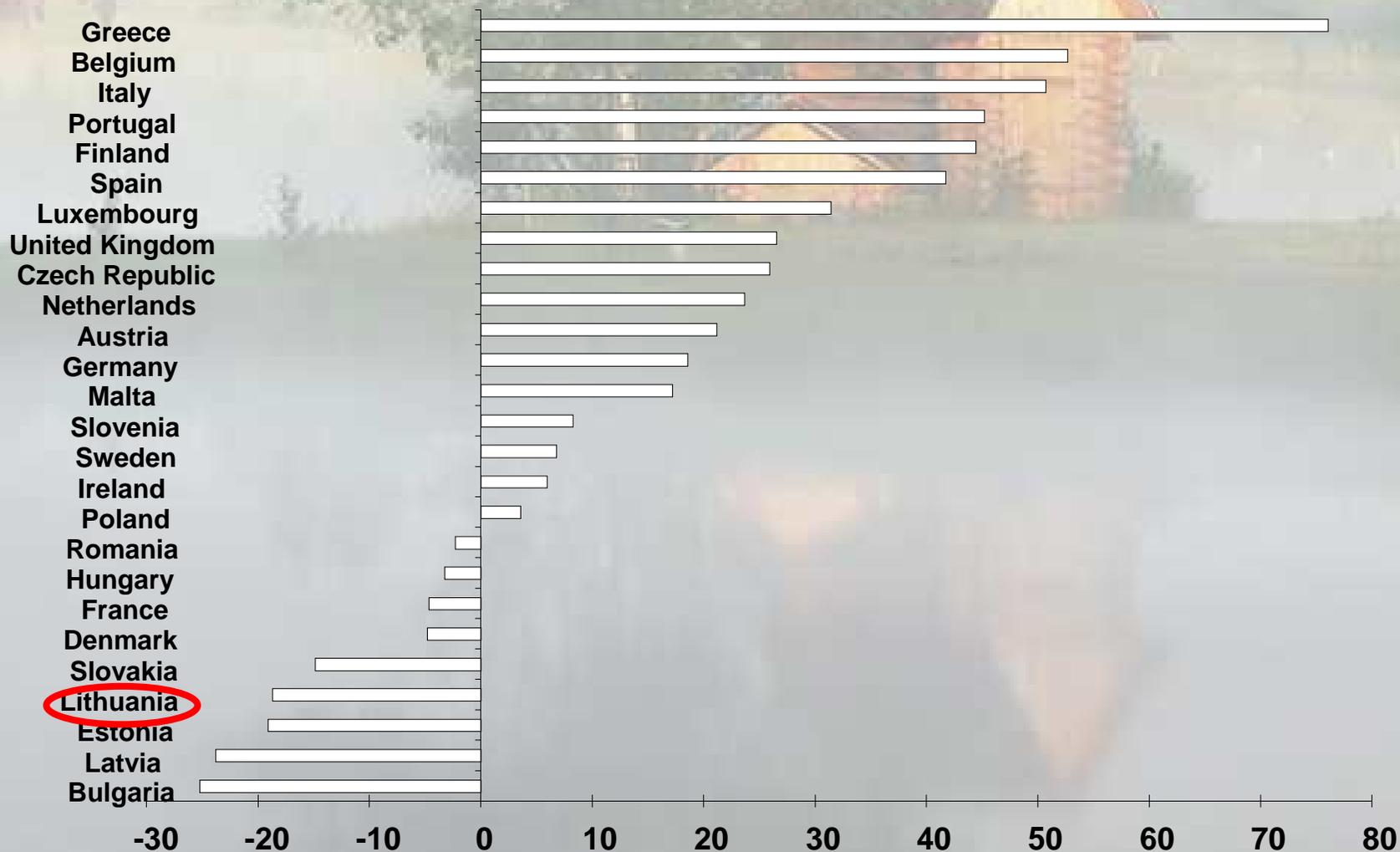
Data source: EUROSTAT, FAPRI, OECD-FAO

DIFFERENCES OF BARLEY PRICES AMONG EU-27, COMPARING WITH THE WORLD PRICES IN 2009, IN PERCENTAGE POINTS (WORLD PRICE = 100 %)



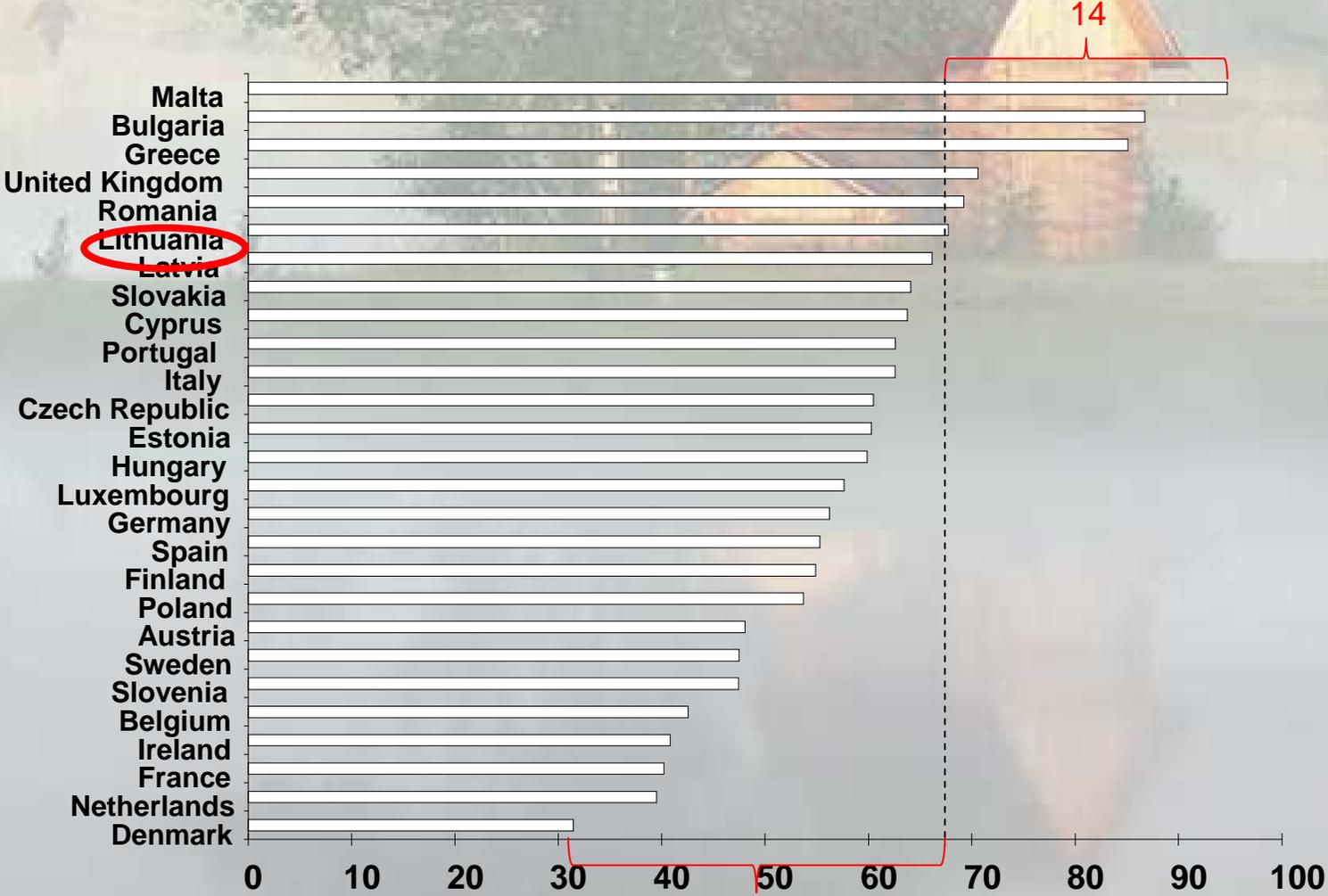
Data source: EUROSTAT, FAPRI, OECD-FAO

DIFFERENCES OF THE BEEF AND VEAL PRICES AMONG EU-27, COMPARING WITH THE WORLD PRICES IN 2009, IN PERCENTAGE POINTS (WORLD PRICE = 100 %)



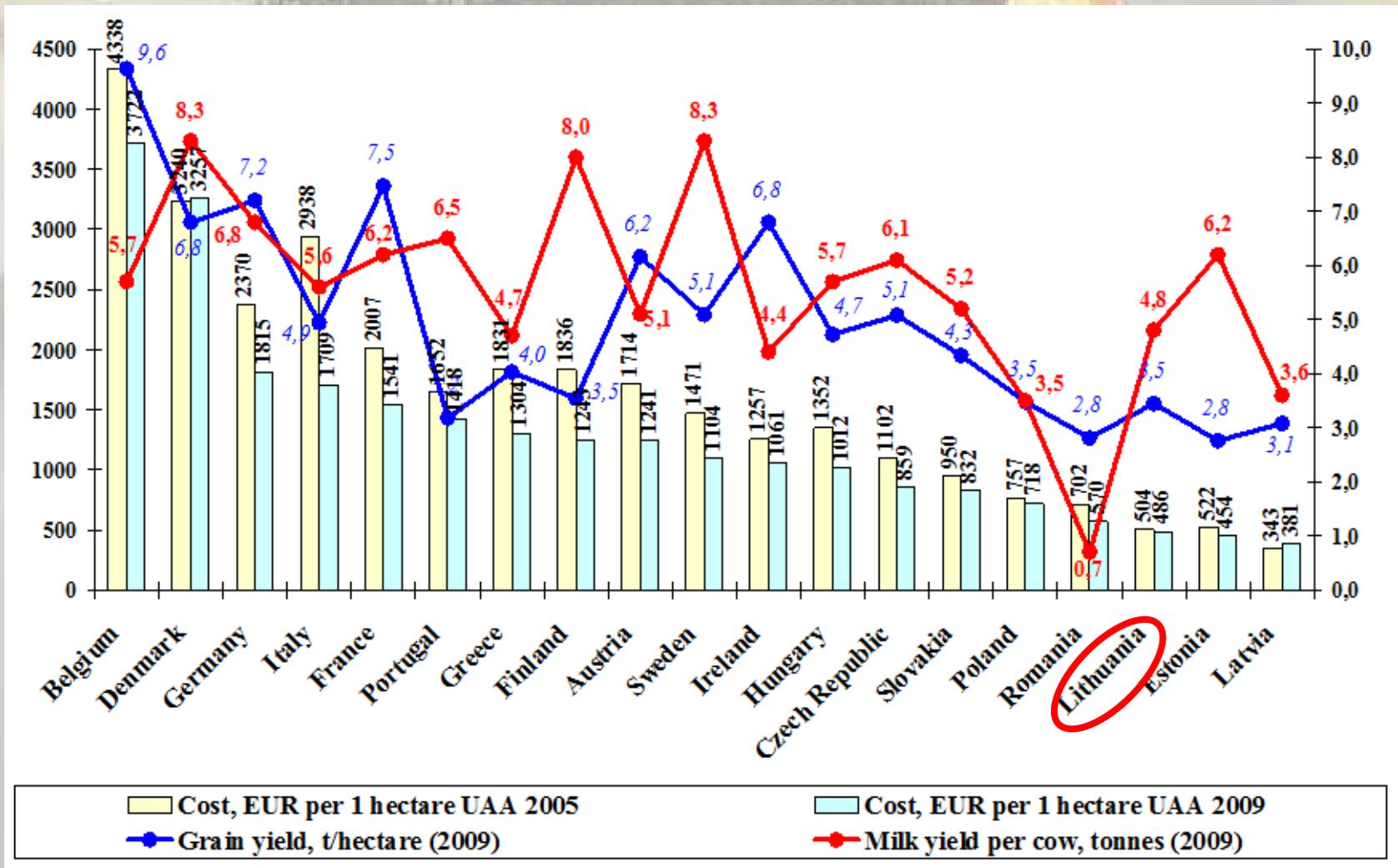
Data source: EUROSTAT, FAPRI, OECD-FAO

DIFFERENCES OF THE PORK PRICE AMONG EU-27, COMPARING WITH THE WORLD PRICE IN 2009, IN PERCENTAGE POINTS (WORLD PRICE = 100 %)



Data source: EUROSTAT, FAPRI, OECD-FAO

AGRICULTURAL PRODUCTION COSTS IN THE CHOSEN EU-27 IN 2005 AND 2009



Data source: EUROSTAT

SHARE OF THE HIGHEST QUALITY PRODUCTS IN OVERALL PRODUCTION, 2010

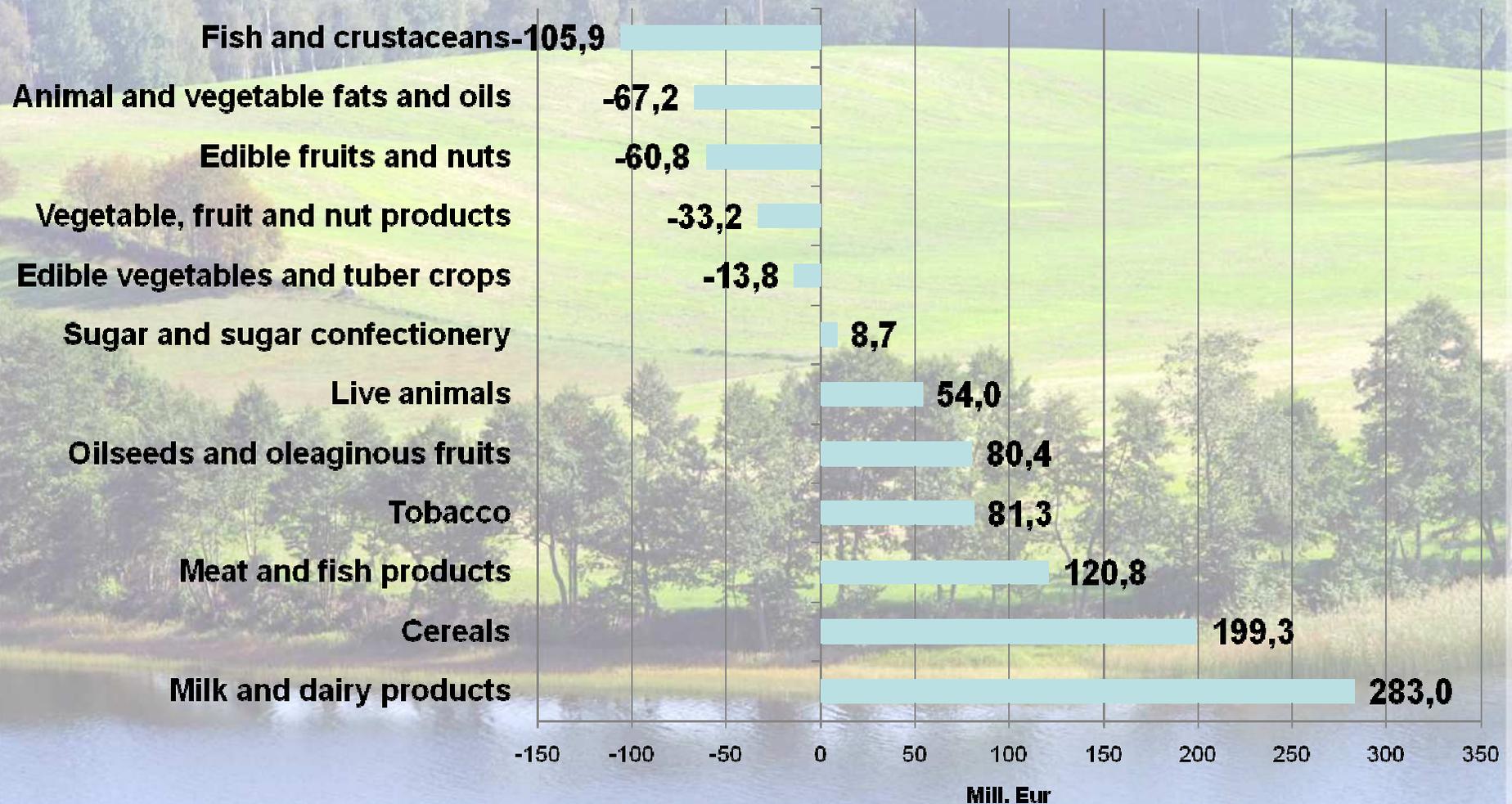
- Wheat – 44 % (share of I class)**
- Rye – 34 % (I class)**
- Milk – 96 % (without discount)**
- Beef – 9 % (E + U + R class)**
- Pork – 88 % (S+E class)**

SIGNIFICANCE OF LITHUANIAN AGRICULTURAL PRODUCTS (2009)

Product	Production share of, %	
	World	EU-27
Wheat	0.25	1.25
Barley	0.53	1.22
Rye	0.83	1.33
Rape	0.70	1.95
Potatoes	n.a.	4.90
Beef and veal	0.08	0.56
Pork	0.06	0.27
Poultry	0.10	0.83
Milk	0.30	1.34

Data source: EUROSTAT

BALANCE OF TRADE IN AGRICULTURAL AND FOOD PRODUCTS, MILL. EURO (2010)



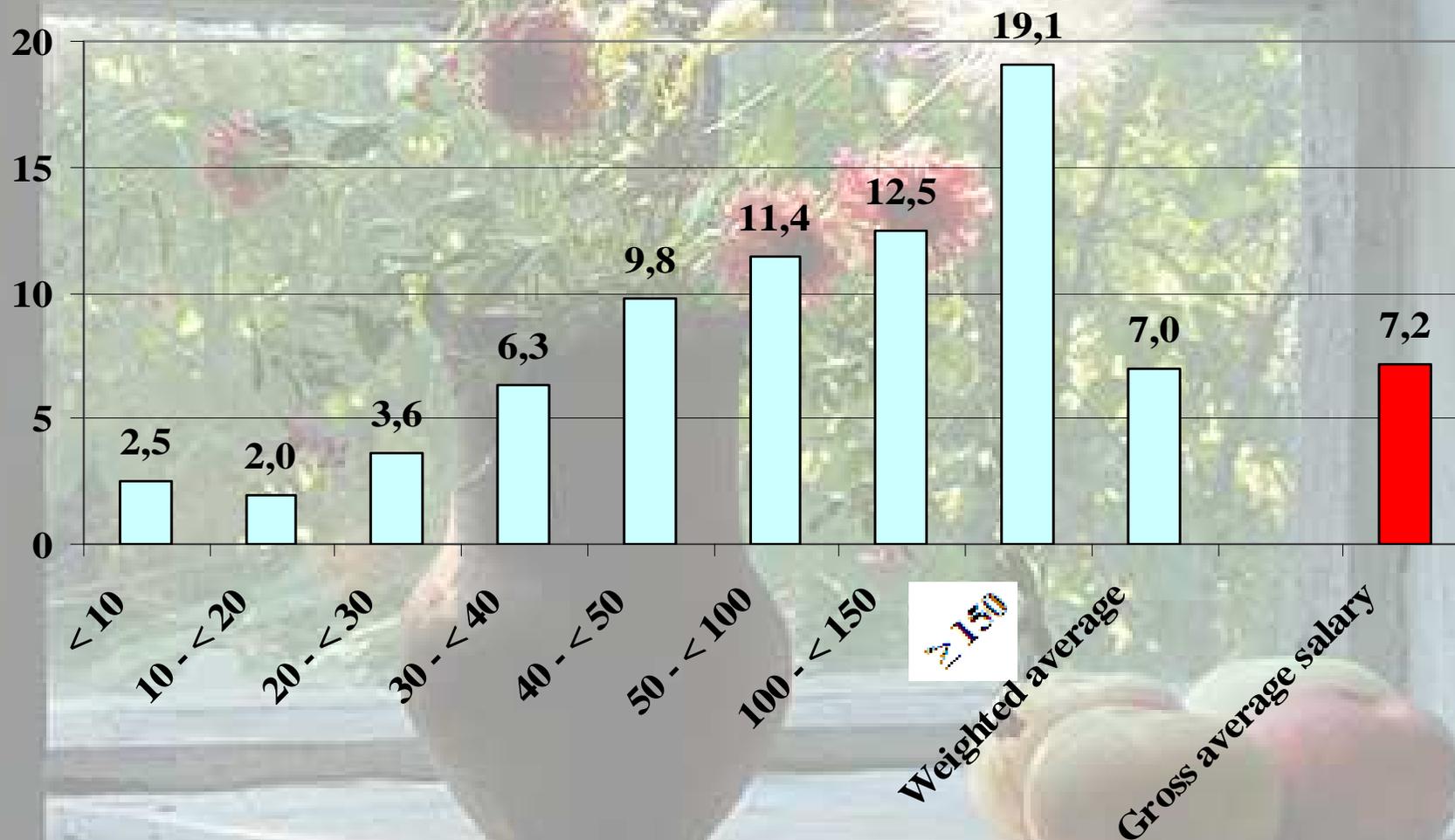
Data source: Lithuanian Statistical Department

STRUCTURE OF FARMS IN LITHUANIA IN 2004–2010

Farm size, ha	2004		2006		2010	
	number, thou.	share, %	number, thou.	share, %	number, thou.	share, %
< 5	134,7	56,6	117,6	56,1	92,1	53,6
5,1-10	54,7	23,0	49,3	23,1	37,4	21,7
10,1-20	29,2	12,2	25,9	12,1	20,9	12,2
20,1-50	13,7	5,8	13,1	5,9	12,6	7,4
50,1-100	3,5	1,5	3,9	1,6	4,9	2,9
100,1-500	2,0	0,9	2,6	1	3,4	2,0
>500	0,3	0,1	0,4	0,2	0,4	0,3
All farms	238,1	100,0	212,8	100	171,8	100
Average farm, ha	10,9		12,4		15,6	

Data source: Lithuanian Statistical Department

GROSS PROFIT WITH SUBSIDIES PER AWU IN 2009 AND GROSS AVERAGE SALARY IN LITHUANIA IN 2009, THOU EURO



Data source: FADN

**GROSS PROFIT WITH SUBSIDIES PER AWU COMPARISON AMONG
DIFFERENT TYPES OF FARMING AND THE REPUBLIC AVERAGE IN
LITHUANIA, 2004-2009, PERCENT**

Types of farming	2004	2005	2006	2007	2008	2009
Specialist cereals, oilseeds and protein crops	169%	172%	167%	205%	200%	170%
General field cropping	173%	130%	107%	115%	143%	135%
Horticulture and permanent crops	100%	72%	77%	94%	82%	82%
Specialist dairying	103%	126%	121%	86%	79%	90%
Mixed cropping	57%	49%	68%	67%	52%	61%
Mixed livestock, mainly grazing livestock	73%	57%	85%	60%	48%	75%
Field crops – grazing livestock, combined	85%	116%	101%	80%	99%	87%
Field crops and granivores, combined	102%	68%	34%	69%	67%	70%
Republic average	100%	100%	100%	100%	100%	100%

Data source: FADN



KEY CHALLENGES FOR LITHUANIAN AGRICULTURE'S MIDTERM PERSPECTIVE

- To increase productivity and intensiveness
- To ensure more sustainable use of natural and human resources in agriculture
- To promote the technologies that can reduce pollution in the agricultural sector;
- To introduce new methods of direct sales of agricultural and food products

CONCLUSIONS (1)

In Lithuania:

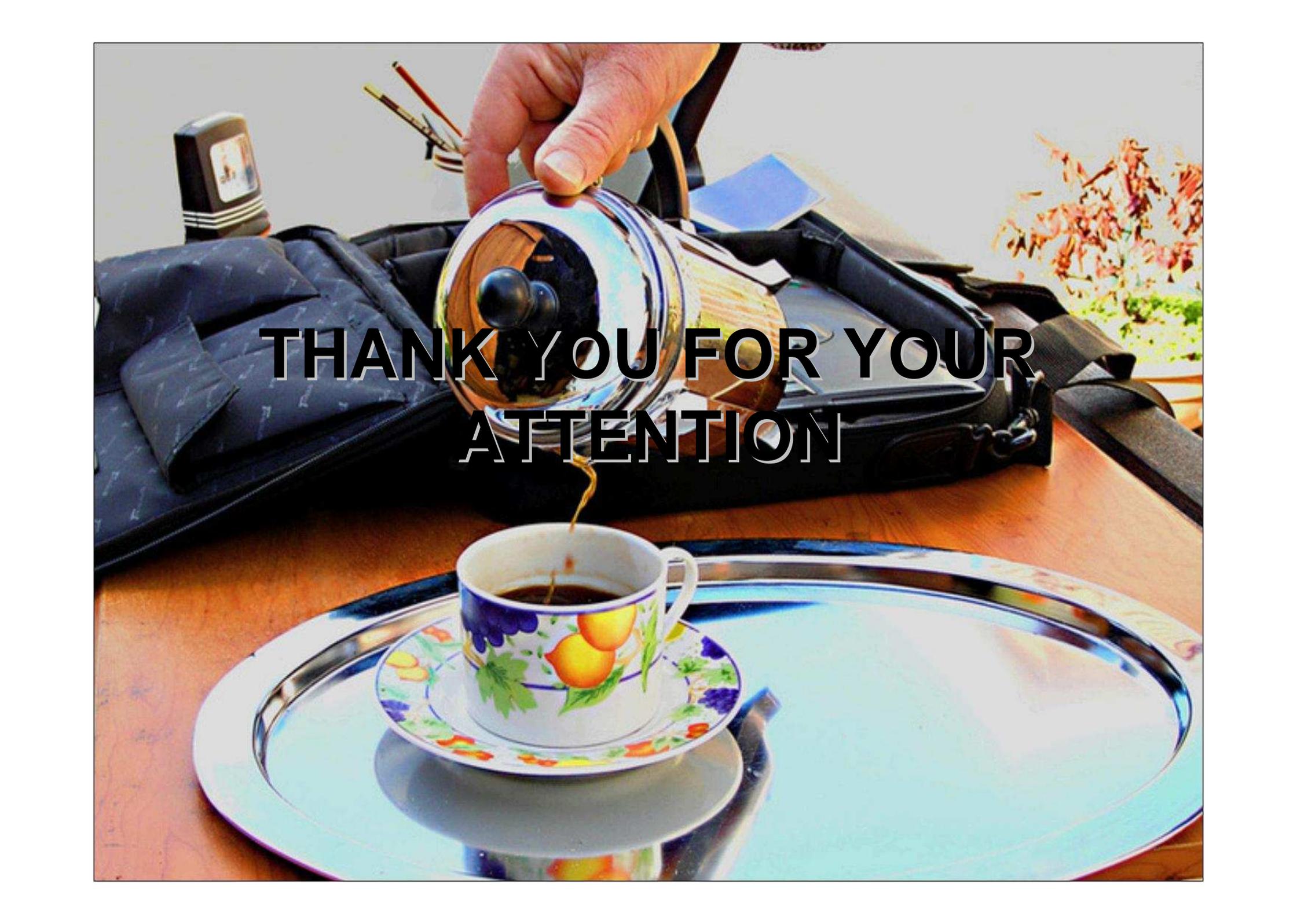
- During five years of membership in the EU (2004-2009), the average annual growth of agricultural production was 4.6 %
- Share of agricultural and related activities in gross value added 2009 compare to 2004 has decreased by 1.1 percentage point (from 4.0% in 2004 up to 2,9 % in 2009).
- Net value added in agriculture per one hectare of UAA in PPS has not reached a half of EU-27 average and was 43% in 2009

CONCLUSIONS (2)

- Lithuania according to the price factor has comparative advantages by selling wheat, barley, beef and dairy products. The price of pork was 70 percentage points higher than the world price
- Concerning the cost factor Lithuania with the scarce costs per hectare should increase them in order to achieve more effective results

CONCLUSIONS (3)

- Crop farming development in Lithuania was more successful compared to animal production
- During the period of 2004-2010 the average farm size in Lithuania has increased about 1,5 times
- The key challenges to achieve the competitiveness will be:
 - to increase productivity and effectiveness
 - to ensure more sustainable use of natural and human resources in agriculture of the country
 - to promote the technologies that can reduce pollution in the agricultural sector
 - to promote methods of direct sales of agricultural and food products

A hand is pouring coffee from a silver teapot into a white cup with a floral pattern. The cup is on a matching saucer, which is placed on a large silver tray. The scene is set on a wooden table. In the background, there is a black bag with a camera and some papers. The text "THANK YOU FOR YOUR ATTENTION" is overlaid in the center of the image.

**THANK YOU FOR YOUR
ATTENTION**