

Voluntary Report – Voluntary - Public Distribution

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Report Name: Oilseeds and Products Update--Romanian Sunflower
Production Drops in 2020

Country: Romania

Post: Bucharest

Report Category: Oilseeds and Products, Agricultural Situation, Pest/Disease Occurrences

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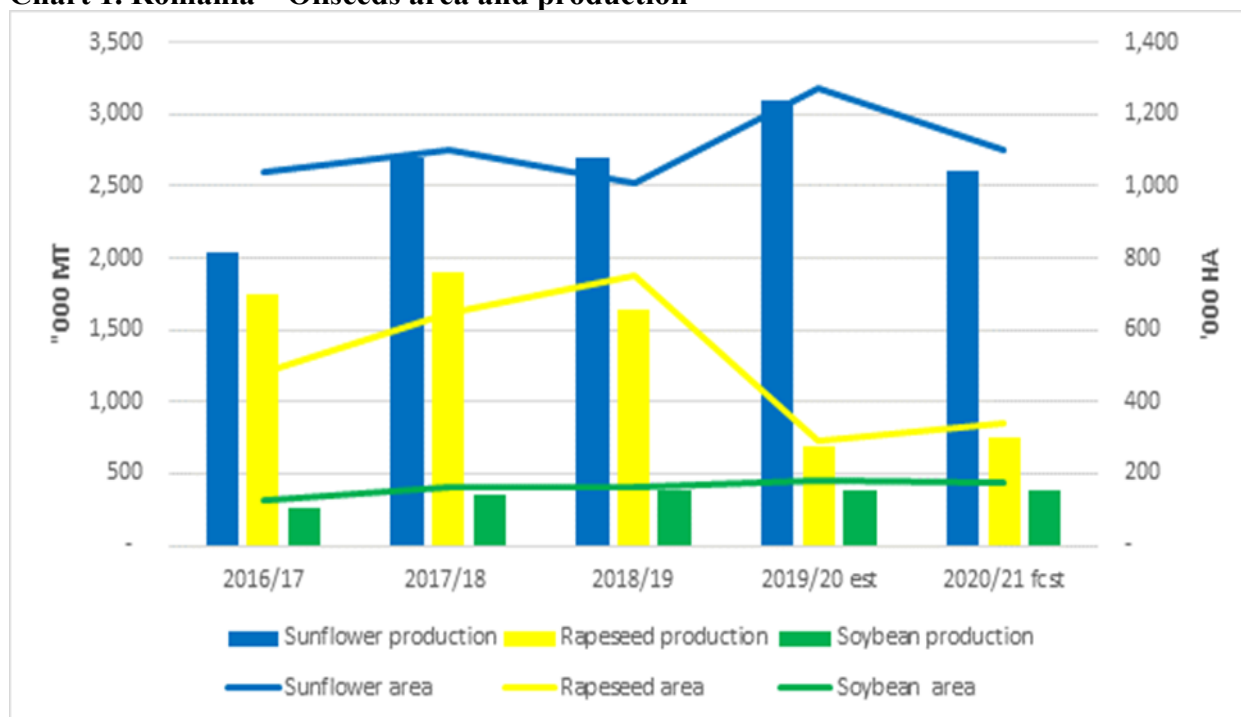
Report Highlights:

Post forecasts that year-on-year Romanian oilseed production will decline by 10.7 percent in marketing year (MY) 2020/21, mainly due to a decline in the sunflower area. Oilseed exports are projected to decline by 16 percent. Post expects lower Romanian rapeseed yields for MY 2020/21 due to dry planting conditions and inconsistent spring weather. Conversely, early May rains provided a needed boost to the sunflower and soybean crops.

Overview on Oilseed Area and Production

Romania's oilseed area accounts for approximately 25 percent of its total grain and oilseed area. The sunflower area accounts for the largest share, followed by rapeseed, and soybeans. In MY 2020/21 the total oilseed area is projected to fall by seven percent due to a decline in the sunflower area. As a result, Post expects that total oilseed production will fall by 10.7 percent year-on-year (see Chart 1). Rapeseed production declined significantly in MYs 2019/20 and 2020/21, mostly due to dry planting conditions. After sunflower set records in MY 2019/20's for area and production, the MY 2020/21 sunflower crop will return to a level on par with MY 2018/19. Soybeans are stable for both area and production.

Chart 1. Romania – Oilseeds area and production



Source: National Institute of Statistics, FAS estimates

Rapeseed

MY 2020/21

Post estimates that 400,000 hectares (HA) were planted under rapeseed in the fall 2019 during exceedingly dry planting conditions, similar to fall 2018's drought. Of the initial 400,000 HA, only about 340,000 HA is likely to remain under rapeseed, with the other 60,000 HA diverted into spring crops. Romania's 340,000 HA of rapeseed in MY 2020/21 marked a 50,000 HA increase over MY 2019/20, however both years fall considerably short of MY 2018/19's record rapeseed area. Dry conditions during fall planting is the biggest factor. Drought conditions over the winter and spring, as well as a damaging mid-March frost, are likely to lead to a seven percent decline in yields compared to last year. Despite the lower reduced area, total rapeseed production is forecast at 750,000 metric tons (MT), a 9.3 percent increase over last year's crop. Also, as per the European Commission's recommendations, the Romanian Ministry of Agriculture and Rural Development (MARD) did not seek another exemption to allow farmers to use neonicotinoid plant protection products (PPP) for rapeseed

production this season. Other EU markets account for almost all of Romania's rapeseed exports, which are expected to stay flat (Table 1).

Table 1: Romania, Rapeseed Trade

Romania	2016/17	2017/18	2018/19	2019/20 (estimated)	2020/21 (forecast)
Marketing Year Begin	July, 2016	July, 2017	July, 2018	July, 2019	July, 2020
MY Imports (000) MT	29	77	65	81	60
MY Exports (000) MT	1,426	1,565	1,282	402	405

Source: Trade Data Monitor, FAS estimates

MY 2019/20

The rapeseed harvested area was 61 percent lower in MY 2019/20 from MY 2018/19 because of the dry planting conditions. Production was in line with the area decline, reaching just 686,000 MT, about half which will be crushed domestically. Because of lower stocks, exports plunged by 70 percent during the first seven months of MY 2019/20. The Netherlands, Belgium, and Germany, with their sizable crushing industries, account for the largest share in exports (see Appendix).

Sunflower Seeds

MY 2020/21

Romania is the EU's largest sunflower producer and has the largest area among Member States. This sunflower area is expected to decline by 13 percent this MY due to lower profit margins and crop rotation, after an expansion of 26 percent last season. This year Romania was no longer exempted from the EU's moratorium of neonicotinoid PPPs, another factor for many farmers regarding their decisions to plant sunflower. Planting occurred in dry-soil conditions, but May rains alleviated some fears for another poor start of the growing season. Dry conditions remain in the southeastern regions. Based on a forecast yield of 2.3 MT/HA, FAS Bucharest pegs total output at 2.6 million metric tons (MMT), about 16 percent lower year-on-year. Consequently, exports are expected to fall by 20 percent (Table 2). The largest share of sunflower exports is bound for other EU markets, with only about 15 percent going to non-EU markets. The premium for high-oleic sunflower is driving an increase in area for high-oleic varieties, leading to an estimated area of 150,000 HA, about 20 percent more than previous season.

Table 2: Romania, Sunflower seeds, Trade

Romania	2016/17	2017/18	2018/19	2019/20 (estimated)	2020/21 (forecast)
Marketing Year Begin	October, 2016	October, 2017	October, 2018	October, 2019	October, 2020
MY Imports (000) MT	261	337	293	315	270
MY Exports (000) MT	1,248	1,827	1,841	2,070	1,650

Source: Trade Data Monitor, FAS estimates

MY 2019/20

MY 2019/20 sunflower production increased by 15 percent year-on-year due to the expanded sunflower area, as many farmers converted rapeseed acres into sunflower acres. Large stocks may spur sunflower seed exports to increase 12 percent year-on-year and reach a record of 2.07 MMT. EU countries with large crushing capacities are Romania's major sunflower export markets, including the Netherlands, France, and Spain (Appendix Table). Sunflower seed imports are almost negligible in comparison to exports, with Moldova as the major supplier. The United States ships to Romania sunflower seeds for planting and for the snack industry.

Soybeans

MY 2020/21

The MY 2020/21 soybean crop accounts for the lowest share among total oilseeds, but it is the most consistent crop in terms of year-on-year yields and area. Soybeans are mostly grown in irrigable land and areas with high levels of soil moisture. Soybean farmers are eligible to receive EU coupled-support, which is calculated per hectare and is set to reach \$227/MT for MY 2019/20. Post estimates the soybean area planted slightly lower from last year, which also lowers the production estimate. Soybean imports, mainly sourced from Brazil and the United States, are forecast to increase by nine percent to cover domestic demand (Table 3). Soybean exports are forecast marginally lower, equally distributed between EU and non-EU markets.

Table 3: Romania, Soybean Trade

Romania	2016/17	2017/18	2018/19	2019/20 (estimated)	2020/21 (forecast)
Marketing Year Begin	October, 2016	October, 2017	October, 2018	October, 2019	October, 2020
MY Imports (000) MT	133	153	181	180	185
MY Exports (000) MT	137	224	230	280	265

Source: Trade Data Monitor, FAS estimates

MY 2019/20

MY 2019/20 production reached nearly 400,000 MT, slightly above last year due to an expansion in area planted. The rapid export pace during the first part of MY 2019/20, which generated a 45-percent year-on-year increase, is expected to slow down during the latter half of the year. Non-EU markets, mainly Russia and Turkey, accounted for over two thirds of exports (Appendix).

Appendix – Trade Tables

Table 4: Romania - Exports to World; Commodity: 1206, Sunflower Seeds

Partner	Unit	Year (Oct – Sept)				Year to Date		
		2016	2017	2018	2019	10/18-1/19	10/19-1/20	%Δ
World, of which	T	1,133,379	1,248,120	1,827,078	1,840,694	685,142	959,398	40
France	T	186,879	237,049	323,771	395,198	235,724	218,482	-7
Turkey	T	81,152	34,786	230,972	342,055	64,919	8,484	-87
Netherlands	T	303,603	278,158	374,711	321,135	128,081	160,914	26
Bulgaria	T	40,703	111,266	175,262	261,653	79,364	208,394	163
Portugal	T	113,059	200,459	219,256	254,133	99,104	90,092	-9
Hungary	T	77,236	88,111	146,187	114,099	53,051	86,096	62
Spain	T	71,534	121,453	78,888	46,658	659	111,955	16,88
Italy	T	73,531	61,025	65,791	45,024	4,874	14,317	194
Germany	T	19,170	18,594	15,621	23,102	7,073	20,206	186

Source: Trade Data Monitor

Table 5: Romania - Exports to World; Commodity: 1201, Soybeans

Partner	Unit	Year (Oct – Sept)				Year to Date		
		2016	2017	2018	2019	10/18-1/19	10/19-1/20	%Δ
World, of which	T	81,210	137,182	223,550	230,376	115,239	166,746	44.70
Russia	T	-	22,005	61,104	65,181	33,742	58,225	72.56
Germany	T	15,531	21,798	23,599	43,856	16,206	10,648	-34.30
Turkey	T	16,886	9,776	-	35,960	7,764	60,035	673.25
Hungary	T	1,697	4,937	45,052	30,166	18,968	6,531	-65.57
Italy	T	6,301	23,777	42,127	29,299	21,691	18,264	-15.80
Austria	T	5,892	12,255	7,356	13,262	4,699	9,865	109.94

Source: Trade Data Monitor

Table 6: Romania - Exports to World; Commodity: 1205, Rape Or Colza Seeds

Partner	Unit	Year (July – June)				Year to Date		
		2016	2017	2018	2019	07/18-1/19	07/19-1/20	%Δ
World, of which	T	773,305	1,427,146	1,563,722	1,281,185	1,217,945	360,976	-70.36
Germany	T	48,388	154,562	230,569	438,056	393,000	59,841	-84.77
Netherlands	T	141,608	289,670	425,420	263,365	263,203	116,248	-55.83
Belgium	T	233,061	433,622	500,774	163,114	163,114	63,725	-60.93
France	T	83,715	53,621	32,007	122,916	122,894	822	-99.33
Poland	T	5,337	36,368	67,939	82,626	80,998	25,286	-68.78
Czech Republic	T	8,992	25,299	58,744	78,377	71,900	65,147	-9.39
Hungary	T	38,927	38,593	24,696	29,518	24,867	17,301	-30.43

Source: Trade Data Monitor

Attachments:

No Attachments.