

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Poland

**Post:** Warsaw

### Poland Established a New Record in Rapeseed Production

**Report Categories:**

Agricultural Situation

Biofuels

Grain and Feed

Oilseeds and Products

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**Report Highlights:**

In MY 2013/14, Poland's rapeseed planted area reached one million HA and produced a record crop of 2.8 million tons. Both a large increase in acreage and higher yields contributed to the crop's success.

For MY 2014/15, planted area is expected to diminish 13 percent in response to declining rapeseed prices leading some producers to switch to grains. As of the first week of April, the rapeseed crop was reported behind in development as compared to the same period 2013.

## **General Information:**

### **Production-Supply-Demand Relations**

#### **MY 2014/15**

In 2014/15, lower farm gate prices for rapeseed are projected to lead to a 10 percent decline in area planted versus 2013/14.

Crush is forecast to remain stable at the 2013 level on the strength of demand from the bio-fuel industry. The National Indicator Target for Poland has also remained stable at the same level as the previous year. The African swine fever detection and resultant ban on Polish pork products by Russia and Asian buyers will dampen demand for domestic consumption of rapeseed by the swine sector for an interim period. Lower domestic feed use during this interim period will generate pressure to find external markets to absorb Poland's rape meal supplies given the static requirements of the rape oil sector.

#### **MY 2013/14**

In MY 2013/14 rapeseed production amounted to 2.8 MMT (2.6 MMT reported by Main Statistical Office) representing an increase of 2.6 percent over the MY 2012/13 crop and establishing a new record in production.

Production acreage increased to 1 million HA. Over the last two years acreage has been lower than previously recorded due to winter losses and unfavorable weather conditions during the growing season.

Factors leading to expansion of rapeseed area:

- High average rapeseed price in the 2012 production year,
- Favorable rapeseed price relation vis-à-vis other winter crops: rapeseed/wheat,
- High demand from EU countries,
- Growing demand from biofuels industry, and
- Increasing yields due to improving agro-technology.

Crush is estimated at 2.5 MMT, or 11 percent higher than the previous year. Two main tendencies influenced crush processing this season: growing use of oil meals for feed and growing demand from bio-fuel industry. Feed use of rape meal has increased nearly 8 percent over MY 2012/13 level. Higher rapeseed production will allow for more exports and increased feed use this year. Industrial use of rapeseed oil for biodiesel also has increased by 8 percent, due to the changing of the National Indicative Target from 6.65 percent to 7.1 percent. Human consumption has been stabilized.

#### **MY 2012/13**

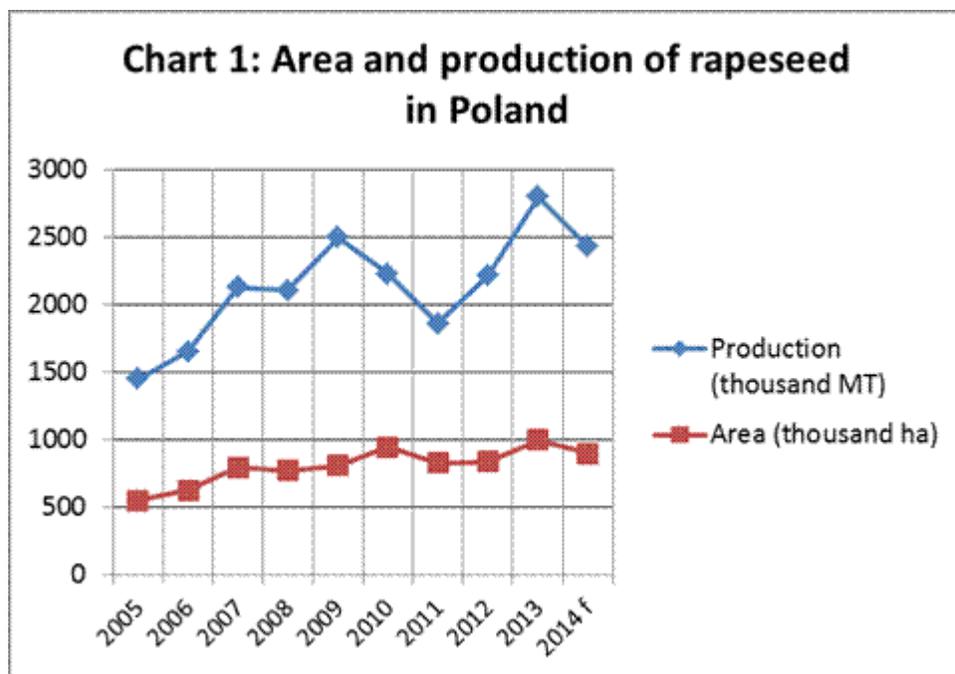
For 2012/13 Poland's Main Statistical Office has revised the country's official crop area at 720 thousand HA and production at 1,903 MT. However, an independent assessment of the feed and biofuels sectors reveals planted area and total production more likely at 2, 216 thousand MT and area at 839 thousand HA. The assessment is based on Plant Research Institute yield reports, industry crush reports and trade data from Eurostat. The same assessment methodology has been applied with estimations and projections for the years 2013 and 2014.

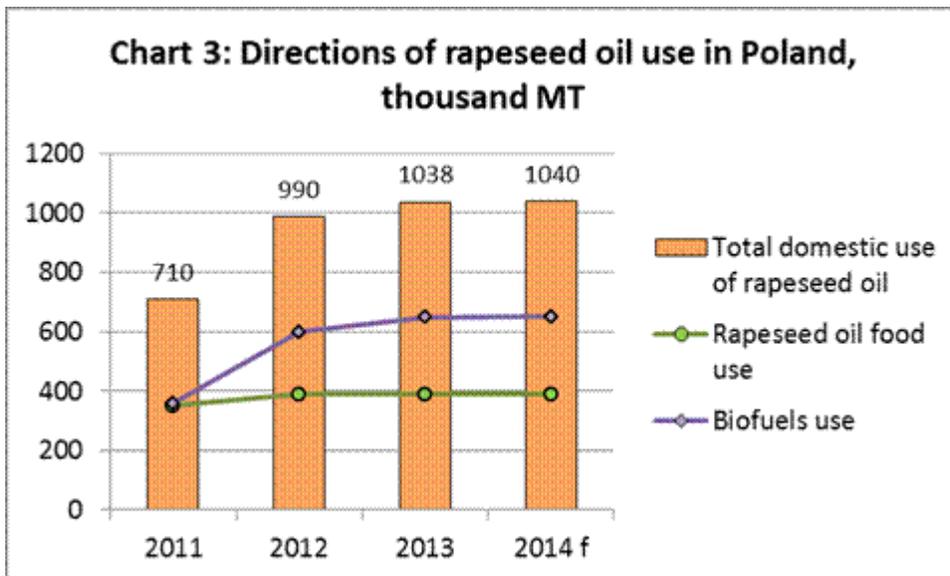
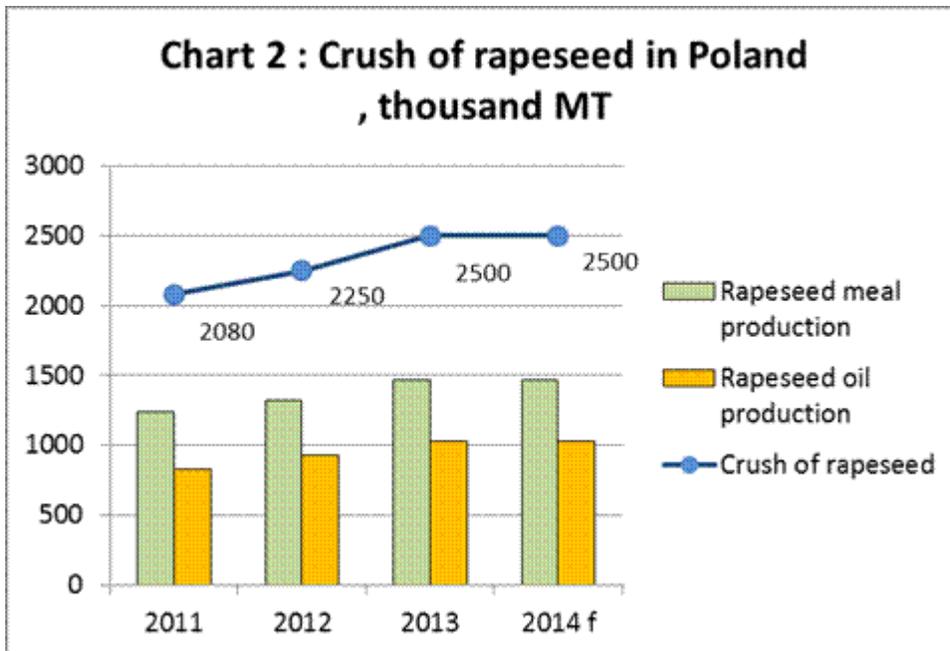
**Table 1: Area, yields and production of rapeseed in Poland, thousand Metric Tons**

Poland	Area (Thousand/Ha)	Yield (Metric Tons/Ha)	Total Production (Thousand Metric Tons)
2006-2010 year average*	790	2.69	2,123
2011*	830	2.24	1,862
2012**	839	2.64	2,216
2013**	1,000	2.80	2,800
2014 forecast**	900	2.70	2,430
2012-2013 change (%)	+19.1	+6.0	+26.3
2013-2014 change projected (%)	-10.0	-3.6	-13.3

Source: \* Poland's Main Statistical Office

\*\* FAS Warsaw estimation





More than half of the domestic production of rapeseed is used for biofuel purposes. Rapeseed is cultivated by 100 thousand farms. Over the last decade rapeseed production has doubled and this is mainly due to the commencement of the use of rape as fuel. Planted acreage increased during this time, but the main reason for growing crops was the improvement in production efficiencies. In 2013, production of methyl esters amounted to 650 thousand tons.

The production of ethanol has been stable of about 200 thousand tons. Only 1.8 percent of cereals have been used for this purpose last year, but in the case of corn it is about one-fifth of the market in Poland.

**Trade**

In MY 2013/14, Poland's export of rapeseed is forecast at 850,000 MT, representing 30 percent of total domestic rapeseed production. Almost 92 percent of sale is directed to EU countries. For many years Germany has been the main purchaser of Polish rapeseed (over 80 percent of total export). Sales accelerated during the first months after harvest due to higher moisture in seeds which encouraged early trade rather than storage and further drying of the commodity.

In 2013/14, a record crop led to a decline in rapeseed imports. Total imports are forecast at 200,000 MT, or 59 percent higher than the previous year. About 65 percent is expected to be sourced from non-EU origins. In 2012/13, the primary supplier was Ukraine with sales of 233,000 MT.

### **Plants after winter condition evaluation**

As of the first week of April, winter cereals were in good condition after winter period with yields above the long-term average expected. The rapeseed crop, however, did not fare as well with yields expected lower than recorded in 2013. The warm winter resulted in earlier than average plant vegetative growth but low soil moisture has negated this advantage. The lack of soil moisture remains a major concern for producers as it leads to less efficient absorption of fertilizers and minerals, mainly nitrogen.

Dryer conditions are reported mainly in the western region, which is the main area for rapeseed cultivation. Until mid-May the risk of night frost remains a threat to plants.

Table 3: Rapeseed trade, thousand Metric Tons (MY begins July 1st)

Poland	2009/10	2010/11	2011/12	2012/13	2013/14*	Change Projected 2012/13 – 2013/14* (%)
<b>Rapeseed import</b>	317	274	604	339	200	(-41)
<i>Intra EU 27</i>	157	123	222	105	70	(-33)
<i>Extra EU 27</i>	160	151	382	235	130	(-45)

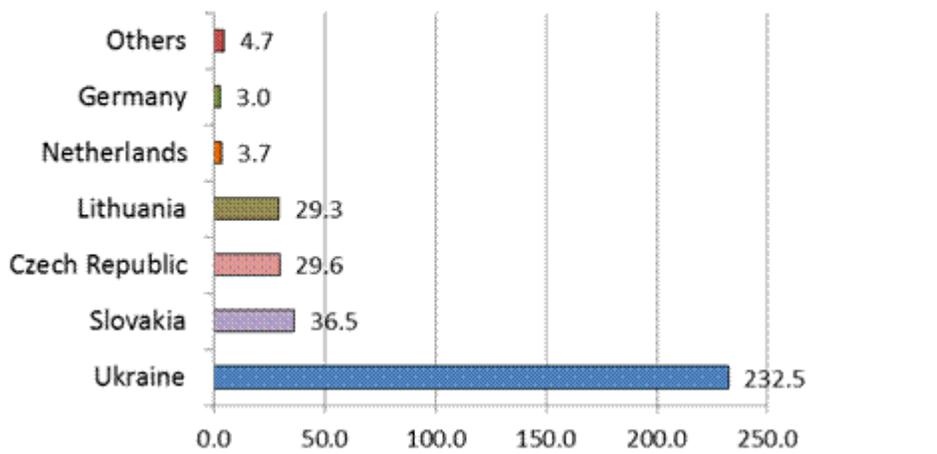
<b>Rapeseed export</b>	358	377	146	344	850	(147)
<i>Intra EU 27</i>	356	377	146	344	780	(126)
<i>Extra EU 27</i>	2	0	0	0	70	X

<b>Rapeseed saldo</b>	41	103	-458	5	650	X
<i>Intra EU 27</i>	199	254	-76	239	710	X
<i>Extra EU 27</i>	-158	-151	-382	-235	-60	x

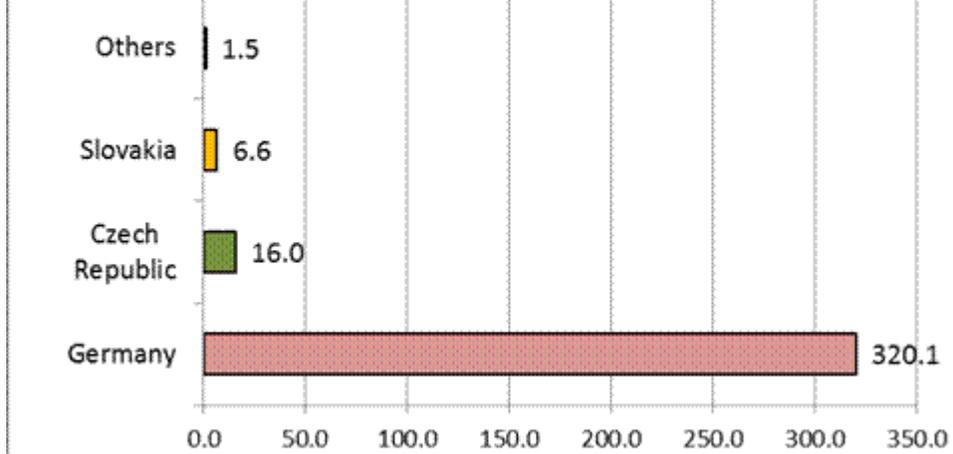
Source: Poland's Main Statistical Office

\* FAS forecast

**Chart 4: Main rapeseed import sources to Poland in 2012/13, in thousand MT**



**Chart 5: Main rapeseed export destinations from Poland in 2012/13, in thousand MT**





West-Central Poland – Relates to the two following charts

