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Oilseeds and Products Update

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Report Highlights:
Drought and high temperatures negatively affected oilseeds yields in many regions of the EU. Particularly rapeseed production suffered from the unfavorable weather conditions. The three major oilseeds soybean, rapeseed, and sunflower are forecast to result in an almost ten percent declined total production in MY 2018/19 compared to the previous year. Rapeseed production in the European Union for MY 2018/19 is forecast to be the lowest crop since MY 2008/09. The decline in rapeseed production and meal crushing, combined with excess U.S. supplies at competitive prices sees an increase of U.S. soybeans and meal imports.

Executive Summary:

Coordinator: Roswitha Krautgartner, FAS/Vienna

In many regions of Western, Central, and Northern Europe, drought and high temperatures negatively affected oilseeds yields. Particularly rapeseed production suffered from the unfavorable weather conditions. In total, the three major oilseeds soybean, rapeseed, and sunflower are forecast to result in an almost ten percent declined production in MY 2018/19 compared to the previous year; whereas total area of the three oilseeds is forecast to remain flat. Lower rapeseed yields are reported for major producing countries like Germany, the United Kingdom, Poland, Denmark, Sweden, the Baltic States, France, and Romania, which results in 13 percent lower total EU-28 production, despite slightly increased area. This would be the lowest EU rapeseed crop since MY 2008/09. Somewhat lower area and lower yields are expected to result in a two percent lower EU-28 production of soybeans. Decreased soybean yields are reported for the major producing countries Italy, Romania, and France, whereas lower area can be found especially in Romania and Bulgaria. Sunflower production is forecast to be four percent down as a result of lower average yields and slightly lower area. With the exception of Spain, where increased sunflower production is reported, major producing countries like France, Hungary, Bulgaria, Romania, and Italy project declining production.

Good soybean crushing margins and low supply of rapeseed are expected to boost soybean imports and soybean crush, the U.S. is especially taking advantage due to supply and competitive prices. EU-28 rapeseed crush is forecast to drop significantly in MY 2018/19 with reductions in Germany and the Netherlands. This is due to the weak demand for rapeseed oil as a feedstock for biodiesel. Rapeseed oil is facing increasing competition from cheap imported soybean oil methyl ester and palm oil methyl ester. Demand for sunflower crush is expected to remain high but receives pressure from stronger soybean competition. In total for the three major oilseeds crush is forecast to be down by almost two percent year-on-year.

In line with lower crush, total meal production is projected to be slightly down as a result of significantly lower rapeseed meal, somewhat lower sunflower meal, and increased soybean meal production. In MY 2018/19, feed use of soybean meal is forecast to increase due to the tight situation of rapeseed meal, and domestic feed wheat. To satisfy the demand for feed, raised imports of corn and meals are expected, most importantly imports of soybean meal.

Introduction

This report presents the outlook for oilseeds in the EU-28. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

This report was a group effort of the following FAS analysts:

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The FAS EU-28 oilseeds reporting team would like to thank Agata Kingsbury and Bryan Purcell from FAS/OGA for their valuable input and support.

Abbreviations used in this report

Benelux	Belgium, the Netherlands, and Luxembourg
CAP	EU common agricultural policy
CY	Calendar year
e	Estimate (of a value/number for the current, not yet completed, marketing year)
EC	European Commission
EFSA	European Food Safety Authority
EU-28	European Union of 28 member states (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)
f	Forecast (of a value/number for the next, not yet started, marketing year)
FSW	Feed, Seed, Waste
GE	Genetically engineered / Genetically engineered organisms
GHG	Greenhouse gas
Ha	Hectares
MMT	Million metric tons
MS	EU Member State(s)
MT	Metric ton (1000 kg)
MY	Marketing year
NUTS2	Nomenclature of Units for Territorial Statistics level 2 = code for regions within a country
PSA	Private Storage Aid
PSD	Production, Supply and Demand
RED	Renewable Energy Directive
RSPO	Round Table on Sustainable Palm Oil
SME	Soybean meal equivalent
TMT	Thousand metric tons
U.A.E.	United Arabic Emirates
U.K.	United Kingdom
U.S.	The United States of America

In this report "**biofuel**" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity production or other technical uses such as lubricants or in detergents are included in "**industrial use**".

The marketing years used in this report are:

July-June
Rapeseed complex

October -September
Soybean complex
Sunflower complex

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1. Total of Major Oilseeds (Soybean, Rapeseed, Sunflower)
Coordinator: Roswitha Krautgartner, FAS/Vienna

Note: Total oilseeds include different marketing years with different beginning and ending months. Please find details for the specific commodities in the respective sections.

For further details please visit the respective commodity sections!

Total of Major Oilseeds – Seeds

EU-28 Area of Major Oilseeds (in 1,000 ha)

Area Harvested	2013	2014	2015	2016	2017e	2018f
Soybeans	471	573	870	835	963	950
Rapeseed	6,710	6,746	6,510	6,560	6,830	6,900
Sunflower	4,620	4,290	4,173	4,130	4,340	4,280
Total	11,801	11,609	11,553	11,525	12,133	12,130

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2017 = harvested in CY 2017, marketed in MY 2017/18)
e = estimate
Source: FAS EU-28

EU-28 Major Oilseeds Production (in 1,000 MT)

Production	2013	2014	2015	2016	2017e	2018f
Soybeans	1,230	1,840	2,330	2,490	2,780	2,720
Rapeseed	20,978	24,500	22,000	20,548	22,150	19,200
Sunflower	9,060	9,000	7,700	8,650	9,900	9,500
Total	31,268	35,340	32,030	31,688	34,830	31,420

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2017 = harvested in CY 2017, marketed in MY 2017/18)
e = estimate
Source: FAS EU-28

EU-28 Major Oilseeds Crush (in 1,000 MT)

Crush	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17	MY 2017/18e	MY 2018/19f
Soybeans	13,400	13,500	15,200	14,600	15,100	15,700
Rapeseed	23,950	25,400	24,300	24,400	24,300	23,000
Sunflower	7,600	7,650	7,180	7,900	8,650	8,500
Total	44,950	46,550	46,680	46,900	48,050	47,200

e = estimate, f = forecast
Source: FAS EU-28

Feed, Waste Use of Major Oilseeds Meals in the EU-28 (in 1,000 MT)

Feed, Waste Use Meals	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17	MY 2017/18e	MY 2018/19f
Soybeans	28,300	29,300	31,000	30,300	30,300	31,100
Rapeseed	13,600	14,400	13,700	13,850	13,700	13,100
Sunflower	7,200	7,100	6,900	7,800	8,050	8,000
Total	49,100	50,800	51,600	51,950	52,050	52,200

e = estimate, f = forecast
Source: FAS EU-28

Food Use of Major Oilseeds Oils in the EU-28 (in 1,000 MT)

Food Use Oil	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17	MY 2017/18e	MY 2018/19f
Soybeans	990	1,000	1,300	1,300	1,300	1,300
Rapeseed	2,700	2,900	2,700	2,950	3,000	3,000
Sunflower	3,400	3,450	3,600	4,150	4,280	4,370
Total	7,090	7,350	7,600	8,400	8,580	8,670

e = estimate, f = forecast
Source: FAS EU-28

Industrial Use of Major Oilseeds Oils in the EU-28 (in 1,000 MT)

Industrial Use	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17	MY 2017/18e	MY 2018/19f
Soybeans	900	850	850	850	855	855
Rapeseed	6,600	7,050	6,950	7,100	6,950	6,450
Sunflower	1,240	1,240	1,650	400	350	380
Total	8,740	9,140	9,450	8,350	8,155	7,685

e = estimate, f = forecast
Source: FAS EU-28

2. Soybean Complex
Coordinator: Lucile Lefebvre, FAS/Paris

Trade figures are revised according to the most recent data available from the Global Trade Atlas (June 2018); harvest and crush estimates from producing countries.

Oilseed, Soybean	**2016/2017**		**2017/2018**		**2018/2019**	
Market Begin Year	**Oct 2016**		**Oct 2017**		**Oct 2018**	
European Union	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested	803	835	927	963	950	950
Beginning Stocks	1559	1559	1131	1011	1073	1051
Production	2410	2490	2667	2780	2775	2720
MY Imports	13422	13422	14100	14300	15800	14800
Total Supply	17391	17471	17898	18091	19648	18571
MY Exports	220	220	275	290	300	230
Crush	14400	14600	14900	15100	16300	15700
Food Use Dom. Cons.	240	240	250	250	250	250
Feed Waste Dom. Cons.	1400	1400	1400	1400	1400	1400
Total Dom. Cons.	16040	16240	16550	16750	17950	17350
Ending Stocks	1131	1011	1073	1051	1398	991
Total Distribution	17391	17471	17898	18091	19648	18571
(1000 HA), (1000 MT), (MT/HA)						

Source: FAS Posts

Meal, Soybean	2016/2017		2017/2018		2018/2019	
Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	14400	14600	14900	15100	16300	15700
Extr. Rate, 999.9999	0.79	0.785	0.79	0.785	0.79	0.785
Beginning Stocks	832	832	456	540	310	514
Production	11376	11460	11771	11850	12877	12325
MY Imports	18924	18924	18500	18800	18500	19100
Total Supply	31132	31216	30727	31190	31687	31939
MY Exports	334	334	375	334	300	300
Industrial Dom. Cons.	10	10	10	10	10	10
Food Use Dom. Cons.	32	32	32	32	32	32
Feed Waste Dom. Cons.	30300	30300	30000	30300	31100	31100
Total Dom. Cons.	30342	30342	30042	30342	31142	31142
Ending Stocks	456	540	310	514	245	497
Total Distribution	31132	31216	30727	31190	31687	31939
(1000 MT), (PERCENT)						

Source: FAS Posts

Oil, Soybean	2016/2017		2017/2018		2018/2019	
Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	14400	14600	14900	15100	16300	15700
Extr. Rate, 999.9999	0.19	0.185	0.19	0.185	0.19	0.185
Beginning Stocks	164	164	149	113	175	108
Production	2736	2700	2831	2800	3097	2900
MY Imports	285	285	245	245	200	240
Total Supply	3185	3149	3225	3158	3472	3248
MY Exports	831	831	825	840	950	930
Industrial Dom. Cons.	850	850	870	855	900	855
Food Use Dom. Cons.	1300	1300	1300	1300	1300	1300
Feed Waste Dom. Cons.	55	55	55	55	55	55
Total Dom. Cons.	2205	2205	2225	2210	2255	2210
Ending Stocks	149	113	175	108	267	108
Total Distribution	3185	3149	3225	3158	3472	3248
(1000 MT), (PERCENT)						

Source: FAS Posts

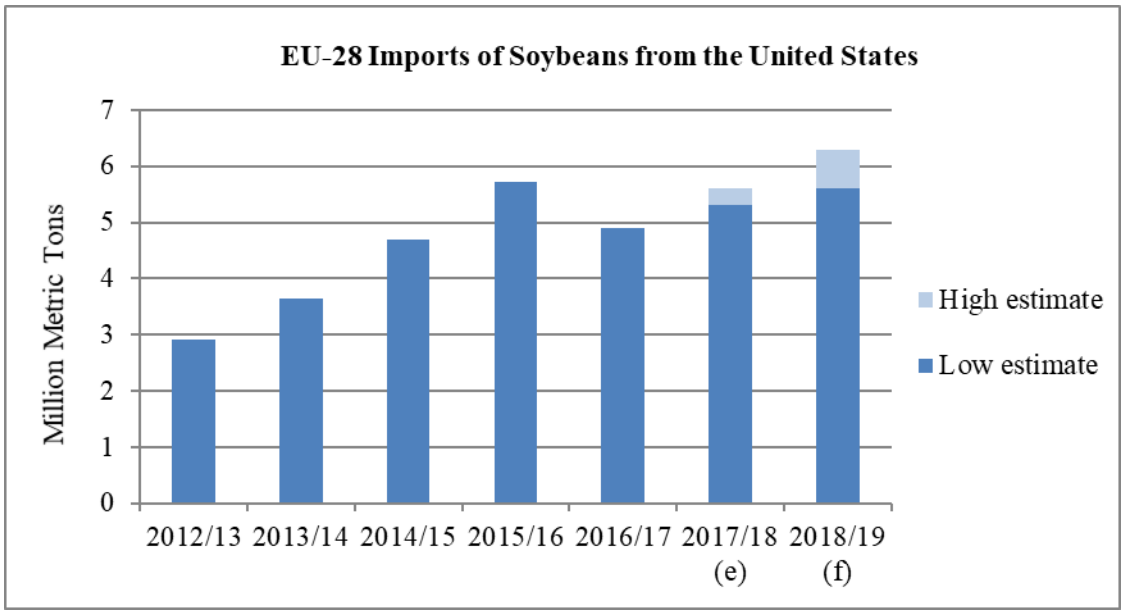
MY 2018/19

EU-28 **soybean production** forecast for MY 2018/19 is revised down. Both area and yield are expected to be lower than in MY 2017/18. The decline in area is due to Romania and Bulgaria. In Bulgaria, despite enthusiasm three years ago for soybean production due to new subsidies and the Danube Soya initiative, the area declined sharply in 2018 to 2.5 thousand hectares; Bulgaria's climate is too hot and dry for soybeans and investing in irrigation would be too costly. Most farmers have switched to chickpeas, peas, and dry beans. In Romania, new restrictions in plant treatment requirements caused some farmers to switch to other crops. Yields are expected to decrease compared to MY 2017/18 in the three main producing countries – Italy, Romania and France – due to less favorable weather conditions.

The EU-28 is the world second largest soybean importer after China. In MY 2018/19, EU-28 **imports of soybeans and crush** are expected to increase compared to previous year. Good soybean crushing margins and lower availability of rapeseed are expected to prompt the EU to increase soybean crush.
The extent of the potential increase in imports and crush is difficult to estimate because the EU's maximum crushing capacity is not publicly available. However, the analysis of historical import data helps estimate how much soybeans the EU-28 could import and crush in MY 2018/19. EU-28 imports of soybeans are expected to be between 14,500 and 15,100 thousand MT in MY 2018/19. The fact that high crushing margins already prompted most EU member states to increase soybean crush in MY 2017/18 has been taken into account to estimate the level of crush in MY 2018/19.

Regarding the origin of imports, the EU-28 is expected to **import more U.S. soybeans** and less Brazilian soybeans than previous years. The price of U.S. soybeans collapsed in June 2018 following China's announcement of retaliatory tariffs and good production forecasts. As a result, in June 2018, EU imports of soybeans from the United States were 6.5 times as high as in June 2017 whereas imports from Brazil were 18 percent lower. In July 2018, imports of U.S. soybeans were 2.7 times as high as one year earlier and imports of Brazilian soybeans were 29 percent lower. The EU-28 is expected to keep importing more U.S. soybeans and less Brazilian soybeans until March 2019. In March 2019, the EU-28 will either keep importing U.S. soybeans or switch to Brazilian soybeans, depending on price.

FAS forecasts for EU imports of soybeans from the United States are available in the chart and table below. The EU-28 is expected to import between 5,300 and 5,600 thousand MT of U.S. soybeans in MY 2017/18 and between 5,600 and 6,300 thousand MT of U.S. soybeans in MY 2018/19.



Source: FAS Posts

EU-28 Imports of Soybeans (thousand MT)	2016/17	2017/18 (e)	% Increase	2018/19 (f)	% Increase
Total amount of soybeans imported by the EU-28	13,422	14,300	6.5	14,800	3.5
Total amount of U.S. soybeans imported by the EU-28 HIGH ESTIMATE	4,935	5,600	13.5	6,300	12.5
Total amount of U.S. soybeans imported by the EU-28 LOW ESTIMATE	4,935	5,300	7.4	5,600	5.6

Source: FAS Posts

The EU-28 is the world largest importer of soybean meal. In MY 2018/19, EU-28 **imports of soybean meal** are expected to increase compared to previous year, especially in countries where crush is already at maximum levels in MY 2017/18 and in countries where local crush is marginal compared to imports of meal, like Poland.

In MY 2018/19, **feed use of soybean meal** is expected to increase compared to MY 2017/18. The drought of summer 2018 is expected to lead to animal feed shortages in Northern Europe with tight supply of domestic feed wheat and rapeseed and low grass growth. This is expected to lead to an increase in demand for imported feed, which should be mitigated by a decline in the number of animals in the most affected countries.

In MY 2018/19, the additional supply of **soybean oil** due to the increase in crush is expected to be exported.

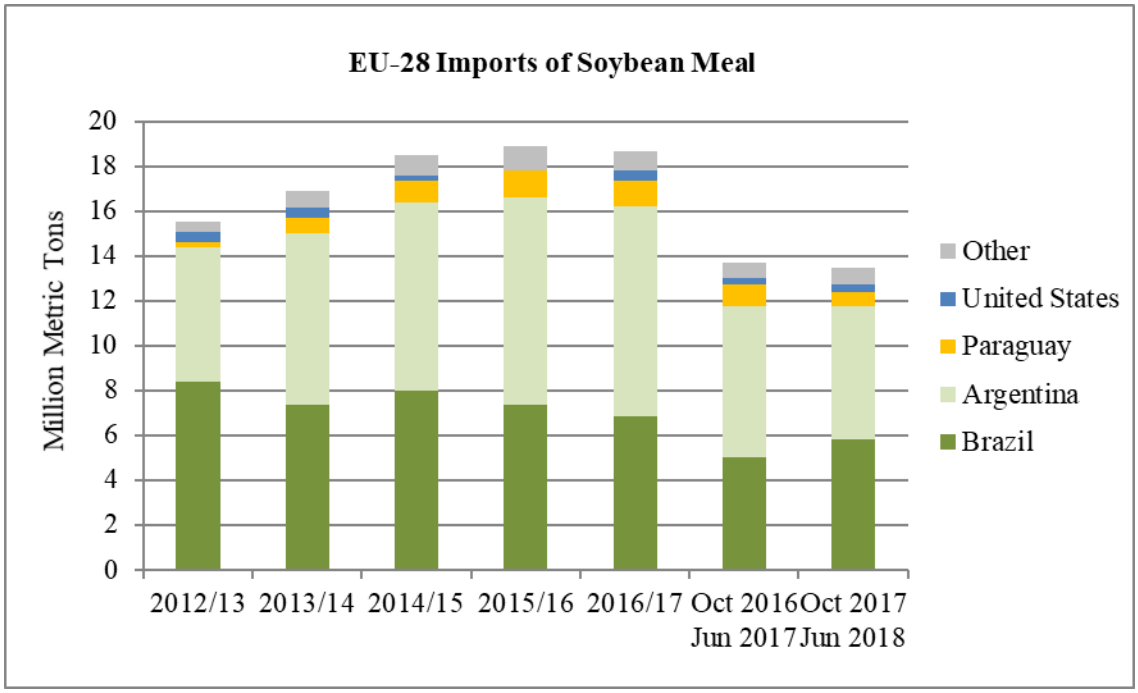
MY 2017/18

In MY 2017/18, EU-28 **soybean production** increased compared to MY 2016/17 due to an increase in the area planted in soybeans, mainly driven by policy incentives (Common Agricultural Policy).

Local production remains minor relative to imports. In MY 2017/18, the EU-28 is expected to **import and crush** more **soybeans** than in MY 2016/17 because of high soybean crushing margins. Brazil and the United States represent more than 70 percent of total EU imports of soybeans. The decision of EU importers on where to source soybeans from year to year is primarily based on price; the protein content of the soybeans is taken into account only when prices of the different origins are close to one another. Since June 2018, the EU-28 has imported more soybeans from the United States and less from Brazil compared to the previous years due to the drop in U.S. soybean prices. This situation with high imports of U.S. soybeans is expected to continue until at least March 2019 (see above MY 2018/19).

In MY 2017/18, EU-28 **imports of soybean meal** are expected to decrease slightly compared to MY 2016/17. On the one hand, in Spain, Portugal, and Germany, imports of soybeans and crush are expected to go up at the expense of soybean meal imports. On the other hand, meal imports are expected to increase in countries where soybean crush remains stable such as France and Poland.

The chart below gives the evolution of EU-28 imports of soybean meal between MY 2012/13 and June 2018. Brazil and Argentina represent around 85 percent of total EU imports.



Source: Global Trade Atlas

In MY 2017/18, the EU-28 is expected to import less soybean meal from Argentina and more from Brazil and the United States compared to the previous year due to the lack of supply from Argentina.

3. Rapeseed Complex
Coordinator: Leif Erik Rehder, FAS/Berlin

Trade numbers have been revised according to the most recent data available from the Global Trade Atlas (June 2018) for MY 2018/19; recent harvest and crush estimates from producing countries.

Oilseed, Rapeseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6600	6600	6850	6850	7000	7000
Area Harvested	6582	6560	6834	6830	6836	6900
Beginning Stocks	1885	1885	978	938	1918	1858
Production	20538	20548	22145	22150	19200	19200
MY Imports	4224	4224	4200	4200	4400	4100
Total Supply	26647	26657	27323	27288	25518	25058
MY Exports	319	319	125	130	130	100
Crush	24400	24400	24300	24300	23300	23000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	950	1000	980	1000	990	1000
Total Dom. Cons.	25350	25400	25280	25300	24290	24200
Ending Stocks	978	938	1918	1858	1098	1058
Total Distribution	26647	26657	27323	27288	25518	25058
(1000 HA) ,(1000 MT) ,(MT/HA)						

Source: FAS Posts

Meal, Rapeseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	24400	24400	24300	24300	23300	23000
Extr. Rate, 999.9999	0.57	0.57	0.57	0.57	0.57	0.57
Beginning Stocks	508	508	274	274	200	209
Production	13908	13908	13851	13851	13281	13110
MY Imports	219	219	225	242	300	250
Total Supply	14635	14635	14350	14367	13781	13569
MY Exports	511	511	450	458	300	300
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	13850	13850	13700	13700	13250	**13100**
Total Dom. Cons.	13850	13850	13700	13700	13250	13100
Ending Stocks	274	274	200	209	231	169
Total Distribution	14635	14635	14350	14367	13781	13569
(1000 MT) ,(PERCENT)						

Source: FAS Posts

Oil, Rapeseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	24400	24400	24300	24300	23300	23000
Extr. Rate, 999.9999	0.418	0.418	0.418	0.418	0.418	0.418
Beginning Stocks	525	525	383	435	390	479
Production	10199	10199	10157	10157	9739	9615
MY Imports	153	153	160	158	150	150
Total Supply	10877	10877	10700	10750	10279	10244
MY Exports	344	342	260	271	250	270
Industrial Dom. Cons.	7100	7100	7000	6950	6800	6450
Food Use Dom. Cons.	3000	2950	3000	3000	2850	3000
Feed Waste Dom. Cons.	50	50	50	50	50	50
Total Dom. Cons.	10150	10100	10050	10000	9700	9500
Ending Stocks	383	435	390	479	329	474
Total Distribution	10877	10877	10700	10750	10279	10244
(1000 MT) ,(PERCENT)						

Source: FAS Posts

Rapeseed is the dominant oilseed in the EU making the EU one of the world's leading producers of rapeseed and products. The two largest producers of rapeseed in the EU are Germany and France, followed by Poland, the United Kingdom, Romania and the Czech Republic. Demand for rapeseed exceeds domestic supply, which leads to the import of large quantities of rapeseed for crushing. EU rapeseed imports primarily come from Ukraine and Australia.

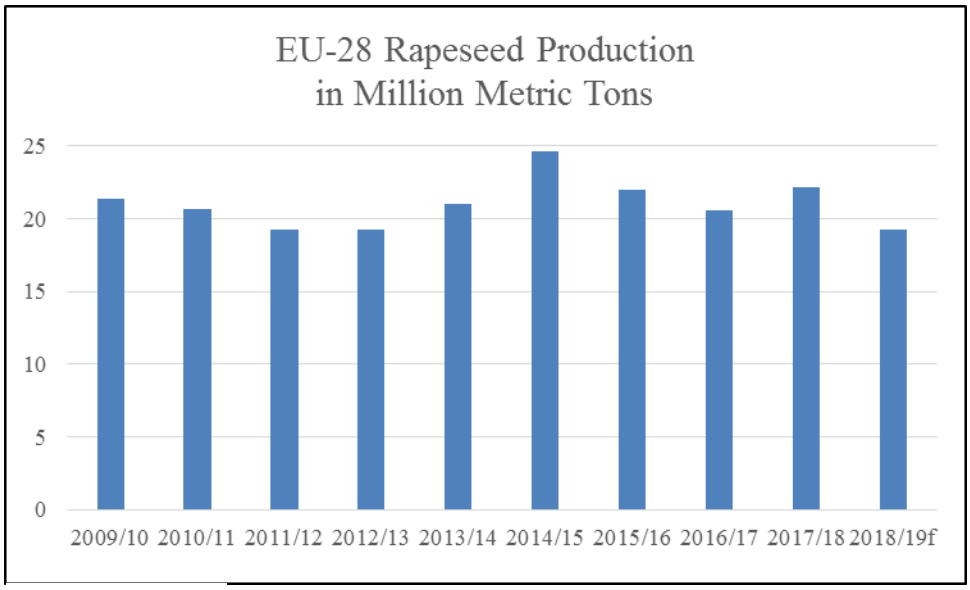
The EU rapeseed market is driven by the demand for products after crushing, both rapeseed oil and rapeseed meal. Rapeseed meal is used in the livestock sector as the EU is a leading producer and exporter of meat and dairy products. Here, rapeseed meal competes with soybeans and soybean meal from the United States and other suppliers as well as domestic sunflower meal and grains in feed ratios.

The key driver of the EU rapeseed market is rapeseed oil, which is mainly used by the biodiesel industry, whose production levels are mandated by biofuel policy decisions through the Renewable Energy Directive of the EU. Currently the market for rapeseed oil as a feedstock for biodiesel production is under pressure through biodiesel imports from Argentina. Forecasts in this report are based on the current market status. Compared with biodiesel, food and other industrial use of rapeseed oil influence demand less.

MY 2018/19

Drought and high temperatures hit most of northern Europe throughout the summer. This unfavorable combination resulted in lower yields in major rapeseed production regions in Germany, United Kingdom, Poland, Denmark, Sweden, and the Baltic States. Freezing and excessive rain in winter and spring affected crop development in France. Drought and high temperatures in summer limited yields in France further. The harvest in Romania was reduced by spring dryness, heat, and excessive summer rainfall.

Rapeseed production in the European Union for MY 2018/19 is forecast to be down by 3 MMT or 13 percent from last year. This would be the lowest EU rapeseed crop since MY 2008/09. Farmers increased acreage just marginally by 1 percent and yield is estimated at 2.78 tons per hectare, down 14 percent from last year and 15 percent below its 5-year average.



Source: FAS Posts

The EU market for rapeseed is expected to be rather tense in MY 2018/19. In general, reductions in domestic rapeseed supplies can partially be offset with high stocks and imports. Rapeseed supply on the global market is fairly balanced and European oilseed crushers will compete with China for product. Australia is expected to have a lower crop while Ukraine is forecast to have a record crop.

EU rapeseed crush is forecast to decrease with reductions in Germany and the Netherlands in particular. Key driver of the market is weak demand for rapeseed oil as a feedstock for biodiesel production. There is an oversupply of rapeseed oil in the EU, particularly due to the increased competition with cheap imported soybean oil methyl ester and palm oil methyl ester. Much will depend on the outcome of the European Commission's trade inquiry into biodiesel which might result in the reintroduction of anti-dumping taxes. This would slow down biodiesel imports and generate more demand for rapeseed oil from the EU biodiesel industry. There is also no impulse from the use of rapeseed oil in other industrial sectors, food, or feed use. Forecast for use in these sectors are stable.

There is less supply of rapeseed meal since production follows crush. And, there is not much availability on the global market. Thus, its use in feed rations is expected to decrease, as it will be replaced, to a certain extent, by soybean and sunflower meal as well as grain. Ending stocks are expected to decrease further.

Please note that estimates for MY 2018/19 are based on current market conditions without the possible reintroduction of anti-dumping taxes. For more information on the EU biofuels sector please see EU Biofuels Annual Report 2018.

MY 2017/18

EU farmers harvested the second best rapeseed crop in MY 2017/18 within the past ten years, just shy of the record crop in MY 2014/15. Though supply of domestically produced rapeseed was good in MY 2017/18, imports were just slightly below record imports in the previous MY. Oilseed crushers already prepared for the bad harvest and low domestic rapeseed supplies in MY 2018/19. This resulted in rapeseed crushing on a high level and a huge increase in ending stocks. Consumption of rapeseed meal is expected to be slightly lower than the previous MY. Use of rapeseed oil in biodiesel drives the market and consumption is trending downward which results in an oversupply on the EU market. Food use of rapeseed oil is expected to stay flat. Ending stocks are forecast to double.

4. Sunflower Complex

Coordinator: Mila Boshnakova, FAS/Sofia

Trade figures are revised according to the most recent data available from the Global Trade Atlas (June 2018); harvest and crush estimates from producing countries.

Oilseed, Sunflowerseed	**2016/2017**		**2017/2018**		**2018/2019**	
Market Begin Year	**Oct 2016**		**Oct 2017**		**Oct 2018**	
European Union	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested	4130	4130	4308	4340	4330	4280
Beginning Stocks	648	648	600	600	544	590
Production	8598	8650	9679	9900	9700	9500
MY Imports	697	697	535	500	500	560
Total Supply	9943	9995	10814	11000	10744	10650
MY Exports	353	353	575	590	350	500
Crush	7900	7900	8600	8650	8700	8500
Food Use Dom. Cons.	540	540	540	540	540	540
Feed Waste Dom. Cons.	550	602	555	630	560	600
Total Dom. Cons.	8990	9395	9695	9820	9800	9640
Ending Stocks	600	600	544	590	594	510
Total Distribution	9943	9995	10814	11000	10744	10650
(1000 HA) ,(1000 MT) ,(MT/HA)						

Source: FAS Posts

Meal, Sunflowerseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	7900	7900	8600	8650	8700	8500
Extr. Rate, 999.9999	0.54	0.54	0.54	0.54	0.54	0.54
Beginning Stocks	489	489	328	328	217	219
Production	4266	4266	4644	4671	4698	4590
MY Imports	3708	3708	3800	3700	3800	3780
Total Supply	8463	8463	8772	8699	8715	8589
MY Exports	275	275	395	370	300	329
Industrial Dom. Cons.	60	60	60	60	60	60
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	7800	7800	8100	8050	8150	8000
Total Dom. Cons.	7860	7860	8160	8110	8210	8060
Ending Stocks	328	328	217	219	205	200
Total Distribution	8463	8463	8772	8699	8715	8589
(1000 MT) ,(PERCENT)						

Source: FAS Posts

Oil, Sunflowerseed	2016/2017		2017/2018		2018/2019	
Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	7900	7900	8600	8650	8700	8500
Extr. Rate, 999.9999	0.4225	0.4228	0.4226	0.4208	0.4225	0.42
Beginning Stocks	158	158	311	311	425	428
Production	3338	3338	3634	3640	3676	3570
MY Imports	1834	1834	1500	1600	1650	1700
Total Supply	5330	5330	5445	5551	5751	5698
MY Exports	459	459	480	480	490	520
Industrial Dom. Cons.	400	400	330	350	330	380
Food Use Dom. Cons.	4150	4150	4200	4280	4475	4370
Feed Waste Dom. Cons.	10	10	10	13	10	15
Total Dom. Cons.	4560	4560	4540	4643	4815	4765
Ending Stocks	311	311	425	428	446	413
Total Distribution	5330	5330	5445	5551	5751	5698
(1000 MT) ,(PERCENT)						

Source: FAS Posts

Sunflower Seeds

MY 2018/19

Planted area under sunflower in the EU has declined in MY 2018/19. The increases in Romania, Spain, and Hungary were counterweighted by higher reductions in Bulgaria, France, Italy, Czech Republic, and Slovakia. The decrease in Bulgaria and France was due to alternative crops providing better margins to farmers. In Romania, Spain, and Hungary, sunflower continued to provide good profitability and remained a good choice as a more drought resilient crop. As a result, total area in the EU in MY 2018/19 is estimated to be marginally lower, by 1.3percent, compared to MY 2017/18.

The weather conditions to date have been mixed for various member-states. Hot and dry weather prevailing in Western and Northern Europe hit the crop most negatively in France and Germany. The weather was more favorable for Central and Southeastern Europe with abundant spring-summer rains and average summer temperatures that improved previous yield estimates. Spain enjoyed above average rainfall throughout the season. At present, expectations are for higher average yields compared to last year in Bulgaria, Spain, Greece and Austria while the yields in Romania and Hungary remain still below last year record levels. In Hungary, soil moisture was adequate early in the season during flowering, however the heat wave in late July has reduced the crop potential and the average yields are not as high as last year. In Romania the yield prospects improved due to abundant water supply but are also below last year while Bulgaria expects new record yields. Currently, average EU yields are projected to be slightly lower than in MY 2017/18 (2.22 MT/HA vs 2.28 MT/HA in MY 2017/18). As a result, production is expected to decline compared to MY 2017/18 at various degrees in major producing countries France, Hungary, Bulgaria, Romania, and Italy but with the exception of Spain, which sees growth in planted area, yields and production. The reduction in the EU sunflower production is currently estimated at four percent compared to MY 2017/18.

The crush demand is forecast to be favorable. Sunflower is projected to be more price competitive compared to rapeseeds which face lower supply this season in the EU. On the other hand, crush will be negatively affected by the stronger competition from soybeans. Sunflower meal and oil are likely to remain attractive due to higher world and Black Sea production. Bumper crops in traditional suppliers (Ukraine, Russia, Moldova, and Argentina) are projected to result in higher exportable quantities of sunflower meal and oil at competitive prices and may stimulate EU imports.

The EU crush is estimated to decline by less than one percent from the record of MY 2017/18 and to be still at a level to meet growing demand for sunflower oil food consumption. It is expected that crush may be unevenly developed among members states. While France, Bulgaria, Hungary, and Czech Republic expect growth in crush, a reduction is foreseen in Romania and Italy.

Projected lower crop in the EU is likely to lead to higher import needs and lower exports in favor of domestic crush. Intra-trade of sunflower seeds is estimated to be stimulated by uneven production development among member-states.

MY 2017/18

The EU production of sunflower was revised upward by two percent based on final official statistical data. The revision was made for Bulgaria and Hungary where production was reported higher than previously expected, and for France where production is revised downward. Final data exceeds USDA official estimate.

Import and export estimates are revised based on the latest trade data from the member-states and World Trade Atlas data for MY 2017/18 as of June/2018. Due to the very good crop, the EU is importing less sunflower seeds compared to MY 2016/17 while exports, mainly to Turkey, Egypt and Serbia have increased. Moldova and Ukraine remained the main origins for price competitive raw material for crush.

Crush was revised upward to a record high level as a result of the latest national data. The new estimate is above USDA official. The estimated growth in crush compared to MY 2016/17 is at 750,000 MT or 9.5 percent.

Sunflower Meal

MY 2018/19

EU sunflower meal output is forecast to decrease by two percent in line with the reduced crush. Spain and Romania are likely to see the biggest reductions in sunflower meal output while France, Hungary and Bulgaria expect growth. Lower EU domestic supply is projected to lead to a slight uptick in imports to meet the feed demand. Abundant and competitive world and Black Sea supply is also likely to stimulate imports. Sunflower meal exports are forecast to decrease in favor of domestic sales.

The demand for sunflower meal, although stimulated by attractive prices and good regional supply, might be challenged by better competitiveness of the soybean meal and the limited growth in the EU feed consumption. France and Spain expect a reduction in sunflower meal use while the other member-states, led by Poland and Germany, project stable or higher use. Thus, the EU meal consumption is forecast to be still strong albeit marginally lower than in MY 2017/18.

MY 2017/18

EU sunflower meal output was adjusted higher, according to the revised crush. Due to better domestic availabilities, imports are revised downward based on the latest trade data. At the end of the season imports of sunflower meal faced stronger competition from imported soybean meal.

The EU is likely to see record high use of sunflower meal in MY 2017/18 due to its excellent availability, good quality and price attractiveness. According to the latest revisions, all member-states estimate flat or increased use of meal compared to the earlier expectations, and to MY 2016/17. The annual growth is led by the United Kingdom, France, Poland, Hungary and Portugal.

Sunflower Oil

MY 2018/19

Production of sunflower oil is projected slightly lower due to the reduced crush. The trend is estimated to be unevenly distributed among member states with France, Hungary and Bulgaria expecting better output while Spain and Romania foresee sharper decreases.

Slightly lower production of sunflower oil is projected to be compensated by higher imports. The EU domestic demand for sunflower oil is expected to continue to be favorable. Food consumption is forecast to grow by another two percent in MY 2018/19 compared to the current season, and to reach a new high level. Still the current projection is more conservative, below USDA official estimate.

MY 2017/18

The output of sunflower oil is adjusted to the revised higher crush. The biggest annual growth in oil production is reported by France, Romania, Germany, Hungary and Bulgaria. Imports are revised upward based on the latest trade data of member states driven by excellent food use demand, and it is above USDA official estimate. Higher food use compared to MY 2016/17 is reported by Poland, Hungary, Germany, the Netherlands, Spain, France and Portugal. Food use in MY 2017/18 grew by three percent over MY 2016/17.

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