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EU-28 crop update following accession of Croatia

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Report Highlights:

The last three months have seen a slow start to a cold and, in parts very wet, spring in the EU-28. This has had a negative impact on the wheat and barley crops but the outlook remains positive overall. In the UK, the cold weather caused some late planting of winter wheat while across Northern Europe the cold weather has slowed crop development and delayed spring plantings. This is particularly the case in parts of France. Further south, where the weather has been wetter than the norm, the Italian wheat and corn crops have suffered. There have also been delays to spring plantings in the south but the rain has boosted soil moisture levels, particularly in Spain, Portugal and Romania. Overall the EU-28 grain crop forecast is reduced just 2 MMT on previous expectations to 292.6 MMT.

General Information:

Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU-28 and is not official USDA data.

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HA = Hectares
MT = Metric Tonne
MY = Marketing Year. Post and USDA official data both follow the EU-28 local marketing year of July to June except for corn which follows an October to September calendar.
TY = July to June for wheat and October to September for coarse grains

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Executive Summary

With the accession of Croatia to the EU on July 1, 2013 this report includes post data for the EU-28. It should be noted that the referenced USDA official data is EU-27 so a direct comparison should not be made.

Weather conditions continue to present some challenges for the development of the EU-28 grain crop but it is generally described as being in good condition and the outlook is certainly more positive than at this time last year.

After the delays to fall plantings in the UK and Ireland but with generally favorable conditions elsewhere, the EU-28 experienced a long winter and a cold, and in parts wet, start to the spring. This facilitated some late planting of winter wheat and delayed spring plantings in the UK, but both it and Ireland have seen the expected shift from winter wheat to spring planted barley. The persistent cold weather also delayed and reduced spring plantings and slowed crop development elsewhere in Northern Europe. This was the case in France, where both wheat and barley production forecasts are reduced slightly, and in Poland, where the barley crop is now likely to be smaller than previously expected. A warmer spell of weather in late April and into May was welcome across Northern Europe and beneficial for the crops which are now reported to be developing well, albeit behind the norm in all but Germany and with some increased weed incidence. The very wet weather of the last few days, including flooding in some countries, has not had any impact of note on the EU-28 grain crop.

Further south, where the spring has been much wetter than normal, this has also caused disruption to spring plantings. This is particularly the case for corn in Southern France, Spain, Italy, Hungary and Romania. It has reduced the production outlook for the Italian wheat crop. In contrast, the wet weather has been welcome in Spain and Portugal where excellent soil moisture levels bode well for the crops, especially in the Northern half of these two countries. Southern grain producing areas in the Iberian Peninsula, where the harvest has already started, report a more uneven output.

Overall, the EU-28 grain crop forecast is reduced to 292.6 MMT, just 2 MMT lower than previous expectations. Within this total, the outlooks for wheat and barley production are reduced by 1.5 MMT and 700,000 MT, respectively. The outlook for total EU-28 corn production currently remains unchanged, reductions in Italy offset by increases in France and Poland. Of course, the weather remains in the spotlight and what it does over the next two months will be critical for the further development of the grain crops.

Country specific

Both Ireland and the UK experienced difficult planting conditions in the fall. This meant a reduced winter planted area and delayed crop development in both countries. The cold start to spring saw some late planting of winter wheat in the UK, increasing the planted area. Production is therefore increased from the previous expectation but is still significantly down year-on-year. It also delayed spring plantings of both wheat and barley but, as expected, there has been a large increase in the area planted to spring barley instead of winter wheat in both the UK and Ireland this year. More favorable weather in late April and May has seen some catch up on the part of the wheat crop but it is still reported to be 10-14 days behind normal. The unusual weather conditions experienced by the UK over the past few months makes wheat yield forecasting difficult but current expectations are that it will not be significantly below the average and much improved on last year.

In France, the winter crops are reported to be in good condition but, like the UK, are less developed than would be expected the norm at this time of year. Estimates of the delay vary from 5 days in the north to as much as 15 days in the south. It has also been wet enough to have prompted some talk of increased disease incidence. Both wheat and barley production forecasts are lowered 500,000 MT on previous expectations. A very wet May across the country has been followed by a drier June more conducive to the planting of the, also delayed, corn crop and production is now forecast up 1 MMT year-on-year. The overall situation is more positive in Germany. The winter crops look particularly good in the north of the country. If the weather remains good in the coming weeks, a timely start to their harvest is currently forecast.

The cooler conditions in the EU-28 bode well for the Spanish and Portuguese crops. The mild weather in the region means crops that are usually weather stressed at this time of year are instead merely developing 15 to 20 days behind the norm. This delay is most notable in the north but with soil moisture and reservoir levels high, the outlook is also overwhelmingly positive, particularly for the corn crop, the large majority of which is irrigated.

Italy is a story of two halves. The north has experienced frequent and heavy rains for the last three months. Most notably, this has delayed and disrupted corn plantings and some fields are now expected to be planted to soybeans or left fallow meaning the production forecast has been lowered 1 MMT, albeit still up year-on-year. The weather has also disrupted the development of the wheat crop meaning a 1.4 MMT reduction on the previous forecast. In contrast, conditions in the south have been positive overall. Indeed, the durum wheat harvest has already been completed in Sicily and is reported to be progressing well elsewhere. Early indications are that yields are good but the area is lower than previously expected.

Moving towards the east of Europe, in Poland the barley area, and hence production, is reduced to the benefit of their corn crop. In Hungary, corn planting finished two weeks later than usual but rainy and warm weather in late May and early June is reported to have accelerated crop development. And in Romania and Bulgaria, significant rainfall in April improved sub-soil moisture levels in many regions and despite high temperatures in May, the wheat is well developed. Current expectations are that the yield will be higher year-on-year although the quality will be somewhat reduced. This same weather first interrupted field preparation and corn planting and then delayed emergence. Nevertheless, warm weather in June in combination with good moisture levels has helped the corn crop advance at a fast pace, meaning it is well placed to cope with the high temperatures and drier conditions in the first part of the summer. Yield expectations have been maintained.

Appendices

Wheat PSD

Wheat EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	25,688	25,820	25,536	25,900	25,854	26,000
Beginning Stocks	11,677	11,677	13,558	13,555	9,322	10,405
Production	137,331	138,100	132,064	133,250	137,443	138,400
MY Imports	7,369	7,374	5,700	5,500	6,000	5,500
TY Imports	7,369	7,374	5,700	5,500	6,000	5,500
TY Imp. from U.S.	1,183	1,224	0	1,223	0	0
Total Supply	156,377	157,151	151,322	152,305	152,765	154,305
MY Exports	16,569	16,721	22,000	20,900	18,500	20,000
TY Exports	16,569	16,721	22,000	20,900	18,500	20,000
Feed and Residual	57,000	57,000	50,000	51,000	53,000	52,500
FSI Consumption	69,250	69,875	70,000	70,000	69,750	69,500
Total Consumption	126,250	126,875	120,000	121,000	122,750	122,000
Ending Stocks	13,558	13,555	9,322	10,405	11,515	12,305
Total Distribution	156,377	157,151	151,322	152,305	152,765	154,305
1000 HA, 1000 MT, MT/HA						

Barley PSD

Barley EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,935	11,960	12,480	12,500	12,331	12,450
Beginning Stocks	7,911	7,911	6,142	5,769	4,514	3,994
Production	51,826	51,850	54,372	54,650	55,584	56,000
MY Imports	431	433	100	75	100	100
TY Imports	339	339	100	75	100	100
TY Imp. from U.S.	0	14	0	0	0	0
Total Supply	60,168	60,194	60,614	60,494	60,198	60,094
MY Exports	3,026	3,025	4,500	4,900	3,800	3,500
TY Exports	3,641	3,641	4,000	4,000	3,800	3,500
Feed and Residual	36,000	36,000	36,500	36,500	36,500	37,500
FSI Consumption	15,000	15,400	15,100	15,100	15,150	15,200
Total Consumption	51,000	51,400	51,600	51,600	51,650	52,700
Ending Stocks	6,142	5,769	4,514	3,994	4,748	3,894
Total Distribution	60,168	60,194	60,614	60,494	60,198	60,094
1000 HA, 1000 MT, MT/HA						

Corn PSD

Corn EU-28	2011/2012	2012/2013	2013/2014

	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8,791	9,100	9,379	9,700	9,118	9,550
Beginning Stocks	4,832	4,832	6,713	6,529	4,459	5,679
Production	66,089	68,100	56,646	58,550	63,875	66,000
MY Imports	6,206	6,205	10,500	10,500	7,000	7,000
TY Imports	6,206	6,205	10,500	10,500	7,000	7,000
TY Imp. from U.S.	9	9	0	0	0	0
Total Supply	77,127	79,137	73,859	75,579	75,334	78,679
MY Exports	3,214	3,308	1,500	1,000	2,500	2,750
TY Exports	3,214	3,308	1,500	1,000	2,500	2,750
Feed and Residual	52,000	54,000	52,000	53,000	51,000	53,000
FSI Consumption	15,200	15,300	15,900	15,900	16,800	16,750
Total Consumption	67,200	69,300	67,900	68,900	67,800	69,750
Ending Stocks	6,713	6,529	4,459	5,679	5,034	6,179
Total Distribution	77,127	79,137	73,859	75,579	75,334	78,679
1000 HA, 1000 MT, MT/HA						

Rye PSD

Rye EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,261	2,240	2,374	2,340	2,495	2,475
Beginning Stocks	1,013	1,013	741	704	671	744
Production	6,897	6,830	8,730	8,650	8,694	8,800
MY Imports	289	289	100	200	100	100
TY Imports	301	301	100	200	100	100
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	8,199	8,132	9,571	9,554	9,465	9,644
MY Exports	58	58	100	70	100	60
TY Exports	59	59	100	70	100	60
Feed and Residual	3,100	3,100	4,400	4,400	4,300	4,300
FSI Consumption	4,300	4,270	4,400	4,340	4,300	4,330
Total Consumption	7,400	7,370	8,800	8,740	8,600	8,630
Ending Stocks	741	704	671	744	765	954
Total Distribution	8,199	8,132	9,571	9,554	9,465	9,644
1000 HA, 1000 MT, MT/HA						

Sorghum PSD

Sorghum EU-28	2011/2012	2012/2013	2013/2014
	Market Year Begin: Jul 2011	Market Year Begin: Jul 2012	Market Year Begin: Jul 2013

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	110	110	111	110	124	120
Beginning Stocks	20	20	13	12	13	12
Production	671	670	485	485	607	575
MY Imports	88	88	350	350	150	175
TY Imports	126	126	350	350	150	175
TY Imp. from U.S.	4	4	0	0	0	0
Total Supply	779	778	848	847	770	762
MY Exports	6	6	5	5	5	5
TY Exports	9	9	5	5	5	5
Feed and Residual	740	740	810	810	730	725
FSI Consumption	20	20	20	20	20	20
Total Consumption	760	760	830	830	750	745
Ending Stocks	13	12	13	12	15	12
Total Distribution	779	778	848	847	770	762
1000 HA, 1000 MT, MT/HA						

Oats PSD

Oats EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,667	2,625	2,643	2,615	2,648	2,600
Beginning Stocks	821	821	889	773	931	908
Production	7,831	7,780	7,887	7,850	8,016	8,000
MY Imports	4	4	5	5	5	5
TY Imports	6	6	5	5	5	5
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	8,656	8,605	8,781	8,628	8,952	8,913
MY Exports	167	167	150	150	150	150
TY Exports	174	174	150	150	150	150
Feed and Residual	5,800	5,900	5,900	5,800	6,100	6,100
FSI Consumption	1,800	1,765	1,800	1,770	1,800	1,760
Total Consumption	7,600	7,665	7,700	7,570	7,900	7,860
Ending Stocks	889	773	931	908	902	903
Total Distribution	8,656	8,605	8,781	8,628	8,952	8,913
1000 HA, 1000 MT, MT/HA						

Mixed Grain PSD

Mixed Grain EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Harvested	4,062	4,040	3,959	3,950	4,199	4,175
Beginning Stocks	1,707	1,707	1,299	1,387	898	967
Production	14,392	14,500	14,999	15,000	15,173	15,250
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	16,099	16,207	16,298	16,387	16,071	16,217
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	13,600	13,600	14,200	14,200	14,200	14,250
FSI Consumption	1,200	1,220	1,200	1,220	1,200	1,220
Total Consumption	14,800	14,820	15,400	15,420	15,400	15,470
Ending Stocks	1,299	1,387	898	967	671	747
Total Distribution	16,099	16,207	16,298	16,387	16,071	16,217
1000 HA, 1000 MT, MT/HA						