

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

For MY 2017/18 the grain crop is forecast to be higher than last year in Lithuania. Winter grain growth is reported well except small local winterkill. Production of wheat is forecast to amount to 3.8 MMT in MY 2017/18. Wheat plantings acreage is reported 4 percent lower this year. For the last few years Lithuania has become an important wheat exporter on the global market. Over 75 percent of wheat shipments are sold to non EU destinations.

Please Note: This report is to be read in conjunction with the Annual EU28 Consolidated Grain and Feed Report and provides further information on Lithuanian market of grain and feed.

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual_London_EU-28_3-30-2017.pdf)

Area and production of grains

MY 2017/18

For MY 2017/18 the grain crop is forecast to be higher than last year. The yield forecast is closer to average yields without extreme weather conditions. Winter grain growth is reported well except small local winterkill. In late autumn 2016 plant health was reported good before winter. The area of winterkill was estimated rather small in March 2017. It is not expected that winter grain losses would strongly affect the total grain crop. The losses should be offset by spring grain plantings. Lithuanian farmers can expect good crops for MY 2017/18. Most of this year's wintertime was relatively warm, except for a strong frost in February, but sudden, large temperature volatility in early spring can pose a great threat to plants.

MY 2016/17

Lithuania's MY 2016/17 grain production is estimated at 5.1 million metric tons, 16 percent lower than the previous year. A record crop of MY 2015/16 was not repeated this year. In 2016/17 despite a larger planted area, the grain harvest was lower due to much lower yields. After a long period of very mild winter, a sudden drop of temperatures to minus 25 degrees Celsius was seen at the end of December 2015, beginning January 2016. Such a sudden change of temperatures in a short time did not allow plants to adjust to strong winter conditions like frost wind on fields uncovered by snow. Unfavorable weather conditions during harvest were another reason for a lower crop in MY 2016/17. Production of all grains, except corn, decreased in comparison with the previous MY 2015/16. Mixed grains and triticale fell down by 29 percent, barley and rye by 26 percent, wheat by 13 percent and oats by 6 percent. Production of corn increased by 50 percent what was the result of extremely bad corn crop in 2015. Corn especially suffered from very dry weather in summer 2015. Wheat is the main grain planted in Lithuania. In MY 2016/17 share of wheat acreage in total grain plantings increased and amounted to 68 percent and the share of wheat production in total grain output reached 75 percent.

Grain area 2013 – 2017 (000) Ha

	2014	2015	2016	2017*	Structure of sowings in 2016 (%)
Wheat	708	836	871	850	68.47
Rye	38	39	32	35	2.52
Mixed grains and triticale	143	123	115	115	9.04
Barley	267	202	172	200	13.52
Corn	19	12	12	12	0.94
Oats	76	64	70	70	5.50
Total	1,251	1,276	1,272	1,282	100

Source: Lithuanian Statistical Office

* FAS/Warsaw estimation and forecast

Grain production 2013 – 2017 (000) MT

	2014	2015	2016*	2017*	Structure
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					of production in 2016 (%)
Wheat	3,231	4,380	3,800	3,800	74.83
Rye	85	108	76	90	1.50
Mixed grains and triticale	453	511	364	370	7.17
Barley	1019	812	600	730	11.82
Corn	115	56	85	90	1.67
Oats	184	163	153	170	3.01
Total	5,087	6,030	5,078	5,250	100

Source: Lithuanian Statistical Office

* FAS/Warsaw estimation and forecast

Trade

For the last few years Lithuania has become an important wheat exporter for the global market. Total grain export from Lithuania has grown for the last five years, with wheat having an 85 percent share in total Lithuanian grain exports in MY 2015/16. After a bad harvest in MY 2016/17, grain exports from Lithuania diminished to 3 MMT following a record export result of 4.1 MMT of grain in 2015. Exports are driven by growing demand from Middle Eastern countries. Soft wheat for feed takes the biggest share exports to these destinations. Lithuania's export of barley is very unstable and strongly depends on the local market situation. It is forecast that barley exports will increase again after the harvest in 2017.

In MY 2016/17 grain imports are forecast to increase in comparison with MY 2015/16. It is estimated that grain imports of grain will amount to 0.27 million MT, 22 percent more than in MY 2015/16. The level of grain stocks diminished due to increased domestic demand for rye, barley and corn for feed purposes.

Grain exports (000) MT

	MY 2014/15	MY 2015/16*	MY 2016/17*
	Total exports	Total exports	Total exports
Wheat*	2,255	3,482	2,800
Rye	14	31	18
Corn	53	31	33
Barley	412	332	40
Mixed grains & triticale	97	183	90
Oats	45	44	40
Total	2,876	4,103	3,021

Source: Global Trade Atlas Eurostat

*Including wheat products

Grain imports (000) MT

	MY 2014/15	MY 2015/16*	MY 2016/17*
	Total imports	Total imports	Total imports
Wheat*	161	127	125
Rye	13	3	22
Corn	85	75	100
Barley	16	8	10
Mixed grains & triticale	0	2	4
Oats	2	2	4
Total	277	217	265

Source: Global Trade Atlas Eurostat

*Including wheat products

Wheat

Production of wheat is forecast to amount to 3.8 MMT in MY 2017/18. Wheat planting acreage is reported lower by 4 percent this year, basing on winter wheat plantings. Winter plant health is reported well until the end of March and Lithuanian farmers can expect a good harvest this year. Local winterkills after February frosts are not expected to affect country wheat production.

It is estimated that wheat planting area increased by 4 percent in MY 2016/17 in Lithuania and amounted to 0.87 million HA. Due to unfavorable weather conditions, wheat yields were lower by 17 percent than for the previous year and amounted to 4.36 MT per hectare. In MY 2016/17 wheat production is estimated at 3.8 MMT, 13 percent less than during previous year's harvest. Due to a bad harvest, export supplies from Lithuania diminished, but relatively high stocks of MY 2015/16 could offset supply shortages to some extent. In the past years Lithuania's private storage capacities increased both on farms and in the processing industry. Storage facilities investments made farmers less dependent on buyers and prices volatility. Diminishing hog production affected feed wheat on-farm use and demand from the industry. Domestic use diminishes, while export potential grows.

Wheat production, trade, consumption

	2014/15	2015/16	2016/17**	
Marketing Year Begin	July, 2014	July, 2015	July, 2016	
Area	708	836	871	(000) Ha
Production	3,231	4,380	3,800	(000) MT
MY Imports*	161	127	125	(000) MT
MY Exports*	2,255	3,482	2,800	(000) MT
Total Consumption	1,207	1,189	1,158	(000) MT

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

*Including wheat products

**FAS/Warsaw estimation and forecast

Lithuania's wheat exports are estimated at 2.8MMT for MY 2016/17. Exports are estimated lower than in 2015/16 by 20 percent. Despite this reduction in forecast export volume in comparison with the previous year Lithuanian wheat exports are still much higher than before record MY 2015/16. Over 75

percent of wheat shipments are sold to non EU destinations. Main non EU export destinations for MY 2015/16 were: Saudi Arabia (28 percent in total wheat exports), Turkey (12 percent), Iran (7 percent). Other non EU destinations in MY 2015/16 were Kenya, United Arab Emirates, South Africa and Sudan.

Wheat exports (000) MT

Partner country	2013/14	2014/15	2015/16
World	2,015	2,217	3,441
EU28	347	548	747
Saudi Arabia	450	247	978
Turkey	32	210	395
Latvia	180	206	299
Spain	61	193	242
Iran	691	803	230
Kenya	0	56	218
United Arab Emirates	0	0	214
South Africa	41	44	130
Sudan	0	0	102

Source: Global Trade Atlas Eurostat

It is estimated that wheat imports for MY 2016/17 will stay in line with the previous year's volume and will amount to 125,000 MT. Imports are estimated not to increase despite lower production in 2016 due to smaller domestic and export demand. In MY 2015/16 imports originated mainly from EU countries as usual (almost 90 percent of total wheat imports). The main source of wheat was Latvia this year (80 percent of total imports). The main non EU supplier was Ukraine.

Wheat imports (000) MT

Partner country	2013/14	2014/15	2015/16
World	62	108	71
EU28	57	87	63
Latvia	39	30	57
Ukraine	4	21	7
Poland	17	8	4

Source: Global Trade Atlas Eurostat

Barley

Barley production, trade, consumption

	2014/15	2015/16	2016/17*
Marketing Year Begin	July 2014	July 2015	July 2016

Area	(000) Ha	267	202	172
Production	(000) MT	1019	812	600
MY Imports	(000) MT	16	8	10
MY Exports	(000) MT	412	332	40
Total Consumption	(000) MT	606	570	570

Source: FAS/Warsaw, Global Trade Atlas, Estonian Statistical Office

*FAS/Warsaw estimation and forecast

It is forecast that in MY2017/18 barley plantings area will increase to 200,000 Ha. Local winterkills in winter barley will not affect the total barley crop as the majority of barley in Lithuania is planted in the spring. Barley acreage is unstable and changes year by year. To a great extent, it has been replaced by more profitable wheat plantings. During last few years feed use of barley has decreased due to diminishing hog production (due to African swine fever). Export of feed barley picked up in MY 2014/15 and MY 2015/16. It is forecast that in MY 2016/17 these successes will be not repeated due to bad harvest results and a much smaller supply.

Mixed Grains

Mixed grains production, trade, consumption

		2014/15	2015/16	2016/17*
Marketing Year Begin		July 2014	July 2015	July 2016
Area	(000) Ha	143	123	115
Production	(000) MT	453	511	364
MY Imports	(000) MT	0	2	4
MY Exports	(000) MT	97	183	90
Total Consumption	(000) MT	376	366	276

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

*FAS/Warsaw estimation and forecast

Mixed grains acreage shows a diminishing tendency for the past few years. It is forecast that in MY 2017/18 acreage will stay in line with last year and will amount to 1115,000 Ha. Triticale dominates in mixed grains plantings in Lithuania. Mixed grains are used for on farm feed purposes only, while triticale is partly sourced by the feed industry. Feed consumption of mixed grains diminishes in favor of industrial use year by year. It is estimated that in MY 2016/17 mixed grains production diminished significantly and amounted to 364,000 MT. The bad harvest affected total mixed grains consumption and diminished it by 25 percent. Foreign trade in mixed grains is small. There are no imports. It is estimated that exports would not be larger than 25 percent of total mixed grains production.

Corn

Corn production, trade, consumption

		2014/15	2015/16	2016/17*
Marketing Year Begin		October 2014	October 2015	October 2016

Area	(000) Ha	19	12	12
Production	(000) MT	115	56	85
MY Imports	(000) MT	85	75	100
MY Exports	(000) MT	53	31	33
Total Consumption	(000) MT	175	125	125

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

*FAS/Warsaw estimation and forecast

For MY 2017/18 it is forecasted that corn acreage will stay unchanged in comparison with last year and amount to 12,000 HA. After an extremely bad harvest in MY 2015/16, many farmers saw corn production as rather risky in the Lithuanian climate and switched to more profitable wheat. MY 2016/17 was much more favorable for corn producers than the previous year. Production for MY 2016/17 doubled in relation to 2015/16 and amounted to 85,000 MT. It is estimated that corn imports increased to 100,000 MT in order to meet domestic demand, mostly for feed use, for MY 2016/17. Exports are estimated to keep pace with the previous year's result of 33,000 MT. Corn exports from Lithuania were usually destined for Estonia, Latvia, Denmark and Germany.

Oats

Oat production, trade, consumption

		2014/15	2015/16	2016/17*
Marketing Year Begin		July 2014	July 2015	July 2016
Area	(000) Ha	76	64	70
Production	(000) MT	184	163	153
MY Imports	(000) MT	2	2	4
MY Exports	(000) MT	45	44	40
Total Consumption	(000) MT	133	128	125

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

*FAS/Warsaw estimation and forecast

Oat acreage has been slightly diminishing for the past few years due to lower feed consumption. This is a typical grain used for on farm feed consumption. Due to diminishing hog production, farmers are not interested in developing this grain. Oats are grown mostly on sandy, low class soils for on farm utilization. Small amounts of surplus in oat production used to be exported to Germany, Latvia and Poland. In MY 2015/16 exports of oats amounted to 44,000 MT. It is estimated that due to smaller production for MY 2016/17 exports will decrease to 40,000 MT.

MY= Lithuanian local marketing year of July to June, except for corn which follows October to September calendar.

End of Report.