

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Bulgaria

**Post:** Sofia

### Grain Market Update

**Report Categories:**

Grain and Feed

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**Report Highlights:**

Following big yields and a record corn crop of 3.5 million metric tons (MMT) in 2018, Bulgarian farmers are expanding area planted in MY2019/20 to take advantage of favorable spring weather and April/May rainfall. Dry planting conditions in fall 2018 and insufficient winter precipitation negatively affected the winter grain production. Rain in April and early May should help the wheat and barley crops, but yields are likely to decline in MY2019/20. Sub-surface moisture reserves remain below last year's levels and pose a risk for corn and other spring grains.

According to updated production data for MY2018/19, mainly for wheat and corn, total grain production increased by 3.7 percent over the previous year. However, sluggish exports and stagnant consumption may lead to higher ending stocks.

## **General Information:**

### **Weather Overview**

Drought conditions throughout the fall 2018 planting season challenged winter-grain crops. The 2018/19 winter was mild and not enough snow fell to contribute sufficiently to soil moisture levels, especially at the sub-surface level. Spring weather arrived early in March with warm and dry conditions. While spring planting conditions were generally favorable, dry conditions persisted and reduced further the yield potential for winter crops.

According to European Union (EU) MARS data ([Bulletin Vol.27, No.4](#), April 15), precipitation during March 1-April 8 was 50-90 percent below the long-term average, with 10-22 mm of rainfall in northern regions and less than 10 mm in the southern region of Bulgaria. Dry conditions negatively affected the biomass accumulation and canopy expansion of most winter grains. Rainfall in mid-April and early May improved the soil moisture reserves and gave winter grains a much-needed boost. Recent satellite surface and subsurface soil [images](#) indicate improved surface soil moisture conditions (Maps 1 and 2 below). [Temperatures](#) and the [evaporation rate](#) were average, but the [percent of soil moisture](#) and the [sub-surface moisture](#) remain below last year's levels.

### **MY2019/20 Forecast**

According to the Ministry of Agriculture (MinAg), the wheat area planted as of May 2 declined by 1.1 percent from last year. Although farmers planted the same wheat area in fall 2018 as in fall 2017, some farmers decided to replant their winter wheat acres with spring crops, due to concerns about the dry conditions and yield prospects. Reportedly, replanting mostly occurred in the northwestern part of the country, which was the hardest hit by the fall drought. As a result, updated May data shows a decline in the wheat area from the previous year. FAS Sofia forecasts average wheat yields lower at 4.9 MT/HA and total production at 5.5 MMT (Table 8). Some industry estimates are as low as 4.5 MT/HA and production at 5.0 MMT.

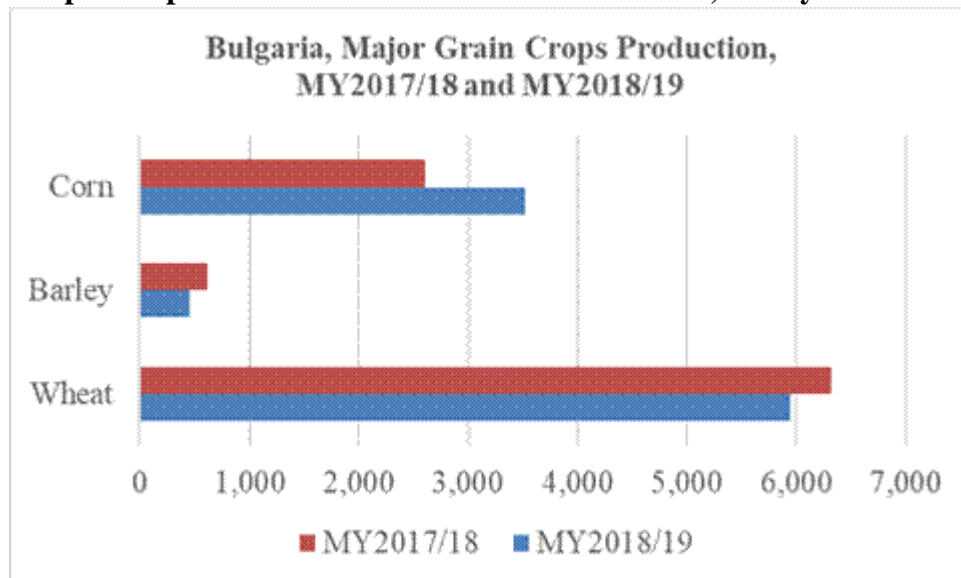
For the same reasons, Post currently forecasts winter barley production lower at 500,000 MT with average yields of 4.3 MT/HA. Some industry yield estimates are under 4.0 MT/HA with production as low as 460,000 MT. Areas harvested for minor winter grains like triticale and rye are also sharply down, at 23 and 13 percent, respectively, from MY2018/19.

Replanting fields of what had been winter grains expanded spring-crop acres, particularly for corn. According to seed suppliers, this spring's corn-seed demand was higher due to better profitability and more favorable marketing opportunities within Bulgaria and internationally.

Early spring planting conditions were favorable and as of May 2, farmers had planted over 390,000 HA of corn, compared to 350,000 HA by May 3, 2018 (Table 7). The new crop benefited from mid-April and early May rains, which boosted germination and emergence. Provided weather conditions remain favorable, Bulgaria will likely see above-average yields, albeit still below the record levels achieved in MY2018/19. FAS Sofia increases its corn production estimate based on higher planted area and yields to 3.1 MMT. Other spring grains such as spring barley, oats, and rice also benefitted from good planting conditions and are off to a promising start (Table 7).

## MY2018/19 Updated Production Estimates and Trade

**Graph 1: Updated Production Estimates for Wheat, Barley and Corn**



**Wheat:** Updated official MY2018/19 estimates for grain production (Table 1) reflect higher wheat production at 5.945 MMT. Thus, the decline from last season shrinks from 12 percent to only six percent (Table 2) although the average yields decline by 11 percent to 4.9 MT/HA. According to MinAg data, 16 percent was a milling quality, down from 48 percent in MY2017/18. Feed wheat accounted for 84 percent in 2018, versus 52 percent in 2017.

To date, wheat exports have been sluggish. Exports during the first half of MY2018/19 were 17 percent lower from the same period last year (Table 4, World Trade Atlas). Through April, exports were 3.1 MMT (Table 3) versus 3.95 MMT last year, 22 percent lower. The smaller share of milling wheat, along with lower Danube River levels, challenged exports. Another limiting factor was phytosanitary fees charged for exports to third countries, making Bulgarian exports less competitive, particularly against stiff regional competition from Russia and Ukraine.

The drought in Western and Northern Europe changed wheat trade flows in MY2018/19 (Table 4). The United Kingdom, Ireland, and Germany accounted for more Bulgarian wheat imports, while exports to traditional markets like Spain declined by 43 percent during the first half of MY2018/19. Post forecasts MY2019/20 wheat exports to reach 3.8 to 3.9 MMT. Higher production, lower exports, and stagnant domestic consumption will likely result in higher ending stocks. Available stocks as of mid-April were reported at 1.5 MMT, almost double last year's stocks of 782,000 MT.

**Barley:** Similar to wheat, MY2018/19 barely yields were below last year's record levels. Updated MinAg harvest data shows production lower than earlier estimates at 449,000 MT, with average yields at 4.3 MT/HA, down from 4.8 MT/HA in MY2017/18. MinAg data indicates good quality, with brewing barley at 67 percent, slightly down from last season's 70 percent. MinAg forecasts seed barley at 33 percent of the crop.

Barley exports lagged due to the lower supply and other export challenges. In the first half of

MY2018/19, barley exports declined by 44 percent (Table 5) compared to the year before. As of mid-April exports were at 173,000 MT with non-EU markets accounting for about 60 percent of exports to date (Table 3). Barley export markets have changed, with higher amounts to Libya and Tunisia, and lower exports to Spain and Greece (Table 5), compared to the previous season.

Due to reduced stocks, FAS Sofia forecasts lower exports in MY2018/19 to about 200,000 MT (Table 6). Domestic consumption (mainly feed) is expected to decline. Ending stocks are likely to be negligibly smaller. Mid-April stocks were reported at 30,000 MT versus 73,000 MT last year.

**Corn:** Updated MinAg official data shows production at 3.5 MMT or 400,000 MT more than the latest harvest estimate. The area harvested is updated higher at 445,000 HA while average yields reach 7.9 MT/HA or 20 percent over the previous season (Tables 1 and 2). The 2018 corn crop proves to be record-high for Bulgaria, a 35-percent increase over MY2017/18.

Corn exports in October-December 2018 started strong due to large post-harvest stocks and favorable intra-EU demand, and reached 558,000 MT vs. 460,000 MT in the previous season. The major destinations were Greece (203,000 MT), South Korea (115,000 MT) and France (59,000 MT). As of mid-April 2019, exports were at 980,000 MT of which 200,000 MT to non-EU markets (Table 3). This is seven percent more than in the corresponding period a year ago.

FAS Sofia forecasts higher corn exports, about 2.0 MMT for MY2018/19, as well as higher corn feed use to replace feed wheat and barley (Table 6). Corn as a bioethanol feedstock is expected to grow and replace wheat. Due to higher updated production, stagnant consumption and small increase in exports, ending stocks are likely to grow. As of mid-April 2019, available stocks are reported at 2.2 MMT compared to 1.2 MMT a year ago.

#### Appendix:

**Table 1: Final Grain Production Estimates MY2018/19**

Grain Production Estimates MY2018/19 as of May 2019		
Crops	Area Harvested, HA	Production, MT
Wheat	1,212,013	5.945 MMT (14 percent EU standard moisture content)
Barley	103,570	448,860 (14 percent EU standard moisture content of 14.0 percent)
Corn	444,622	3.521 MMT (14 percent EU standard moisture content)
Rye	8,316	13,980 (14 percent EU standard moisture content)
Oats	11,339	25,010 (14 percent EU standard moisture content)
Triticale	15,171	41,020 (14 percent EU standard moisture content)
Sorghum	8,861	37,010 (14 percent EU standard moisture content)
Rice	11,004	60,720 (13 percent EU standard moisture content)

*Source: Eurostat and MinAg Bulletin #357 February 2019*

**Table 2: Grain Crops Production Data MY2018/19 and MY2017/18 (May 2019)**

Crops	Area Harvested (000 HA)	Production (000 MT)
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	MY2018/19	MY2017/18	MY2018/19	MY2017/18
Wheat	1,212	1,144	5,945	6,318
Barley	104	128	449	617
Corn	445	398	3,521	2,610
Rice	11	10	61	60
Oats	11	13	25	33
Triticale	15	19	41	61
Rye	8	16	14	18
Sorghum	9	4	37	12
Total	1,815	1,732	10,093	9,729

*Source: Eurostat data based on EU standard moisture content- updated as of May 2019*

**Table 3: MY2018/19 Trade in Major Grain Crops as of April 12, 2019**

Types of Grains	Imports, MT	Exports, MT
Wheat	34,345 MT  Note: EU Customs Surveillance report shows 13,763 MT imports as of April 14, 2019	3,072,923 (including 433,751 MT to third countries);  Note: EU Customs Surveillance report shows 362,013 exported to third countries as of April 14, 2019
Barley	1,125 MT	172,668 (including 101,168 MT exported to third countries);  Note: EU Customs Surveillance report shows 100,971 MT exported to third countries as of April 14, 2019
Corn	11,174 MT  Note: EU Customs Surveillance report shows 2,340 MT imports as of April 14, 2019	981,218 (including 199,641 MT to third countries);  Note: EU Customs Surveillance report shows 184,620 MT exported to third countries as of April 14, 2019

*Note: EU Customs data shows different imported and exported quantities for third countries, please, see details [here](#).*

*Source: World Trade Atlas, EU Customs data (TAXUD) and Bulgarian MinAg weekly bulletins.*

**Table 4: Wheat Exports First Half of MY2018/19 versus MY2017/18, WCT**

	First Half , MY2018/19	First half, MY2017/18	Difference, in Percentage
<b>Total Wheat Exports (WCT)</b>	2,792,761	3,376,015	• 17%
• Spain	972,810	1,712,863	• 43%
• Italy	299,891	302,587	• 1%
• Germany	291,643	34,000	+ 858%
• The UK	162,223	94	+ 172,577%

• Ireland	215,460	33,002	+ 653%
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Source: World Trade Atlas (converted in wheat equivalent, WCT)

**Table 5: Barley Exports First Half of MY2018/19 versus MY2017/18, MT**

	First Half , MY2018/19	First half, MY2017/18	Difference, in Percentage
<b>Total Barley Exports, MT</b>	145,661	258,802	• 44%
• Libya	55,593	23,675	+ 235%
• Tunisia	27,500	0	
• Greece	19,868	53,113	• 63%
• Spain	0	139,626	

Source: World Trade Atlas

**Table 6: Post Supply and Demand Estimates for Major Grains, MY2018/19 and MY2017/18, (000 MT), May 2019**

	Wheat		Barley		Corn	
	MY 2017/18	MY 2018/19	MY 2017/18	MY 2018/19	MY 2017/18	MY 2018/19
Production	6,318	5,945	617	449	2,610	3,522
Imports	56	50	5	5	44	17
Exports	4,707	3,900	364	200	1,400	2,000
Domestic Consumption	1,800	1,750	330	256	1,350	1,512

**Table 7: Area Planted for Grain Crops MY2018/19 and MY2019/2020 as of May 2, 2019**

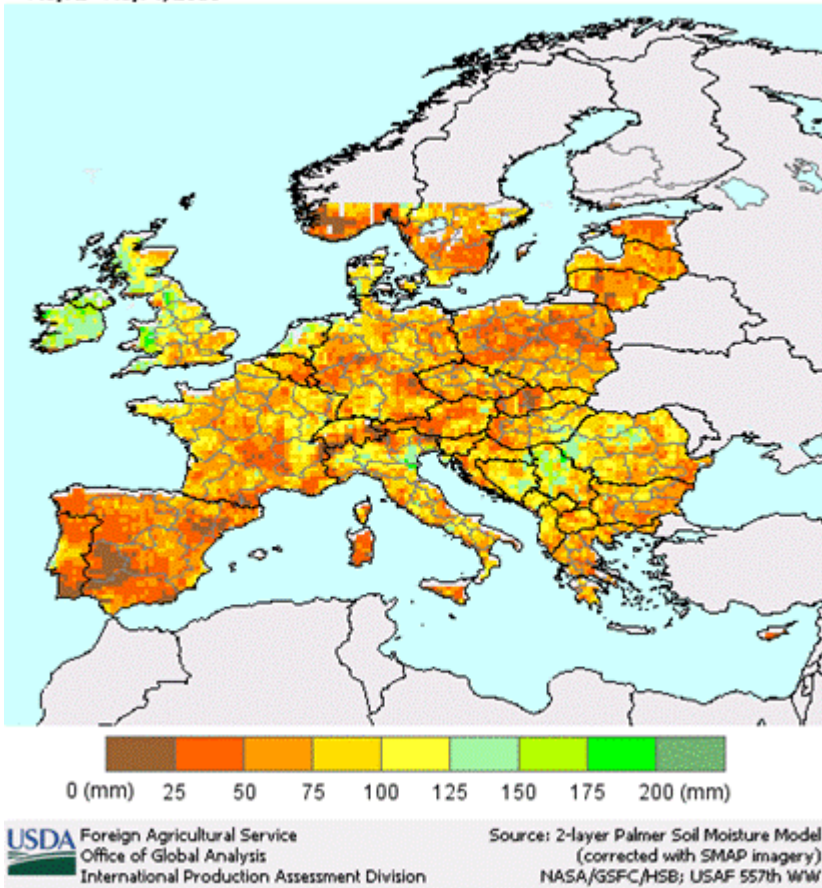
<b>Area Planted Grain Crops, MY2018/19 and MY2019/20, HA</b>			
	May 3, 2018	May 2, 2019	Difference, in Percentage
Wheat	1,138,552	1,126,314	-1.1%
Winter Barley	115,640	112,581	-2.6%
Spring Barley	2,232	2,781	+24.6%
Corn	351,920	388,868	+10.5%
Triticale	17,733	13,697	-22.8%
Rye	6,867	5,956	-13.3%
Oats	6,411	9,189	+43.3%
Rice	1,240	1,730	+39.5%

Source: Ministry of Agriculture Bulletin#18, May 8, 2019

**Table 8: Post MY2019/2020 Forecast for Major Grains as of May 2019**

<b>FAS Sofia Grain Production Forecast MY2019/20</b>		
Crops	Area Planted, HA	Production, MT
Wheat	1,120	5,500
Barley	116	500
Corn	465	3,100

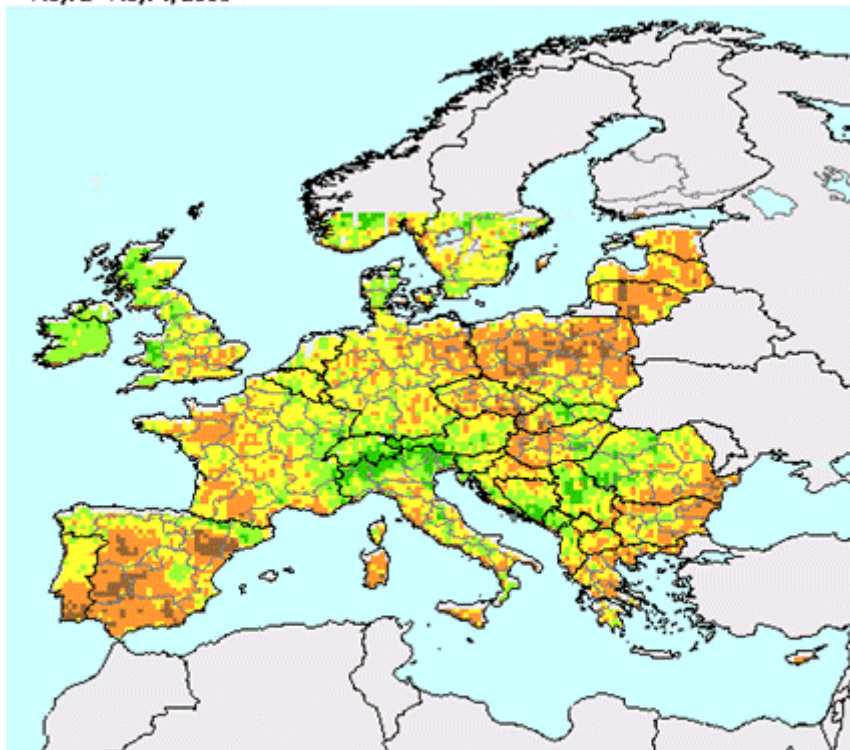
**Map 1: USDA Crop Explorer, Subsurface Soil Moisture May 2-4**  
**Subsurface Soil Moisture (SMAP)**  
May. 2 - May. 4, 2019



**Map 2: USDA Crop Explorer, Surface Soil Moisture May 2-4**

# Surface Soil Moisture (SMAP)

May. 2 - May. 4, 2019



0 (mm) 5 10 15 20 25.4 (mm)

**USDA** Foreign Agricultural Service  
Office of Global Analysis  
International Production Assessment Division

Source: 2-layer Palmer Soil Moisture Model  
(corrected with SMAP imagery)  
NASA/GSFC/HSB; USAF 557th WW