United States Department of Agriculture
Foreign Agricultural Service

GAIN
Global Agricultural Information Network

Voluntary Report – Voluntary - Public Distribution **Date:** April 02, 2021

Report Number: BU2021-0016

Report Name: Oilseeds and Products Annual

Country: Bulgaria

Post: Sofia

Report Category: Oilseeds and Products

Prepared By: Mila Boshnakova-Petrova

Approved By: Jonn Slette

Report Highlights:

FAS Sofia expects Bulgarian oilseed production to rebound in marketing year (MY) 2021/22. As of late March, rapeseed development was off to a promising start with total production projected to reach up to 330,000 metric tons (MT), assuming favorable weather through harvest. Encouraged by record-high prices, Bulgaria's sunflower area is forecast to increase. Sunflower yields are projected to recover after hot and dry conditions in MY 2020/21, leading to production's growth to 2.0 MMT. MY 2020/21 exports of rapeseed and sunflower seeds have lagged behind previous season due to the weather-related production drop, higher on-farm storage, and increased domestic crush demand. Currently, rapeseed exports are estimated at 220,000 MT, a year-on-year decline of over 40 percent. Sunflower exports are estimated at around 900,000 MT, a decline of over 20 percent from the previous MY. Feed use is likely to grow and coincide with the recovery of Bulgaria's swine inventory.

Weather Overview
Following dry and warm weather during fall planting, winter conditions were generally mild, with sufficient precipitation, and no notable winterkill. Most winter rain fell in January, while February was drier than average. Two cold snaps in mid-January and mid-February may have created minor setbacks due to snow cover. Soil moisture reserves remained above critical levels (see Maps 1 and 2 , Crop Explorer and Bulgaria data). Early March was warmer and drier than usual, followed by snow and rain in the middle of the month, preventing early spring planting of sunflower in southern Bulgaria. Overall, Bulgaria's rapeseed crop is developing favorably.

MY 2021/22 Forecast
Rapeseed: Despite favorable prices and farmer intentions to increase the rapeseed area planted, dry conditions during fall planting created delays. As of late September (Bulgaria's typical season for planting), only 31 percent of the rapeseed area planted, a 38-percent decline from the lower than in the year before. The planting lasted until late November. Although mild winter weather conditions supported favorable crop development, the delay in fall planting could still negatively affect yields. Post expects average yields at 2.6 MT/hectare (HA) and production reaching 330,000 MT, assuming favorable weather through harvest (Table 2).

Sunflower: The sunflower area is projected to increase up to 850,000 HA due to strong prices and more favorable domestic (crush) and export demand. As of March 2021, farmgate sunflower prices were 50 percent higher than one year ago. Winter precipitation bolstered soil moisture reserves to levels above the previous MY (both surface and subsurface levels) which also incentivized sunflower planting. Current production prospects are favorable with estimates varying from 1.9 MMT to 2.1 MMT. Post forecasts production at 2.0 MMT (Table 2).

Soybeans: Soy is a marginal crop in Bulgaria. It plays a role of a rotation crop and is grown mainly to produce seeds for planting and human consumption. Production is motivated by attractive European Union (EU) subsidies for protein crops. As of late March, the Ministry of Agriculture (MinAg) set a subsidy rate for protein crops at 2,592.20 leva/HA ($1,552.20/HA). Area and production of soybeans have been stagnant in recent years (Table 1) and no changes are expected in MY 2021/22.

MY 2020/21 Final Production Data
The total oilseed area harvested was 4.3 percent lower from MY 2019/20. Dry and hot weather negatively affected average yields. As a result, total oilseeds production dropped by almost 20 percent (Table 1). The rapeseed crop took the biggest hit with 40 percent decrease year-on-year, followed by sunflower crop with 16 percent decline.

MY 2020/21
Trade Estimates
Bulgarian oilseed trading has been slower than the previous season due to lower productivity, regional Black Sea market volatility, and increasing prices, which have encouraged many farmers to hold on to oilseeds stocks longer (Table 3). As per MinAg's weekly bulletins, March prices for sunflower increased by 50 percent over March 2020.

Rapeseed: According to Eurostat (per Trade Data Monitor (TDM)), exports of rapeseed during the first half of MY 2020/21 were 193,000 MT, mostly to the Netherlands, Belgium, and Romania. This marks a 47-percent decrease in rapeseed exports from the corresponding period in MY 2019/20 (366,000 MT). As of March 2021, rapeseed exports stagnated at the same level (Table 3). Total MY exports are projected at around 220,000 MT.

Due to the shorter crop, Bulgaria had to import more rapeseed than usual to meet the crush demand. In the first half of MY 2020/21, imports were at 38,000 MT, sourced mainly from Serbia (19,200 MT) and Ukraine (11,800 MT).

Sunflower: The Eurostat/TDM data for sunflower exports October-December 2020 shows 179,000 MT, a 14-percent decrease from the corresponding period in MY 2019/20 (208,000 MT). As of March 2021, sunflower exports stagnated (Table 3). Per EU Customs, as of the end of March, Bulgaria exported 162,000 MT to non-EU markets (Tukey). Post maintains its forecast for annual sunflower exports in MY 2020/21 at around 900,000 MT (black oil-bearing sunflower seeds and de-hulled seeds for confectionary and snack purposes).

Due to the reduction in production, Bulgaria imported higher quantities of sunflower seeds to meet its crush demand. As of March 2021, the MinAg reported imports at 405,000 MT (Table 3). According to EU Customs data, as of March 28, Bulgaria imported 398,000 MT sunflower seeds from non-EU sources, which represents 53 percent of total EU imports of sunflower seeds. Russia, Moldova, and Ukraine are Bulgaria's main suppliers.

Processed Oilseeds Products:
Rapeseed Meal and Oil: Bulgaria is a net exporter of processed rapeseed products. In the first half of MY 2020/21, rapeseed meal exports were at 12,700 MT, with Romania and Italy as main destinations. These exports were 58 percent lower from the corresponding period in MY 2019/20 (30,000 MT). Lower local crop resulted in higher imports, 3,600 MT for the same period versus 2,000 MT a year ago. Rapeseed oil trade followed a similar trend. Exports were record low at only 500 MT compared to 10,000 MT a year ago, while imports increased to 5,200 MT compared to 200 MT year-on-year. (Eurostat/TDM)

Sunflower Meal and Oil: The expansion of sunflower crushing capacity in recent years to almost 3.0 MMT has increased the domestic crush. Bulgaria is now a net exporter of processed sunflower products and exports less sunflower seeds. Eurostat/TDM data for sunflower meal exports October-December 2020 shows 176,000 MT, a 14-percent increase over the same period in MY 2019/20 (154,000 MT). The increase in crush and a 24-percent jump in meal export prices ($240/MT versus $194/MT) increased sunflower meal exports during the last quarter of 2020, mainly to China, Turkey, and the Netherlands. As of March 2021, industry sources indicate exports to China reaching 200,000 MT. EU Customs data shows exports to non-EU markets at 219,000 MT.

Sunflower oil exports for October-December 2020 shows 132,000 MT, a 20-percent increase over the same period in MY 2019/20 (109,000 MT). Like sun meal, average sun oil export prices were 23 percent higher during this period ($989/MT versus $802/MT), which drove exports. The main export markets were Italy, South Africa, and Spain. As of March 28, exports to non-EU countries reached 133,000 MT (EU Customs).

Imports of sunflower oil for October-December 2020 shows 12,000 MT, a 39-percent increase above the same period in MY 2019/20 (8,700 MT). As of late March, imports from non-EU countries were at 10,000 MT. Imports were motivated mainly by better price competitiveness.

Soybean Meal and Oil: Bulgaria is a small producer of soybeans and a net importer of soybean meal and oil. During the first quarter of MY 2020/21, soybean meal imports were at 39,100 MT, a 2.6-percent increase over the year before. Romania and Greece were the primary suppliers, although these were mainly transshipments of Brazilian and Argentine meal. Bulgaria also imports Romanian and Greek soybean meal crushed from U.S. soybeans. Imports for the MY are expected to be stable to higher due to recovery of the swine heard and the poultry industry which were hits hard by African swine fever and avian influenza outbreaks in the last two years.

In MY 2020/21, Bulgaria imported unusually high amounts of soybean oil, 30,000 MT, as of late March (EU Customs), reportedly from Serbia. Industry sources indicate higher demand by the food industry and for biofuels. During the first quarter of the MY, imports were at 14,000 MT, almost triple from the same period last year (5,000 MT), mainly from Serbia, Turkey, and the United Arab Emirates.

MY 2020/21 Domestic Consumption

Domestic crush consumption was driven by export demand and prices of oil meal and oils, despite lower oilseeds crops. According to the MinAg data (weekly bulletins), the rapeseed crush through late February was at 82,000 MT, a 46-percent increase over the same period last year (55,000 MT). Post estimates that the crush was higher earlier in the season due to better availability, but will moderate during the rest of the MY.

The Sunflower crush followed a similar trend. Crush data for the MY through end-February was reported at 700,000 MT, 22 percent more than the corresponding period a year ago (572,000 MT). Domestic use for de-hulling of sunflower seeds for food purposes was recorded at 247,000 MT, 39 percent more than a year ago (178,000 MT).

MY 2021/22 Domestic Consumption Forecast

Changes in domestic demand are largely dependent on the potential improvements to the economy, especially tourism and the food service. In the optimistic scenario, a positive economic outlook will drive higher consumption of all oilseeds to pre-pandemic levels with sunflower crush growing to new highs due to expanded processing capacities. Consumption of sunflower oil for food consumption is projected to grow. Oil meals use are expected to increase due to slow but steady recovery of the swine inventory and the demand by the poultry industry.

Stocks

The latest official data for the first eight months of MY 2020/21 shows rapeseed stocks at 39,000 MT, a 26-percent increase over 31,000 MT last year. Despite the shorter crop, many farmers are hanging on to stocks in anticipation of higher prices, thus making exportable quantities less liquid. In addition, higher imports complemented crushers' stocks.

Sunflower stocks at the end of February are reported at 1.09 MMT, on par with stocks a year ago (1.03 MMT). This is projected to limit crush for the rest of the MY due to stagnation in imports as a result of depleting regional Black Sea supplies.

Appendix:

Table 1: Oilseed Crops Final Production Data MY2020/21 and MY2019/20, March 2021

Crops	**Area Harvested (HA)**		**Production (MT)**	
	MY 2020/21	**MY 2019/20**	**MY 2020/21**	**MY 2019/20**
Soybeans	4,000	3,860	8,380	7,570
Rapeseed	115,000	151,170	259,540	432,490
Sunflower seeds	810,000	815,560	1,659,820	1,937,210
Total	929,000	970,590	1,927,740	2,377,270
Source: Eurostat data based on EU standard moisture content- updated as of March 2021				

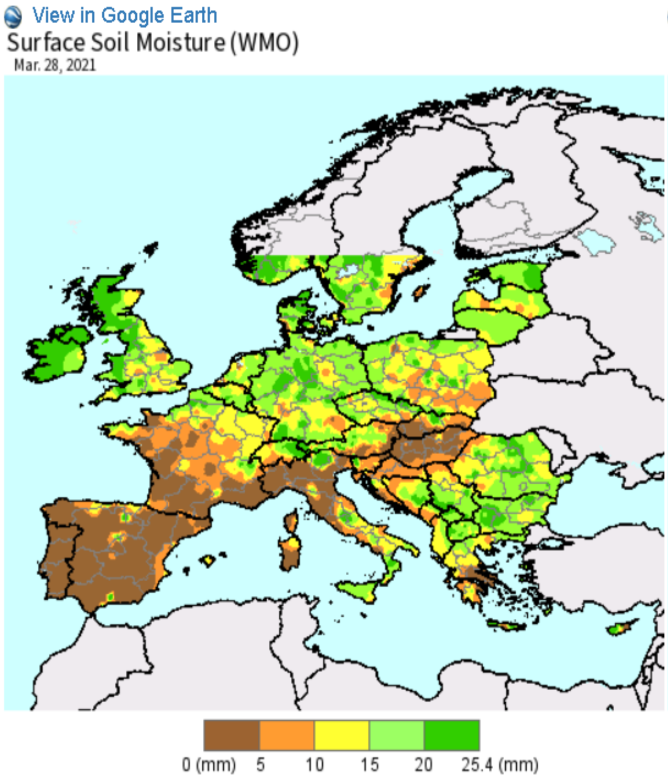
Table 2. FAS Sofia Oilseeds Production Estimates MY 2021/22, March 2021

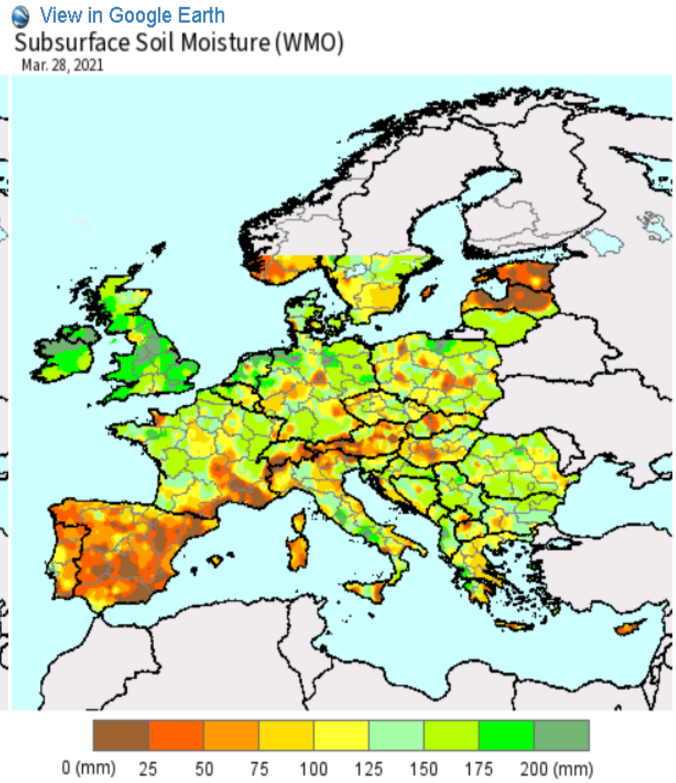
Crops	**Area Harvested, HA**	**Production, MT**
Soybeans	4,000	8,500
Rapeseed	124,000	330,000
Sunflower	850,000	2,015,000

Table 3: MY 2020/21 Trade in Major Grain Crops, as of March 26, 2020

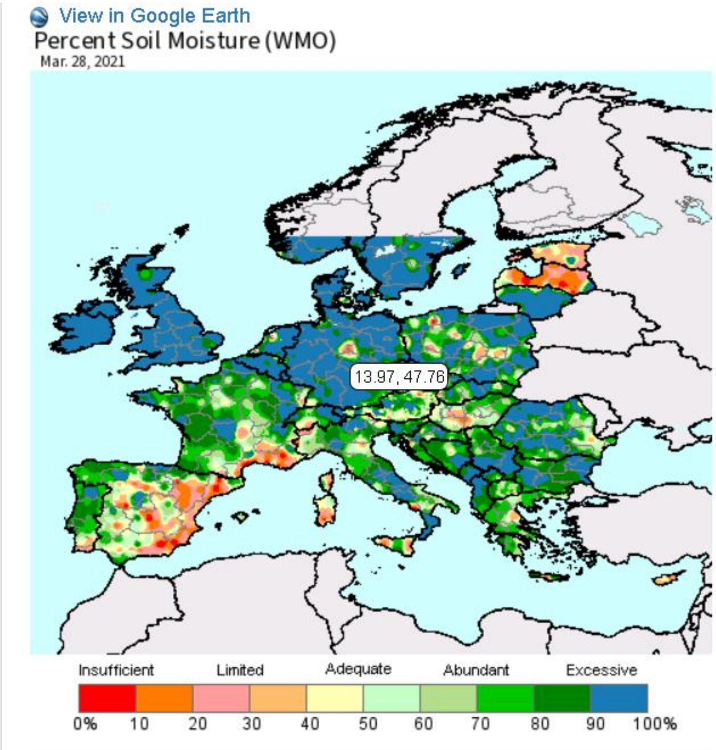
Types of Grains	**Imports, MT**	**Exports, MT**
Rapeseed	46,378	192,631 (including 43 MT to non-EU markets)
Sunflower	405,283	172,853 (including 68,323 MT to non-EU markets)
Source: MinAg Weekly Bulletins 2021. *****Note: The Bulgarian MinAg uses September 1-August 31 as a MY for sunflower. Trade data refers to 2020 sunflower crop traded since September 1, 2020		

Map 1: USDA Crop Explorer, Surface and Subsurface Soil Moisture, March 28, 2021





Map 2: Europe, Percent of Soil Moisture, March 28, 2021



Attachments:

No Attachments.