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Report Highlights:

The EU28 grain harvest is now well under way in most Member States. Concerns over dry weather which have pervaded through the growing season, especially in the West, are now turning to concerns over wet harvest conditions in some Member States, notably in Germany. Indeed, weather has once again proved the biggest challenge for the EU28 grains crop. Overall, prospects for both yield and quality are mixed, with the exception being Spain where the crop is significantly reduced. The total MY2017/18 EU28 grain crop is subsequently revised down to 300 MMT, still 2.5 MMT larger than MY2016/17 but over 27.5 MMT lower than the record set in MY2014/15.

General Information

This report updates the outlook for EU28 grain and feed, and Production, Supply and Demand (PS&D) forecasts for the Marketing Year (MY) 2017/18. Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU28 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 EU28 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

Executive Summary

After a dry November and December and a cold snap in January, milder and wetter weather across much of the EU28 in February and March was welcomed and the outlook for the grains crop was generally good with winterkill limited. However, the dry weather returned in April and has remained a feature across much of the EU28 this growing season. Indeed, heatwaves were reported in late May and through June in some Member States with average temperatures significantly above the norm. While sporadic rains appeased most concerns in the likes of the UK and much of France, there was no such respite for Spain. This has led to a significant downward revision to the outlook for its grain crop. As first reported in detail in June (see GAIN SP1714), Spain experienced dry weather conditions throughout the winter grains crop cycle and warmer than average spring temperatures. Together, these drove down yield expectations. These conditions have continued in recent weeks, further reducing yields and even leading to reports of producers leaving some fields unharvested. Necessarily, the challenging weather across the EU28 means yield and quality is reported as being mixed, recent rains at harvest creating further challenges for producers, notably in Germany.

The total area planted to grain crops in the EU28 in MY2017/18 is forecast down 500,000 hectares year-on-year, a reduced area planted to wheat only partially offset by a slight increase in plantings of oats, rye and mixed grains. The area planted to both corn and barley is now forecast unchanged year-on-year. After the poor average wheat yield in MY2016/17, and despite variations across Member States, a partial recovery is forecast in MY2017/18. This means a year-on-year increase in forecast EU28 wheat production to 148.5 MMT, albeit 1.5 MMT below the previous forecast. EU28 barley production is now forecast to reach 58.7 MMT, down 400,000 MT on the previous forecast. Similarly, the EU28 rye production forecast is reduced 300,000 MT to 7.6 MMT. The only other reduction of significance is for corn, EU28 production now forecast to reach 61 MMT, down 600,000 MT on the previous forecast and also 500,000 MT down year-on-year. Overall, total EU28 grain production is now forecast at just over 300 MMT but, as always, much still depends on the weather over the coming weeks, not just for crop development but also for harvest volume.

The total supply of grains in the EU28 in MY2017/18 is forecast at 348.7 MMT, little changed year-on-year but over 1.5 MMT below the previous forecast, the reduced production forecast only partially offset by an increase in forecast imports. Total EU28 grains consumption is currently forecast at nearly 286.2 MMT in MY2017/18. Within this total, Food, Seed & Industrial (FSI) use of grains is now forecast unchanged year-on-year. An increase in corn FSI use – mainly in the industrial sector - is forecast to offset a decline in forecast FSI wheat use. Total feed use in MY2017/18 is now forecast to fall over 1.5 MMT year-on-year due to reduced availability of both wheat and barley. This decline is tempered by an increase in the MY2017/18 corn import forecast which is raised to 15.5 MMT, Spain necessarily being the largest recipient. EU wheat exports in MY2016/17 are left unchanged on the previous forecast, at 27 MMT. A 2 MMT year-on-year increase is currently forecast for MY2017/18. The net result is a forecast 2 MMT year-on-year reduction in total grain ending stocks.

Country Specific

As has been mentioned previously, Spain experienced dry weather conditions throughout the winter grains crop cycle and warmer than average spring temperatures. Together, these drove down yield expectations. These conditions have continued in recent weeks, further reducing yields leading to reports of producers leaving some fields left unharvested. Dry conditions have also reported to have taken their toll in Portugal’s winter grains production. Dry conditions were also cause for concern in France until recently but these are now subsiding and the crop appears to have weathered reasonably well.

In Germany, the grains crop is reported to have overwintered very well but a lack of spring rain, particularly in the south and east has reduced yield and quality, notably for wheat. The barley harvest started in the south and west of the country at the end of June and – with the exception of the very North and North East - is now complete. Harvest was interrupted by excessive rains in July. Yields show a large variation but the majority is reported to be at an average level. The wheat harvest is underway in the South and West. The rains are a mixed blessing and may benefit the corn crop, albeit on reduced area, both year-on-year and as compared to the forecast three months ago.

In Bulgaria, weather conditions have been favorable although not as ideal as in the previous season with generally lower amounts of rainfall throughout the entire season. There are no major weather concerns, the main impact being a slight delay in plant development meaning a later harvest. Indeed, the north of the country may see average wheat yields exceed last year's record. In the South, the dry weather means yields will likely be around the average. Early indications are for a good quality Bulgarian wheat crop. Barley quality is also reported to be good, with improved yield albeit on a reduced area, year-on-year. For corn, after two difficult, dry years, producers reduced their planted area, even more so than forecast three months ago, substituting corn area for sunflowers and other protein crops. Despite that, growing conditions so far are very good and yield expectations are positive, slightly above average.

In contrast with much of the EU28, Romania reports abundant spring rain, alleviating the moisture deficit experienced by winter crops. Even a late cold spell in April did not have a large impact and crops are reported to have developed well. For wheat, this weather has seen harvest start a little later than normal with heavy rains and summer storms also causing further delays but the outlook for yield remains good with quality a little below last year. For barley, the crop is reported to have developed very well, and the prospects are good. The recent rains have also been welcomed by corn growers and the production estimate is revised up on three months ago.

Appendices

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	26827	26820	27196	27250	26620	26550
Beginning Stocks	12697	12697	15557	15639	10828	10439
Production	160480	160450	145471	145500	150000	148500
MY Imports	6916	6916	5300	5300	6500	6500
TY Imports	6916	6916	5300	5300	6500	6500
TY Imp. from U.S.	895	895	0	0	0	0
Total Supply	180093	180063	166328	166439	167328	165439
MY Exports	34686	34724	27000	27000	30000	29000
TY Exports	34686	34724	27000	27000	30000	29000
Feed and Residual	59000	59000	56500	57000	55500	55000
FSI Consumption	70850	70700	72000	72000	71750	71500
Total Consumption	129850	129700	128500	129000	127250	126500
Ending Stocks	15557	15639	10828	10439	10078	9939
Total Distribution	180093	180063	166328	166439	167328	165439
Yield	5.982	5.9825	5.349	5.3394	5.6349	5.5932
(1000 HA) ,(1000 MT) ,(MT/HA)						

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	9248	9250	8492	8600	8760	8600
Beginning Stocks	9626	9626	6676	7272	5987	7672

Production	58731	58750	60711	61500	61600	61000
MY Imports	13768	13795	13100	13000	15000	15500
TY Imports	13768	13795	13100	13000	15000	15500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	82125	82171	80487	81772	82587	84172
MY Exports	1949	1949	2000	2250	2300	2500
TY Exports	1949	1949	2000	2250	2300	2500
Feed and Residual	55500	55000	53900	53000	56000	56000
FSI Consumption	18000	17950	18600	18850	18700	19350
Total Consumption	73500	72950	72500	71850	74700	75350
Ending Stocks	6676	7272	5987	7672	5587	6322
Total Distribution	82125	82171	80487	81772	82587	84172
Yield	6.3507	6.3514	7.1492	7.1512	7.032	7.093
(1000 HA) ,(1000 MT) ,(MT/HA)						

Barley	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	12248	12225	12373	12350	12400	12350
Beginning Stocks	5834	5834	6060	6021	5860	5696
Production	62095	62050	60000	59800	59100	58700
MY Imports	292	292	400	400	400	400
TY Imports	315	315	450	450	350	350
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	68221	68176	66460	66221	65360	64796
MY Exports	10786	10830	5200	5200	7000	7000
TY Exports	8603	8603	5400	5400	7000	7000
Feed and Residual	36500	36500	40500	40500	38700	37500
FSI Consumption	14875	14825	14900	14825	14900	14850
Total Consumption	51375	51325	55400	55325	53600	52350
Ending Stocks	6060	6021	5860	5696	4760	5446
Total Distribution	68221	68176	66460	66221	65360	64796
Yield	5.0698	5.0757	4.8493	4.8421	4.7661	4.753
(1000 HA) ,(1000 MT) ,(MT/HA)						

Rye	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1962	1960	1943	1940	2000	2000
Beginning Stocks	1386	1386	1092	1126	722	786
Production	7841	7800	7505	7450	7900	7600
MY Imports	51	50	25	10	50	50
TY Imports	50	50	50	50	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	9278	9236	8622	8586	8672	8436
MY Exports	161	160	100	75	100	100
TY Exports	160	160	125	125	100	100
Feed and Residual	4050	4100	4000	3900	4000	3800
FSI Consumption	3975	3850	3800	3825	3800	3750
Total Consumption	8025	7950	7800	7725	7800	7550
Ending Stocks	1092	1126	722	786	772	786
Total Distribution	9278	9236	8622	8586	8672	8436

Yield	3.9964	3.9796	3.8626	3.8402	3.95	3.8
(1000 HA) ,(1000 MT) ,(MT/HA)						

Oats	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2502	2500	2563	2575	2600	2600
Beginning Stocks	770	770	690	692	614	672
Production	7524	7525	8069	8100	8000	8075
MY Imports	9	9	5	5	5	5
TY Imports	9	9	5	5	5	5
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	8303	8304	8764	8797	8619	8752
MY Exports	213	212	150	175	200	175
TY Exports	220	220	200	200	200	175
Feed and Residual	5700	5700	6300	6250	6200	6150
FSI Consumption	1700	1700	1700	1700	1700	1700
Total Consumption	7400	7400	8000	7950	7900	7850
Ending Stocks	690	692	614	672	519	727
Total Distribution	8303	8304	8764	8797	8619	8752
Yield	3.0072	3.01	3.1483	3.1456	3.0769	3.1058
(1000 HA) ,(1000 MT) ,(MT/HA)						

Sorghum	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	128	145	117	130	125	135
Beginning Stocks	27	27	10	29	33	24
Production	678	730	623	675	700	700
MY Imports	117	118	175	125	150	300
TY Imports	119	119	175	125	150	300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	822	875	808	829	883	1024
MY Exports	2	2	5	2	5	2
TY Exports	2	2	5	2	5	2
Feed and Residual	790	820	750	780	800	975
FSI Consumption	20	24	20	23	20	23
Total Consumption	810	844	770	803	820	998
Ending Stocks	10	29	33	24	58	24
Total Distribution	822	875	808	829	883	1024
Yield	5.2969	5.0345	5.3248	5.1923	5.6	5.1852
(1000 HA) ,(1000 MT) ,(MT/HA)						

Mixed Grain	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4122	4110	3963	3950	4000	3975
Beginning Stocks	1242	1242	875	842	427	542
Production	15783	15800	15052	15000	15400	15500
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	17025	17042	15927	15842	15827	16042
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	14550	14550	14000	13750	14000	14000
FSI Consumption	1600	1650	1500	1550	1500	1550
Total Consumption	16150	16200	15500	15300	15500	15550
Ending Stocks	875	842	427	542	327	492
Total Distribution	17025	17042	15927	15842	15827	16042
Yield	3.829	3.8443	3.7981	3.7975	3.85	3.8994
(1000 HA) ,(1000 MT) ,(MT/HA)						

Rice, Milled	2015/2016		2016/2017		2017/2018	
Market Begin Year	Sep 2015		Sep 2016		Sep 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	437	437	441	440	442	442
Beginning Stocks	1151	1151	1178	1181	1168	1170
Milled Production	2045	2048	2070	2069	2082	2083
Rough Production	2958	2992	2983	3020	3000	3037
Milling Rate (.9999)	6914	6845	6940	6851	6940	6859
MY Imports	1804	1804	1850	1850	1900	1900
TY Imports	1816	1816	1850	1850	1900	1900
TY Imp. from U.S.	57	49	0	0	0	0
Total Supply	5000	5003	5098	5100	5150	5153
MY Exports	272	272	280	280	280	280
TY Exports	270	270	280	280	280	280
Consumption and Residual	3550	3550	3650	3650	3750	3750
Ending Stocks	1178	1181	1168	1170	1120	1123
Total Distribution	5000	5003	5098	5100	5150	5153
Yield (Rough)	6.7689	6.8467	6.7642	6.8636	6.7873	6.871
(1000 HA) ,(1000 MT) ,(MT/HA)						