

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Drought effects on winter crops in Romania

Report Categories:

Grain and Feed

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Report Highlights:

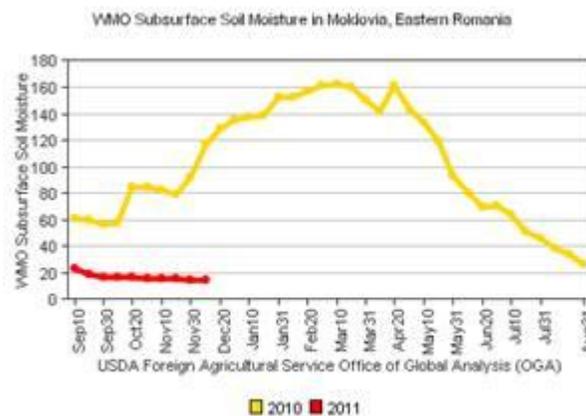
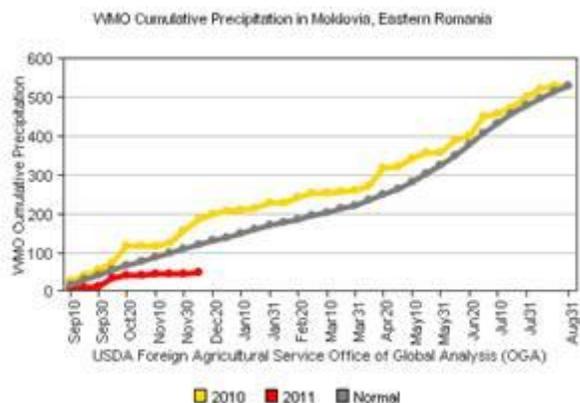
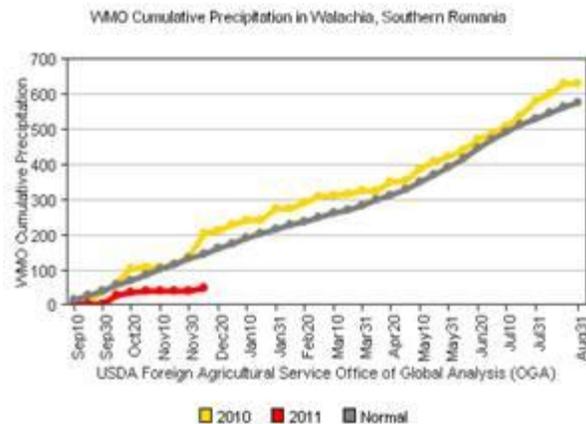
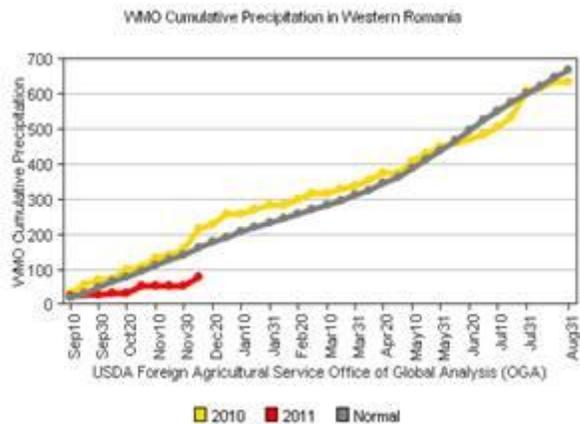
Soil conditions prevented timely planting for winter wheat, rapeseeds and barley in the fall. Continuing drought put the fingerprint on the plant development, so farmers expect lower yields next year. Lower grains prices after harvesting, hence farmers' lack of appetite for sale, and the regional competition slowed down the rhythm of exports during the first two months of the marketing year.

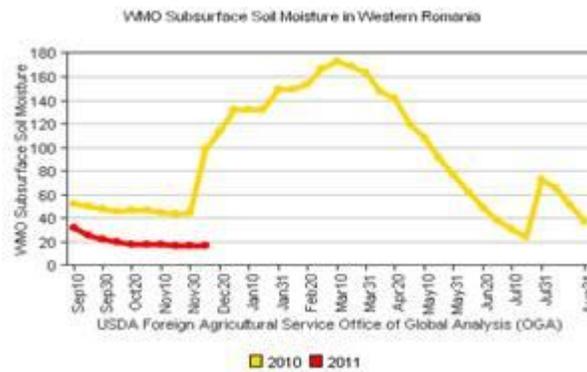
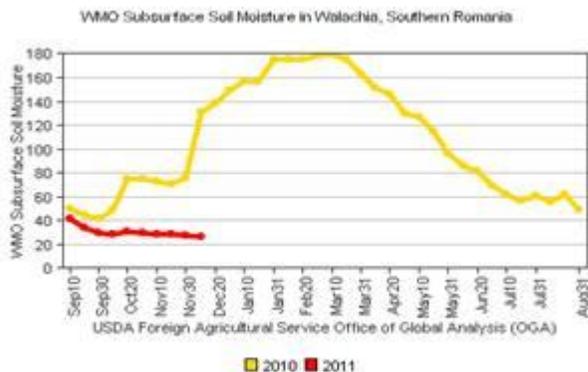
General Information:

Winter crops seeding – a difficult process

Dry soil as a result of scarce rains and warm weather in September and October impeded the normal sowing conditions for winter wheat and rapeseeds. Operating under very dry conditions has been more expensive for farmers in terms of both seeds price (higher density needed) and the costs associated with land works. In parts of the southern regions, farmers decided not to proceed with their winter crops planting because of difficulty of sowing and risk of non-emergence, thus left land uncultivated, hoping that soil moisture will improve during winter and create favorable conditions for spring crops. As a matter of fact, at country level the area planted is smaller than anticipated and even lower than the area planted last year, which was also a difficult year. Concerning the development status of winter crops, farmers complain that in many regions plants are far behind the normal development. A significant percentage of the wheat fields have not emerged, while in case of rapeseed fields, plants have a small number of leaves with low chances of survival over the winter. In isolated areas, severe drought led to excessive activity of rats, which damage the crops.

The low rainfall throughout the country may be observed in the diagrams below, where it can be seen that the figures on cumulative precipitation are much lower than normal and last year's levels. The long-awaited rainfall came during the first week of December, but the volume has been insufficient, considering the severe water deficit observed in the diagrams below.





Source: USDA/FAS/OGA

Weather forecast - not promising

According to the recent release of the Institute of Meteorology in Romania, in December temperatures are expected to remain above normal level in the south-east and western side of the country along with lower precipitations volume than normal. In January 2012, temperatures are anticipated to be normal throughout the country, but precipitation level will remain in the south and south-western side of the country below normal levels. In February 2012, the weather forecast is similar to the one for January 2012, but western part of the country may also be affected in terms of rainfall.

Winter crops – lower planted areas

According to Ministry of Agriculture, preliminary data on acreage indicates that about 1.7 million hectares were planted with winter wheat this fall, compared to 1.9 million hectares the same time the previous year (10 percent drop). Given the adverse conditions, farmers expect in case of wheat a drop of 20 percent in the production level. The rapeseeds were planted on about 360,000 hectares, an area with 21 percent smaller than in the previous year. Although the emergence rate is low and plants are smaller than normal, a mild winter with a reasonable snow layer might still ensure good conditions for a further development in the spring, otherwise replanting will be necessary. Considering these unfavorable conditions, farmers are expected to plant more spring crops – corn, sunflower seeds, soybeans - thus production of these crops is forecast to expand.

Trade

Bearing in mind the ongoing drought, farmers showed lower interest in selling the wheat and may intend to carry it over in the next MY, when the price is anticipated to rise. This attitude has been also fostered by the expansion of storage capacities, currently at 16 million MT for all grains and oilseeds, of which a capacity of 3.4 million MT was built in the past 10 years. According to the figures published by the National Statistical Office, Romanian farmers harvested in 2011 about 7.3 million MT of wheat, 27 percent higher production level compared to 2010 (see table below).

Wheat, area and production, Romania, 2007-2011

Wheat	2007	2008	2009	2010	2011*
Area (th. HA)	1,949	2,110	2,149	2,150	2,018
Production (th. MT)	3,042	7,181	5,202	5,774	7,343

Source: National Statistical Office; * for 2011, provisional data

Farmers' unwillingness to sell despite the large production volumes, corroborated with the increasing competition from Black Sea countries led this year to a slower start in exports during the first 2 months after harvesting.

Wheat trade, Romania, 2008-2011

Trade	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
	July 2008- June 2009	July 2009- June 2010	July 2010- June 2011	July-August 2011
Import (MT)	524,925	665,038	650,013 of which July-August 2010 148,941	121,023
Export (MT)	2,752,246	1,627,104	2,141,000 of which July-August 2010 872,000	577,000

Source: GTA

The major wheat markets outside European Union during MY 2010/11 were Philippines (230,000 MT), Bangladesh (213,000 MT), South Korea (162,000 MT), Vietnam and Israel. Saudi Arabia, Jordan and Syria have been the major markets for the past 2 months. It is notable the fact that Romania succeeded in selling about 180,000 MT of wheat on the Egyptian market (not shown so far in the trade data). In terms of imports, Romania purchases wheat from the neighboring countries, Hungary, Bulgaria and Serbia. Wheat imports from the US occur very rarely, only when the domestic production is severely affected, as it happened in 2003.

Rapeseeds area and production grew over the past several years driven by the biodiesel mandates. As it can be seen in both tables below, a large part of the local production is exported every year, EU member states Netherlands and Belgium being the major buyers.

Rapeseeds, area and production, Romania, 2007-2011

Rapeseeds	2007	2008	2009	2010	2011*
Area (th. HA)	299.8	365	420	537.3	382
Production (th. MT)	340.6	673	569.6	943	758

Source: National Statistical Office; *for 2011, provisional data

Rapeseeds trade, Romania, 2008-2011

Trade	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
	July 2008- June 2009	July 2009- June 2010	July 2010- June 2011	July-August 2011
Import (MT)	87,286	118,641	191,299 of which July-August 2010 159,110	50,465
			1,013,518	

Export (MT)	717,582	664,057	of which July-August 2010 688,778	301,777
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Source: GTA