

Required Report: Required - Public Distribution

Date: August 02, 2023

Report Number: E42023-0029

Report Name: Grain and Feed Quarterly

Country: European Union

Post: Madrid

Report Category: Grain and Feed

Prepared By: Marta Guerrero, Xavier Audran, Monica Dobrescu, Gellert Golya, Mira Kobuszynska, Ornella Bettini and Sophie Bolla

Approved By: Karisha Kuypers

Report Highlights:

Weather conditions ranging from excessive heat to cooler than average temperatures, and from drought to excessive moisture, have curbed MY 2023/24 EU winter grain production expectations. July's heatwave also raised concerns over EU corn crop prospects. The deterioration of the domestic crop is expected to prevent EU grain exports from expanding and supports steady imports. Russia's withdrawal from the Black Sea Grain Initiative on July 17, 2023, has increased market volatility. If trade disruptions extend until autumn, alternative channels would need to be found to release the grain crop out of Ukraine. Intra-EU trade would then become particularly critical and EU grain exporters could regain competitiveness in third countries markets.

Disclaimer: This report presents an updated outlook for grain and feed, and Production, Supply and Distribution (PSD) forecasts for the Marketing Year (MY) 2023/24. Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU and is not official USDA data.

Table of Contents:

Executive Summary 2

Section I. Wheat 9

Section II. Coarse Grains 11

Corn 11

Barley..... 13

Rye 15

Oats 16

Mixed Grains..... 16

Sorghum 17

Section III. Rice 17

Section IV. Policy..... 19

Abbreviations used in this report..... 20

Related Reports 20

Acknowledgements..... 21

Executive Summary

Table 1. Production, Supply and Distribution - Total Grains

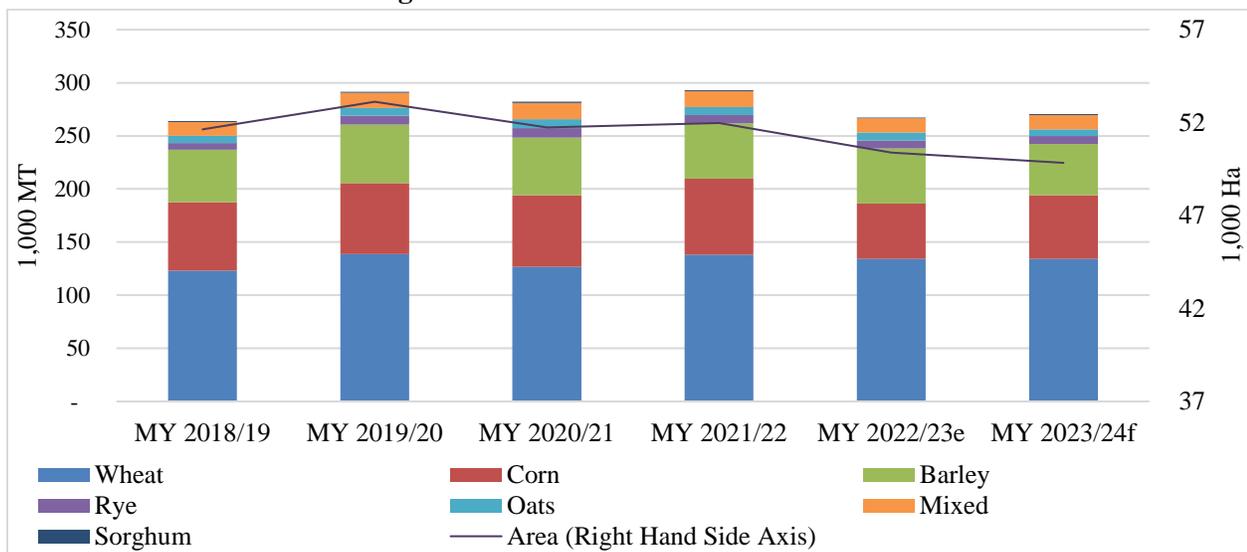
Total Grains ¹	2021/2022		2022/2023		2023/2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Harvested (1000 HA)	52,017	51,968	51,105	50,927	50,865	50,385
Beginning Stocks (1000 MT)	25,195	25,195	31,217	32,008	30,775	30,913
Production (1000 MT)	293,012	293,000	268,182	267,098	281,300	270,870
MY Imports (1000 MT)	25,932	25,935	38,841	37,808	32,475	31,605
TY Imports (1000 MT)	26,203	26,210	38,790	37,650	32,475	31,455
TY Imp. from U.S. (1000 MT)	1,156	1,131				
Total Supply (1000 MT)	344,139	344,130	338,240	336,914	344,550	333,388
MY Exports (1000 MT)	45,742	45,686	44,110	45,562	50,295	45,360
TY Exports (1000 MT)	44,802	44,729	44,270	45,270	50,290	45,580
Feed and Residual (1000 MT)	163,150	162,165	159,955	156,625	162,212	155,440
FSI Consumption (1000 MT)	104,030	104,271	103,400	103,814	104,170	104,755
Total Consumption (1000 MT)	267,180	266,436	263,355	260,439	266,382	260,195
Ending Stocks (1000 MT)	31,217	32,008	30,775	30,913	27,873	27,833

¹ “Total grains” is the sum of wheat, barley, corn, rye, sorghum, oats, and mixed grains.

Total Distribution (1000 MT)	344,139	344,130	338,240	336,914	344,550	333,388
-------------------------------------	---------	---------	---------	---------	---------	---------

Source: FAS EU Posts.

Figure 1. EU Grain Area and Production



Source: FAS EU Posts.

In MY 2023/24, the European Union (EU) total grain production is set to exceed marginally last year's crop and amount to 270.8 million MT (See Figure 1). The initially optimistic outlook for EU grain production was partially negated by uneven weather conditions. The production increase is solely attributed to the improved yields expectations as all grains experienced area reductions.²

MY 2023/24 yield expectations differ greatly across the EU. Some Member States in EU's northeast (Poland, Baltic States, Germany, and northeast France) and the EU's southwest (Spain and Portugal) report dryness pushing yields down. Central EU countries (Slovenia, Croatia, and Italy) report excessive rain and, in some instances, waterlogged conditions. Contrast also exists between the cooler than average early spring temperatures registered in eastern EU Countries (Romania, Bulgaria, Hungary, Poland, and Baltic States) with warmer temperatures depleting soil moisture in the western and northern EU Member States (Portugal, Spain, France, Nordic Countries, Germany, Poland, and the Baltic States) and in eastern Romania and Bulgaria. July's heatwave is starting to raise concerns for corn yields in major EU producing countries.

In France, grain crops growing conditions have been favorable, except for the dry conditions in the country's northwest. Rains in June were beneficial for crops suffering from a dry spring but caused lodging in some areas. France's grain production is projected to exceed previous season's levels, despite the excessive rain in the last week of July that is curbing wheat yield expectations in northern France. Durum wheat is the exception to the rule, as improved yield expectations are not expected to counter its reduced area.

² For spring grains area estimates, consult [corn](#) and [rice](#) sections respectively.

In Romania and [Bulgaria](#), below average late spring temperatures slowed down the final stages of winter grains development and delayed emergency and implantation for spring plantings. Some fields were affected by thunderstorms and abundant rains, where heavy wet kernels caused lodging. Lower fertilization rates, rains during ripening, and pest incidence³ are anticipated to take a toll on quality, specifically in terms of test weight in these two countries' western areas. MY 2023/24 grain production in Romania and Bulgaria is set to recover, driven both by larger area and improved yields.

In Hungary, the milder-than-average winter and early spring conditions resulted in crops that developed well. This was later countered by the lower temperatures registered in April. Heavy rains and strong wind knocked over cereals, causing lodging. Hungary's total grain output, after the disastrous result registered in MY 2022/23, is expected to recover but still falls short of expectations. Similarly, in Italy, heavy late spring rainfall improved soil moisture for corn, but impeded farmers access to their fields, increasing fungal pest infestations, negatively affecting quality and quantity of the winter grains harvest. Italy's total grain production is still expected to surpass the previous season's poor results. In Slovakia, cold and wet spring conditions improved soil moisture. In the absence of unexpected negative weather events, or a sharp onset of fungal diseases, the country is set to witness rebound in grain production levels.

In Germany, a comparatively wet spring replenished soil moisture, which was short-lived given the dry month of May and early June. The much-awaited precipitations came in the form of thunderstorms, which resulted in uneven distribution of soil moisture and wide variations of yields across the country. MY 2023/24 total grain production in Germany is expected to decline only marginally.

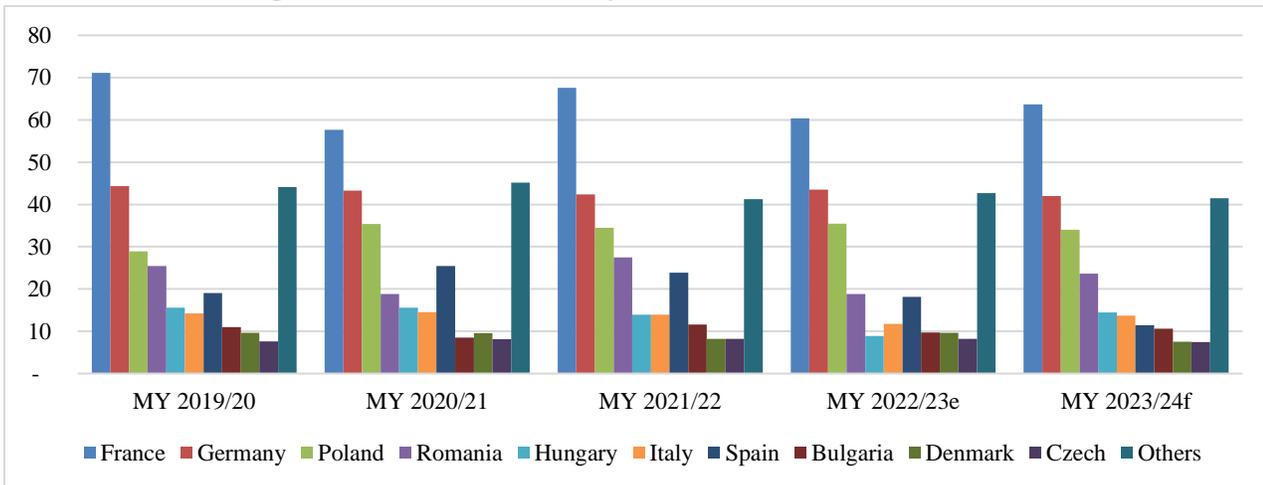
In the Baltic States (Estonia, Latvia, and Lithuania) and in the Czech Republic, cold temperatures delayed spring plantings. In May and the first half of June, higher than average temperatures and absence of rains have taken a toll in grains production expectations in these countries. The beginning of the grain growing season in Poland was very promising. However, the intense rainfall delayed spring plantings, and the very cold start of the emergence resulted in crops that developed behind schedule. The persistently dry and warm summer conditions have worsened the crop yielding expectations in Poland, especially in those areas where winter grains are not ripe yet.

After the bumper grain production registered in Sweden and Denmark in MY 2022/23, yields are anticipated to return to average in MY 2023/24. This is a concern particularly to minor grains (oats, rye, and triticale), as production is very concentrated in this area, but also to barley. Conversely, grain production in Finland is anticipated to remain stable. Excessive precipitation in Ireland is anticipated to reduce winter grain crops yields.

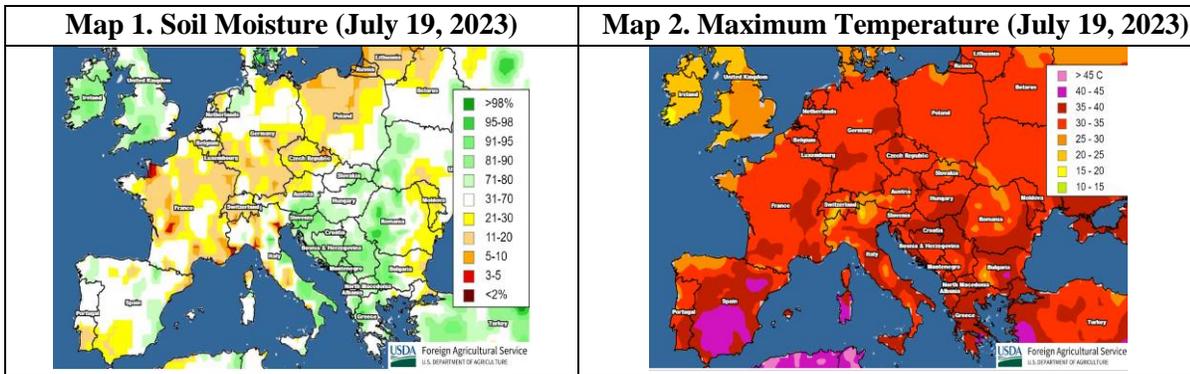
³ Farmers report viral diseases, yellow and brown rust and a high population of aphids and wheat bugs.

Significant drought-driven production declines are reported in [Spain](#), which expects the lowest grain crop on record. In the case of Portugal, winter grains experienced similar devastating conditions negatively affecting winter grains. However, since corn is the country’s most important grain crop, production is expected to remain stable given irrigation’s role in stabilizing yields. Only slight variations in total grains production compared to previous season are also reported in Greece, Croatia, Belgium, and the Netherlands, Austria.

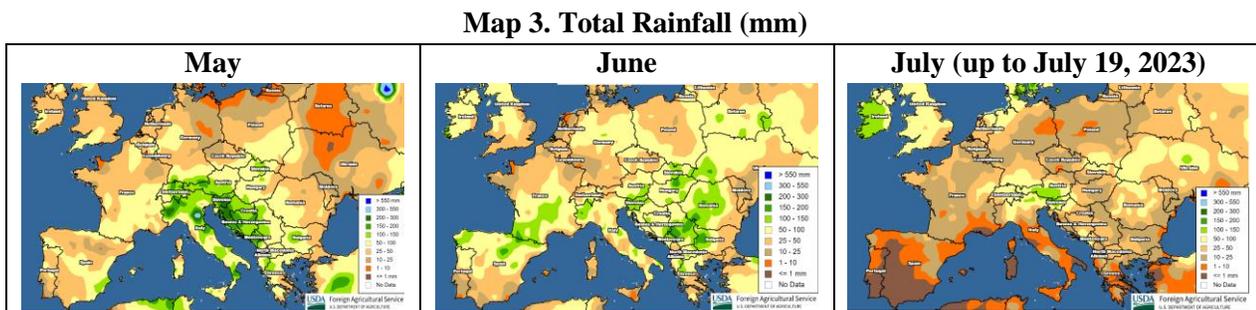
Figure 2. Grain Production by EU Member States (million MT)



Source: FAS EU Posts.



Source: IPAD/GMA/ FAS/USDA.



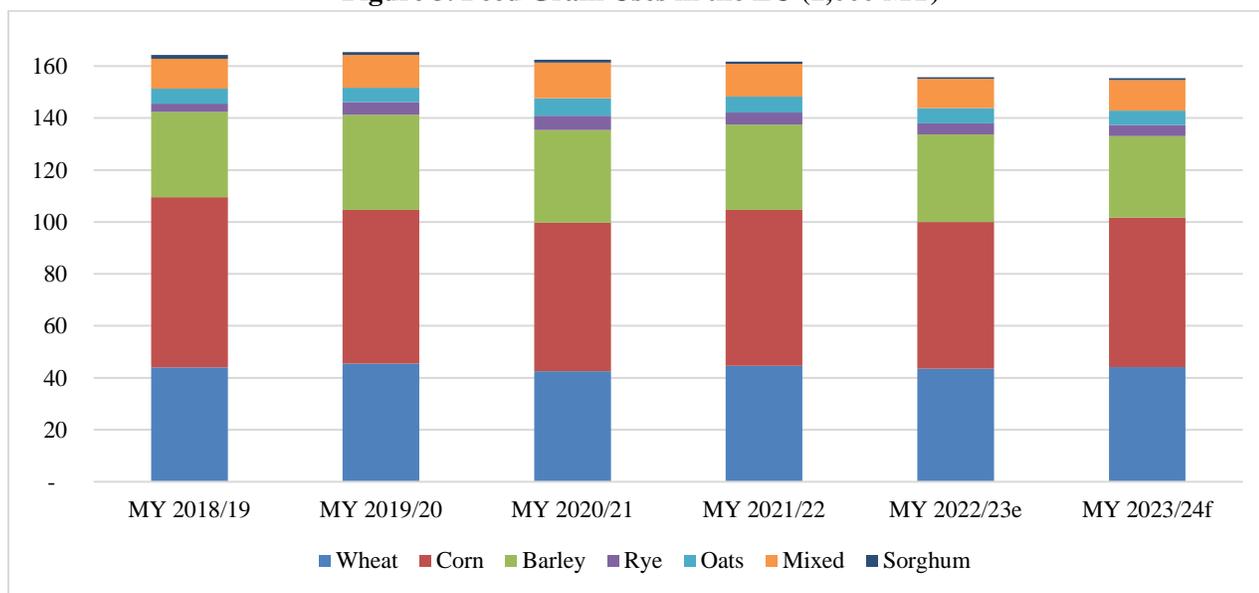
Source: IPAD/GMA/ FAS/USDA.

MY 2023/24 Food, Seeds and Industrial (FSI)⁴ grain uses in the EU have been revised up to 104.7 million MT compared to previous estimates, as the new capacity for high-quality barley protein in Hungary becomes operational.

After the significant increases registered in 2022, [food prices](#) in the EU continued to grow during the first quarter of 2023. Data available for the second quarter of 2023 indicate that the rate of inflation for bread, cereals and livestock products is starting to slow down. The return to pre-pandemic tourism levels will allow for steady gains in grain-based products consumption levels in the HRI (Hospitality, Restaurants, and Institutions) channels.

EU’s feed grains consumption pace of decline is projected to slow down in MY 2023/24 and amount to 155.4 million MT. The reduction registered in feed demand by the EU cattle and swine sectors is not projected to be offset by a larger EU poultry production, which is anticipated to bounce back, following the Highly Pathogenic Avian Influenza (HPAI) outbreaks in 2021 and 2022. Feed corn is anticipated to be used to a large extent to make up for the crop failure in Spain. Also, despite the EU’s short crop, barley is gaining competitiveness against wheat, which is currently being priced out from the feed formula. The initially declining [feed grain prices](#) stemming from the ample world grain supplies are now registering high volatility, in particular wheat, because of the impact of the latest war developments in the Black Sea Region affecting trade infrastructure.

Figure 3. Feed Grain Uses in the EU (1,000 MT)



Source: FAS EU Posts estimates.

⁴ Additional information regarding EU’s Bioethanol Sector is available in the latest [EU Biofuels Report](#) and in the latest [Biofuel Mandates in the EU by Member State](#).

Overall grain exports in MY 2023/24 are expected to stay below MY 2022/23 levels. The collapse in the EU's barley crop, and the reduced competitiveness of EU wheat against Russia's wheat in Egypt and other North African markets are expected to push total EU grain levels exports down. If the Black Sea Grain Initiative⁵ is ultimately not renewed, EU grain exports could regain competitiveness in this region. Conversely, Russia's announcement on July 27, 2023, to supply free grain deliveries to certain African countries (Burkina Faso, the Central African Republic, Eritrea, Mali, Somalia, and Zimbabwe) in the next three to four months could potentially displace EU grains from those countries.

[Spain](#)'s crop failure supports the ample level of grain imports to the EU in MY 2023/24, which are pegged now at 31.6 million MT. The market had anticipated the discontinuation of the Black Sea Grain Initiative Corridor⁶ for several weeks, facing delays in vessels' inspections over the last few months. Traders managed their risk by stocking grains in destination markets and ensuring alternative sources, such as Brazil. The ample stocks and crop pressure initially allowed for a calm situation after the announcement. However, infrastructure destruction increased volatility, particularly for wheat. If the suspension extends until Fall, alternative channels (truck, rail, Danube River ports) will need to be used to release production out of Ukraine, and intra-EU trade will be critical. Although efficiency of transshipment has improved, alternative land channels cannot match the volume that could be shipped by the Black Sea vessel traffic.

The large influx of [Ukrainian](#) grains resulted in large volumes of ending stocks of wheat, corn, and barley in MY 2022/23 in the five Ukraine neighboring EU Member States. Despite import restrictions of grains from Ukraine, stocks in these Member States continue to pose a logistical limitation as the new crop becomes available. Romanian farm associations have criticized the allowed transit, which is viewed as an impeding factor to their operations and the Romanian Minister of Agriculture calls for keeping EU and Ukrainian commodities towards Constanta as separate flows. The five Ukraine-neighboring EU Member States are [asking](#) the EU Commission for an extension of the import restrictions of wheat, corn, sunflower seeds and rapeseed from Ukrainian into Poland, Hungary, Slovakia, Romania, and Bulgaria beyond September 15, 2023. Slovakia imposed a unilateral ban on certain Ukrainian products that was only lifted when the EU agreed to restrict imports of certain products.

⁵ For additional information on the Black Sea Initiative status and the restrictions on free circulation of Ukrainian bulk commodities in EU Member States, see [Policy](#) section.

⁶ Until May, the EU lead by Spain was, after China, the second destination for Ukrainian agricultural products exported through the Black Sea Initiative, with 5.8 million MT of grains.

Section I. Wheat

Table 2. Production, Supply and Distribution – Wheat

Wheat Market Year Begins European Union	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	24,281	24,290	24,345	24,380	24,350	24,470
Beginning Stocks (1000 MT)	10,698	10,698	13,323	13,500	17,664	15,500
Production (1000 MT)	138,244	138,150	134,341	134,170	138,000	134,600
MY Imports (1000 MT)	4,629	4,629	12,000	10,700	7,000	7,000
TY Imports (1000 MT)	4,629	4,629	12,000	10,700	7,000	7,000
TY Imp. from U.S. (1000 MT)	285	257	-	-	-	-
Total Supply (1000 MT)	153,571	153,477	159,664	158,370	162,664	157,100
MY Exports (1000 MT)	31,998	31,927	34,000	34,700	38,500	34,800
TY Exports (1000 MT)	31,998	31,927	34,000	34,700	38,500	34,800
Feed and Residual (1000 MT)	45,000	44,596	44,000	44,130	45,000	43,990
FSI Consumption (1000 MT)	63,250	63,454	64,000	64,040	64,500	64,520
Total Consumption (1000 MT)	108,250	108,050	108,000	108,170	109,500	108,510
Ending Stocks (1000 MT)	13,323	13,500	17,664	15,500	14,664	13,790
Total Distribution (1000 MT)	153,571	153,477	159,664	158,370	162,664	157,100
Yield (MT/HA)	5.6935	5.6875	5.5182	5.5033	5.6674	5.5006

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Source: FAS EU Posts.

EU wheat production is expected to recover from last year's levels and amount to 134.6 million MT in MY 2023/24. In most EU wheat producing countries, weather was favorable to wheat cultivation with the notable exception of Spain where extreme drought slashed yields.

The leading EU wheat producing countries, namely France, Germany, Romania, Bulgaria, and Hungary are expecting average yields, but significantly higher than those achieved in MY 2022/23. However, some local lack of rainfall at planting in Romania and during the growing season in France slightly lowered the yielding potential. While a mild winter did not cause widespread winterkill, it increased pests', like aphids, pressure.

The severe drought in Spain and late spring dryness in Poland are anticipated to reduce yields to a larger extent. In these two countries, light soils were more impacted by the rainfall deficit while crops grown on deeper soils, where plants were able to capture underground moisture more efficiently, fared much better. With good and dry weather in June, the wheat harvest started up to two weeks earlier in most EU wheat-producing countries. The dryness in June could also impact French wheat quality with a lower specific weight.

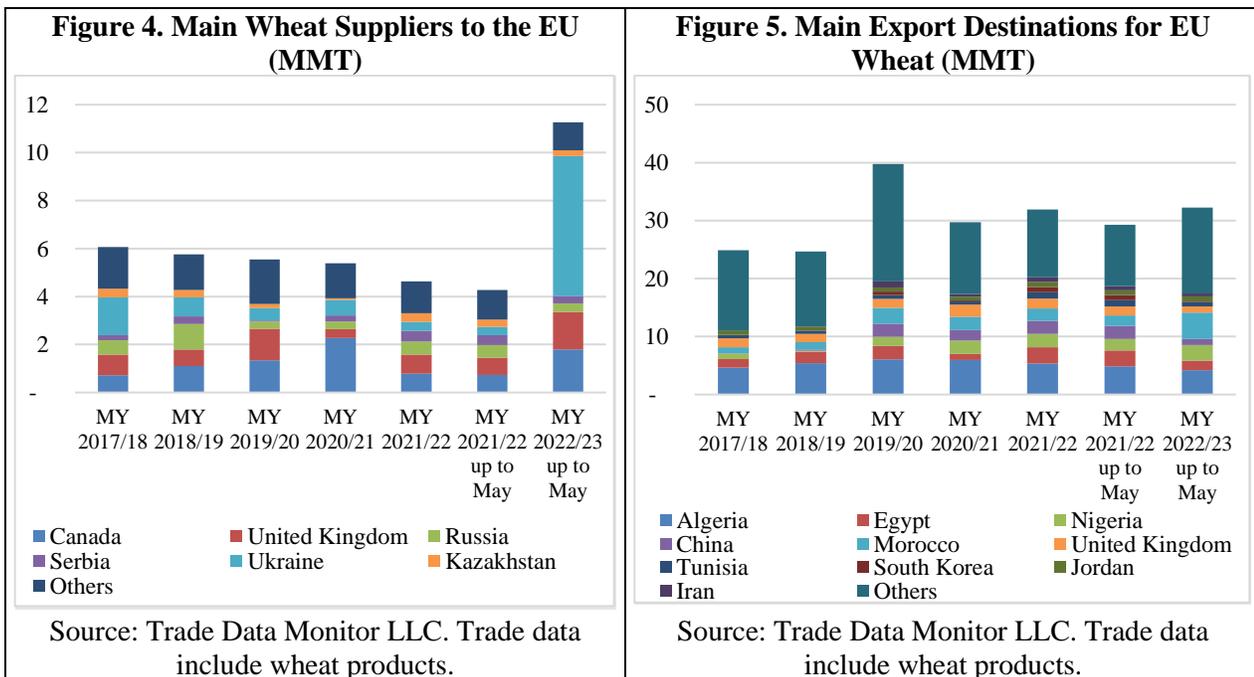
EU wheat area for MY 2023/24 has been adjusted from previous estimates due to lower than previously anticipated plantings in Austria, Bulgaria, Czech Republic, France, Italy, Lithuania, and Poland not being offset by higher areas in Slovakia and Sweden.

MY 2023/24 wheat feed uses in the EU are projected to slightly decline, due to a higher competition with barley and corn combined with an overall lower animal feed demand.

Wheat imports are foreseen to decrease in MY 2023/24 fueled by lower Italian import demand and by lower Polish and Romanian imports of Ukrainian wheat, given the lower Ukrainian wheat crop projections, and the current uncertainties regarding the import restrictions in the Ukraine-neighboring EU Member States. Moreover, if the withdrawal of Russia from the Black Sea Grain initiative on July 17 persists, Ukrainian wheat exports into Spain, Italy and Greece could be reduced significantly. To compensate for its short crop, Spain should import more EU wheat in MY 2023/24. EU wheat imports have been revised up in MY 2022/23 due to higher than anticipated imports of Ukrainian and British wheat into Spain, and higher [Canadian](#) and Ukrainian wheat shipments into Italy.

EU wheat exports in MY 2023/24 are anticipated to remain stable, with French and German wheat losing competitiveness against Russian wheat in Egypt and other North African markets. However, if the Black Sea Grain Initiative is not renewed, it could ultimately support EU wheat exports. MY 2022/23 EU wheat export estimates were increased from previous forecasts due to significantly higher exports from Poland, Romania, Bulgaria, and Baltic States (especially to Saudi Arabia, South Africa, and Nigeria) in the second semester of the Marketing Year due to their price competitiveness.

With stable exports and uses and lower supply, wheat stocks are expected to decline in MY 2023/24, indicating a balanced market.



Section II. Coarse Grains⁷

Corn

Table 3. Production, Supply and Distribution – Corn

Corn Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9,228	9,247	8,872	8,852	8,550	8,100
Beginning Stocks (1000 MT)	7,828	7,828	11,208	11,325	7,080	7,200
Production (1000 MT)	71,367	71,500	52,972	52,250	63,400	60,000
MY Imports (1000 MT)	19,738	19,737	24,500	24,500	24,000	22,500
TY Imports (1000 MT)	19,738	19,737	24,500	24,500	24,000	22,500
TY Imp. from U.S. (1000 MT)	747	750	-	-	-	-
Total Supply (1000 MT)	98,933	99,065	88,680	88,075	94,480	89,700
MY Exports (1000 MT)	6,025	6,025	3,500	3,800	5,000	4,000
TY Exports (1000 MT)	6,025	6,025	3,500	3,800	5,000	4,000
Feed and Residual (1000 MT)	60,000	60,000	57,500	56,500	61,100	57,500
FSI Consumption (1000 MT)	21,700	21,715	20,600	20,575	21,000	20,880
Total Consumption (1000 MT)	81,700	81,715	78,100	77,075	82,100	78,380
Ending Stocks (1000 MT)	11,208	11,325	7,080	7,200	7,380	7,320
Total Distribution (1000 MT)	98,933	99,065	88,680	88,075	94,480	89,700
Yield (MT/HA)	7.7337	7.7097	5.9707	5.9026	7.4152	7.4074

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

MY 2023/24 EU corn production is estimated at 60 million MT, down from Post's previous estimate, due to both lower than anticipated yield and area. Area has been revised down compared to Post's spring projections in Spain, France, Romania, Hungary, Poland, Bulgaria, Austria, and Italy.

Corn plantings and emergence were delayed by low temperatures and excessive wetness, which prevented farmers from accessing their fields. Spring temperatures and rainfall regime allowed for proper plant development. Scattered rains and temperatures rising in late June reduced corn plants comfort.

Based on the above factors, harvest prospects were reduced in several countries, namely Spain, Italy, France, Austria, Poland, Romania, Germany, and the Netherlands which could not be compensated by the somewhat improved outlooks foreseen for Bulgaria and Hungary. In Hungary, cooler than average April temperatures delayed sowing operations, However, adequate soil moisture resulted in good plants development. In Bulgaria, chilly spring also delayed plantings, but rains replenished to a great extent soil moisture reserves, which are significantly improved as compared to the previous season. In Romania, soil moisture was adequate in the country's west, but unsatisfactory in the east, which combined with the lower than anticipated planted area has prompted a downward revision in the corn crop estimate.

⁷ Coarse grains are the threshed, dry seeds of plant, cultivated for human/and or animal consumption and gathered in the dried, unprocessed state upon maturity. Is the total of corn, barley, rye, oats, mixed grains, and sorghum.

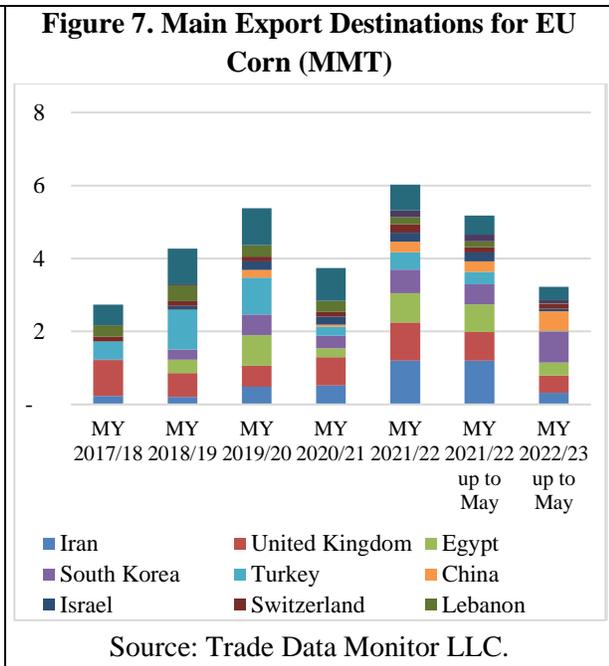
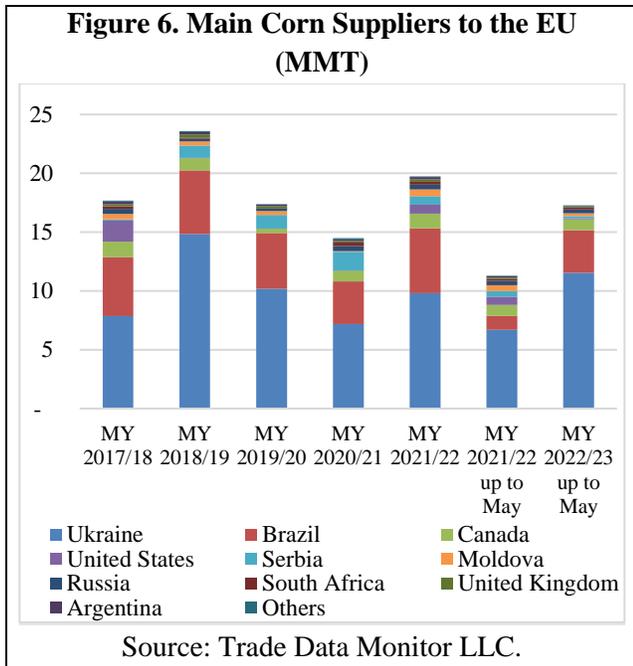
Overall, only a few member states are expected to harvest a lower crop in MY 2023/24 than last season, namely Poland, Austria, and Germany, due to soil dryness impacting the plants early in the season, and in Spain, given the water deficit-led reduction in planted area. The summer heat waves from July if combined with prolonged dryness have the potential to curb the productivity further down.

MY 2023/24 imports are revised up to compensate for the EU's domestic crop reduction, though they remain below the previous season's level. Ukraine is foreseen to remain the main EU corn supplier. With the Russia's withdrawal from Black Sea Grain Initiative, consolidation and optimization efforts on the alternate routes, railway, road, and in particular the Danube River, may improve predictability for EU's imports from Ukraine. Other countries contributing to covering the EU's corn demand are [Canada](#) and Serbia, which are foreseen to harvest relatively good crops. MY 2022/23 imports were 53 percent above the previous season (October 2022-May 2023), with Ukraine, Brazil and Canada as the major suppliers reflecting the need to compensate for the EU short harvest.

Because of a lower harvest projection, the MY 2023/24 export figure was revised down from the spring estimate, though it remains above the previous season levels. In MY 2022/23, Romania, Bulgaria, and France improved their export competitiveness during the current season, particularly to South Korea, China, United Kingdom, Egypt, and Iran, which prompted an upward revision in the export estimate.

Total corn consumption is predicted to recover in MY 2023/24, driven by both feed and FSI consumption. France, Romania, Hungary, Ireland, and Croatia see opportunities for a higher year-on-year corn incorporation into the feed ratios considering the larger domestic availability, although to a lesser extent than anticipated in the spring. In Spain, feed has been considerably revised up from the previous season to make up for the reduced in-country availability of alternative grains. Conversely, Germany, Austria, Italy, and the Netherlands expect a lower feed use in MY 2023/24 because of falling animal numbers trend. Overall, year-on-year corn feed is anticipated to grow in MY 2023/24 from a very low level in MY 2022/23, due to a larger domestic supply and declining prices. On the contrary, in MY 2022/23 feed use has been revised further down in line with falling animal inventories and food inflation. FSI corn utilization was revised up in MY 2023/24 based on reports from Poland, Hungary, Italy, and Slovakia regarding the anticipation of a recovery in the demand for starch and bioethanol and stimulated by ample supply of raw materials and decreasing operational costs, which offset the contractions foreseen in Austria and Germany.

The improved EU corn supply is projected to permit MY 2023/24's ending stocks to grow marginally. Grain buyers in anticipation of the discontinuation of the Black Sea Grain Initiative stocked up their grains in destination markets. Consequently, port stocks in grain importing Member States are ample. Likewise, a steady import flow, given the ample supplies of [Brazil's safrinha](#) corn anticipated to arrive to the EU in August, is expected to alleviate the tightness of the ending stocks in the current season.



Barley

Table 4. Production, Supply, and Distribution – Barley

Barley	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
Market Year Begins						
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10,303	10,249	10,417	10,268	10,285	10,340
Beginning Stocks (1000 MT)	5,010	5,010	5,270	5,214	4,985	5,834
Production (1000 MT)	52,050	52,092	51,789	51,620	50,400	48,200
MY Imports (1000 MT)	991	993	2,024	2,300	1,100	1,800
TY Imports (1000 MT)	1,239	1,247	1,900	2,100	1,100	1,600
TY Imp. from U.S. (1000 MT)	-	-	-	-	-	-
Total Supply (1000 MT)	58,051	58,095	59,083	59,134	56,485	55,834
MY Exports (1000 MT)	7,331	7,331	6,398	6,800	6,500	6,300
TY Exports (1000 MT)	6,362	6,360	6,500	6,500	6,500	6,500
Feed and Residual (1000 MT)	32,800	32,900	35,000	33,600	32,500	31,400
FSI Consumption (1000 MT)	12,650	12,650	12,700	12,900	12,650	13,100
Total Consumption (1000 MT)	45,450	45,550	47,700	46,500	45,150	44,500
Ending Stocks (1000 MT)	5,270	5,214	4,985	5,834	4,835	5,034
Total Distribution (1000 MT)	58,051	58,095	59,083	59,134	56,485	55,834
Yield (MT/HA)	5.0519	5.0826	4.9716	5.0273	4.9003	4.6615

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Barley begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

EU barley production in MY 2023/24 has been revised down to 48.2 million as the severe drought, particularly in Spain, pushed yield expectations down. Yields are projected also lower than in the previous marketing year in Germany, the Netherlands, the Czech Republic, the Baltic States, and the Nordic Countries. After last year's setback, yields are expected to rebound in France, Bulgaria, Romania, and Hungary, but the first results of harvest show low specific weight in these countries. During grain fill, heatwaves affected the crop in France. In Hungary, Romania and Bulgaria, the colder-than-usual spring and abundant rainfall promoted the vegetative growth rather than the generative development of winter barley.

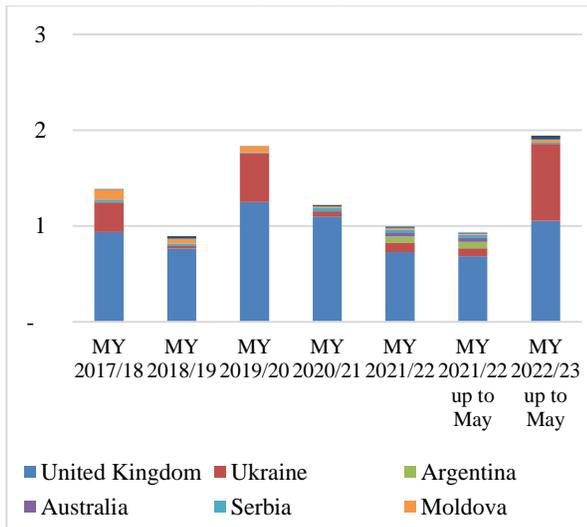
For MY 2023/24, feed barley consumption is projected down given the significant drop in domestic production and the increased price competitiveness of corn, negatively affecting the feed barley utilization in Spain, Denmark, Sweden, the Netherlands, and Germany. Conversely, a moderate growth is expected in FSI uses as the malting sector's demand is solid, and the new capacity for high-quality barley protein production in Hungary becomes operational. In MY 2022/23, the lower availability and quality issues in EU's corn production and barley's price advantage induced a higher use in feed.

The exceptionally poor harvest in Spain will maintain a solid demand for barley imports, which are revised up and forecast to edge up to 1.8 million MT in MY 2023/24. However, the lower availability of barley projected in the [United Kingdom](#) and Ukraine, combined with the discontinuation of imports under the Black Sea Grain Initiative can result in more logistics challenges at the eastern EU border countries.

In MY 2022/23, railway crossing and land-based terminal capacities improved allowing significantly higher volumes of barley from Ukraine over land routes in Romania, partly with the purpose of transshipment, and by sea to Spain to make up for the reduced in-country production. The larger barley production in the United Kingdom allowed British barley exports to EU markets such as Spain, Ireland, the Netherlands, Belgium, and Portugal to rebound.

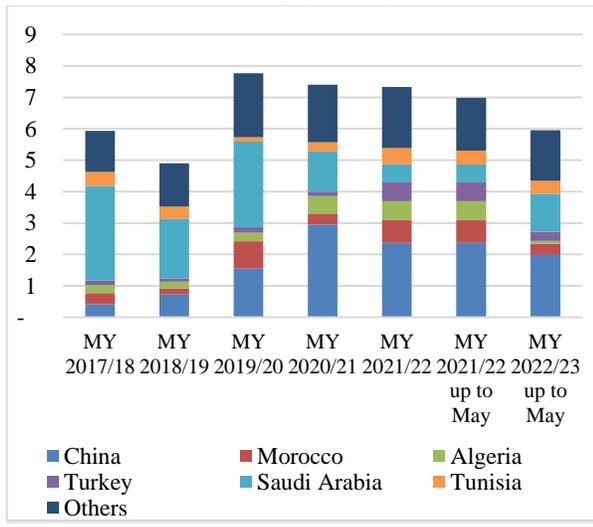
EU barley exports are revised down to 6.3 million MT as the unusual and extreme weather conditions reduced exportable availability. Nevertheless, France can still export large volumes of barley to China. Likewise, Romania's export potential has significantly improved stemming from its good crop prospects and Constanza port's strategic role in the transit of Ukrainian crops, and to a lesser extent, in the re-export of Hungarian barley. EU barley exports in MY 2022/23 have also been revised up to 6.7 million MT, while still show a substantial decline compared to the 7.3 million MT exported in MY 2021/22. The lower export projections are largely explained by the reduction in EU exports to China, North African Countries, and the Middle East considering the fierce competition by Russian and Australian barley.

Figure 8. Main Barley Suppliers to the EU (MMT)



Source: Trade Data Monitor LLC.

Figure 9. Main Export Destinations for EU Barley (MMT)



Source: Trade Data Monitor LLC.

Rye

Table 5. Production, Supply and Distribution – Rye

Rye	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
Market Year Begins						
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1,928	1,928	1,761	1,760	1,830	1,800
Beginning Stocks (1000 MT)	739	739	686	936	349	1,006
Production (1000 MT)	8,008	8,010	7,536	7,580	7,750	7,400
MY Imports (1000 MT)	258	260	110	110	150	90
TY Imports (1000 MT)	220	220	150	150	150	150
TY Imp. from U.S. (1000 MT)	-	-	-	-	-	-
Total Supply (1000 MT)	9,005	9,009	8,332	8,626	8,249	8,496
MY Exports (1000 MT)	159	160	133	150	175	130
TY Exports (1000 MT)	210	210	150	150	175	170
Feed and Residual (1000 MT)	4,950	4,665	4,700	4,280	4,600	4,300
FSI Consumption (1000 MT)	3,210	3,248	3,150	3,190	3,100	3,160
Total Consumption (1000 MT)	8,160	7,913	7,850	7,470	7,700	7,460
Ending Stocks (1000 MT)	686	936	349	1,006	374	906
Total Distribution (1000 MT)	9,005	9,009	8,332	8,626	8,249	8,496
Yield (MT/HA)	4.1535	4.1784	4.2794	4.3068	4.2350	4.1111

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rye begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

Oats

Table 6. Production, Supply and Distribution – Oats

Oats Market Year Begins European Union	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2,544	2,544	2,372	2,370	2,400	2,290
Beginning Stocks (1000 MT)	465	465	273	368	280	652
Production (1000 MT)	7,516	7,466	7,631	7,570	7,400	6,500
MY Imports (1000 MT)	155	155	174	160	125	135
TY Imports (1000 MT)	209	209	160	160	125	125
TY Imp. from U.S. (1000 MT)	4	4	-	-	-	-
Total Supply (1000 MT)	8,136	8,086	8,078	8,098	7,805	7,287
MY Exports (1000 MT)	213	227	68	100	100	120
TY Exports (1000 MT)	188	188	100	100	100	100
Feed and Residual (1000 MT)	6,200	6,064	6,300	5,900	6,100	5,530
FSI Consumption (1000 MT)	1,450	1,427	1,430	1,446	1,400	1,422
Total Consumption (1000 MT)	7,650	7,491	7,730	7,346	7,500	6,952
Ending Stocks (1000 MT)	273	368	280	652	205	215
Total Distribution (1000 MT)	8,136	8,086	8,078	8,098	7,805	7,287
Yield (MT/HA)	2.9544	2.9347	3.2171	3.1941	3.0833	2.8384

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Oats begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

Mixed Grains⁸

Table 7. Production, Supply and Distribution – Mixed Grains

Mixed Grain Market Year Begins European Union	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,585	3,556	3,209	3,164	3,300	3,250
Beginning Stocks (1000 MT)	434	434	440	650	402	705
Production (1000 MT)	15,026	14,970	13,362	13,345	13,600	13,500
MY Imports (1000 MT)	-	-	-	-	-	-
TY Imports (1000 MT)	-	-	-	-	-	-
TY Imp. from U.S. (1000 MT)	-	-	-	-	-	-
Total Supply (1000 MT)	15,460	15,404	13,802	13,995	14,002	14,205
MY Exports (1000 MT)	-	-	-	-	-	-
TY Exports (1000 MT)	-	-	-	-	-	-
Feed and Residual (1000 MT)	13,270	13,000	11,900	11,650	12,100	12,000
FSI Consumption (1000 MT)	1,750	1,754	1,500	1,640	1,500	1,650
Total Consumption (1000 MT)	15,020	14,754	13,400	13,290	13,600	13,650
Ending Stocks (1000 MT)	440	650	402	705	402	555
Total Distribution (1000 MT)	15,460	15,404	13,802	13,995	14,002	14,205
Yield (MT/HA)	4.1914	4.2098	4.1639	4.2178	4.1212	4.1538

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Mixed Grain begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

⁸ Figures for EU mixed grain include triticale, and the threshed, dry seeds of wheat, barley, corn, oats, rye, and sorghum grown and harvested on the same field.

Sorghum

Table 8. Production, Supply and Distribution – Sorghum

Sorghum Market Year Begins European Union	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	148	154	129	133	150	135
Beginning Stocks (1000 MT)	21	21	17	15	15	16
Production (1000 MT)	801	812	551	563	750	670
MY Imports (1000 MT)	161	161	33	38	100	80
TY Imports (1000 MT)	168	168	80	40	100	80
TY Imp. from U.S. (1000 MT)	120	120				
Total Supply (1000 MT)	983	994	601	616	865	766
MY Exports (1000 MT)	16	16	11	12	20	10
TY Exports (1000 MT)	19	19	20	20	15	10
Feed and Residual (1000 MT)	930	940	555	565	812	720
FSI Consumption (1000 MT)	20	23	20	23	20	23
Total Consumption (1000 MT)	950	963	575	588	832	743
Ending Stocks (1000 MT)	17	15	15	16	13	13
Total Distribution (1000 MT)	983	994	601	616	865	766
Yield (MT/HA)	5.4122	5.2727	4.2713	4.2331	5.000	4.9630

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Sorghum begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

Section III. Rice

Table 9. Production, Supply and Distribution – Rice

Rice, Milled Market Year Begins European Union	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	401	401	330	328	350	342
Beginning Stocks (1000 MT)	682	682	909	956	795	921
Milled Production (1000 MT)	1,732	1,732	1,336	1,335	1,460	1,427
Rough Production (1000 MT)	2,661	2,669	2,086	2,122	2,280	2,220
Milling Rate (.9999) (1000 MT)	6,510	6,489	6,404	6,291	6,404	6,428
MY Imports (1000 MT)	2,408	2,406	2,500	2,500	2,650	2,550
TY Imports (1000 MT)	2,492	2,490	2,500	2,500	2,650	2,550
TY Imp. from U.S. (1000 MT)	18	23				
Total Supply (1000 MT)	4,822	4,820	4,745	4,791	4,905	4,898
MY Exports (1000 MT)	413	414	400	400	400	400
TY Exports (1000 MT)	402	404	400	400	400	400
Consumption and Residual (1000 MT)	3,500	3,450	3,550	3,470	3,650	3,500
Ending Stocks (1000 MT)	909	956	795	921	855	998
Total Distribution (1000 MT)	4,822	4,820	4,745	4,791	4,905	4,898
Yield (Rough) (MT/HA)	6.6359	6.6559	6.3212	6.4695	6.5143	6.4912

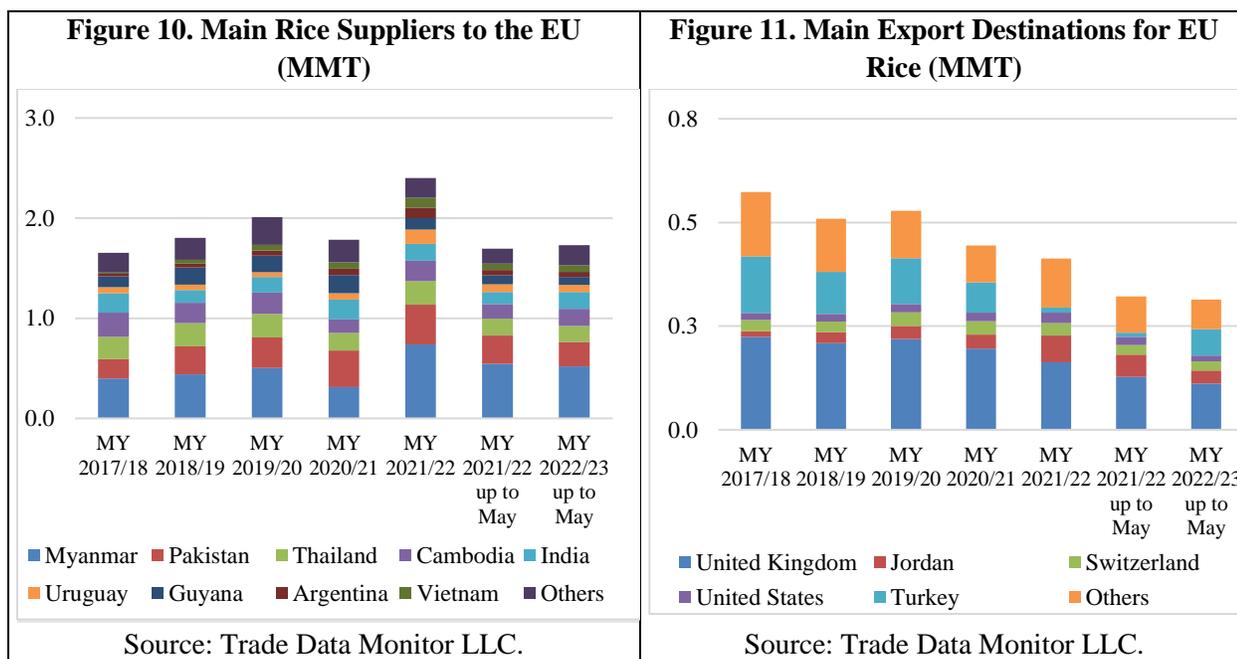
(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Source: FAS EU Posts.

EU rice production⁹ is forecast to reach 1.4 million MT in MY 2023/24, driven by higher volumes in Italy, Romania, and Hungary, while decreasing in Spain and France, and remaining stable in Greece, Portugal, and Bulgaria. In MY 2023/24, EU rice planted area is projected to go up to 342 thousand Ha, mainly driven by increases in Italy. In Spain, irrigation restrictions, stemming from the tight dam water storage levels in the Guadalquivir River basin (Andalucía), are expected to keep rice below average levels for the second consecutive season. Rice planted area is projected to remain stable in Portugal, France, and Bulgaria.

A growing demand for foods that reduce the amount of time and effort required for meal preparation and which can be used in a wide variety of recipes is expected to sustain the EU rice consumption which is anticipated to keep an upward trend in MY 2023/24.

EU rice import needs continue to expand driven by the steady consumption demand. In MY 2023/24, the EU is expected to import 2.55 million MT of rice, up from the 2.5 million MT estimated for MY 2022/23.



⁹ EU rice production is concentrated in seven Member States: Italy, Spain, Greece, Portugal, Bulgaria, France, and Romania.

Section IV. Policy¹⁰

Exceptional and Temporary Preventive Measures on Agricultural Imports from Ukraine

On June 5, 2023, by [Implementing Regulation \(EU\) 2023/1100](#) the European Commission extended until September 15, 2023, the restrictions on free circulation of wheat, corn, sunflower seeds and rapeseed from Ukraine into Poland, Hungary, Slovakia, Romania, and Bulgaria, in place since May 5, 2023 ([Commission Implementing Regulation \(EU\) 2023/903](#)). These regulatory provisions still allow transshipping grains and oilseeds in these Member States to other EU neighboring countries. More information can be found on the Commission's [website](#).

Black Sea Grain Initiative

The Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian ports, also known as the UN's Black Sea Grain Initiative, has been in place since July 2022. This United Nations' initiative allowed the safe export of grains out of Ukraine to third countries. While the initiative was originally intended to expire on November 19, a 120-day extension was granted on November 17, 2022, until March 19, 2023, when the initiative was extended for a period of at least 60 days until May 18, 2023, and then until July 17, 2023, when Russia announced their withdrawal from the deal until their expectations in terms of exports of Russian's grain and fertilizers and the reconnection of Russian Agricultural Bank (*Rosselkhozbank*) to the SWIFT payment system are met.

Data on amounts of products traded under this Initiative can be found in the [link](#).

EU Emergency Support Measure

In April 2023, by [EU Regulation 2023/739](#) the European Union approved a €100 million support package for farmers in Bulgaria, Hungary, Poland, Romania, and Slovakia impacted by logistical bottlenecks following large imports of some agri-food products, including wheat and corn, from Ukraine. In June 2023, by [EU Regulation 2023/1465](#), the EU agreed to allocate an exceptional support of €330 million from the Common Agricultural Policy (CAP) reserve fund for crisis to 22 Member States.¹¹ These countries may complement this EU support up to 200 percent with national funds. This support aims to support farmers impacted by adverse climatic events, high input costs, and diverse market and trade-related issues. Amounts by Member State can be consulted in the [link](#).

¹⁰ For additional information on EU Policy affecting grains, please consult the [EU Annual Grain and Feed Report](#).

¹¹ Belgium, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Finland, and Sweden.

Abbreviations used in this report

Benelux	Belgium, the Netherlands, and Luxemburg
CY	Calendar year
e	Estimate (of a value/number for the current, not yet completed, marketing year)
EU	European Union ¹²
f	Forecast (of a value/number for the next, not yet started, marketing year)
FAS	Foreign Agricultural Service
Coarse Grains	Threshed, dry seeds of plant, cultivated for human/and or animal consumption and gathered in the dried, unprocessed state upon maturity. Is the total of corn, barley, rye, oats, mixed grains, and sorghum.
Ha	Hectares
HPAI	Highly Pathogenic Avian Influenza
HRI	Hotels, Restaurants, and Institutions
IPAD	International Production Assessment Division
FSI	Food, Seed, and Industrial
MMT	Million Metric Tons
MS	EU Member State(s)
MT	Metric Ton (1000 kg)
MY	Marketing Year. July to June for all grains, except for corn which follows an October to September, and rice which follows a September to August calendar
TMT	Thousand Metric Tons
TDM¹³	Trade Data Monitor LLC.
TY	Trade Year. July to June for wheat, October to September for coarse grains, and January to December for rice
U.S.	United States

Related Reports

Title	Date
Bulgaria: Grain and Feed Market Update	07/11/2023
Grain Supply Chain Actors Agree on Drastic Crop Decline in Spain	06/07/2023
Grain Production Decline to Test Supply Chain Logistics Resilience in Spain	06/01/2023
Poland Allows Transit of Ukrainian Agri-food Goods but Maintains Ban on Imports	04/19/2023
EU Grain and Feed Annual 2023	04/19/2023

¹² Austria, Belgium, Luxembourg, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

¹³ Trade figures throughout the report are based on Trade Data Monitor LLC. data, which are sourced from EU Member State customs data, and the U.S. Bureau of Census.

Acknowledgements

This report would not be possible without the valuable expert contributions from the following Foreign Agricultural Service analysts:

Xavier Audran, FAS/Paris covering France and wheat section author
Ornella Bettini, FAS/Rome covering Italy and rice section author
Sophie Bolla, FAS/USEU/Brussels covering EU policy
Mila Boshnakova, FAS/Sofia covering Bulgaria
Luigi Castaldi, FAS/USEU/Brussels covering Belgium and Luxembourg
Monica Dobrescu, FAS/Bucharest covering Romania and corn chapter author
Dimosthenis Faniadis, FAS/Rome covering Greece
Jana Fischer, FAS/Prague covering the Czech Republic and Slovakia
Bob Flach, FAS/The Hague covering the Netherlands, Finland, Denmark, and Sweden
Gellert Golya, FAS/Budapest covering Hungary and barley chapter author
Marta Guerrero, FAS/Madrid covering Spain and Portugal, executive summary, sorghum chapter author, and report coordinator
Steve Knight, FAS/London covering Ireland
Mira Kobuszynska, FAS/Warsaw covering Poland, Lithuania, Latvia, and Estonia, rye, oats, and mixed grains chapters' author
Roswitha Krautgartner, FAS/Vienna covering Austria and Slovenia
Sabine Lieberz, FAS/Berlin covering Germany
Andreja Misir, FAS/Zagreb covering Croatia

Attachments:

No Attachments