

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary Public

Date: 3/30/2017

GAIN Report Number:

Estonia

Post: Warsaw

Grain and Feed Annual – Estonia 2017

Report Categories:

Grain and Feed

Agricultural Situation

Approved By:

Russ Nicely, Agricultural Attaché

Prepared By:

Mira Kobuszynska, Agricultural Specialist

Report Highlights:

Estonian farmers can expect good harvest for MY2017/18. Total production of wheat, rye, mixed grains, triticale, barley and oats in MY 2017/18 is forecast to amount to 1.26 million MT. Estonia is a net exporter of grains except for corn and triticale and became an important player on the wheat trade market in the last four years. For MY 2016/17 total grain exports decreased as a result of supply shortages due to a very bad harvest. For MY 2017/18 Estonian wheat export potential is forecast higher than in the previous year.

Please Note: This report is to be read in conjunction with the Annual EU28 Consolidated Grain and Feed Report and provides further information on Estonian market of grain and feed.

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual_London_EU-28_3-30-2017.pdf)

Area and production of grains

MY 2017/18

Estonian farmers can expect good harvest for MY 2017/18. In late autumn 2016 plant health was reported well. Weather conditions have been favorable for grain plantings so far, and at the end of March 2017 no winterkills were reported. The yield forecast is closer to average yields without extreme weather conditions. It is forecast that total grain production will increase to 1.3 million MT, 35 percent more than last year. The higher grain production forecast comes out from a more average level of yield expectations, much larger than in the very bad harvest of MY 2016/17. The acreage of grain plantings is forecast lower than the previous year by 1.7 percent.

MY 2016/17

In MY 2016/17 Estonia produced 0.9 million MT of grains, a 39 percent decrease in comparison with MY 2015/16. In the previous MY 2015/16 the country registered a record grain crop. The total grain acreage for the MY 2016/17 crop is estimated at 350,000 Ha, 1 percent increase in comparison with the previous year. The larger planting area was mostly the result of increased barley and mixed grains acreage at the expense of other grains and rapeseed. The sown area of wheat decreased to 165,000 Ha, 3 percent less than in MY 2015/16. The sown area of barley increased by 3 percent and amounted to 135,000 Ha. The sown area of rye decreased by 14 percent and amounted to 12,000 Ha. In MY 2016/17 despite a larger planted area, the grain harvest was lower due to much lower yields. Due to unfavorable weather conditions, the average yield fell to 2.66 MT per Ha in MY 2016/17, from 4.44 in the previous year. The biggest share in total production was wheat (49 percent of total output) and barley (38 percent). They are followed by minor grains like oats, rye and mixed grains and triticale with 13 percent of share in production.

Grain area 2013 – 2017 (000) Ha

	2014	2015	2016*	2017*	Structure of sowings in 2016 (%)
Wheat	154	170	165	170	47.14
Rye	15	14	12	12	3.43
Mixed grains & triticale	9	7	9	9	2.57
Barley	126	131	135	135	38.57
Oats	27	24	29	30	8.29
Total	331	346	350	356	100

Source: Estonian Statistical Office

* FAS/Warsaw estimation and forecast

Grain production 2013 – 2017 (000) MT

	2014	2015	2016	2017*	Structure of production in 2016 (%)
Wheat	616	813	456	660	48.94
Rye	50	55	32	45	3.43
Mixed grains & triticale	33	42	22	33	2.36
Barley	458	557	357	450	38.30
Oats	65	68	65	75	6.97
Total	1,222	1,535	932	1,263	100

Source: Estonian Statistical Office

* FAS/Warsaw estimation and forecast

Trade

Estonia is a net exporter of grains except for corn and triticale and became an important player on the wheat trade market in the last four years. For MY 2016/17 total grain exports decreased as a result of supply shortages due to a very bad harvest. Total grain exports are estimated at 0.5 million MT for MY 2016/17. This is a 48 percent decrease after record exports in MY 2015/16.

Wheat's share in total exports exceeded 56 percent and barley 38 percent. Small amounts of rye and oats are also exported. The share of out of EU countries has increased in the past few years significantly and reached over 60 percent for MY 2015/16. Imports by Estonia are very small. For MY 2016/17 they are estimated at 0.07 million MT. It is mostly soft wheat for pasta and other food use.

Grain exports (000) MT

	MY 2013/14	MY 2014/15	MY 2015/16*	MY 2016/17*
	Total exports	Total exports	Total exports	Total exports
Wheat*	230	340	550	280
Rye	6	16	20	10
Corn	1	0	0	0
Barley	188	255	350	190
Mixed grains & triticale	0	0	0	0
Oats	36	24	38	18
Total	461	635	958	498

Source: Global Trade Atlas Eurostat

*Including wheat products

Grain imports (000) MT

	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17*
	Total imports	Total imports	Total imports	Total imports

Wheat*	14	9	16	10
Rye	25	18	9	10
Corn	28	18	19	20
Barley	32	42	8	30
Mixed grains & triticale	2	1	2	1
Oats	1	1	2	1
Total	102	89	56	72

Source: Global Trade Atlas Eurostat

*Including wheat products

Wheat

Wheat production, trade, consumption

	2014/15	2015/16	2016/17**
Marketing Year Begin	July 2014	July 2015	July 2016
Area (000) Ha	154	170	165
Production (000) MT	616	813	456
MY Imports* (000) MT	9	16	10
MY Exports* (000) MT	340	550	280
Total Consumption (000) MT	241	254	254

Source: FAS/Warsaw, Global Trade Atlas, Estonian Statistical Office

*Including wheat products

**FAS/Warsaw estimation and forecast

Wheat production for MY 2017/18 is forecast at 0.66 million MT, 45 percent more in comparison with the previous year. The acreage of wheat plantings is forecast larger by 3 percent than in MY 2016/17. Yields were calculated on the average results of past years. No winterkills were reported and plant health is assessed well.

In MY 2016/17 the total wheat production fell to 0.46 million MT after a record level 0.81 million MT in 2016/17. The quality of grain was not good, mostly for feed supply. The bad harvest decreased Estonian wheat export potential. For MY 2016/17 wheat exports are estimated at 0.28 million MT, 49 percent less than in the previous year. The main destination of sales used to be EU countries, but for MY 2015/16 their share of total Estonian wheat exports diminished to 40 percent. Among non EU countries, Algeria was the most important buyer taking a share of 31 percent of Estonian wheat sales.

Wheat exports, (000) MT, (HS 1001)

Partner country	MY 2013/14	MY 2014/15	MY 2015/16
World	205	318	530

EU28	107	199	198
Algeria	-	-	162
Kenya	-	95	68
Morocco	-	-	59
Spain	20	17	48
Netherlands	7	26	45
Lithuania	0.3	0.4	36
Saudi Arabia	-	-	28
Germany	0.6	85	21
Tanzania	-	-	16

Source: Global Trade Atlas Eurostat

Wheat imports (000) MT, (HS 1001)

Partner country	MY 2013/14	MY 2014/15	MY 2015/16
World	14	9	16
EU28	13	9	16
Latvia	8	8	13
Lithuania	1	1	3

Source: Global Trade Atlas Eurostat

Barley

Barley production, trade, consumption

	2014/15	2015/16	2016/17*
Marketing Year Begin	July, 2014	July, 2015	July, 2016
Area (000) Ha	126	131	135
Production (000) MT	458	557	357
MY Imports (000) MT	42	8	30
MY Exports (000) MT	255	350	190
Total Consumption (000) MT	260	241	241

Source: FAS/Warsaw, Global Trade Atlas, Estonian Statistical Office

*FAS/Warsaw estimation and forecast

It is forecast that in MY 2017/18 barley production will amount to 450,000 MT, 26 percent more than in the previous year. The acreage is forecast to stay in line with 2016/17 planting area, estimated at 135,000 Ha. Production and acreage of barley vary greatly year by year, depending on the feed wheat market situation mostly. The record year for barley production was MY2015/16 with a crop of 557,000 MT and 131,000 Ha acreage, both the highest in history. Barley consumption is oriented to feed use, industrial applications and on farm.

Oats

Oat Production, Trade, Consumption

Estonia	2014/15	2015/16*	2016/17*
Marketing Year Begin	July, 2014	July, 2015	July, 2016
Area (000) Ha	27	24	29
Production (000) MT	65	68	65
MY Imports (000) MT	1	2	1
MY Exports (000) MT	24	38	18
Total Consumption (000) MT	41	38	38

Source: FAS/Warsaw, Global Trade Atlas, Estonian Statistical Office

*FAS/Warsaw estimation and forecast

Oat acreage has diminished in the last few years in Estonia, from 35,000 Ha in MY 2013/14 to 30,000 Ha in MY 2017/18. Oat is used for on farm feed consumption. In good harvest years production surpluses are sold mostly to Denmark, Spain and Latvia. In MY 2015/16 Estonia exported 38,000 MT of oat, almost all to EU countries. In MY 2015/16 7,000 MT of oat was exported to the U.S. It is forecast that for MY 2017/18 oat production will amount to 75,000 MT, increasing by 15 percent. Significant changes in domestic demand are not foreseen.

MY= Estonian local marketing year is July to June except for corn which follows on October to September calendar.

End of Report.