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Agricultural Situation

Grain and Feed

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Report Highlights:

Total Polish production of grain for marketing year (MY) 2016/17 is forecast to amount to 30.1 million metric tons (MMT). The total grain acreage for the 2017 crop is forecast to increase by 1.5 percent in comparison with 2016 and will amount to 7.56 million Ha. The condition of plants before entering into a state of winter dormancy was higher than in 2016. Currently plant health is expected to be assessed well in all major grain producing areas. Soil moisture is reported to be well enough for plants.

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

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

Grains Area and Production

MY 2017/18

Total production of wheat, rye, mixed grains, triticale, barley, corn and oats for MY 2017/18 is forecast to stay in line with the previous harvest results. Grain production is forecast to reach 30.1 million metric tons (MMT). This would be a result of better average yield expectations in comparison with last year's results that resulted from unfavorable summer weather conditions. The total acreage of winter grain plantings for MY 2017/18 is estimated on the level slightly below of MY 2016/17. It is expected that spring grains would offset winter plantings. The total grain acreage for the MY 2017/18 crop is forecast to increase by 1.5 percent in comparison with last year and will amount to 7.56 million Ha.

Weather conditions for winter grain development in Poland were very good until the beginning of 2017. The condition of plants before entering into a state of winter dormancy was higher than in 2016. The winter was not as mild as last year. Heavy frost affected plantings in some regions of Poland in January 2017, but the scale of the damage is not large. Winterkill losses occurred mostly in the eastern regions but they were relatively small. Plant health is assessed very well in the west central part of Poland, the main base of wheat production. Currently plants health is expected to be assessed well in all major grain producing areas. Soil moisture is reported to be well enough for plants.

MY 2016/17

Poland's MY 2016/17 grain production is estimated at 30.0 million metric tons (MT). The crop result is better than that for MY 2015/16 by 7.1 percent. Larger crops resulted from better yields than in 2015 as total grains planted area remained on par with 2015 acreage.

Poland's MY 2016/17 major grain production (without corn, including mixed grains) is estimated at 25.8 million MT, 5 percent higher than in MY 2015/16, mostly due to higher average yields. In MY 2016 /2017 unfavorable weather conditions, mostly heavy rains during harvest resulted in lower supply of high quality grain for human consumption. A higher supply of feed quality grain caused downward pressure on prices. The number of Polish farmers who own storage facilities is growing. Some farmers still store grain hoping for price increases. The level of grain storage is evaluated higher than at the same time one year ago.

Area, yields, total production of grains (including buckwheat and millet)

	Area (million Ha)	Yield (MT/Ha)	Total Production (MMT)
2014	7.4	4.27	31.9
2015	7.5	3.73	28.0
2016	7.5	4.00	30.0
2017*	7.6	3.98	30.1
2016=100	101.5	0.99	100.3

Source: Main Statistical Office, Poland

* FAS/Warsaw forecast

Grain area 2013 – 2017 (000) Ha

	2014	2015	2016	2017*	Structure of sowings in 2016 (%)
Wheat	2,339	2,400	2,400	2,300	32.2
Rye	885	725	800	900	10.7
Mixed grains and triticale	2,186	2,329	2,200	2,250	29.5
Barley	808	840	980	960	13.2
Corn	678	670	580	650	7.8
Oats	480	461	490	500	6.6
Total	7,376	7,425	7,450	7,560	100.0

Source: Main Statistical Office, Poland

* FAS/Warsaw forecast

Grain production 2013 – 2017 (000) MT

	2014	2015	2016	2017*	Structure of production in 2015 (%)
Wheat	11,629	11,000	11,100	10,800	37.0
Rye	2,793	2,013	2,200	2,500	7.3
Mixed grains and triticale	8,100	7,589	7,500	7,600	25.0
Barley	3,275	2,961	3,600	3,550	12.0
Corn	4,470	3,156	4,200	4,200	14.0
Oats	1,500	1,220	1,400	1,450	4.7
Total	31,767	27,939	30,000	30,100	100.0

Source: Main Statistical Office, Poland

* FAS/Warsaw forecast

Trade

For MY 2016/17 Poland's grain export potential increased significantly in comparison with the previous year's, due to higher crops. For MY 2016/17 total grain exports are expected to reach 5.3 MMT with the biggest share to soft wheat (68 percent of total grain export volume). Saudi Arabia, Germany, Algeria and Morocco are the main export destinations for Poland. The share of non EU exports in total grain export sales from Poland has continued to increase each year with wheat exports developing fastest. Demand from out of EU countries increased also in MY 2016/17, mainly from Saudi Arabia, Algeria and Nigeria. All these three countries had a 55 percent share in total wheat export from Poland in the first 5 months of MY 2016/17. Mainly feed quality grain is exported to these directions. In MY 2016/17 total wheat exports from Poland are expected to stay in line with the last year grain volume exported. The quality of grain was not high due to wet weather conditions during harvest.

Exports of other grains like rye, barley, triticale and oats is forecast to decline for MY 2016/17 in comparison with MY 2015/16. A decline of rye exports is predicted for MY 2016/17. Domestic demand for rye is forecast higher. In MY 2016/17 the availability of corn from Poland increased, after an extremely low domestic supply the previous year. It is estimated that MY 2016/17 exports of corn will amount to 0.6 MMT, 9 percent more than in 2015/16. The quality of corn for feedstuff is assessed generally good.

Poland's main grain and cereal products suppliers are the EU states. Their share of total Polish grain imports is estimated to reach over 90 percent in MY 2016/17. For MY 2016/17 it is forecast that total grain import, including intra EU trade, will amount to 1.6 MMT, up by 8 percent in comparison with the previous year.

Grain exports (000) MT

	MY 2014/15	MY 2015/16	MY 2016/17*
	Total exports	Total exports	Total exports
Wheat	4,679	3,707	3,600
Rye	594	519	460
Corn	739	560	610
Barley	198	177	120
Mixed grains & triticale	584	527	450
Oats	87	89	80
Total	6,881	5,579	5,320

Source: Global Trade Atlas Eurostat

*FAS/Warsaw forecast

Grain imports (000) MT

	MY 2014/15	MY 2015/16	MY 2016/17*
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	Total imports	Total imports	Total imports
Wheat	677	804	1,020
Rye	10	4	12
Corn	279	502	400
Barley	145	132	140
Mixed grains & triticale	6	11	6
Oats	20	19	10
Total	1,137	1,472	1,588

Source: Global Trade Atlas Eurostat

*FAS/Warsaw forecast

Wheat

Wheat production, trade, consumption

	2014/15	2015/16*	2016/17*
Marketing Year Begin	July 2014	July 2015	July 2016
Area (000) Ha	2,339	2,396	2,400
Production (000) MT	11,629	11,000	11,100
MY Imports (000) MT	677	804	1,020
MY Exports (000) MT	4,679	3,707	3,600
Total Consumption (000) MT	8,000	8,310	8,450

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*FAS/Warsaw forecast

MY 2017/18

For MY 2017/18 wheat production in Poland is forecast at 10.8 MMT, lower than in the previous year. The acreage of wheat plantings for the harvest of MY 2017/18 is expected to diminish by 100,000 Ha, 4 percent less in comparison with the previous year. Domestic consumption is expected to increase due to forecast growth in industrial use. Yield prospects are better than moderate due to low winterkills and a good condition of winter wheat in March. It is expected that higher acreage of spring winter sowings will offset lower acreage of winter grains. Lower wheat prices weakened farmers' interest for wheat production this year.

MY 2016/17

Wheat harvest for MY 2016/17 is estimated at 11.1 MMT, 1 percent higher than in the previous year. Good prospects for exports and high prices expectations for wheat were the main drivers for high acreage of wheat sowings in MY 2016/17. Wheat acreage is estimated at 2.4 million hectares, in line with the previous year. In MY 2016/17 the supply of high quality wheat for human consumption diminished in favor of feed wheat despite a good harvest. Feed use is expected to show growth tendency, mostly due to the poultry industry's development. For MY

2016/17 Poland is expected to be a significant exporter of wheat. During July to November 2016 wheat exports from Poland doubled in comparison with the same period of the previous year. Growing demand for soft wheat from Saudi Arabia, Egypt, Algeria and Morocco was the main driver for such an export dynamics. The share of non EU export destinations of total grain exports from Poland has been continuously increasing in recent years.

Rye

Rye production, trade, consumption

		2014/15	2015/16	2016/17*
Marketing Year Begin		July 2014	July 2015	July 2016
Area	(000) Ha	885	725	800
Production	(000) MT	2,793	2,013	2,200
MY Imports	(000) MT	10	4	12
MY Exports	(000) MT	594	519	460
Total Consumption	(000) MT	2,160	1,650	1,750

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*FAS/Warsaw forecast

MY 2017/18

For MY 2017/18 production of rye is forecasted higher than for MY 2016/17, to increase to 2.5 MMT, by 14 percent. Rye acreage plantings increased by 13 percent and amounts to 0.9 million Ha. Human consumption and feed use is expected to increase in comparison with the two last years' utilization, but they will still stay much below the consumption level before MY 2015/16. Feed use is forecasted to increase after two years of much lower rye use due to low supply and high prices.

MY 2016/17

In MY 2016/17 production of rye increased by 9 percent in comparison with 2015 but it was still at a much lower level than it used to be for the last few years. The increase resulted from larger rye acreage and higher yields. Very high prices of rye in Poland led to diminishing demand for rye as a feedstuff. Rye was mostly replaced by triticale which is much more profitable for this type of use. The decline in human consumption of rye foodstuffs stopped. For MY 2016 /17 human consumption is expected to stabilize on the level of MY 2015/16. The demand for alcohol production diminished and industrial use of rye stay on the same level as in the previous year.

Mixed Grains & Triticale*

Mixed grains and triticale production, trade, consumption

	2014/15	2015/16*	2015/16*
Marketing Year Begin	July 2014	July 2015	July 2016
Area (000) Ha	2,186	2,329	2,200
Production (000) MT	8,100	7,589	7,500
MY Imports (000) MT	6	11	6
MY Exports (000) MT	584	527	450
Total Consumption (000) MT	7,290	7,220	7,140

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*Mixed grain & triticale complex include triticale and the threshed seeds of different varieties of grains like wheat, barley, oat, rye planted on the same field as a one crop.

**FAS/Warsaw estimation and forecast

MY 2017/18

In MY 2017/18 mixed grains and triticale production is forecast to stay in line with the previous year's results. Falling hog production weakened farmers' interest in growing triticale and mixed grains for the last few years. Outbreaks of African Swine Fever (ASF) stopped hog production growth dynamics and higher domestic demand for mixed grains is not predicted. Mixed grains and triticale use for bio-ethanol production is relatively small and amounts to 2-3 percent of domestic use at most. The demand for both varieties of grains from the industry is unstable. Growth in triticale production and diminishing production of mixed grains is expected to continue. Triticale replaces mixed grains for feed use.

MY 2016/17

In MY 2016/17 mixed grains production fell in comparison with MY 2015/16 despite higher yields. The area of mixed grains plantings diminished by 5 percent and dropped to 1 million Ha. The declining tendency in growing mixed grains continues in Poland. It is a consequence of smaller hog production and diminishing on farm use of mixed grains. The main direction of mixed grains use is on-farm feed use which is more and more unprofitable and being replaced by more profitable triticale. Changes in the inner structure of mixed grain production continued in MY 2016/17 and the share of triticale acreage in total mixed grains plantings grew in MY 2016/17 as well.

In the last few years an ample supply of triticale also resulted in increased exports. Although in MY 2016/17 exports of triticale diminished in comparison with MY 2015/16 but it is still on much higher level than before MY 2014/15. Exports of triticale are estimated to decline by 32 percent in MY 2016/17. The main export destinations remain Germany, Spain, Netherlands but also to the Scandinavian and the Baltic countries.

Barley

Barley production, trade, consumption

	2014/15	2015/16*	2016/17*
Marketing Year Begin	July 2014	July 2015	July 2016
Area (000) Ha	808	840	980
Production (000) MT	3,275	2,961	3,600
MY Imports (000) MT	145	132	140
MY Exports (000) MT	198	177	120
Total Consumption (000) MT	3,155	3,040	3,330

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*FAS/Warsaw estimation and forecast

MY 2017/18

According to the reports on the planted acreage for MY 2017/18 harvest, total barley planted area is expected to diminish by 2 percent and predicted crop would amount to 3.55 MMT. It is forecasted that the domestic use of barley for beer and other industrial production should stay in line with last year's level. It is forecast that domestic use of barley for feed will exceed last year's use by 4.5 percent. Winter barley is reported to be in a good health condition after winter. The larger proportion of barley in Poland is sown in the spring, so the condition of spring plants should influence the main barley crop.

MY 2016/17

In MY 2016/17 plantations of barley increased due to growing demand from the brewing beer industry. In the last few years low prices for barley made some farmers give up this production and replace it with other types of grains. For MY 2016/17 barley production is estimated 22 percent higher than in MY 2015/16 due to larger acreage and higher yields. Barley crop amounted to 3.6 MMT. Industrial use of barley increased mostly in beer production. Domestic and foreign demand for malt increased.

Corn

Corn production, trade, consumption

	2014/15	2015/16	2016/17*
Marketing Year Begin	October 2014	October 2015	October 2016
Area (000) Ha	678	670	580
Production (000) MT	4,470	3,156	4,200
MY Imports (000) MT	279	502	400
MY Exports (000) MT	739	560	610
Total Consumption (000) MT	3,848	3,547	3,805

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*FAS/Warsaw forecast

MY 2017/18

It is expected that corn acreage in 2017/18 will increase to 0.65 million Ha, by 12 percent more in comparison with last year. Farmers' interest in corn increased due to expected higher than last year profitability and good export opportunities. Domestic demand for corn is driven by the biofuel industry and by strong growth in poultry production.

MY 2016/17

In MY 2016/17 the acreage of corn for grain (excluding corn for silage) was lower than last year's level. It is estimated at 580,000 hectares. Corn acreage declined by 13 percent in comparison with MY 2015/16. Production of corn is estimated at 4.2 MMT. Despite lower planting area, corn production exceeded the previous year's level by 33 percent due to record yields.

There were difficulties in qualified corn seed supply on the Polish market in MY 2016/17. Demand from the feed industry in comparison with MY 2015/16. Corn consumption was leveraged mostly by broiler production development. High prices for corn in MY 2015/16 after the very bad harvest kept corn use for bioethanol at a lower level. Corn production is very dispersed in Poland. In Poland 200,000 farms specialize in corn production. The average corn planting areas are less than 10 hectares.

For the last few years Poland has remained a net exporter of corn. It is forecast that in MY 2016/17 exports of corn from Poland will exceed last year's export volume by 9 percent and will amount over 0.6 MMT. EU countries are the main destination for Polish corn exports, with leading sales to Germany (over 80 percent of total Polish corn exports).

Oats

Oat production, trade, consumption

	2014/15	2015/16	2016/17*
Marketing Year Begin	July 2014	July 2015	July 2016
Area (000) Ha	480	461	490
Production (000) MT	1,500	1,220	1,400
MY Imports (000) MT	20	19	10
MY Exports (000) MT	87	89	80
Total Consumption (000) MT	1,399	1,219	1,319

Source: FAS/Warsaw, Global Trade Atlas, Main Statistical Office, Poland

*FAS/Warsaw forecast

MY 2017/18

For 2017/18 the total oat supply in Poland is expected to increase in comparison with the previous year. It is forecasted that oat acreage would remain unchanged on the level of MY 2016/17. Yields are forecast at a higher level than the last two consecutive years' bad results. It is forecast that the MY 2016/17 oat crop would reach 1.45 MMT.

MY 2016/17

The acreage of oat plantings varies up and down accordingly to the seasonal changes of prices of other grains, mainly rye and triticale. In MY 2016/17 oats production amounted to 1.4 MMT. The consumption of oats increased after a sharp decline in MY 2015/16, which resulted from very low crop that year. Oat exports from Poland are almost exclusively directed at the internal EU market, with the biggest share going to Spain.

MY= Poland's local marketing year is July to June, except for corn which follows an October to September calendar.

End of Report.