

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain Update

Country: Bosnia and Herzegovina

Post: Sarajevo

Report Category: Grain and Feed

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Report Highlights:

Farmers in Bosnia and Herzegovina (BiH) are expected to plant MY 2021/2022 corn on 200,000 hectares with an expected production of 1.2 million metric tons. Last year's corn area was 200,544 hectares, with corn yield in some areas reaching a record level of 10 to 12 metric tons per hectare. With an average yield of 7.1 tons per hectare, corn production totaled 1.43 million metric tons.

MY2021/2022 wheat was planted last autumn on 65,350 hectares (a seven percent decline from the previous season), with excellent weather conditions leading to expected production of 274,470 metric tons. BiH depends on grain imports and annually imports about 350,000 metric tons of wheat and 200,000 metric tons of corn. Main suppliers of wheat and corn to BiH are Hungary, Serbia, and Croatia.

Introduction

Projections for MY2021/2022 crops in this report are based on the views of the Foreign Agricultural Service analyst and are not official USDA data.

HA = Hectares

MT = Metric Ton

MY = Marketing Year. Post and USDA official data both follow the marketing year of July to June for wheat and barley and an October to September calendar for corn.

CY = Calendar year.

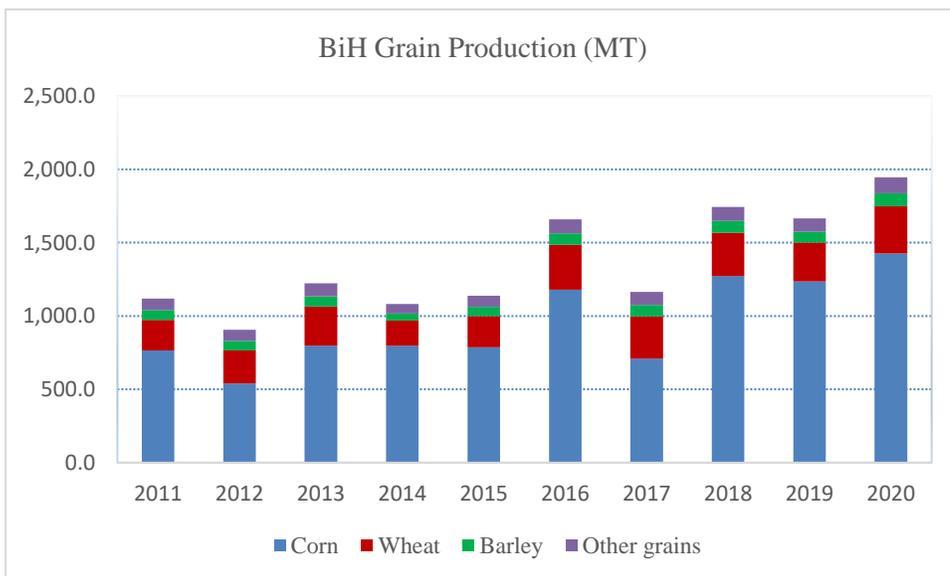
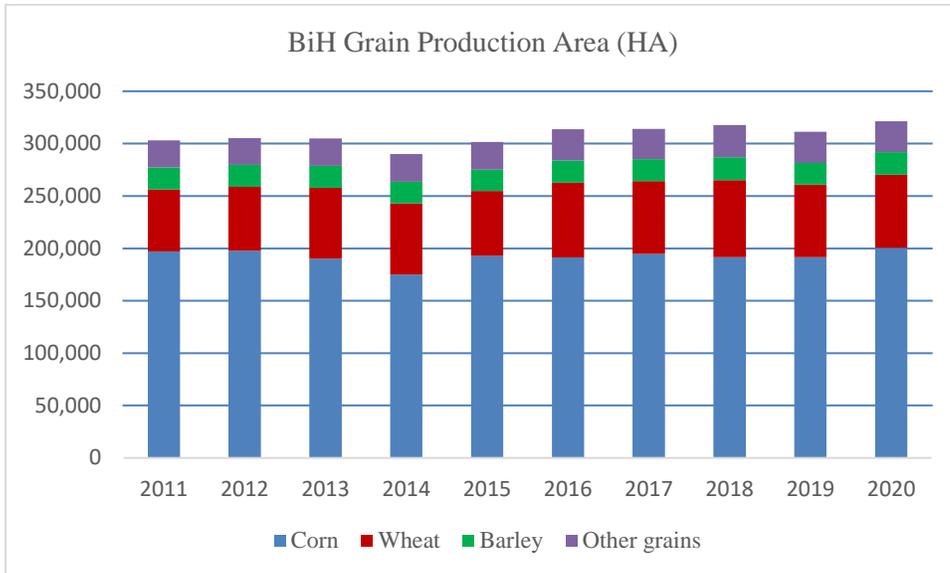
Executive Summary

Planting season for the MY2021/2022 spring crops typically starts in early April but has been postponed in the main grain areas due to prolonged and excessive rainfall and low temperatures. Corn planting is projected at 200,000 HA, barley at 7,800 HA, and oats at 6,600 HA. Planting should resume when weather conditions improve. For corn, late planting can lead to a prolonged harvest, which often leads to unfavorably high grain moisture levels. Last year's corn crop was excellent, with an above average yield of 7.1 MT/HA, and production of 1,426,356 MT. However, there was also a 10-20 percent increase in planting costs for seeds and fertilizers, and farmers reported a shortage of desired corn seeds. Both factors may negatively affect corn production in 2021/2022.

MY2021/2022 wheat was planted in the fall under excellent weather conditions with mild temperatures and good precipitation. The crop is developing well with an expected total production of 274,470 MT (average 4.2 MT/HA). Wheat area declined by seven percent from the previous year.

Winter barley was planted on 14,195 HA, triticale on 12,586 HA, and winter oats were planted on 4,381 HA, with no major changes from the earlier season.

Yields for wheat and corn in MY2020/2021 were well above average.

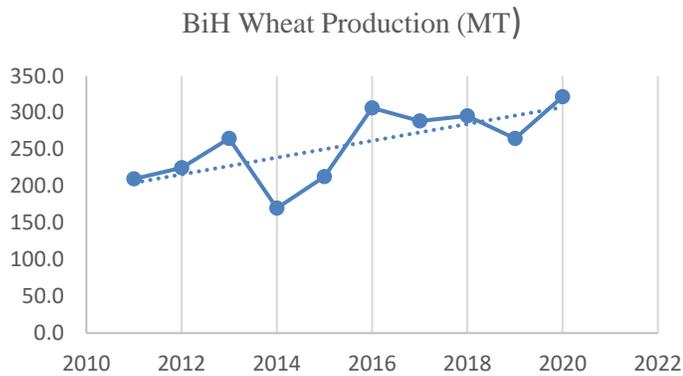


Source: BiH Agency for Statistics

Wheat

Production

The MY2021/2022 wheat crop was planted on 65,350 hectares (HA) with excellent weather conditions and an expected production of 274,470 MT (average 4.2 MT/HA). Wheat area declined by seven percent compared to MY2020/2021, when 321,804 MT of wheat was harvested on 69,914 HA (above average yield of 4.6 MT/HA).



Source: BiH Agency for Statistics

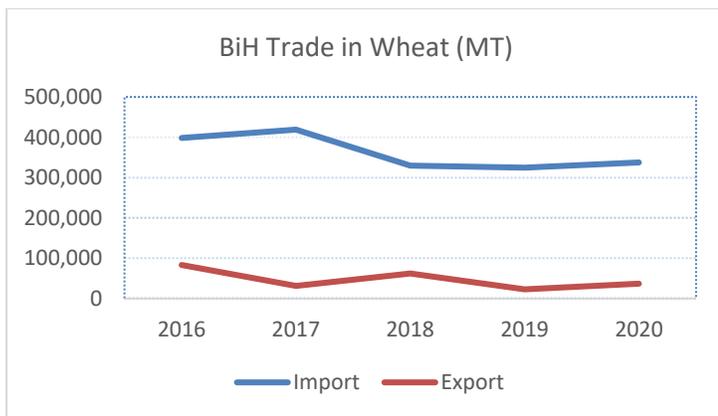
Old technology and outdated mechanization, coupled with low investment capabilities, affect wheat quality in BiH. BiH farmers report they are unable to sell their wheat at prices that compete with low-priced wheat from neighboring countries such as Serbia. Farmers also think that local mills prefer imported wheat because it is cheaper, while local mills say they are unable to make good-quality bakery products from locally produced wheat.

Consumption

BiH requires 550,000 MT of wheat per MY. Due to the COVID-19 pandemic, panic purchasing, and increased in-home baking significantly increased during the first half of 2020 but stabilized over the proceeding months.

Trade

In CY2020, BiH imported 337,400 MT of wheat valued at \$75 million from Hungary, Serbia, and Croatia. BiH exported 36,508 MT of wheat valued at \$16.8 million mostly to Croatia and Turkey.



Source: BiH Agency for Statistics

Stocks

Wheat stocks are estimated at 100,000 MT.

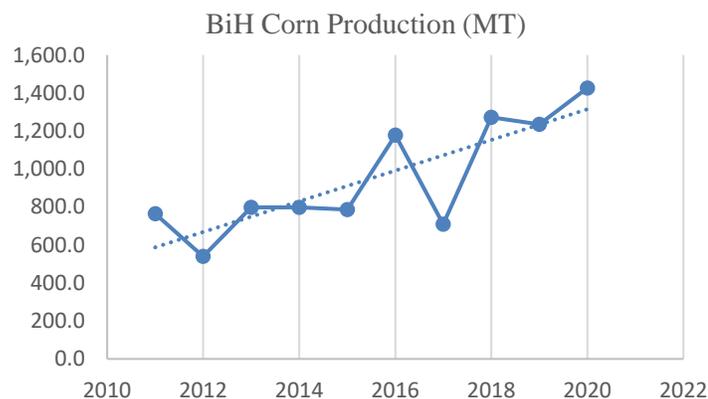
BiH's grain market is quite small and grain mills are unable to create larger stocks, thus the effect of global wheat price fluctuations is significant. Wheat stocks from the previous season is used as animal feed, and some is kept for on-farm use. Ten percent of wheat is usually used as feed.

Corn

Production

MY2021/2022 corn will be planted on 200,000 HA with an expected production of 1,200,000 MT (average yield 6 MT/HA). However, the planned area may not be reached because of a couple factors. Farmers are reporting a seed shortage. There has also been a 10-20 percent increase in prices for seeds and fertilizer due to the recent increase in petrol prices and the global prices for those inputs. Corn planting usually starts by early-April and lasts for two-to--three weeks, depending on weather conditions. Reportedly, excessive rain and low temperatures postponed corn planting in the largest producing area of Semberija (in the north of BiH).

In MY2020/2021, corn was harvested on 200,544 HA and production totaled 1,426,356 MT. Due to excellent weather conditions, corn yields in some areas hit a record level of 10 to 12 MT/HA, and with an overall average yield of 7.1 MT/HA.



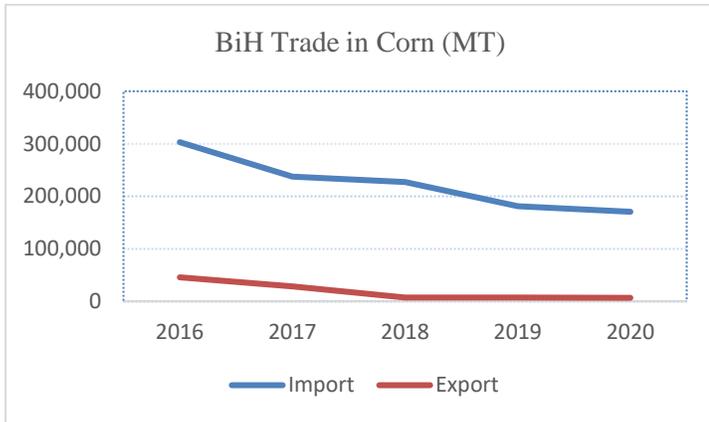
Source: BiH Agency for Statistics

Consumption

BiH's requirement is 1.3 MMT of corn per MY, which is largely used for feed.

Trade

In CY2020, BiH imported 170,544 MT of corn valued at \$39 million. Serbia supplied 91 percent of imported corn. BiH exported 6,663 MT of corn valued at \$2.1 million.



Source: BiH Agency for Statistics

Stocks

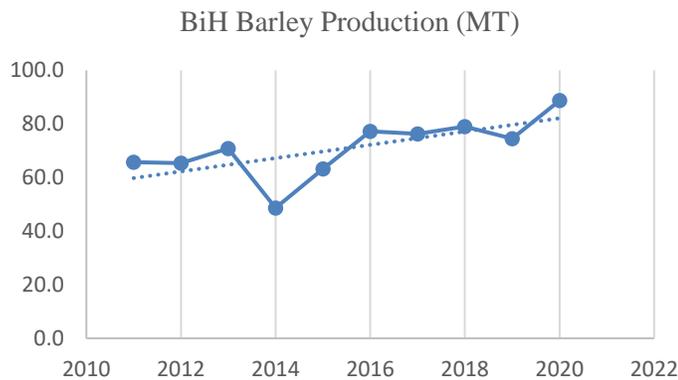
Corn stocks are estimated at 200,000 MT.

Barley

Production

Spring barley will be planted on 7,805 ha, similar to last year’s area of 7,787 HA. MY 2021/2022 barley (winter) was planted on 14,195 HA, with expected production of 53,941 MT (an average of 3.8 MT/HA). Winter barley area for MY 2021/2022 is slightly increased compared to the previous year’s winter barley area of 13,843 HA. Winter barley production for MY 2021/2022, however is expected to be lower than last year’s 58,755 MT.

To summarize, total 2020/2021 barley area was 21,630 HA with production of 88,742 MT. Total 2021/2021 barley area is projected at 22,000 HA and production at 83,600 MT (average 3.8 MT/HA).



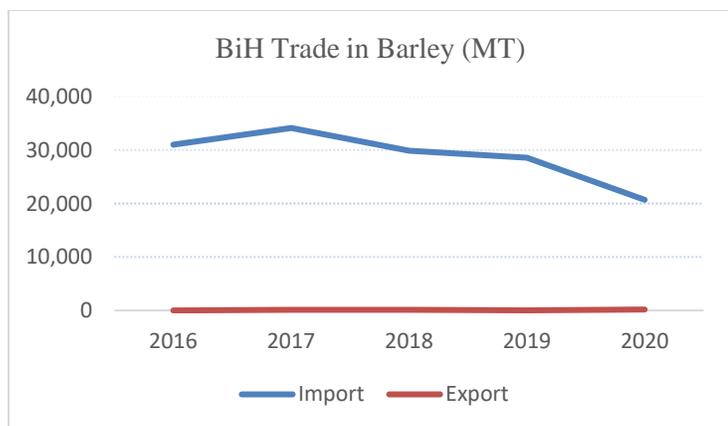
Source: BiH Agency for Statistics

Consumption

Barley consumption is estimated at 100,000 MT and is used for feed.

Trade

The CY2020 barley imports of 20,700 MT were valued at \$4.2 million. Barley exports were insignificant.



Stocks

N/A

Triticale

Production

MY2021/2022 triticale (winter) was planted on 12,586 HA, with an expected production of 58,000 MT. This represents minor decreases compared to the previous year, when 59,000 MT of triticale was produced from 12,829 HA (average yield 4.6 MT/HA).

Consumption

Triticale consumption is estimated to be 60,000 MT and is used for animal feed.

Trade

The CY2020 triticale imports of 866 MT were valued at \$249,095, while exports were insignificant.

Stocks

N/A

Oats

Production

MY2021/2022 spring oats are expected to be sown on 6,619 HA, with an expected production of 18,533 MT (average yield 2.8 MT/HA). MY 2021/2022 winter oats were planted on 4,381 HA, with an expected production of 12,268 MT. Total 2021/2022 oats area is estimated at 11,000 HA with production of 30,800 MT (average 2.8 MT/HA).

Last year's spring oats were produced on 6,423 HA resulting in production of 20,062 MT. Last year's area for winter oats was 4,289 HA that produced 13,883 MT. Total 2020/2021 oats area was 10,712 HA that produced 33,945 MT.

Consumption

Oats consumption is estimated at 30,000 MT and is used for animal feed.

Trade

Imports of oats in 2020 totaled 2,876 MT and were valued at \$0.6 million. Exports were insignificant.

Stocks

N/A

Rye

Production

MY2021/2022 rye was planted on 3,024 HA and is expected to produce 9,072 MT (average yield 3.0 MT/HA). MY2020/2021 crop was harvested on 3,494 HA and production reached 10,958 MT.

Consumption

Rye consumption is estimated at 10,000 MT per MY. Rye is primarily used for feed; however small quantities are used for baking.

Trade

The CY2020 rye imports of 571 MT were valued at \$109,000, while exports were insignificant.

Stocks

N/A

Grain Policy

Early in 2020, the BiH government adopted a set of measures designed to help farmers cope with the effects of the coronavirus pandemic and to supply more food to the market. These measures include higher subsidies for agricultural inputs for spring and autumn planting; facilitated procedures to rent state-owned agricultural land; postponement of rent payments and concession contracts for agricultural land for a period of three months from the due date in 20202020. Assuming normal weather conditions, it is expected that this trend will continue in MY2021/2022, prompting further payment of agricultural subsidies.

Attachments:

No Attachments.