

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain and Feed Update

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Report Highlights:

Serbia's total area wheat crop is estimated at 600,000 ha, 5 percent higher than in the previous year mostly due to high wheat prices during MY2019/20. Corn production for MY2020/21 is estimated to be 8 million MT, almost 10 percent higher than the previous year. Serbia's corn exports of 3.2 million MT in MY2019/20 was a record. As of October 2020, Serbia had exported almost 460,000 MT of corn, 87 percent higher than in October 2019. It is estimated that in MY2020/21 Serbia could export up to 3.8 million MT and regain its position as one of the leading European exporters of corn.

Status of Harvest and New Planting

Serbia's corn harvest was completed mid-November yielding 8 million MT. The soybean harvest for MY2020/21 on 235,000 HA was a record of 750,000 MT. The sunflower harvest for MY2020/21 on 220,000 HA is estimated at 700,000 MT.

Nearly 1 million hectares with wheat, barley, rye, oat, triticale, rapeseeds, forage, vegetable and buckwheat were planted in MY2021/22. Winter planting was delayed until late October due to high precipitation and wet field conditions. Wheat planting is projected at 600,000 HA, while barley planting is projected at 93,000 HA, rye at 13,000 HA, oat at 12,300 HA, triticale at 20,500 HA and rapeseeds at 21,300 HA. About 80,000 HA are expected to be planted to forage and 100,000 HA to vegetable crops.

Wheat Update

Wheat Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
Serbia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	570	570	570	570	0	600
Beginning Stocks (1000 MT)	1086	1086	1113	1006	0	516
Production (1000 MT)	2500	2500	2700	2600	0	3000
MY Imports (1000 MT)	15	10	10	10	0	10
TY Imports (1000 MT)	15	10	10	10	0	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3601	3596	3823	3616	0	3526
MY Exports (1000 MT)	588	590	1000	1200	0	1300
TY Exports (1000 MT)	588	590	1000	1200	0	1300
Feed and Residual (1000 MT)	600	600	500	500	0	500
FSI Consumption (1000 MT)	1300	1400	1300	1400	0	1300
Total Consumption (1000 MT)	1900	2000	1800	1900	0	1800
Ending Stocks (1000 MT)	1113	1006	1023	516	0	426
Total Distribution (1000 MT)	3601	3596	3823	3616	0	3526
Yield (MT/HA)	4.386	4.386	4.7368	4.5614	0	5

(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 2021/2022 = July 2021 - June 2022

The MY2020/21 wheat harvest started in end of June and was finished by end of July. Final official estimates of the MY2020/21 wheat crop put total wheat area harvested at 570,000 HA, total wheat production is estimated at 2.6 million MT and estimated an average wheat yield at 4.6 MT/HA. High ending stocks from MY2019/20 of 1 million MT and MY2020/21 production of 2.6 million MT, will secure enough wheat for domestic consumption and around 1.2 million MT for exports.

The MY 2020/21 wheat harvest concluded in July with official estimates based upon 57,000 HA at 2.6 million MT, an average wheat yield of 4.6 MT per hectare. MY 2019/20's high ending stocks combined with MY 2020/21's 2.6 million MT harvest more than meet domestic consumption and allow for exports of about of about 1.2 million MT.

The high demand for wheat as a result of panic buying in response to the onset of the COVID-19 pandemic led a steady rise in the cost of wheat. The drought in Romania, Ukraine, and Hungary also reduced the supply of wheat in the Black Sea region and thus the increase in the price. The price of what increased from 17 dinars/kg (\$170/MT) in July to the current price of 22.5 dinars/kg (\$225/MT). The price of wheat in Serbia is determined based upon a hectoliter per kilogram value.

Serbia has about 1.5 million MT of wheat available for export from its MY2019/20 crop. The constraints with exporting wheat (and other crops) from Serbia are limited the transshipping capacity of the Serbian ports and reduced number of vessels in the river fleet. Serbia shipping will be challenged December 2020-March 2021 by the low level of the Danube River and limited possibility to transport wheat by river barges to the Black Sea (over 60 percent of wheat exports from Serbia are transported to the huge silos at the Port Constanza). The remaining 40 percent of the wheat is over land to the neighboring countries.

According to the Serbian Grain Fund, in MY2019/20 Serbia exported 395,281 MT of wheat and 144,508 MT of wheat flour. The grains total is 583,141 MT of wheat, almost 50 percent lower than in MY2018/19 due to low wheat quality (mostly sold as feed wheat). From July 1, 2020, until October 30, 2020, Serbia exported 266,854 MT of wheat and 41,382 MT of wheat flour. Estimates are that Serbia's MY2020/21 wheat exports will reach 1.2 million MT. Serbia primarily exports wheat and wheat flour to Romania, Italy, Kosovo, Albania, North Macedonia, Bosnia and Herzegovina and Montenegro. As a result of declining wheat production in Hungary and Romania and a delayed harvest in Ukraine, export opportunities increased for Serbia, thus the export figure is projected to be much higher than for the previous year.

Table 1: Wheat exports in MY2020/21 (July-October 2020)

Month	Wheat MY20/21 in MT	Flour MY20/21 in MT
July	47,317	6,931
August	103,123	10,257
September	38,109	10,117
October	35,943	14,077
TOTAL:	226,492	41,382

Source: Serbian Grain Fund

MY2021/22 cultivation was delayed until late October due to high precipitation and wet field conditions. About 600,000 HA, nearly 5 percent higher than previous year will be wheat cultivation. Although the optimal time for planting is between the first week of October and the first week of November, planting continued throughout November due to good weather conditions. If the predicted yield of 5 MT/HA is achieved a total of 3 million MT of wheat would be reached allowing for exports of up to 1.3 million MT of wheat.

Since the wheat crop is not irrigated in Serbia, the final wheat total production depends upon winter and spring weather conditions. Due to warm weather during November 2020, planted wheat shows signs strong yield potential. It is estimated that in Serbia only about 50 percent of the wheat area was planted with certified seeds, while the remaining area was planted with seeds from the previous year. Most small wheat farmers plant old seeds for their new crop. The current crop conditions suggest the possibility of a good crop primarily due to warm weather conditions in November.

Corn Update

Corn Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
Serbia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	900	900	970	970	1000	990
Beginning Stocks (1000 MT)	438	438	512	743	917	953
Production (1000 MT)	7000	7400	7700	7700	8000	8000
MY Imports (1000 MT)	10	5	5	10	10	10
TY Imports (1000 MT)	10	5	5	10	10	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7448	7843	8217	8453	8927	8963
MY Exports (1000 MT)	2836	2800	3000	3200	3500	3800

TY Exports (1000 MT)	2836	2800	3000	3200	3500	3800
Feed and Residual (1000 MT)	3800	4000	4000	4000	4000	4000
FSI Consumption (1000 MT)	300	300	300	300	300	300
Total Consumption (1000 MT)	4100	4300	4300	4300	4300	4300
Ending Stocks (1000 MT)	512	743	917	953	1127	863
Total Distribution (1000 MT)	7448	7843	8217	8453	8927	8963
Yield (MT/HA)	7.7778	8.2222	7.9381	7.9381	8	8.0808
(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 2020/2021 = October 2020 - September 2021						

Despite the rain-delayed corn harvest in October, the harvest was expected to be completed by the end of November. According to official data from the Serbian Ministry of Agriculture, the area planted to corn is about 1 million HA, with an average yield of 8 MT/HA corn production is estimated to be record high of 8 million MT, 10 percent higher than the previous year. This record production will avail 4 million MT for domestic consumption and 3.8 million MT for export. Demand for corn from Serbia is high due to forward sales. All corn produced in Serbia is non-GMO.

The price of corn increased from 17 dinars/kg (\$170/MT) in July to 18.50 dinars/kg (\$185/MT) in October 2020. In mid-November demand for Serbian corn increased due to lower supplies in Moldova, Hungary and Romania. The demand pushed Serbian corn prices even higher to 19.50-20 dinars/kg (\$195-200/MT).

In October 2020, Serbia exported approximately 460,000 MT of corn, an 87 percent increase compared to October 2019, when Serbia exported 245,460 MT of corn. Serbia's corn exports in MY2019/20 reached an impressive 3.2 million MT, while for MY2020/21 exports are estimated to be even higher at 3.8 million MT. With a relatively good crop this year, Serbia will strengthen its position as a major corn exporting country in the region.

Table 2: Corn exports in MY2019/21 and MY2020/21

Month	MY19/20 in MT	MY20/21 in MT
October	245,460	458,695
November	261,122	
December	347,537	

January	213,237	
February	217,995	
March	338,512	
April	309,183	
May	335,648	
June	370,038	
July	259,664	
August	109,339	
September	246,794	
TOTAL:	3,254,529	458,695

Source: Serbian Grain Fund

Barley Update

Barley Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
Serbia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	110	94	110	110	0	115
Beginning Stocks (1000 MT)	41	41	36	19	0	62
Production (1000 MT)	400	414	440	500	0	500
MY Imports (1000 MT)	2	4	4	3	0	3
TY Imports (1000 MT)	4	4	4	3	0	3
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	443	459	480	522	0	565
MY Exports (1000 MT)	52	65	60	80	0	100
TY Exports (1000 MT)	72	65	60	80	0	100
Feed and Residual (1000 MT)	190	200	200	200	0	200
FSI Consumption (1000 MT)	165	175	180	180	0	180
Total Consumption (1000 MT)	355	375	380	380	0	380
Ending Stocks (1000 MT)	36	19	40	62	0	85
Total Distribution (1000 MT)	443	459	480	522	0	565
Yield (MT/HA)	3.6364	4.4043	4	4.5455	0	4.3478
(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 2021/2022 = October 2021 - September 2022

Barley is the second most produced grain in Serbia. In MY2020/21 barley was planted on 110,000 ha, consisting of 90,000 ha of winter barley and 20,000 ha of spring barley. The total production of barley in MY2020/21 is estimated at a record high of 500,000 MT, 21 percent higher than the previous year, with an average yield of 4.55 MT/HA. About 40 percent of the planted barley is for brewing industry and 60 percent is for cattle feed.

With increased planted area, exports of barley have increased, while imports have declined. MY2020/21's excellent crop of 500,000 MT allowed Serbia to export a record of 80,000 MT. The main destinations are Romania (over 80 percent), Albania, Montenegro and Bosnia and Herzegovina. Imports of barley in MY2020/21 will be lower than average at about 3,000 MT. Most of the imported barley is for the brewing industry and is sourced from Croatia, Bosnia and Hercegovina, Romania and France. Serbia exported about 39,000 MT of barley July-October 2020.

Table 3: Barley exports in MY20/21 (July-October 2020)

Month	Barley MY20/21 in MT
July	22,888
August	4,590
September	6,685
October	4,766
TOTAL:	38,929

Source: Serbian Grain Fund

The estimated winter barley area planted this fall is 93,000 ha and an additional 22,000 ha of barley will be planted in the spring 2021. The total planted area for MY2021/22 is estimated at 115,000 ha. With a good yield of 4.5 MT/ha production could reach over 500,000 MT. Exports of barley in MY2021/22 is estimated at 100,000 MT. Feed barley prices are usually 10 percent lower than the wheat prices. The current feed barley price at Novi Sad Commodity Exchange is approximately 20.50 dinars/kg (\$205/MT).

Government Support to Serbian Grain and Oilseed Farmers:

The Serbian government provided a 4,000 dinars (\$40/HA) per hectare subsidy to all active agricultural holdings registered with Agricultural Holdings. The subsidy is for seeds and fertilizers. The Serbian government also subsidized diesel fuel at 20 dinars/liter (\$0.20/lit) for a maximum 60 liters per hectare. Each farmer can obtain subsidized diesel for up to 20 hectares in total.

Attachments:

No Attachments.