

Voluntary Report – Voluntary - Public Distribution

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Report Name: Oilseeds and Products Market Update

Country: Bulgaria

Post: Sofia

Report Category: Agricultural Situation, Oilseeds and Products

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Report Highlights:

FAS/Sofia's marketing year (MY) 2023/24 sunflower production estimate is lowered to 1.7 million metric tons (MMT) based on the final harvest data. The sunflower crop suffered from severe and prolonged summer drought and high heat which reduced yields considerably. The rapeseed crop is also lowered to 235,000 MT due to much smaller area harvested, compared to area planted, as a result of high crop losses and abandonment. Smaller oilseed crops, along with reduced farm-gate prices compared to MY 2022/23, have made farmers reluctant sellers. They are holding more stocks. Because of tight supplies, crushers have been eager to import more oilseeds to complement limited domestic supplies. For sunflower seeds, however, imports from Ukraine are still restricted. MY 2023/24 rapeseed imports have doubled so far this marketing year. MY 2024/25 fall planting of rapeseed has been challenging due to an unusually dry and warm fall. Planted area is projected to decline.

Weather Overview

The first half of the fall in 2023, September – October, was one of the warmest and driest on record in Bulgaria. Drier-than-usual conditions (rainfall 50 percent or more below the long-term average) were observed in most of Bulgaria and ranked among the three driest on record since 1991. The rainfall deficit reached 60-95 percent in central and eastern areas. Precipitation throughout the country was concentrated in the first half of September, which was followed by a long dry spell. Daily temperatures exceeded the long-term average by 2-3.5°C, resulting in near-record temperatures for the review period as a whole ([JRC MARS Bulletin October Vol 31 №10](#)). In the first half of November, severe dry conditions prevailed, especially in central Bulgaria, that caused significant delays in sowing of rapeseeds ([JRC MARS Bulletin November Vol 31, №11](#)).

These conditions affected the final stage of development of the summer crops and the sunflower yield forecast was revised further downwards. On the other hand, dry weather allowed for good progress in sunflower harvesting. High temperatures, combined with a pronounced rainfall deficit and negative climatic water balance, caused topsoil to become dry and hard, which negatively affected the rapeseed planting campaign for next year's crop, as well as emergence and development of plants that had already been sown. This led to a significant delay in the fall planting of rapeseed, and less was able to be planted in the optimum time window. This weather hampered adequate seedbed preparation and hindered the sprouting and emergence of the crop before winter. Adequate rains arrived in the first week of November followed by the first snowfall in the last week of the month. However, substantial rain/snow is needed in the drought-affected regions to establish the crops before wintering.

The summer season (July-August) in 2023 was also unusually hot and dry with prolonged dry spells with extreme temperatures. This had a severe negative impact on sunflower development despite the promising start in May/June. (See Maps 1-8 [Crop Explorer](#) and [Bulgaria data](#)). The amount of rainfall was higher in the northwest part of the country (Map 6), and a similar pattern was observed in the fall (Map 8). There were locations with some timely showers which led to a mixed picture of summer crops' yields, with an overall better situation in the northwestern and northcentral regions. However, satellite maps show a generally much drier and warmer season (March – November, Map 3) especially in the central/eastern parts of the country which make up most of Bulgaria's oilseeds regions, along with parts of Romania and Spain, and was among the driest regions in Europe this year.

MY 2024/25 Outlook

Due to the dry and warm fall weather, field works for rapeseed planting were challenging. As a result, the Ministry of Agriculture (MinAg) reported a decline in area planted to rapeseed to 97,100 hectares (HA) as of November 23, down 13.4 percent compared to the corresponding period last year. It is forecasted that area planted to rapeseeds in MY 2024/25 will be about 100,000 HA. It should be noted that in MY 2023/24 farmers planted about 113,000 HA in the fall of 2022 but due to reseeding and lost areas caused by drought, the final area harvested declined to 89,000 HA. Overall, growing rapeseed is losing popularity among farmers due to increasing pressure from pests caused by the EU ban on neonicotinoids, and that there is a limited window of only a few months when domestic demand is substantial for rapeseed.

Rain arrived in early November and although it was a relief for the farmers, it did not dramatically change the situation. As of November 26 (Map 4), surface soil moisture improved but the subsurface

moisture remained in deficit in central and southern regions. More rain and snow are in the forecast for December, and it is expected that this will support the early development of the rapeseed crop.

MY 2023/24 Production Estimates, Trade and Use

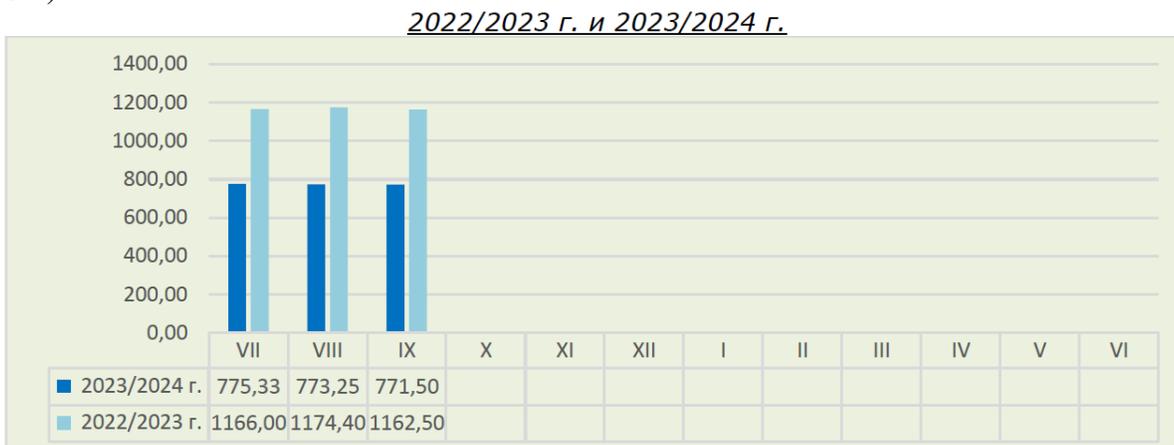
Final production data based on Eurostat is provided in Table 1 in the appendix.

Soybeans: Bulgaria is not a significant producer of soybeans (Table 1), however, there have been attempts by leading farmers to increase area planted due to the benefits of soybeans as it relates to soil nutrients (nitrogen) and other environmental advantages. The country is a net importer of processed soybean products. The dry and hot weather in MY 2023/24 reduced area harvested and production to half of the level in the previous season.

Rapeseed: The latest MinAg/Eurostat official data confirmed reduced rapeseed production at 235,000 MT at standard moisture content (Table 1) compared to earlier estimates. The crop was 22 percent lower than in MY 2022/23 due to harvested area (89,000 HA) being sharply lower than planted area (113,000 HA) because of crop losses, high abandonment, and reseeded. The average yield improved by 14 percent compared to MY 2022/23 (2.32 MT/HA) to 2.65 MT/HA.

Rapeseed prices have been lower in the current marketing year (Graph 1) than the previous season. Rapeseed has a short trading window and no trade/market prices have been reported since September.

Graph 1. Rapeseed Monthly Market Prices, MY 2023/24 vs MY 2022/23 in Bulgarian Leva (BGN)/MT



*The chart shows prices for the MY, which begins in July, with MY 2023/24 in dark blue and MY 2022/23 in light blue.

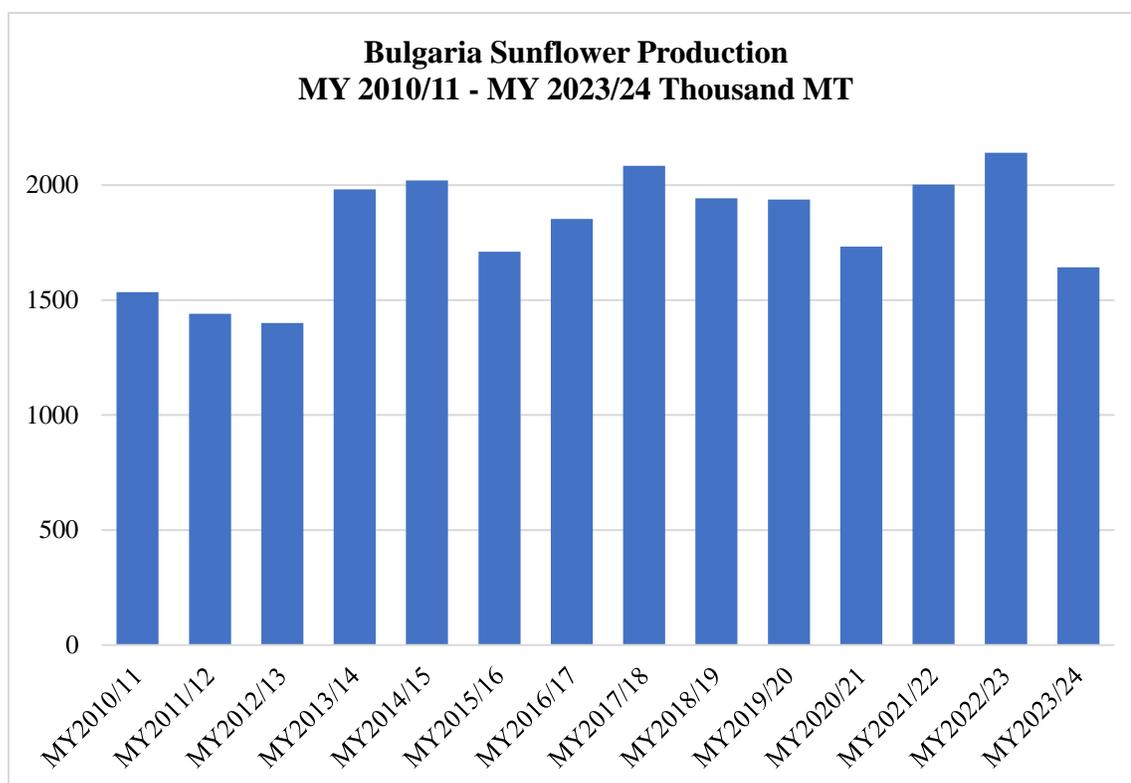
Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Exports in the current marketing year as of November 24 were reported at only 70,000 MT (Table 2, appendix, source: MinAg), of which 41,000 MT went to the EU market (mainly Germany) and 29,000 MT to non-EU markets. This is sharply lower by 71 percent compared to a year ago when exports were at 243,000 MT. The decline is due to the smaller crop and the domestic market being in deficit for rapeseed, which made the local users more proactive buyers. In addition, export demand was not as brisk as in the past due to stronger Black Sea and EU competition.

Domestic crushers have also looked for more price-competitive imports to complement weaker domestic supplies. Imports at the end of November had grown to 99,000 MT, nearly doubled compared to 50,000 MT in the previous season. Most of these imports came from Ukraine and Moldova.

Sunflower: FAS/Sofia lowers its estimate for the sunflower crop to 1.7 MMT due to severe drought and heat during the summer period, despite optimistic expectations in the spring. The latest Eurostat official data confirmed sunflower production at 1.62 MMT at standard moisture content (Table 1). The MinAg reported 1.6 MMT harvested as of November 23, which represents a 23 percent reduction in overall production, including a 16 percent drop in average yield, and 6 percent lower area harvested compared to MY 2022/23. The average yield dropped to the lowest level since 2012 of 1.92 MT/HA, and reportedly, some areas were not harvested due to high losses (Graph 2).

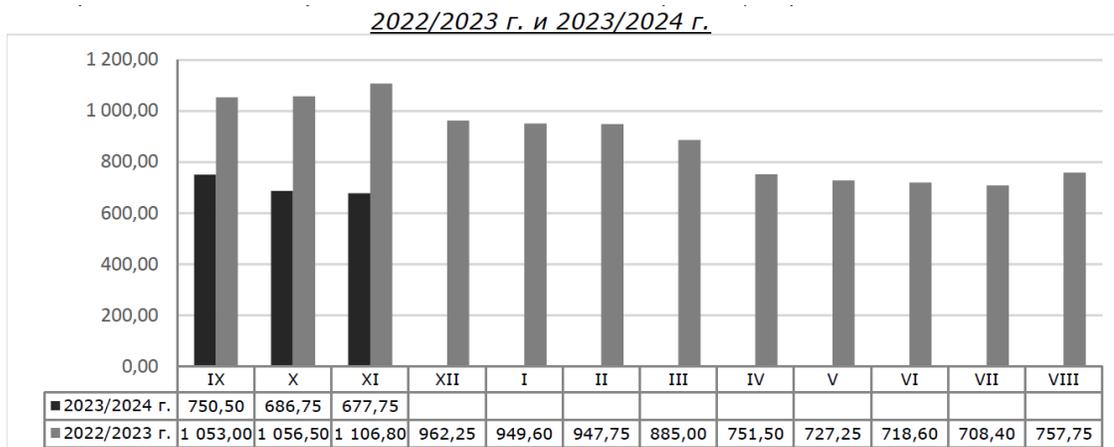
Graph 2. Sunflower Production, MT, MY 2010/11 – MY 2023/24



Source: Eurostat

Farm-gate sunflower seed prices have softened after their peaks in the summer of 2022 (Graphs 3 and 4). In MY 2022/23, farmers, pressured by high production costs, preferred to harvest and hold onto sunflower seed stocks in expectation of more attractive prices. This resulted in more ending stocks in MY 2022/23. Nevertheless, farmers maintained the same pattern in the current MY 2023/24 due to a continuous decline in prices (Graphs 3 and 4), still anticipating an uptick in prices later in the year. The MinAg reported that as of November 22, ex-farm prices for sunflower seeds were 39.3 percent lower than a year ago.

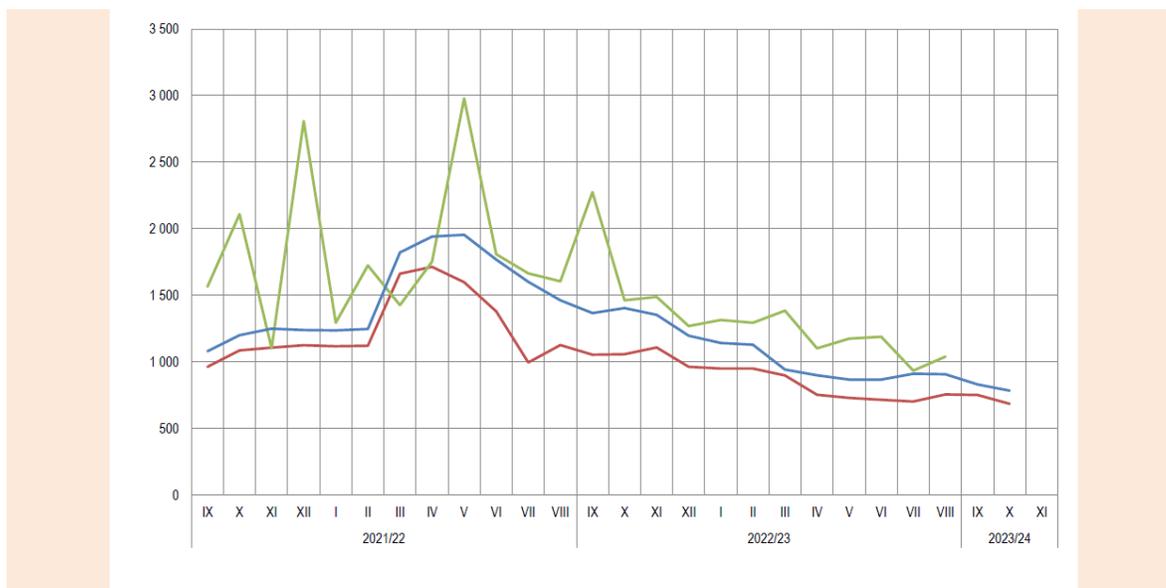
Graph 3. Sunflower Monthly Market Prices, MY 2023/24 vs MY 2022/23 in BGN/MT



*The chart shows prices for the MY, which begins in September, with MY 2023/24 in dark black and MY 2022/23 in grey.

Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Graph 4. Sunflower Monthly Prices, MY 2021/22 – MY 2023/24 (November), BGN/MT



Red line- Bulgarian ex-farm prices, sunflower seeds, in Bulgarian leva (BGN) per MT

Blue line – EU export price FOB Bordeaux, sunflower seeds, BGN/MT

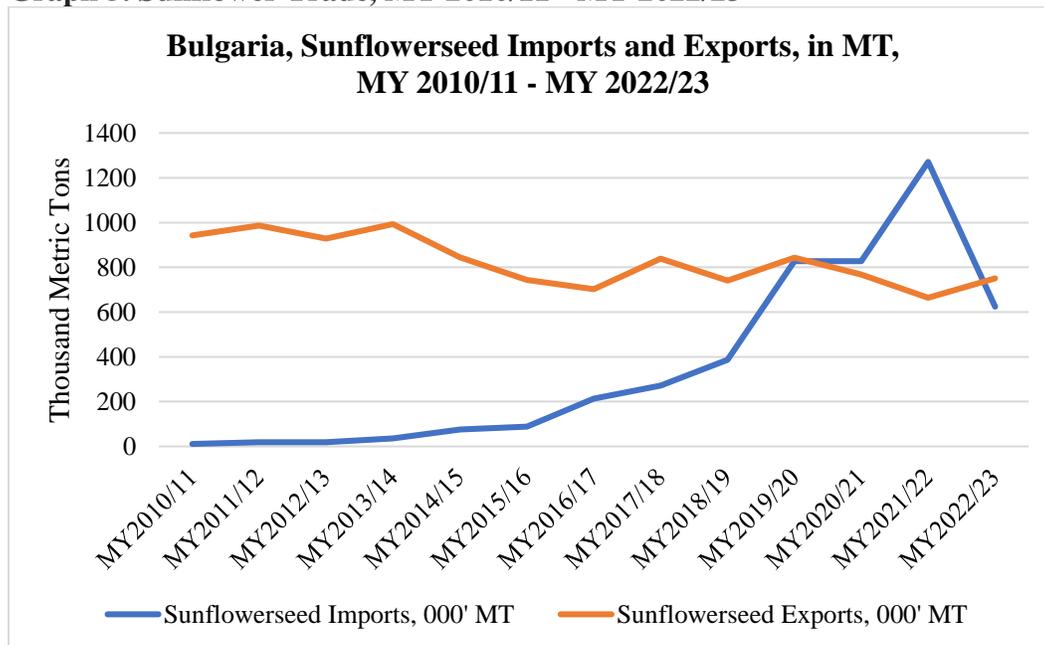
Green line – Bulgarian CIF export price, sunflower seeds, BGN/MT

Source: Bulgarian MinAg [Dashboard](#) Grains and Oilseeds, November, 2023

Crushers are being severely impacted by the combination of the small 2023/24 crop, farmers reluctance to sell and holding large stocks, and their inability to import sunflower seeds. Since MY 2015/16, the Bulgarian crushing industry has invested in expanding capacities and the country gradually shifted its

trade pattern from a net sunflower seed exporter to an importer of seeds (see Graph 5) and exporter sunflower seed meal, oil, and processed products. The capacity of Bulgarian sunflower processors today (crushers and dehulling facilities) reportedly exceeds 4.3 MMT. Since the country usually produces no more than 2.0-2.1 MMT sunflower seeds (Graph 2), the industry became a stable importer and the crushing industry is dependent on regular import flows.

Graph 5. Sunflower Trade, MY 2010/11 - MY 2022/23



Source: Trade Data Monitor/TDM

Note: MY 2022/23 is based on the latest available TDM data - October 2022 -August 2023.

The import situation changed in MY 2022/23 (since April 2023) when the authorities decided to introduce various types of bans and/or limitations on imports of sunflower from Ukraine. Although Bulgaria for the past few years has been the largest EU crusher of sunflower seed, and exporter of meal and oil, with the dearth of imports it has been losing export markets and many crushers have suffered serious losses; many reduced operations or shut down due to lack of sufficient raw materials.

Exports have been sluggish due to the lower supplies and farmers holding stocks. Exports as of the end of November were reported by the MinAg at 64,000 MT (to the EU market only) compared to 57,000 MT a year ago.

Beginning Stocks MY 2023/24

MY 2023/24 beginning stocks were higher than usual due to farmers holding stocks due to lower prices, as well as unstable and unpredictable market situation in the region.

The MinAg reported 26,000 MT rapeseed stocks as of June 30, 2023 - compared to 5,000 MT a year ago and 6,700 MT two years ago. Reportedly, most of these stocks were held by crushers due to the anticipation of a small crop in MY 2023/24.

Farmers preferred to hold on their sunflower stocks, and this resulted in accumulation of 412,000 MT as of August 31, 2023 compared to 224,000 MT a year ago. Reportedly, due to hot summer weather, the quality of some of these farm stocks deteriorated and this caused issues with trade and use.

MY 2022/23 Trade Data

Final trade data for rapeseeds and products is in Table 3 (TDM). The trade data for sunflower, soybeans and processed products is currently available for the first 3 quarters of the marketing year, October – June. Since MY 2020/21, Bulgaria has exported consistently increasing volumes of sunflower oil and meal due to the growth in crush, mainly to non – EU markets (China and Iraq) and became a leading EU exporter of these products.

Agricultural Policy

Bulgaria, similar to other countries in Eastern Europe, has suffered from depressed farm prices in MY 2022/23 and in MY 2023/24 to date. Farmers have been trapped between sharply increasing production costs and declining market prices. Leading farm organizations began to appeal for more domestic support and/or limitations on imports from Ukraine. Many agricultural producers have blamed price-competitive imports of Ukrainian sunflower as the main reason for depressed prices.

In the middle of September, the authorities attempted to remove the temporary import ban on four Ukrainian products (wheat, corn, rapeseeds and sunflower) which led to massive farmers’ protests, road blockages and political implications. The MinAg agreed to extend the ban until November 30 when imports of these products should be regulated by Ukrainian authorities via a newly developed licensing and export quotas regime, and in dialogue with the Bulgarian MinAg about domestic needs for imports. As the time of writing this report, the new import mechanism for Ukrainian products has not been publicly announced, and no new relevant regulation has been approved.

Appendix.

Table 1. Oilseed Crops Final Production Data MY 2023/24 and MY 2022/23, December 2023

Crops	Area Harvested (000 HA)		Production (000 MT)	
	MY 2023/24	MY 2022/23	MY 2023/24	MY 2022/23
Rapeseed	89.00	129.33	235.56	299.42
Sunflower	860.00	916.96	1642.86	2,140.59
Soybeans	3.80	9.50	4.91	10.18
Total	952.80	1055.79	1883.33	2450.19

Source: Eurostat data based on EU standard moisture content- updated as of December 2023

Table 2: MY 2023/24 Trade in Major Oilseed Crops, as of November 24, 2023

Types of Oilseeds	Imports, MT	Exports, MT
Rapeseed	98,903 MT	69,656 MT (of which 41,021 MT to the EU and 28,635 MT to non-EU markets)
Sunflower	87,357 MT	63,710 MT (all quantity is exported to the EU)

Source: MinAg weekly bulletins;

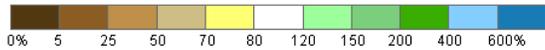
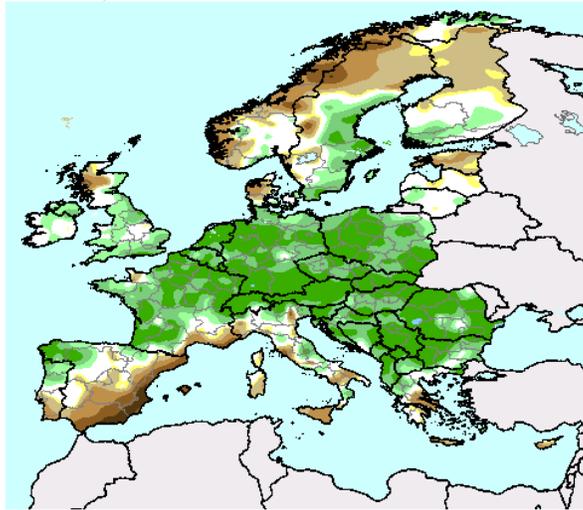
Note: The Bulgarian MinAg uses September 1-August 31 as a MY for sunflower.

Table 3: MY 2022/23 Trade in Major Oilseeds and Processed Products

Types of Oilseeds	Imports, MT	Exports, MT
Rapeseeds	46,938 MT - 38,445 MT from Ukraine - 6,224 MT from Moldova	225,298 MT - 85,056 MT to Belgium - 65,658 MT to the Netherlands
Rapeseed Meal	9,771 MT: - 9,584 MT from Romania	35,252 MT: - 27,501 MT to Israel - 2,991 MT to Turkey
Rapeseed Oil	2,602 MT: - 1,463 MT from Ukraine	11,432 MT: - 9,182 MT to Romania
Sunflower Seeds (October – June)	595,441 MT - 418,631 MT from Ukraine	617,225 MT - 189,914 MT to the Netherlands
Sunflower Meal (October - June)	102,524 MT: - 84,803 MT from Ukraine - 13,143 MT from Moldova	594,932 MT: - 383,602 MT to China - 35,933 MT to Israel - 35,831 MT to Greece - 24,910 MT to the Netherlands - 22,564 MT to Romania
Sunflower Oil (October - June)	194,625 MT: - 165,995 MT from Ukraine - 22,036 MT from Romania	624,530 MT: - 103,967 MT to Iraq - 76,340 MT to Greece - 57,125 MT to Spain - 45,182 MT to Italy - 36,500 MT to South Africa
Soybeans (October – June)	1,676 MT	57 MT
Soybean Meal (October- June)	82,723 MT: - 65,256 MT from Romania	480 MT
Soybean Oil (October-June)	13,649 MT: - 9,915 from Serbia	246 MT
Source: Trade Data Monitor (TDM)		

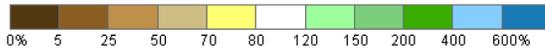
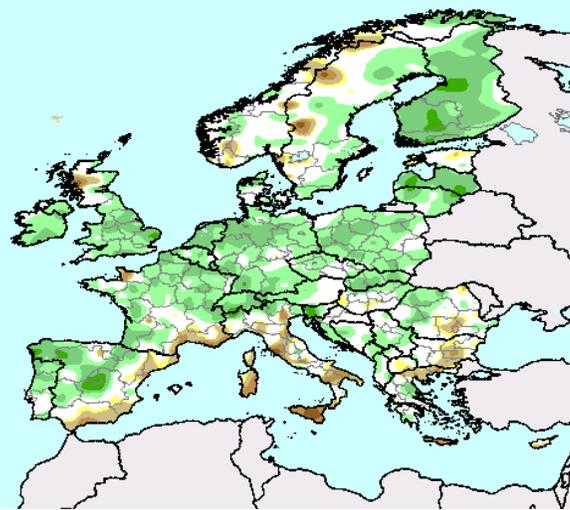
Map 1: USDA [Crop Explorer](#), Europe, Percent Normal Precipitation, October 26-November 25, 2023 and for August 26 – November 25, 2023; Percent of Soil Moisture November 26, 2023

Percent of Normal Precipitation 1-Month (CPC)
Oct. 26 - Nov. 25, 2023



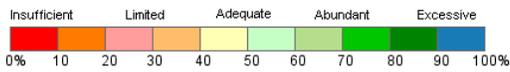
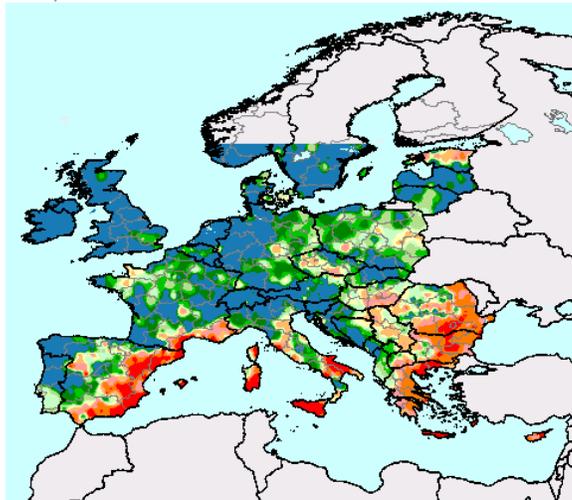
Source: NOAA/CPC

Percent of Normal Precipitation 3-Month (CPC)
Aug. 26 - Nov. 25, 2023



Source: NOAA/CPC

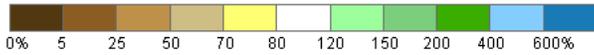
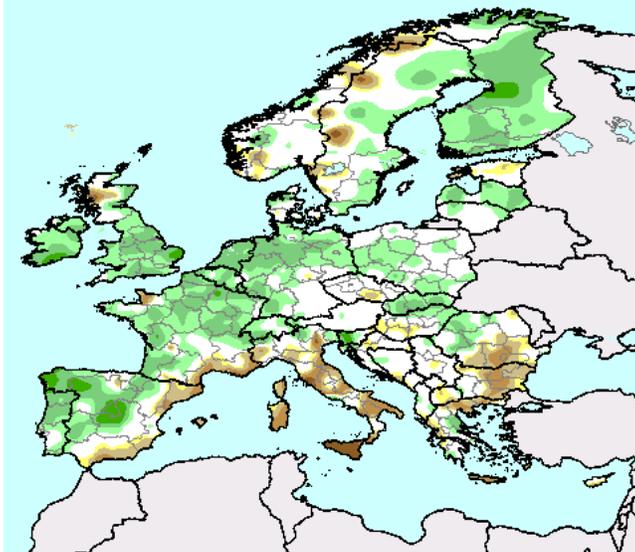
Percent Soil Moisture (WMO)
Nov. 26, 2023



Source: World Meteorological Organization

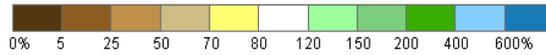
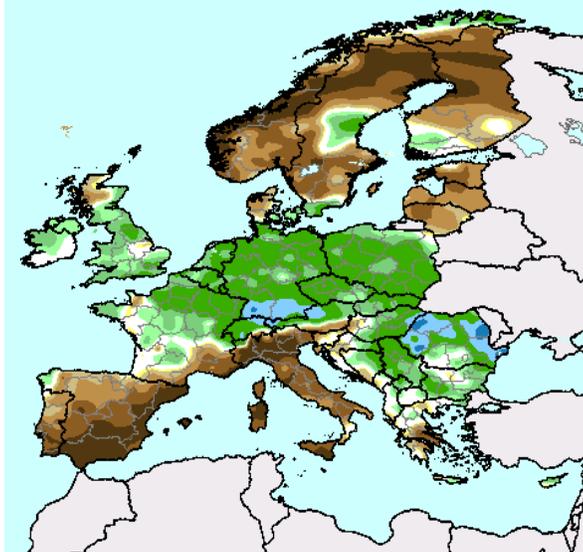
Map 2: USDA Crop Explorer, Europe (including Bulgaria), Seasonal Percent of Normal Precipitation September 1- November 20, 2023 and Percent of Normal Precipitation November 11- November 20, 2023

Seasonal Percent of Normal Precipitation (CPC)
Sep. 1 - Nov. 20, 2023



Source: NOAA/CPC

Percent of Normal Precipitation 10-Day (CPC)
Nov. 11 - 20, 2023

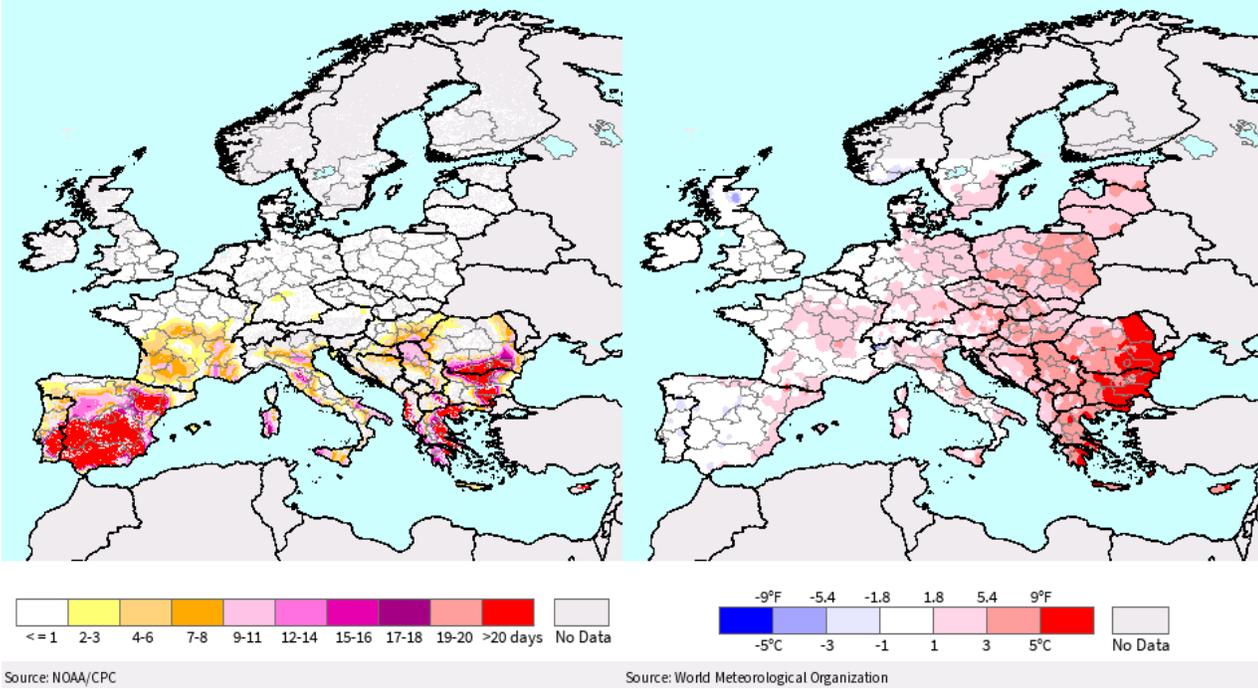


Source: NOAA/CPC

Map 3: USDA Crop Explorer, Europe (including Bulgaria), Seasonal Heat Stress (Croplands), March 1- October 31, 2023 and Mean Maximum Temperature Departure from Normal, November 6-12, 2023

Seasonal Heat Stress Days (Croplands) $\geq 35^{\circ}\text{C}/95^{\circ}\text{F}$ (CPC)
Mar. 1 - Oct. 31, 2023

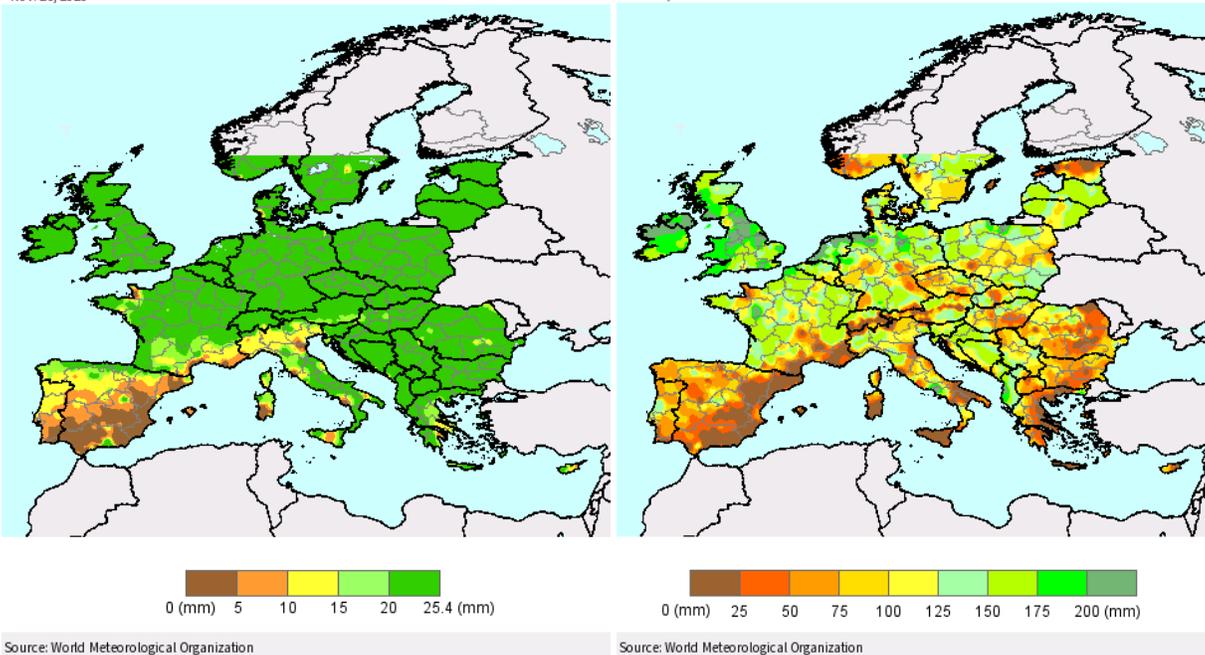
Mean Maximum Temperature Departure from Normal (WMO)
Nov. 6 - 12, 2023



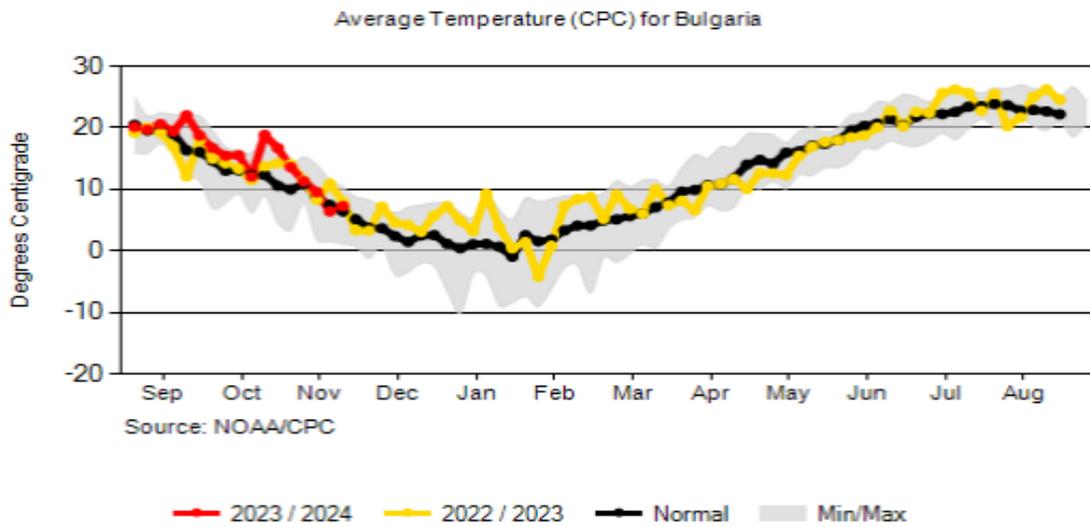
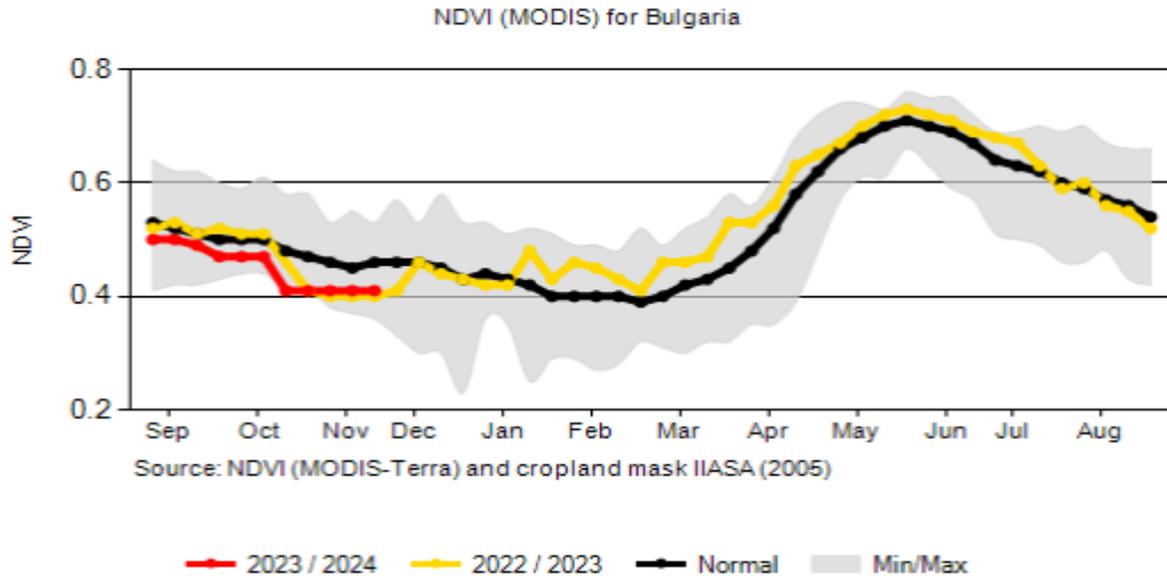
Map 4: USDA Crop Explorer, Europe (including Bulgaria), Surface and Subsurface Soil Moisture November 26, 2023

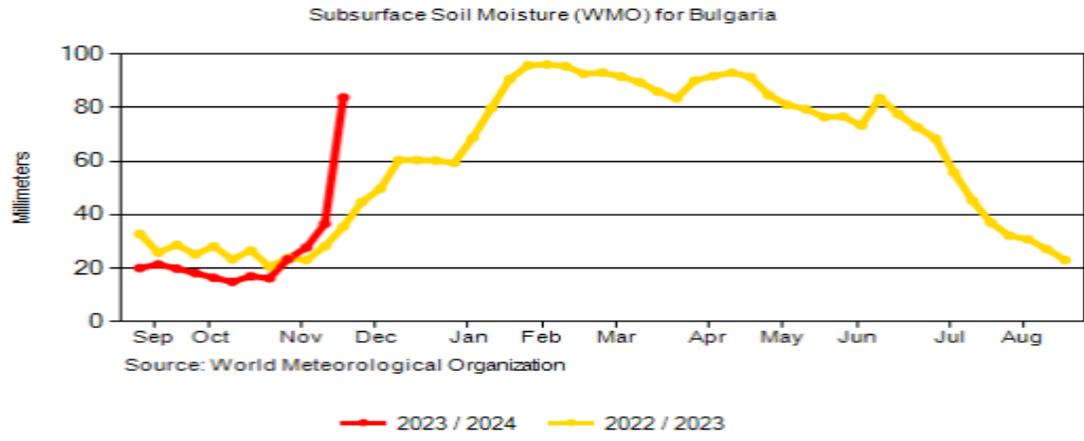
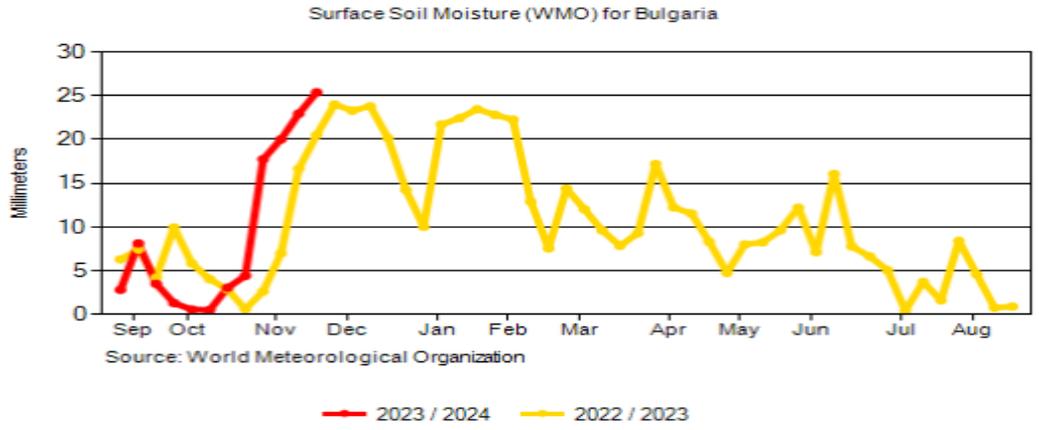
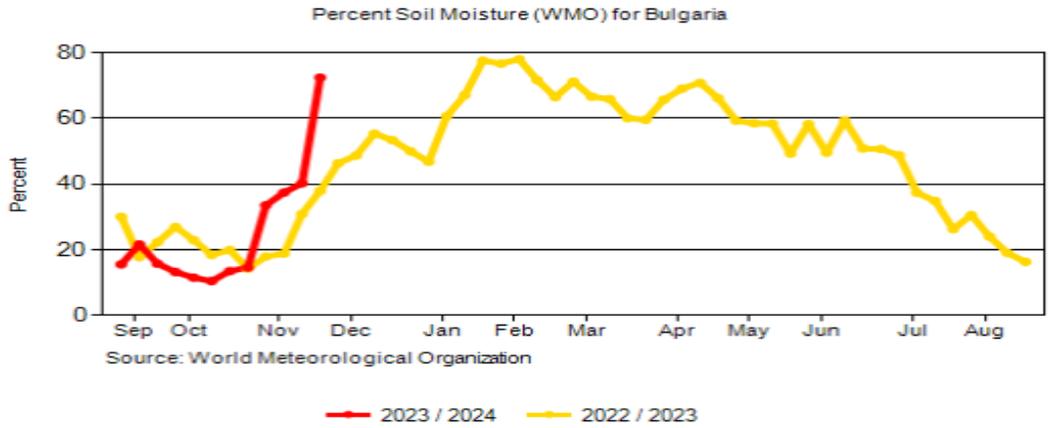
Surface Soil Moisture (WMO)
Nov. 26, 2023

Subsurface Soil Moisture (WMO)
Nov. 26, 2023

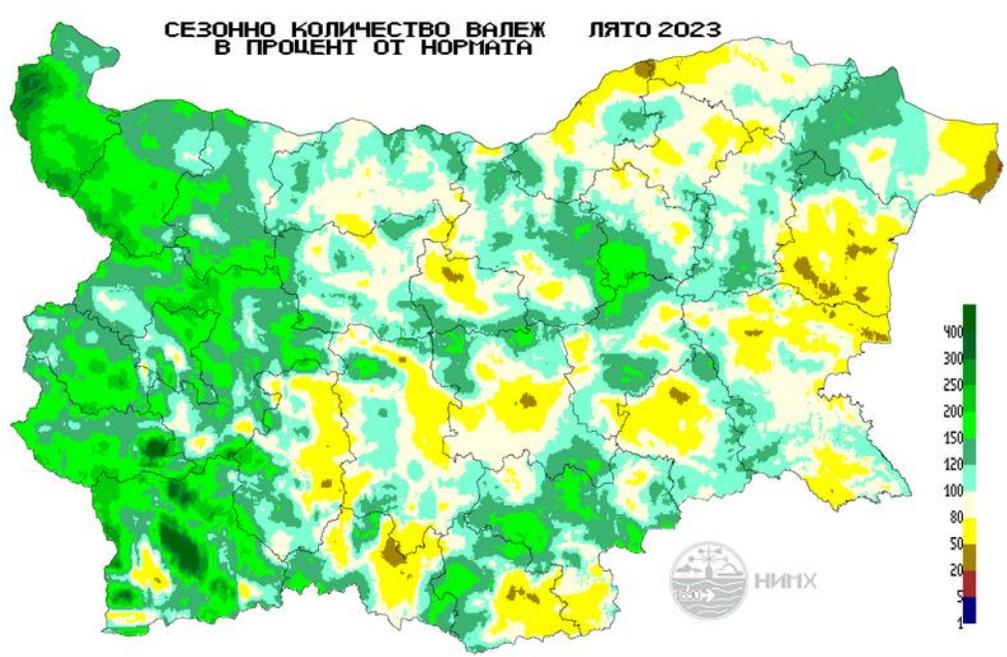


Map 5. USDA [Crop Explorer](#), Bulgaria, Vegetation Index (NDVI), Average Temperature, Percent of Soil Moisture, Surface and Subsurface Soil Moisture, as of November 24, 2023

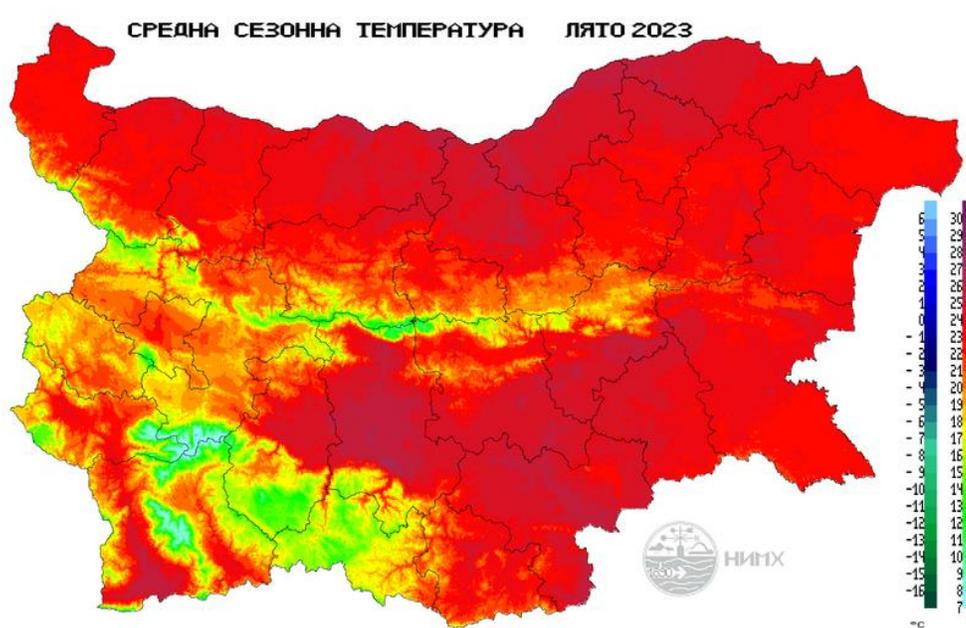




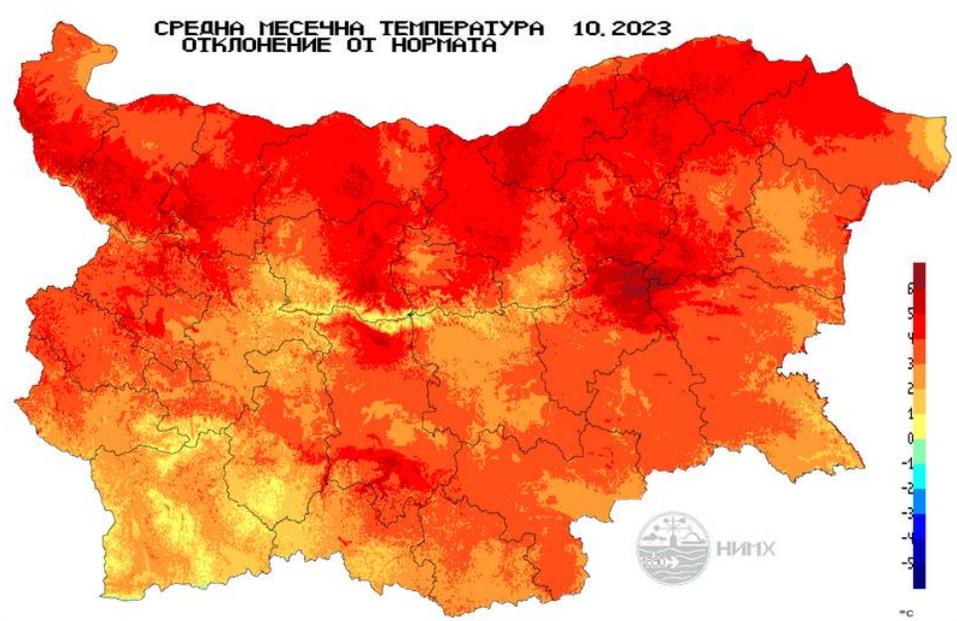
Map 6. Seasonal Rainfall Summer 2023 as a Percent of the Norm, Source: [Bulgarian National Institute of Meteorology and Hydrology](#)



Map 7: Summer Season 2023: Deviation from the Average Seasonal Temperature Norm, Source: [Bulgarian National Institute of Meteorology and Hydrology](#)



Map 8. October 2023, Deviation from the Average Monthly Temperature and Rainfall as Percent of the Norm, Source: [Bulgarian National Institute of Meteorology and Hydrology](#)



Attachments:

No Attachments.