USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

Voluntary Report – Voluntary - Public Distribution **Date:** October 12, 2022

Report Number: E42022-0057

Report Name: Oilseeds and Products Update

Country: European Union

Post: Vienna

Report Category: Biofuels, Grain and Feed, Oilseeds and Products

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Report Highlights:

This report updates several sections of the European Union's "Oilseeds and Products Annual" report released in April 2022. Updated sections include soybean, rapeseed, and sunflower. Increased areas of about 10 percent for all three major oilseeds but lower average yields for sunflower, and rapeseed are forecast to result in a total of about 3 percent higher production in MY 2022/23. The ongoing Russian invasion of the Ukraine, high and volatile prices for input and products, as well as hot and dry conditions in many regions of the EU cause significant uncertainties regarding future developments.

Executive Summary:

Total major EU oilseed (rapeseed, sunflower, soybeans) production in marketing year (MY) 2022/23 is forecast at slightly over 3 percent. This increase in production is the result of significant increases in area for all 3 oilseeds (soybeans: up 11.1 percent; sunflower: up 10.3 percent; rapeseed: up 9.7 percent) but lower average yields compared to the previous MY for sunflower and rapeseed due to hot and dry conditions in major producing regions. EU sunflower and soybean areas in production are at a record high, and rapeseed area increased for the first time after a significant decline in 2019 and following stagnation. Attractive commodity prices, and to some extent uncertainty in the Black Sea market due to Russia's invasion of Ukraine are the major drivers for the increases in area.

Favorable crush-margins, particularly for sunflower and rapeseed, and increased domestic availability are forecast to lead to increased crush. The resulting higher rapeseed meal production is expected to result in higher use of rapeseed meal in animal feed. Soybean meal for feed use is forecast to be flat and sunflower meal feed use is projected to increase in the first half of MY 2022/23, but to decrease later in the year, resulting in a total lower feed use of about 1.5 percent.

EU food consumption of vegetable oils is rising. Food use of soybean oil is forecast to be up as the scarcity of sunflower oil caused by Russia's invasion of Ukraine led to a shift to other vegetable oils. This is especially the case in countries that put in place recipe waivers for vegetable oil. In contrast to food consumption, industrial use of soybean oil is expected to plummet. Higher domestic supply of rapeseed oil will also be increasingly used for human domestic consumption. In addition, the higher availability and lower prices of sunflower oil are projected to lead to a strong rebound of sunflower oil in food consumption.

Introduction

This report presents the outlook for oilseeds in the EU. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

Important Notes:

- Ukraine is one of the world's top agricultural producers and exporters and plays a critical role in supplying grains and oilseeds to the global market and to the EU. Since February 24, 2022, Russia's invasion of Ukraine has significantly impacted the EU's grains and oilseeds markets. Ukrainian trade facilities are to a large extent running idle and sanctions imposed on Russia have altered global trade flows in MY 2021/22, creating a very volatile situation.
- USDA official numbers in this report include the World Agricultural Supply and Demand Estimates (WASDE) August 2022 release.
- In this report the term "biofuel" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity production or other technical uses such as lubricants or in detergents are included in "industrial use."
- Trade figures are revised according to the most recent data available from Trade Data Monitor (May 2022).
- The term European Union (EU) refers to the current EU27 member states.
- Units: MT = metric tons; MMT = million metric tons; HA = hectares; MHA = million hectares

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The marketing years used in this report are:

July-June
Rapeseed complex

October -September
Soybean complex
Sunflower complex

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1. Total of Major Oilseeds (Soybean, Rapeseed, Sunflower)

Note: Total oilseeds include different marketing years with different beginning and ending months. Please find details for the specific commodities in the respective sections.

For further details please visit the respective commodity sections.

EU Area of Major Oilseeds (in 1,000 HA)

Area	2017	2018	2019	2020	2021e	2022f
Soybeans	965	960	955	871	900	1,000
Rapeseed	6,749	6,901	5,079	5,324	5,334	5,850
Sunflower	4,400	4,100	4,320	4,400	4,350	4,800
Total	12,114	11,961	10,354	10,595	10,584	11,650

Note: The years refer to the calendar year in which the harvest occurs (e.g., 2022 = harvested in CY 2022, marketed in MY 2022/23)
e = estimate, f = forecast
Source: FAS EU

EU Major Oilseeds Production (in 1,000 MT)

Production	2017	2018	2019	2020	2021e	2022f
Soybeans	2,650	2,780	2,754	2,600	2,655	3,000
Rapeseed	21,914	19,929	15,241	16,575	17,200	18,200
Sunflower	10,130	9,510	9,480	8,900	10,300	9,900
Total	34,694	32,219	27,475	28,075	30,155	31,100

Note: The years refer to the calendar year in which the harvest occurs (e.g., 2022 = harvested in CY 2022, marketed in MY 2022/23)
e = estimate, f = forecast
Source: FAS EU

EU Major Oilseeds Crush (in 1,000 MT)

Crush	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22e	MY 2022/23f
Soybeans	15,300	15,800	15,936	15,800	15,400	15,500
Rapeseed	24,300	23,500	21,200	22,300	21,600	22,500
Sunflower	8,900	8,700	8,654	8,200	9,600	10,000
Total	48,500	48,000	45,790	46,300	46,600	48,000

e = estimate, f = forecast
Source: FAS EU

Feed, Waste Use of Major Oilseeds Meals in the EU (in 1,000 MT)

Feed, Waste Use Meals	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22e	MY 2022/23f
Soybeans	30,100	30,400	27,898	28,250	26,900	27,000
Rapeseed	13,700	13,300	1,200	12,550	12,200	12,550
Sunflower	7,800	7,900	7,150	6,340	6,800	6,700
Total	51,600	51,600	36,248	47,140	45,900	46,250

e = estimate, f = forecast
Source: FAS EU

Food Use of Major Oilseeds Oils in the EU (in 1,000 MT)

Food Use Oil	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22e	MY 2022/23f
Soybean Oil	1,325	1,350	1,171	1,200	1,300	1,400
Rapeseed Oil	3,000	2,950	2,300	2,350	2,450	2,500
Sunflower Oil	4,300	4,550	4,400	4,200	4,500	4,600
Total Oils	8,625	8,850	7,871	7,750	8,250	8,500

e = estimate, f = forecast
Source: FAS EU

Industrial Use of Major Oilseeds Oils in the EU (in 1,000 MT)

Industrial Use Oil	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22e	MY 2022/23f
Soybean Oil	870	1,050	1,150	1,100	1,200	500
Rapeseed Oil	7,050	6,700	6,650	6,650	6,700	6,750
Sunflower Oil	330	500	510	500	500	450
Total	8,250	8,250	8,310	8,250	8,400	7,700

e = estimate, f = forecast
Source: FAS EU

2. Soybean Complex

Soybean complex trade figures are revised according to the most recent data available from Trade Data Monitor (May 2022). Harvest and crush estimates are from producing countries.

Table 1
Oilseed Soybean – Production, Supply and Distribution

Oilseed, Soybean Market begin year European Union	2020/2021		2021/2022		2022/2023	
	October 2020		October 2021		October 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area	997	871	990	900	1,035	1,000
Beginning Stocks	1,657	1,657	1,399	1,399	1,127	1,200
Production	2,600	2,600	2,728	2,655	2,570	3,000
MY Imports	14,789	14,789	14,600	14,500	15,200	14,500
Total Supply	19,046	19,046	18,727	18,554	18,897	18,700
MY Exports	187	187	280	230	215	200
Crush	15,800	15,800	15,700	15,400	15,900	15,500
Food Use Dom. Cons.	210	210	220	200	230	220
Feed Waste Dom. Cons.	1,450	1,450	1,400	1,524	1,400	1,580
Total Dom. Cons	17,460	17,460	17,320	17,124	17,530	17,300
Ending Stocks	1,399	1,399	1,127	1,200	1,152	1,200
Total Distribution	19,046	19,046	18,727	18,554	18,897	18,700
(100 HA) (1000 MT) (MT/HA)						

Table 2
Oilseed Soybean Meal– Production, Supply and Distribution

Meal, Soybean Market begin year European Union	2020/2021		2021/2022		2022/2023	
	October 2020		October 2021		October 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	15,800	15,800	15,700	15,400	15,900	15,500
Extr. Rate	0.79	0.78	0.79	0.79	0.79	0.79
Beginning Stocks	790	790	558	576	569	550
Production	12,482	12,400	12,403	12,166	12,561	12,245
MY Imports	16,525	16,525	16,800	15,500	16,750	15,600
Total Supply	29,797	29,715	29,761	28,242	29,880	28,395
MY Exports	847	847	750	750	750	800
Industrial Dom Cons.	10	10	10	10	10	10
Food Use Dom. Cons.	32	32	32	32	32	32
Feed Waste Dom. Cons.	28,350	28,250	28,400	26,900	28,600	27,000
Ending Stocks	558	576	569	550	488	553
Total Distribution	29,797	29,715	29,761	28,242	29,880	28,395
(100 HA) (1000 MT) (MT/HA)						

Table 3
Oilseed Soybean Oil– Production, Supply and Distribution

Oil, Soybean Market begin year European Union	2020/2021		2021/2022		2022/2023	
	October 2020		October 2021		October 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	15,800	15,800	15,700	15,400	15,900	15,500
Extr. Rate	0.19	0.19	0.19	0.19	0.19	0.19
Beginning Stocks	440	440	440	513	443	234
Production	3,002	3,000	2,983	2,926	3,021	2,945
MY Imports	491	491	500	450	500	400
Total Supply	3,933	3,931	3,923	3,889	3,964	3,579
MY Exports	1,063	1,063	1,025	1,100	1,050	1,200
Industrial Dom Cons.	1,100	1,100	1,050	1,200	1,050	500
Food Use Dom. Cons.	1,275	1,200	1,350	1,300	1,350	1,400
Feed Waste Dom. Cons.	55	55	55	55	55	55
Ending Stocks	440	513	443	234	459	424
Total Distribution	3,933	3,931	3,923	3,889	3,964	3,579
(100 HA) (1000 MT) (MT/HA)						

Source: FAS EU and TDM

MY 2022/23
Soybean acreage in Europe has increased continuously for the past 20 years. Soybean production is expected to rise again this marketing year, following an increase in planted acreage in the main producing countries of France, Italy, and Romania. According to the estimates in this report and recent information published by the EU Commission, the 2022 harvest is likely to amount to a record 3 MMT. Italy will remain the largest producer within the EU in MY 2022/23.

Nevertheless, production and yields will be impacted by the unfavorable spring and summer weather. Large parts of Europe have been afflicted by drought and hot weather in recent weeks, including Spain, southern France, central and northern Italy, central Germany, northern Romania, and eastern Hungary. Heat stress is impacting key crops, and water reservoir levels in many places are too low to meet the demand for irrigation.

Heatwaves and droughts are also exacerbating the impact of Russia's invasion of Ukraine on feed, food prices, and access to fertilizers. However, soybean needs less fertilizer than other crops.
While some countries are supporting local soybean production to decrease dependance on imports, the European Union's production remains far too low to fulfill domestic demand for the protein crop.

Imports are expected to be stable while exports could be slightly lower than in MY 2021/22 but higher than in previous years, due to demand from non-EU countries in eastern Europe.

Driven by both the demand for oil caused by the risk of a lower Ukrainian production and the limited pasture availability supporting feed demand after months of severe drought, crush should be up.

Soybean meal production is forecast to rise by less than 1 percent, but demand faces the looming threat of a severe outbreak of highly pathogenic avian influenza (HPAI) and other zoonotic diseases in the coming months and the localized struggling livestock industry in Western Europe. With the projected decline in animal production and lower feed demand, imports will not reach the volumes of MY 2020/21 and earlier.

The most important change could take place on the soybean oil market. Industrial use of soybean oil is expected to plummet drastically as the European Parliament's industry committee voted in July 2022 to restrict soybean oil as a feedstock for biofuel production, possibly entering into force as soon as 2023. The decision was taken due to concerns over the environmental impact of soy cultivation in countries outside of Europe where it is blamed for causing deforestation.

Food use of soybean oil is on the rise due to the disruption of the oilseed market by sunflower oil shortages linked to Russia's invasion of Ukraine and consumers and food processors subsequently turning to other cooking oils. Recipe waivers for cooking oils facilitated this shift by food processors. While this reality causes uncertainty, exports could continue to increase to meet demand from North African partners.

MY 2021/22
Area is revised slightly down compared to the previous report as some farmers chose to turn to rapeseed due to profitable prices.

Production is also revised down, but yields are higher than in MY 2020/2021. Soybean imports are moderately lower than expected as Ukrainian exports decreased due the war and exports from some South American suppliers decreased due to an on-going drought in the region. Brazil remains the top supplier of soybeans to the European Union, providing more than half of all imports.

After record years in MY 2019/20 and 2020/21, crush is down as imports decreased. Soybean meal feed use is down due to the worst outbreak of HPAI ever recorded in Europe. This outbreak resulted in the slaughter of 46 million poultry. Demand for pork and poultry increased with the gradual lifting of pandemic restrictions, including lockdowns, which enabled the return of tourism. However, increased tourism was not enough to counterbalance the compound effect of the HPAI outbreak and the livestock and feed crisis that European farmers are currently experiencing.

Broiler feed accounted for the largest share of overall use of soy products in feeds in the EU. This is due to its comparatively high soy content and its role as the second biggest category in compound feed production. The pork and dairy sectors follow the poultry sector in soybean meal consumption.

Soybean meal imports are down due to an avian influenza outbreak and supply issues in Brazil and Argentina, the two main suppliers to Europe.

Despite better than expected access to soybean oil imports from Ukraine for MY 2021/22, import figures are down. This is due to decreased imports from Russia and Paraguay.

Food use is up as the oil market was disrupted by shortages linked to Russia's invasion of Ukraine. To cope with the shortage of sunflower oil, several countries including France, Spain, and Portugal implemented measures to allow manufacturers to sell reformulated products replacing sunflower oil with alternative oils. This permitted the use of stickers, printing by inkjet or equivalent, to provide consumers with information regarding the actual oil contained in processed food products. Processed food manufacturers were able to continue to use their old packaging without incurring additional costs while complying with Regulation (EU) 1169/2011 on the provision of food information to consumers.

3. Rapeseed Complex

PSDs have been revised according to the most recent data available from Trade Data Monitor (May 2022). Recent harvest and crush estimates are from producing countries.

Table 4
Oilseed Rapeseed – Production, Supply and Distribution

Oilseed, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Begin Year	Jul 2020		Jul 2021		Jul 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area	5,323	5,324	5,334	5,334	5,815	5,850
Beginning Stocks	1,069	1,069	569	418	659	518
Production	16,726	16,575	17,199	17,200	17,950	18,200
MY Imports	5,797	5,797	5,519	5,500	5,600	5,600
Total Supply	23,592	23,441	23,287	23,118	24,209	24,318
MY Exports	173	173	453	450	400	400
Crush	22,300	22,300	21,600	21,600	22,500	22,500
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	550	550	575	550	625	550
Total Dom. Cons.	22,850	22,850	22,175	22,150	23,125	23,050
Ending Stocks	569	418	659	518	684	868
Total Distribution	23,592	23,441	23,287	23,118	24,209	24,318
(1000 HA), (1000 MT), (MT/HA)						

Table 5
Oilseed Rapeseed Meal– Production, Supply and Distribution

Meal, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Begin Year	Jul 2020		Jul 2021		Jul 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	22,300	22,300	21,600	21,600	22,500	22,500
Extr. Rate	0.57	0.57	0.57	0.57	0.57	0.57
Beginning Stocks	435	435	313	313	300	305
Production	12,711	12,711	12,312	12,312	12,825	12,825
MY Imports	467	467	561	580	550	550
Total Supply	13,613	13,613	13,186	13,205	13,675	13,680
MY Exports	750	750	736	700	750	750
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	12,550	12,550	12,150	12,200	12,550	12,550
Total Dom. Cons.	12,550	12,550	12,150	12,200	12,550	12,550
Ending Stocks	313	313	300	305	375	380
Total Distribution	13,613	13,613	13,186	13,205	13,675	13,680
(1000 MT), (PERCENT)						

Table 6
Oilseed Rapeseed Oil – Production, Supply and Distribution

Oil, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Begin Year	Jul 2020		Jul 2021		Jul 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	22,300	22,300	21,600	21,600	22,500	22,500
Extr. Rate	0.42	0.42	0.42	0.42	0	0.42
Beginning Stocks	423	423	331	381	562	528
Production	9,366	9,366	9,072	9,072	9,450	9,450
MY Imports	314	314	607	600	500	500
Total Supply	10,103	10,103	10,010	10.053	10,512	10,478
MY Exports	722	722	323	325	850	600
Industrial Dom. Cons.	6,675	6,600	6,650	6,700	6,550	6,750
Food Use Dom. Cons.	2,325	2,350	2,425	2,450	2,500	2,500
Feed Waste Dom. Cons.	50	50	50	50	0	50
Total Dom. Cons.	9,050	9.000	9,125	9,200	9,050	9,300
Ending Stocks	331	381	562	528	612	578
Total Distribution	10,103	10,103	10,010	10,053	10,512	10,478
(1000 MT), (PERCENT)						

Source: FAS EU and TDM

Driven by principally by high prices, EU farmers planted more rapeseed for the first time in years last planting season. Prior to this, the ban on neonicotinoids, which resulted in lower profitability of rapeseed, caused stagnation in the growth of EU's rapeseed area. This stagnation led to a tight supply of domestic production. Germany, Poland, France, Romania, and the Czech Republic are the major EU producers. Demand for rapeseed outstrips production levels and large amounts must be imported. After Brexit, the trade dynamics changed in the sense that the United Kingdom is now a significant third-country trading partner, and the largest export market for EU rapeseed.

Russia's invasion of Ukraine significantly impacted global rapeseed markets. Ukraine, Canada, and Australia are the major global exporters, and together account for up to 95 percent of EU rapeseed imports. Ukraine is traditionally the most important supplier, with a market share of roughly 40 percent annually. There is currently high uncertainty around the rapeseed export supply from Ukraine. The effects of Russia's invasion of Ukraine limit its rapeseed production, the operation of crush and storage facilities and logistics by ship, train, or truck. This will continue to affect the EU rapeseed market in MY 2022/23.

The main demand drivers for the EU's rapeseed market are the products of crushing: oils and meals. Oils are largely used in biofuel production that is motivated by the EU's mandates on consumption. For more information on the EU biofuels market and policy please refer to our Biofuels Annual GAIN report. Meals are a great protein source for feeding animals, and the local sources are used as GMO free feed. This feed is often demanded by dairy producers, who are pushed by retailers not to use genetically engineered crops for feeding animals for marketing purposes.

MY 2022/23
EU farmers planted over 5.8 MHA of rapeseed; a significant increase of 10 percent compared to the previous year. This increase was mainly driven by attractive prices at planting. Area planted to rapeseed increased all over the EU, with notable increases in France, Germany, Poland, Czech Republic, Romania, Sweden, Spain, and Slovakia. Hungary was the only major producer where farmers planted less rapeseed due to low availability of seeds and high prices of fertilizer.

The rapeseed harvest is almost complete, and it is clear that yields will be below last year's levels. Excessive heat and below average rainfall limited yields in parts of important EU producers, including Germany, France, Poland, Romania, and Hungary. Yields are especially down in Romania due to a lack of rain. EU production is forecast at 18.2 MMT in MY 2022/23, which is 6 percent more than the previous MY. The production increase is based on higher acreage since yields are down. Domestic supply will be in high demand with uncertainties regarding the availability of Ukrainian production. The recovery of rapeseed production in Canada and subsequent higher export availability is expected to offset lower supplies from Ukraine and Australia. This will result in slightly higher imports while exports are expected to remain stable. Crush margins for rapeseed in MY 2022/23 are expected to stay attractive, so that oil mills are forecast to increase crush of rapeseed by 4 percent to 22.5 MMT in MY 2022/23. In particular, crush is forecast to go up in France, Poland, and Germany with higher availability of domestic produce. Lower supply in Romania and Hungary will lead to decreased crush in these countries. Higher domestic supply will also lead to slightly increased ending stocks at the end of MY 2022/23.

Higher meal production, due to higher rapeseed production, is expected to result in higher use of rapeseed meal in animal feed. It will also impact trade. Higher domestic availability of rapeseed meal is forecast to increase exports, while imports may be slightly lower. Higher oil production is expected to result in higher exports and higher food use.

MY 2021/22
In MY 2021/22 the EU's rapeseed area increased marginally to 5.33 MHA, when compared to MY 2019/20. Yields in MY 2021/22 were better than previously estimated, and final production increased to 17.2 MMT. The market was tight throughout the MY and ending stocks remain at a low level.

4. Sunflower Complex

PSDs have been revised according to the most recent data available from the Trade Data Monitor (May 2022). Recent harvest and crush estimates are from producing countries.

Table 7
Oilseed Sunflower – Production, Supply and Distribution

Oilseed, Sunflower seed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area	4,442	4,400	4,359	4,350	4,715	4,800
Beginning Stocks	573	573	400	403	1141	1078
Production	8,897	8,900	10,341	10,300	9,700	9,900
MY Imports	779	779	1800	1400	1650	1150
Total Supply	10,249	10,252	12,541	12,103	12,491	12,128
MY Exports	624	624	375	400	675	550
Crush	8,200	8,200	10,000	9,600	10,300	10,000
Food Use Dom. Cons	515	515	515	515	515	515
Feed Waste Dom. Cons.	510	510	510	510	510	510
Total Dom. Cons.	9,225	9,225	11,025	10,625	11,325	11,025
Ending Stocks	400	403	1141	1078	491	553
Total Distribution	10,249	10,252	12,541	12,103	12,491	12,128
(1000 HA) ,(1000 MT) ,(MT/HA)						

Table 8
Oilseed Sunflower Meal – Production, Supply and Distribution

Meal, Sunflower seed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8,200	8,200	10,000	9,600	10,300	10,000
Extr. Rate,	0.54	0.53	0.54	0.54	0.54	0.54
Beginning Stocks	214	214	100	103	150	150
Production	4,432	4,400	5,405	5,187	5,567	5,400
MY Imports	2,586	2,586	2,555	2,500	2,100	2,060
Total Supply	7,232	7,200	8,060	7,790	7,817	7,610
MY Exports	697	697	850	780	1,000	700
Industrial Dom. Cons.	60	60	60	60	60	60
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	6,375	6,340	7,000	6,800	6,600	6,700
Total Dom. Cons.	6,435	6,400	7,060	6,860	6,660	6,760
Ending Stocks	100	103	150	150	157	150
Total Distribution	7232	7200	8060	7790	7817	7610
(1000 MT) ,(PERCENT)						

Table 9
Oilseed Sunflower – Production, Supply and Distribution

Oil, Sunflower seed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8200	8200	10000	9600	10300	10000
Extr. Rate,	0.42	0.42	0.42	0.42	0.42	0.42
Beginning Stocks	586	586	176	191	523	488
Production	3,460	3,460	4,225	4,050	4,352	4,200
MY Imports	1,601	1,601	2,000	2,000	1,600	1,600
Total Supply	5,647	5,647	6,401	6,241	6,475	6,288
MY Exports	683	683	765	740	800	850
Industrial Dom. Cons.	500	500	500	500	450	450
Food Use Dom. Cons.	4,275	4,260	4,600	4,500	4,750	4,600
Feed Waste Dom. Cons.	13	13	13	13	13	13
Total Dom. Cons.	4,788	4,773	5,113	5,013	5,213	5,063
Ending Stocks	176	191	523	488	462	375
Total Distribution	5,647	5,647	6,401	6,241	6,475	6,288
(1000 MT) ,(PERCENT)						

Source: FAS EU and TDM

Sunflower Seeds

MY 2022/23

Area planted under sunflowers in the EU grew sharply in MY 2022/23 to an all-time high. This was due to the abolishment of the EU's requirements for fallow land prior to the planting campaign; attractive sunflower prices; and prospects for a deficit market of sunflower products due to the Russian invasion of Ukraine. The increase was also motivated by the ban on neonicotinoids and soaring fertilizer prices which made sunflower a preferred spring crop compared to corn. As a result, area planted is estimated to reach a new record of 4.95 MHA, 10 percent higher than in MY 2021/22.

Farmers in Romania, Spain, France, and Bulgaria led this trend, followed closely by Germany, Hungary, and Poland, while the other member states had stable area except for Italy and Austria, which had marginal declines. Despite favorable planting and growing conditions in the spring, widespread summer heat waves and drought, especially in the second half of July, severely affected yields. The impact was more pronounced in non-irrigated regions in various member states.

It is estimated that production will be considerably lower compared to earlier estimates, and with the previous season. The biggest declines are projected for Romania and Hungary. More than 200,000 HA have been destroyed by a severe drought in Hungary. In Romania, south-eastern and eastern regions were the most affected. In other countries, such as Spain and Bulgaria, higher area planted, and a larger share of sunflowers cultivated under irrigation in the case of Spain, may compensate for the reduction in yields, resulting in average or slightly higher production levels. In France, Germany, and Poland, production is projected to increase marginally due to increased area, despite declining yields.

Harvest is expected to start 1 to 2 weeks earlier than normal while the quality of seeds may be affected by unfavorable weather. Overall, the EU is forecast to produce a sunflower crop four percent lower than the record high MY 2021/22. This estimate is above the current USDA official data and is subject to potential revision upon the final harvest results.

The crush demand is forecast to be exceptionally favorable and drive processing to a new record of 10 MMT. The main reasons are high opening stocks, which along with very good production, will secure ample availability for the MY. Attractive crush margins, growth in consumer and industry demand for sunflower oil due to softening prices, better tourism, and travel season, as well as projected competitiveness of sunflower meal are contributing to higher crush. Crush margins are projected to remain excellent and above those for rapeseed. Some of the locally produced sunflower oil should substitute for the missing Ukrainian imports while consumer and food industry demand is expected to have a strong rebound due to lower prices.

Demand for sunflower meal is also likely to improve. Its share in animal feed rations is expected to increase due to its price competitiveness versus rival meals in the first half of the MY. However, this share will likely decrease later in the season and result in lower total meal use. Additionally, Ukraine is expected to continue to supply price-competitive sunflower seeds to the EU, mainly through land borders (by rail and roads) but also through recently opened sea corridors. Crush is projected to increase in the Netherlands, France, Spain, Germany, Italy, and Bulgaria. Reduced processing is forecast for Romania and Hungary due to poor harvests.

Quantities imported from Ukraine are likely to decline due to good EU domestic availability despite being forecast to remain at a discount. An expected lower MY 2022/23 Ukrainian crop may reduce the country's export potential, especially in the second half of the MY following exports of current extra stocks, or to shift these exports to other destinations if the sea shipments are secured. Due to many unknowns in the Black Sea region, the current FAS EU import estimate, which is below USDA official, may need to be revised. This depends on regional market development, including unclear Russian exports of sunflower seeds (a higher Russian crop is expected). Provided that the Black Sea market can increase its export potential, the EU has the opportunity to further increase its imports which can translate into higher crush due to still available crush capacities that can be maximized. In turn, this will likely increase EU exports of sunflower oil to traditional non-EU trading partners.

Exports of sunflower seeds are likely to increase, albeit marginally, due to ample availabilities, mainly to the top markets of Turkey and the United Kingdom. Good domestic demand for crush, however, may prevent substantial growth in exports. The main exporters are forecast to be France and Romania, while Bulgaria increasingly transforms from a net exporter into a crusher.

The ending stocks in MY 2022/23 are estimated to go downward to their traditional level compared to exceptionally high stocks accumulated at the end of MY 2021/22 due to accelerated imports.

MY 2021/22
EU production of sunflower seeds reached a record of 10.3 MMT due to high yields (2.37 MT/HA versus 2.0 MT/HA in MY 2020/21) in the main producer countries, despite some reductions compared to earlier estimates due to summer dryness in Romania, Bulgaria, Hungary, and France. Area planted under sunflower in the EU increased to the highest level compared to the previous five years to 4.48 MHA. Stimulated by attractive prices, Hungary, Bulgaria, Czech Republic, and Slovakia witnessed a growth in area planted while Romania, Spain, France, and Greece recorded planting declines. Leading production countries were Romania, Bulgaria, France, and Hungary. The share of high oleic and organic sunflower hybrids increased.

Imports of sunflower seeds are estimated to reach an all-time high of 1.4 MMT or almost double compared to the previous season due to brisk exports from Ukraine, followed by purchases from Moldova and Russia. Imports from Ukraine grew considerably after April. These imports move mainly over land to the neighboring countries of Romania, Hungary, and Bulgaria, where they are sold at a price discount. As a result, crush in these countries increased sharply. The current estimate for imports is below the USDA official and may be revised upward depending on Ukrainian export logistics and sea corridors.

EU exports of sunflower seeds are estimated to drop due to more favorable domestic crush demand. Given the complex execution of imports from Ukraine with logistical challenges, uncertain delivery times, and at times unclear quality, crushers in Western EU still prefer to rely on domestic supplies. Exports are carried out mainly to traditional markets such as Turkey, the United Kingdom, and the United States.

Following the Russian invasion of Ukraine, demand for crush exploded due to a fast increase in sunflower oil prices and lucrative crush margins. Despite the decline in sunflower seed oil prices in the last three months, margins remain profitable and above those for rapeseed. The EU crush is replacing some of the decline in Ukrainian exports of sunflower meal and oil and is estimated to increase by at least 1.4 MMT compared to MY 2020/21. Demand for sunflower oil became more favorable with the softening of prices and a better summer tourist and travel season that exceeded earlier expectations. Demand for sunflower meal improved due to its price competitiveness versus rival meals. Sunflower crush is estimated substantially upwards in France, Hungary, Romania, Bulgaria, Italy, Germany, Spain, and Portugal. Higher crush is supported by industry data (FedOil) indicating 11 percent growth in the EU crush for January-June 2022 compared to a year ago. The current EU estimate, 9.6 MMT, however, is still below the USDA official, subject to revision depending on the volume of imports.

Ending stocks are revised to a record high, due to accelerated price competitive imports from Ukraine in May, June, and July before the end of the MY. The accumulation of stocks is heavier in Eastern Europe, and it puts pressure on prices, along with the upcoming MY 2022/23 harvest.

Sunflower Meal

MY 2022/23
Projected growth in crush is expected to translate into higher output of sunflower meal with estimated production at 5.4 MMT, 4 percent more than MY 2021/22 and a new record in the EU. This is likely to decrease the need for imports. Leading the growth in meal output are France, Germany, the Netherlands, Poland, and Bulgaria, followed by Spain and Italy which report smaller increases while Hungary and Romania expect declines due to their lower crush.

Imports are likely to be reduced to about 2 MMT or by more than 15 percent compared to the current season. The main source of sunflower meal should be the traditional suppliers Ukraine, Russia, and Argentina. Russia and Argentina are expected to have higher export potential. The opposite is forecast for Ukraine due to a likely reduction in its crop and crush.

Exports of sunflower meal are projected to be moderate due to an estimated more favorable domestic demand. The current forecast shows that the price competitiveness of sunflower meal, especially in the first half of the MY will be excellent compared to both rapeseed and soybean meal which should benefit domestic EU users. At the same time, export demand is also likely to be attractive. This is likely due to lower export shipments from Ukraine due to its challenging domestic crush situation and the unclear future of Russian meal exports.

Consumption of meal is projected to be up in the first half of the MY due to its price advantage, but to go down later in the year due to close competition with rival meals. For this reason, the MY consumption is forecast to be 1 to 2 percent lower than in MY 2021/22. Countries that project lower consumption are Hungary, Italy, Germany, Spain, and Poland. France expects flat use. The Netherlands, Romania, and Bulgaria anticipate some growth.

MY 2021/22
EU sunflower meal output is adjusted to increase in line with the higher crush. Romania, France, Hungary, Bulgaria, and Germany see growth in meal output while Spain projects a small decline.

The demand for sunflower meal is more favorable than in MY 2020/21 due to better domestic availability and competitive prices. This is estimated to result in a higher incorporation rate in animal feed. In the last quarter of the MY, sunflower meal is more price competitive than both soybean and rapeseed meals. Current projections show that this favorable price ratio will expand in the first half of MY 2022/23. Countries estimating growth in consumption are Hungary, Germany, Greece, and Portugal. Spain reports flat use. France, Denmark, Romania, and Bulgaria estimate a marginal drop in consumption. Based on these trends, consumption of sunflower meal is revised upwards to 6.8 MMT or 7.2 percent more than in MY 2020/21 but still below the current USDA official estimate.

Improved demand for sunflower meal is driving higher imports despite better domestic supply. Still, imports are likely to be below the level achieved in the previous season. Currently, the EU is importing sunflower meal from Argentina, Ukraine, and Russia, with about one third from each supplier. Ukraine is not as aggressive an exporter of sunflower meal as in the past due to a challenging crush, lower value of the product compared to sunflower oil, and expensive logistics. This situation may change, however, with opening of sea corridors.

Exports are revised upwards due to improved availability and good export demand by the top markets – China, Israel, the United Kingdom, and Morocco. These favorable conditions occurred primarily in the second half of the year when the EU crush increased and exports of sunflower meal from Ukraine were sharply down.

Sunflower Oil

MY 2022/23
The EU output of sunflower oil is projected to reach a new record of 4.2 MMT or 3.7 percent higher than in MY 2021/22 due to expected growth in crush although the processing yield may be impacted by the deteriorated quality of seeds (lower oil content in seeds) in select countries.
Leading producers of sunflower oil expecting growth are France, Bulgaria, Germany, Spain, and the Netherlands. Better domestic supply is likely to result in lower imports.

Imports are forecast to decrease by about 20 percent compared to MY 2021/22 to 1.6 MMT, on par with the USDA official estimate. It is expected that imports will be sourced from Black Sea suppliers although the export potential of Ukraine and Moldova may be lower due to their likely reduced crops and crush. On the other hand, Russia may increase its exports due to an expected higher crop and crush, and lower export duty on sunflower oil starting from September 1. Export opportunities may improve due to ample domestic output, especially to the EU's top markets such as the United Kingdom and South Africa. Currently, exports are estimated to grow by more than 10 percent in MY 2022/23 over MY 2021/22 and it is above the USDA official.

Consumption of sunflower oil is projected to continue to recover driven by more affordable prices for consumers; higher demand by the food industry; and the rebound in tourism and travel. The estimate is for 4.6 MMT or 2.2 percent growth over MY 2021/22 although still below the USDA official. Member states that project higher use are Bulgaria, Spain, and the Netherlands. Romania, Germany, and Italy see stagnant consumption. Hungary and France report a decline.

MY 2021/22
Production of sunflower oil is revised upwards due to the growth in crush. Bulgaria, France, Romania, Hungary, and Germany expect the most significant growth. Production is estimated to a new record of 4.0 MMT or 17 percent higher than in MY 2020/21 although still below the current USDA official.

Following the sharp hike in sunflower oil prices after the Russian invasion of Ukraine, prices have softened in the last quarter of the MY under the pressure of increased domestic crush and ongoing imports. Ukraine continues to be the main source of sunflower oil for the EU. These imports were higher in the first half of the MY but continued in smaller quantities after April 2022 via land borders. Despite complicated logistics, Ukraine is delivering a price competitive product. It is pressured by its own extra stocks and the need to free up storage. Weakening prices made sunflower oil more competitive than rapeseed oil with an advantage of price to quality ratio. At the same time, consumer and food industry demand have recovered later in the season due to lower prices, along with improved tourism and travel. Most EU member states estimate stable or higher use of sunflower oil, with France, Italy, and Germany leading growth while lower use is seen in Romania. The current estimate for consumption is at 4.5 MMT or 6 percent above the previous season.

Exports are projected to grow due to improved domestic supplies and favorable export demand. Countries which were buyers of Ukrainian oils in the past are currently shifting demand towards EU origin product. The main destinations have been the United Kingdom, South Africa, and India.

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