

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Romania

Post: Bucharest

Oilseeds Update - Romanian Sunflowers Shine

Report Categories:

Oilseeds and Products

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Report Highlights:

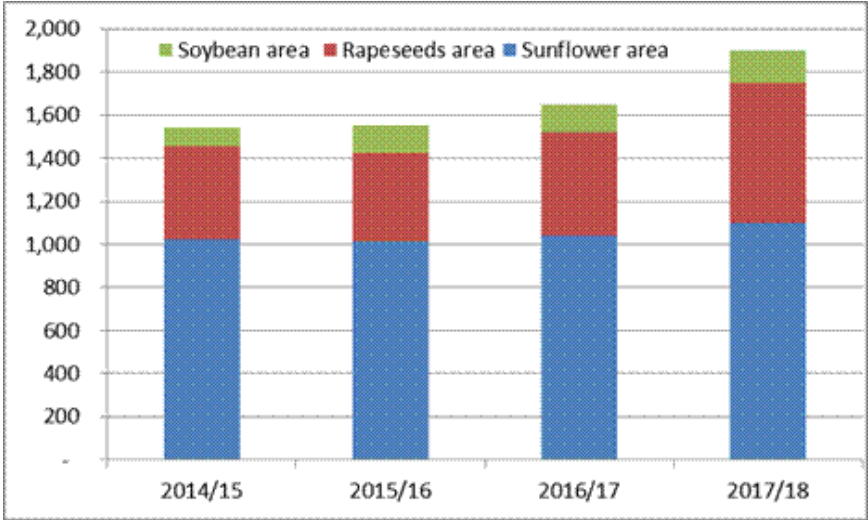
Romania's oilseed crop in marketing year (MY) 2017/18 will increase by 21 percent over last year, boosted by bumper sunflower production, as well as strong rapeseed and soybean crops. The increase follows higher yields due to favorable weather and improved inputs, as well as area expansion. Post forecasts MY 2017/18 sunflower exports to grow by 30 percent.

General Information:

Total oilseed area and production

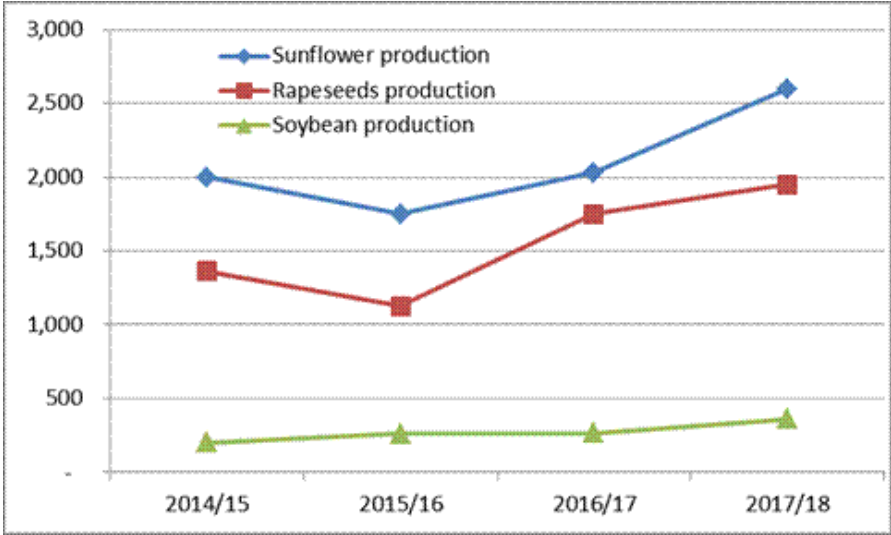
Sunflower is Romania’s most important oilseed crop, followed by rapeseed and soy. Romania is the EU’s leading sunflower producer. MY 2017/18 total oilseed area planted reached nearly 2 million hectares (HA), a 15-percent increase over last year. Post expects total oilseed output at almost 5.0 million metric tons (MMT), up by 21-percent over last season.

Graph 1: Romania Oilseed Area Planted (‘000 hectares)



Source: National Institute of Statistics, FAS estimates

Graph 2: Romanian Oilseed Production (‘000 MT)



Source: National Institute of Statistics, FAS estimates

Rapeseed

Post increases its MY2017/18 rapeseed production forecast by an additional 200,000 metric tons (MT) to 1.95 MMT, up from its earlier forecast of 1.75 MMT. 1.95 MMT would mark an 11-percent increase over last year's production. Most growing areas experienced favorable fall 2016 planting conditions, except for some areas in the east, northeast, and southwest. A late and widespread mid-April frost stunted immature plants and suggested potential yield reductions. However, the total crop rebounded and no serious or lasting crop damage or yield losses actually occurred.

Rapeseed area planted is revised up, as replanting was lower than expected. Although average yields decreased from the previous year by 18 percent, a 35-percent area-planted in MY 2017/18 increase more than compensated and led to a net production increase.

Rapeseed exports increased during MY 2016/17 by 84 percent and are anticipated to expand further by 13 percent in MY 2017/18 due to higher output. Principal Romanian rapeseed markets are the Netherlands, Belgium, and Germany which account for over 60 percent of international shipments. The United Arab Emirates and Turkey are its top non-EU rapeseed markets (see Appendix 1).

Post sources generally suggest a 10-percent expansion in MY 2018/19 area planted. Regions where farmers report significant area expansion are western, southeastern, and southern Romania, where some farmers even doubled rapeseed acres. Farmers were incentivized by high margins and attractive offers from seed suppliers, which offered cover farmers' risk against poor emergence.

Sunflower Seeds

Given good growing conditions and improved inputs, Post revises up its production figure for sunflower seeds in MY 2017/18 from 1.95 MMT to 2.6 MMT. Favorable precipitation levels improved soil moisture throughout the country and created excellent conditions for germination and spring development. Farmers throughout Romania reported this year's sunflower crop to be exceptionally good, although some farmers in southeastern and western regions reported 10-25 percent yield losses from last year. Nevertheless, Romanian sunflower production improved in volume and quality over the previous year. Rapeseed replanting increased sunflower acres as well. Post revises up its estimate for sunflower area planted by 50,000 hectares.

MY 2016/2017 sunflower exports grew by nearly 40 percent during the first 11 months over the previous MY. The main export markets are other EU Member States with significant crushing capacity, including the Netherlands, France, and Portugal. Turkey, South Africa, and Pakistan were the main non-EU recipients (see Appendix 2). Given the sunflower surplus, exports are expected to expand further in MY 2017/18.

Soybeans

Post increases MY 2017/18 soybean production estimate to 360,000 MT from 330,000 MT, which is a 9-percent increase over its initial estimate for this MY. Higher area planted and good yields account for this increase. Attractive soybean subsidies encouraged farmers to expand soybean acres, although soybeans are limited to areas with favorable growing conditions, as soybean plants are more sensitive to high temperatures and drought. Post forecasts the MY 2017/18 planted area for soybeans at 150,000 HA, up from last year's forecast of 127,000 HA.

Most Romanian soybean exports will be bound for crushing facilities in other EU Member States. In

MY 2016/17 Italy, Germany, and the Netherlands were the main destinations for the Romanian soybeans. Russia and Lebanon were also new markets.

Appendix 1: Romanian Rapeseed Exports

Commodity: 1205, Rape Or Colza Seeds, Whether Or Not Broken					
<i>Source: Global Trade Atlas</i>					
Year Ending: June					
Partner Country	Unit	Quantity			% Change 2017/2016
		2015	2016	2017	
World, of which	T	1,047,805	773,305	1,427,220	84.56
Belgium	T	203,027	233,061	433,622	86.05
Netherlands	T	172,337	141,608	289,670	104.56
Germany	T	77,716	48,388	154,635	219.58
United Arab Emirates	T	86,229	25,874	131,968	410.03
Turkey	T	121,852	149,026	84,157	- 43.53
Bulgaria	T	23,199	13,144	63,970	386.68
France	T	38,955	83,715	53,621	- 35.95
Hungary	T	68,452	38,927	38,593	- 0.86
Poland	T	2,443	5,337	36,368	581.38
Russia	T	-	-	32,468	0.00
Czech Republic	T	8,514	8,992	25,299	181.36
Slovakia	T	4,966	6,449	20,773	222.10
Portugal	T	36,145	-	15,774	0.00

Appendix 2: Romanian Sunflower Exports

Commodity: 1206, Sunflower Seeds, Whether Or Not Broken					
<i>Source: Global Trade Atlas</i>					
11 Month Ending: August					
Partner Country	Unit	Quantity			% Change 2017/2016
		2015	2016	2017	
World, of which	T	826,114	733,566	1,001,922	36.58
Netherlands	T	119,409	206,460	239,357	15.93
France	T	112,632	100,607	205,533	104.29
Portugal	T	52,305	74,359	161,318	116.95
Bulgaria	T	19,879	28,558	104,004	264.19
Spain	T	56,558	52,631	88,106	67.40
Hungary	T	98,851	49,912	51,666	3.51
Turkey	T	83,015	81,152	34,786	- 57.13
South Africa	T	29,523	19,800	30,617	54.63
Pakistan	T	176,217	20,000	29,500	47.50
Italy	T	35,308	37,731	20,194	- 46.48