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Rapeseed and Oilseed Products.

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Oilseeds and Products

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Report Highlights:

It is estimated that after reduction in MY 2015/2016, rapeseed planted area in MY 2016/2017 will increase to 200,000 hectares, and will be 20 percent higher than in the previous year. Lithuanian's total production of rapeseed in MY 2016/17 is forecast to increase by 1 percent to 510,000 MT in comparison to MY 2015/2016. Increase of planted area stems from growing demand for biofuel production and continuing demand for exports of rapeseed within the European Union.

Please Note: This report is to be read in conjunction with the Annual 2016 EU28 Consolidated Report on Oilseeds and Products ([Oilseeds and Products Annual Vienna EU-28 4-1-2016](#)) and provides further information on Lithuanian market of oilseeds.

General Information:

Production

MY 2015/2016

In MY 2015/2016 (July-June) production of rapeseed in Lithuania amounted to 506,000 MT, a 1 percent increase in comparison to MY 2014/2015 level. The acreage of rapeseed plantings in MY 2015/2016 was 24 percent lower than in a previous year and amounted to 165,000 hectares. The reduction of planted area resulted from a strong competition for more profitable production of wheat and reduced demand for biofuel production. Reduced acreage of rapeseed in MY 2015/2016 was offset by higher yield which resulted in the larger crop. Implementation of the EU regulation of 2013 restricting the use of neonicotinoids in rapeseed planting did not affect conditions for rapeseed development. The share of rapeseed in the national sowing area in MY 2015/2016 was 10 percent compared to 9.5 percent in MY 2013/2014. It is estimated that in MY2015/2016 the average yield of rapeseed amounted to 3.07 MT per hectare compared to 2.32 MT in MY 2014/2015.

Rapeseed cultivation becomes increasingly important in Lithuania because of growing use for bio fuel production and perception of rapeseed oil by consumers as one of the healthiest edible oils. In 2000 rapeseed was nearly hardly grown at all in Lithuania, but it became more popular with the emergence of bio fuel plants in Lithuania and thus the increased demand for rapeseed oil. Only 60 to 70 percent of Lithuanian soil is suitable for rapeseed cultivation. Rapeseed is a long-day plant. In Lithuania the winter rapeseed vegetation season lasts 130 to 180 days and the spring rapeseed vegetation period is 80 to 110 days. Under climate warming and unfavorable wintering conditions, winter rapeseed cultivation is often risky in Lithuania in comparison to spring rapeseed. In MY 2015/2016 the fast development of rapeseed acreage has slowed down in Lithuania, mostly due to uncertainty connected with changes in the EU biofuel policy. Low profitability of rapeseed production in the last two years made some farmers change their sowing preferences. However, growing demand for export of rapeseed and continuing National Indicative Target (NIT) for biofuel use are expected to stimulate production in MY 2016/2017.

MY 2016/2017

It is estimated that area planted for rapeseed in MY 2016/2017 amounts to 200,000 hectares, a 20 percent increase in comparison to the previous year due to growing demand for biofuel production and strong import demand from other EU member states. According to the preliminary data published by the Lithuanian Statistical Office, the acreage sown by winter rapeseed in the fall of 2015 for crop in MY 2015/2016 amounts to 151,000 hectares and is 23 percent higher than in the MY 2014/2015. It is forecast that acreage of spring rapeseed in MY 2016/2017 will amount to almost 50,000 hectares compared to 41,000 hectares in MY 2015/2016. However, in case of winter kill losses in winter rapeseed plantings, the acreage of spring rapeseed may increase. Lithuanian's total production of rapeseed in MY 2016/17 is forecast to increase by 1 percent in comparison to MY 2015/2016 and amount to 510,000 MT.

Production, cultivated area and yield of rapeseed

Marketing year starts in July	MY 2013/2014	MY 2014/2015	MY 2015/2016*	MY 2016/2017*
Cultivated area (000 hectares)	239	216	165	200
Yield (MT/hectare)	2.13	2.32	3.07	2.38
Crop (000 MT)	551	501	506	510

Source: Statistical Office

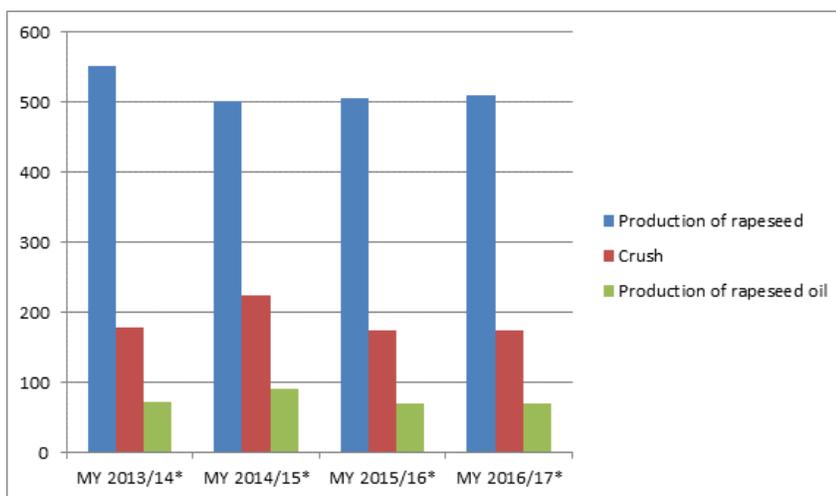
*FAS Warsaw estimate

Utilization

Rapeseed oil

It is estimated that in MY 2015/2016 rapeseed crush will amount to 175,000 MT and will be 22 percent lower than in the previous year because of an expected high level of export of rapeseed within the European Union (see trade section). Rapeseed crush is determined by demand for oil for food consumption and the use of rapeseed oil for production of biodiesel, the primary biofuel produced in Lithuania. Production and consumption of rapeseed oil for food consumption remains almost constant while demand for rapeseed oil for biofuel production is growing in reference to the increasing Lithuanian's National Indicative Target (NIT) for biodiesel use. In MY 2015/2016 industrial use of rapeseed oil for biodiesel is expected to increase 1 percent, not as much as last year, due to the stable level of the NIT and the low level of prices of conventional fuels. In order to fulfil the NIT for biodiesel, domestic production of rapeseed oil will have to be supplemented with higher imports. In MY 2016/2017 rapeseed oil output is expected to increase by 3 percent because of expected higher demand for production of biodiesel.

Production of rapeseed, crush and output of rapeseed oil (000 MT)



Source: Statistical Office

*FAS Warsaw estimate.

Rapeseed and soybean meal

In MY 2015/2016 output of rapeseed meal (a residual product in production of rapeseed oil) is estimated at 105,000 MT, a 22 percent decline in comparison to MY 2014/2015. The expected decrease in output of rapeseed meal stems from reduced crush caused by higher export of rapeseed in MY 2015/2016. Feed use of rapeseed meal on MY 2015/2016 is estimated to grow because of higher demand from the poultry industry.

Soybean meal is the primary protein feed used in livestock nutrition. Almost the entire demand for soybean meal has to be supplied by imports. It is estimated that in MY 2015/2016 the demand for soybean meal will increase by 2 percent due to higher use of protein feeds by the growing poultry industry.

Trade

Rapeseed

In MY 2014/2015 Lithuania exported 266,000 MT of rapeseed. All exports were destined for the European Union. The Netherlands was the main export destination for exports of rapeseed. In the first four months of the MY 2015/2016 (July-October) Lithuania already exported 366,000 MT of rapeseed, twice more than in the same period of 2014. As a result of these high exports of rapeseed Lithuania increased imports of rapeseed oil in order to have sufficient supplies for the biofuel industry.

Exports of rapeseed (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jul-Oct 2015	Jul-Oct 2015/ Jul-Oct 2014 (%)
Total	368	266	400	366	200
The Netherlands	112	157	160	139	7
Belgium	76	3	100	80	800
Germany	54	29	60	54	86
Latvia	51	56	70	58	400

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Lithuania imported 2,000 MT of rapeseed mainly from Latvia. In MY 2015/16 rapeseed imports are expected remain also at the low level.

Imports of rapeseed (000 MT)

	MY 2012/2013	MY 2013/2014	MY 2014/2015	Jul-Oct 2015	Jul-Oct 2015/ Jul-Oct 2014 (%)
Total	5	2	8	6	300
Latvia	3	0	6	5	500
Germany	0	0	0	0	0

Source: GTA

*FAS Warsaw estimate.

Rapeseed oil

In MY 2014/2015 Lithuania exported 75,000 MT of rapeseed oil. All exports were destined for the European Union. Poland was the main export destination for exports of rapeseed oil. In the first four months of MY 2015/2016 (July-October) Lithuania exported 25,000 MT of rapeseed, 78 percent more than in the same period of 2014.

Exports of rapeseed oil (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	40	75	100	25	78
Poland	30	61	70	11	20
Latvia	4	7	14	4	100
Estonia	1	1	2	1	100

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Lithuania imported 141,000 MT of rapeseed oil mainly from Belarus, Russia and Estonia. In MY 2015/2016 rapeseed oil imports are forecast at 110,000 MT. The biggest share of imports comes from Belarus and Russia because of proximity of the market and competitive prices. In the first four months of the MY 2015/2016 (July-October) Lithuania imported 41,000 MT of rapeseed oil, 2 percent less than in the same period in 2014 mainly because of reduced imports from Russia.

Imports of rapeseed oil (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	105	141	140	41	-2
Belarus	42	67	67	13	0
Russia	37	44	30	11	-42
Estonia	18	22	20	6	-14

Source: GTA

*FAS Warsaw estimate.

Protein meals

Rapeseed meal

In MY 2014/2015 Lithuania exported 109,000 MT of rapeseed meal, 7 percent more than the previous year. All exports were destined for the European Union. Rapeseed meal is in demand in Europe because it is partially used as a protein source in swine and cattle feeding rations. Denmark is the main export destination for exports of rapeseed meal. In the first four months of MY 2015/2016 (July-October) Lithuania exported 31,000 MT of rapeseed, 19 percent more than in the same period of 2014 due to increased demand from Sweden and Latvia.

Exports of rapeseed meal (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	102	109	125	31	19
Denmark	33	31	31	11	0
Norway	36	22	20	5	-17
Latvia	16	14	18	5	25
Sweden	5	19	22	5	25
Estonia	3	9	18	4	100

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Lithuania imported 50,000 MT of rapeseed meal mainly from Belarus and Ukraine. In the first four months of MY 2015/2016 (July-October) Lithuania imported 23,000 MT of rapeseed meal, 28 percent more than in the same period of 2014.

Imports of rapeseed meal (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	44	50	65	23	28
Belarus	21	20	30	6	300
Ukraine	19	20	30	2	200
Poland	2	3	2	1	-100

Source: GTA

*FAS Warsaw estimate.

Soybean meal

In MY 2014/2015 Lithuania imported 146,000 MT of soybean meal, 6 percent more than in the previous year. Most soybean meal originated from the Netherlands and Argentina. The value of imports of soybean meal was over U.S. \$63 million. Since 2013 Lithuania has not imported soybean meal from the United States. Soybean meal is in demand because it is a major protein source in poultry feeding rations. It is expected that in MY 2015/2016 imports of soybean meal will continue to grow because of higher poultry production.

Volume of imports of soybean meal (000 MT)

MY starts in October	MY 2012/2013	MY 2013/2014	MY 2014/2015	MY 2015/2016
Total	116	138	146	150
The Netherlands	50	63	77	70
Argentina	28	8	50	55
Germany	21	7	6	6
Latvia	12	14	7	6
Brazil	0	0	0	0
Denmark	0	13	1	2

Source: *GTA*

*FAS Warsaw estimate.

End of Report