

Voluntary Report – Voluntary - Public Distribution

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Report Number: RB2023-0002

Report Name: Wheat Update

Country: Serbia

Post: Belgrade

Report Category: Grain and Feed

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Report Highlights:

The wheat planting area for MY2023/24 is estimated at 725,000 HA, some 17 percent higher than previous marketing year. Overall production is estimated to be 3.6 MMT, which represents a 12.5 increase compared to MY2022/23. With domestic consumption of around 1.7 MMT, and huge beginning stocks of 1.2 MMT, Serbia will have 2.5 MMT of wheat available for export in MY2023/24. Serbia also started the MY2022/23 for wheat with larger ending stocks than usual, mostly due to the record-breaking crop in MY2021/22, and to a great extent the ban and export restrictions that significantly hindered regular export flows March-July 2022. Due to extremely high domestic wheat prices, ban and restrictions on exports in MY2022/23, Serbia will export maximum 750,000 MT.

Summary:

Serbia began MY2022/23 with larger wheat ending stocks than usual, mostly due to the record-breaking crop in MY2021/22, and to a great extent the ban and export restrictions that significantly hindered regular export flows March-July 2022 resulting in wheat ending stocks in MY2021/22 of more than 700,000 MT in July 2022.

In MY2021/22 Serbia's wheat crop was more than 3.2 MMT. Serbia's domestic wheat consumption averages about 140,000 MT monthly (for all purposes). This represents annual consumption of 1.7 MMT.

After the export of 690,000 MT of wheat July 2022 to May 2023 followed by wheat exports of around 60,000 MT in June 2023, Serbia's total wheat export in MY2022/23 may reach as much as 750,000 MMT. According to Serbian Grain Association data, Serbia's ending stocks in MY2022/23 will be a record high of over 1.2 MMT.

The planting area for wheat for MY2023/24 is estimated at 725,000 HA, some 17 percent higher than the previous marketing year. Overall production is estimated to be 3.6 MMT, which represents a 12.5 increase compared to MY2022/23. With domestic consumption of around 1.7 MMT, and huge beginning stock of 1.2 MMT, Serbia will have 2.5 MMT of wheat available for export in MY2023/24.

Although in MY2023/24 the area planted with wheat was a record, leaf spot and other diseases will impact the final results. An extremely warm winter and significant differences in temperature between day and night with a higher percentage of moisture in the soil led to yellow rust and yellow brown spotting in wheat. Diseases are present on most of the wheat but at different levels depending on the location and wheat variety. Frequent rainfall during the flowering period created serious problems for wheat producers, especially Fusarium which will further delay the assessment of the new crop. It is certain that Serbia will not have record wheat production in MY2023/24, but the final estimated production will be available in June. The wheat harvest is expected to start by the end of June due to very wet fields.

In MY2022/23 wheat exports for July 2022 - May 2023 were 680,000 MT of which the majority, 230,000 MT was exported to Italy by rail or trucks. Some quantities of wheat were exported to neighboring countries (Croatia, Albania, Kosovo, Bosnia and Herzegovina, North Macedonia). This year only 128,000 MT was exported by river vessels via Danube River to the Black Sea Port of Constanza, Romania.

Current wheat prices decreased more than 40 percent between July 2022 to June 2023. Wheat prices rose in the fall when the November 2022 Novi Sad Commodity Exchange was 40 dinars/kg (\$365/MT). Since there were limited exports during the fall and winter months, wheat prices declined in January 2023 reaching 35 dinars/kg (\$320/MT) and declined even lower in March 2023 at 27 dinars/kg

(\$245/MT). There was a record high ending stocks price for wheat but the price declined rapidly in March, reaching a low of 17 dinars/kg (\$187/MT) in the beginning of June 2023.

Table 1: Wheat and Flour Exports in MY2021/22 and MY2022/23

Month	Wheat MY21/22 in MT	Flour MY21/22 in MT	Wheat MY22/23 in MT	Flour MY22/23 in MT
July	129,076	9,191	80,724	9,704
August	130,375	12,559	71,100	12,872
September	156,087	13,948	84,942	14,681
October	85,792	10,284	81,714	12,743
November	65,832	11,896	50,052	13,087
December	63,462	9,717	53,774	11,525
January	36,531	5,858	40,956	8,379
February	57,389	8,553	26,105	10,732
March	58,440	10,640	57,891	12,745
April	33,981	49	66,199	11,779
May	158,017	19,163	67,974	15,162
June	88,901	11,761	N/A	N/A
TOTAL:	1,063,883	123,619	681,431	133,409

Source: Serbian Grain Fund

Table 2: Production, Supply, and Distribution of Wheat

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
Serbia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	599	595	631	620	630	725
Beginning Stocks (1000 MT)	338	338	597	705	777	1207
Production (1000 MT)	3442	3400	3110	3200	3340	3600
MY Imports (1000 MT)	17	7	10	2	10	2
TY Imports (1000 MT)	17	7	10	2	10	2
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3797	3745	3717	3907	4127	4809
MY Exports (1000 MT)	1220	1220	900	750	1300	2500
TY Exports (1000 MT)	1220	1220	900	750	1300	2500
Feed and Residual (1000 MT)	550	470	600	500	600	500
FSI Consumption (1000 MT)	1430	1350	1440	1450	1450	1400

Total Consumption (1000 MT)	1980	1820	2040	1950	2050	1900
Ending Stocks (1000 MT)	597	705	777	1207	777	409
Total Distribution (1000 MT)	3797	3745	3717	3907	4127	4809
Yield (MT/HA)	5.7462	5.7143	4.9287	5.1613	5.3016	4.9655

(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 2023/2024 = July 2023 - June 2024

Attachments:

No Attachments.