



Foreign Agricultural Service

**GAIN Report**

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## Romania

### Grain and Feed

## Romanian Wheat Crop Loss Update

### 2000

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**Report Highlights:** AgBucharest now forecasts marketing year 2000 (MY00) wheat production at 2.0 million MT, the lowest in 20 years. Import demand will be around 1 million MT as a result. Continued temperatures of over 100 degrees F combined with little or no rainfall has resulted in low yields from the ongoing wheat harvest. The GOR is planning to compensate producers for weather related losses.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Sofia [BU1], RO

According to a July 4 press report ("Adevarul"), the 3.5 million hectares were affected this past week by hailstorms and flash floods, and the ongoing drought/heat wave. According to this article (which reflects official thinking) the tillable land affected by the drought totals 3.5 million hectares and losses are estimated at Rlei 8,427 (USDollars 394 millions). Most affected were the following crops: corn (which makes up 25 percent of overall drought-affected area), wheat (again, plantings make up 25 percent of the total drought stricken area), potatoes (12.5 percent) and sunflowerseed plantings (5 percent).

The Ministry of Agriculture and Food plans to compensate producers for 30 percent of their losses due to the hot and dry weather. At the same time, the MinAg plans to offer wheat producers a bonus of Rlei 500/kilogram of wheat when harvested and sold to the state reserves. These new government subsidies might be vetoed by the World Bank which opposes government support for the primary production sector of the economy.

A separate article of July 1 ("Curierul National") regarding the Mehcdinti region (south-west) reports that the initial estimate indicates that this year's wheat crop will be close to last year's. The Mehcdinti county elevator offers the following prices for new crop milling-quality wheat:

- RL 2,000/kilogram (about USDollars 93/metric tons) if producers request immediate payment;
- RL 2,300/kilogram (about USDollars 107/metric ton) for payments made 15 days after delivery;
- RL 2,500/kilogram (about USDollars 117/metric ton) for payments made 30 days after delivery.

However, farmgate prices for wheat from the 1999 crop run about RL 4,000-5,000/kilogram (about USDollars 187-234/metric ton). As a result of the wheat shortage, the price of flour in the western region of the country is about RL 6,200/kilogram (USDollars 290/metric ton). Press reports indicates that 80-90 percent of the flour used in the western region is supplied by Hungary.

According to a July 6 Reuters report the Romanian wheat harvest is now underway and the resulting yields are 1.8MT/HA compared to previously forecast yields of 2.0MT/HA. As a result, total MY2000 production as forecast by the GOR has been lowered from 3.7 million MT to 2.0 million MT (versus 4.65 million MT in 1999). As a result, forecast imports will be 700,000 MT or more.