



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 11/13/2000

GAIN Report #BU0016

Bulgaria

Grain and Feed

Grain and Oilseeds Update

2000

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Report Highlights:

Post forecasts MY2000/01 barley exports will reach 180,000 MT, surpassing the 1995 record high. According to traders, exports of corn will likely be small. Preliminary production figures indicate record low corn production which is expected to stimulate imports. Currently, the unsatisfied demand for corn is nearly 100,000 MT, for both feed and food use.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Singapore [SN1], BU

Weather Page 2 of 4
Production Page 2 of 4
 Fall Planting Page 3 of 4
Trade Page 3 of 4
 Exports Page 3 of 4
 Imports Page 4 of 4
 Prices Page 4 of 4

Weather

The weather in September and October was favorable for corn and sunflower harvesting as well as for fall planting of wheat and barley. Sufficient rainfall improved soil moisture and partially eliminated the effect of the severe summer drought.

Production

There is no change in FAS estimates for wheat and barley from the previous report (BU#0012).

According to the latest official Bulgarian data (October 20, 2000, MinAg Bulletin), corn and sunflower harvests are near completion. To date, 80 percent or 258,000 HA of domestic planted corn area (322,000 HA) has been harvested, and production is recorded at 610,000 MT. According to traders and industry experts, a large portion of the remaining non harvested corn areas (about 22,000 HA) will not be harvested due to low yields. Therefore, the expected average yield for MY00/01 is about 2.3 MT/HA, harvested area is 300,000 HA and total production is estimated to be 700,000 MT.

Sunflower harvesting was completed by mid-October. According to the MinAg official bulletins, the area harvested amounted to 436,600 HA, and total production was recorded at 396,000 MT. The average yields have fallen to below 1.0 MT/HA to 0.91MT/HA due to this year's drought. The quality of sunflower is considered poor due to low oil content (averaging 42 percent, but often below 40 percent).

Based on the above data and trade information, FAS estimates production of grains and oilseeds as follows:

Bulgarian Grain & Oilseeds Production Estimates & Forecasts (1,000 HA; 1,000 MT)

Crops	Harvested Area			Production		
	1998	1999	2000	1998	1999	2000
Wheat	1,100	1,000	900	3,300	2,900	2,650
Corn	380	380	300	1,200	1,600	700
Barley	280	250	240	750	700	550
Sunflower	500	520	440	500	570	400
Soybeans	10	3	N/A	6	5	N/A

Fall Planting

FAS/Sofia has forecasted high farmgate prices for wheat and barley which are likely to lead to an increase in the area planted for both crops in the fall. Currently, planting is expanding primarily on land that has been left fallow for the past few years. On the other hand, a number of producers who significantly suffered from the drought may not be able to pay debts, thus reducing planted areas.

As of November 1, 2000, the MinAg reported that about 510,000 HA of fall planting was for wheat and 150,000 HA was planted for barley. Due to the favorable weather, it is expected that fall planting may continue through November. According to most traders, total area planted to wheat may reach 950,000 HA and barley area may increase to 300,000 HA.

Trade

Exports

Total barley exports to date in MY00/01 are 180,000 MT, sold at an average price of \$100-110/MT. No more barley is expected to be exported this marketing year. Bulgaria has exported barley to Saudi Arabia, Syria, Israel, Lebanon, Turkey, Albania and Romania.

To date, total MY00/01 wheat exports amounted to 320,000 MT and are estimated to reach 400,000 MT or higher. The majority of exports are destined for countries in the region as well as Saudi Arabia, Algeria, Syria, Israel, Iran and Morocco. Future exports of wheat flour will move to neighboring countries via trucks and railway, increasing wheat and wheat flour exports to an estimated 500,000 MT (grain equivalent basis) in MY00/01.

Despite a poor corn crop, larger corn producers intend to export corn due to the depressed local currency. Current prices, although high in Bulgarian leva (Bleva), between 210 Bleva/MT (\$91.00/MT) and 260 Bleva/MT (\$113.0/MT), are still favorable for exports to countries in the region. Most Balkan countries are experiencing severe corn shortages and have higher domestic corn prices (reportedly, between \$130/MT and \$160/MT, FOB). Therefore, 30,000 MT- 50,000 MT in corn exports can be expected.

Domestic prices of sunflower are depressed by surplus sunflower-seed oil stocks from the 1999 harvest. In addition, low quality of the 2000 harvest also contributes to lower prices and makes sunflower seed less attractive for exports. Furthermore, the Ukraine has reportedly exported better quality sunflower at similar or lower prices (\$135-140/MT, with a 44 percent fat content). Therefore, not more than 40,000 MT of sunflower seeds are forecast to be exported.

Imports

Given the domestic production situation, FAS Sofia estimates import needs of not less than 50,000 MT of higher quality wheat for blending, and 100,000 MT of corn (of which 20,000 MT - 50,000 MT are needed for food processing purposes). Additional corn imports will likely be limited by reduced feed demand.

Prices

Spot prices of wheat registered on the commodity exchange rose in local currency but stayed stable in US dollars at about \$80/MT to \$85/MT over the past month. The forecast is for \$90-\$100/MT by early 2001. Corn prices are expected to increase to 280 Bleva/MT (\$120/MT) on average by January 2001, which will stimulate corn imports.