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## **Bulgaria**

### **Grain and Feed**

### **Grain and Oilseeds Market Update**

## **2002**

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#### **Report Highlights:**

**MY02/03 Bulgarian grain exports (as of November 24, 2002) totaled 1,155,000 MT, of which 638,000 MT was wheat and 517,000 MT was barley (a record level). Major export destinations for wheat are Spain and Italy; and for barley - Algeria and Saudi Arabia. MY02/03 Sunflower exports totaled 165,000 MT. Major export destinations are Spain and Portugal. MY02/03 corn exports totaled 37,000 MT.**

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

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## Weather

The weather in November was mild and relatively warm with temperatures above normal for this season (the lowest, 1 - 6 C, and the highest, 12 - 17 C). The second half of November was dry and allowed farmers to plant and compensate for the delay in fall planting in September/October. Favorable weather allowed for final corn and sunflower harvesting as well.

Rainy weather in end-November/beginning of December provided good soil moisture. Average soil moisture for November was between 45 and 62 liters/sq.m. or close to the norm. According to USDA satellite information, total precipitation in November was 25-50 mm in the period November 3 - 9, but lowered to 1-10 mm in November 10-23. Average surface soil moisture was about 10-15 mm and subsurface soil moisture was 125-175 mm. These indexes were much better compared to the same period in 2001 for the whole county including all major grain regions. Favorable crop conditions are expected to compensate for the late planting of wheat and barley.

## Production

The Sofia AgOffice has not revised production estimates for wheat and barley.

Preliminary corn harvest estimates show very good average yields of 4.5 MT/HA and total production (MinAg official estimate) of 1.1 MMT - 1.2 MMT. The AgOffice has revised its production estimates upward to 950,000 MT based on official and trade sources information for average yields. Some experts consider 2002 corn yields as the highest since 1996, mainly due to favorable weather conditions.

The production estimate for sunflower is revised slightly upward based on final harvest estimates, to 510,000 MT. Official MinAg production data is at 580,000 MT. Higher production is a result of better yields due to favorable weather.

| <b>Grain and Oilseeds Production Estimates in MY2001/02 and MY2002/03</b> |               |             |                |             |
|---|---------------|-------------|----------------|-------------|
|   | Crop Area, HA |             | Production, MT |             |
|   | MY2001/2002   | MY2002/2003 | MY2001/2002    | MY2002/2003 |
| Wheat   | 1,100,000     | 1,150,000   | 3,100,000      | 3,450,000   |
| Barley  | 260,000       | 325,000     | 750,000        | 950,000     |
| Corn  | 340,000       | 280,000     | 870,000        | 950,000     |
| Sunflower   | 398,000       | 400,000     | 392,000        | 510,000     |
| Note: Ag Office estimates   |               |             |                |             |

## Fall Planting

Favorable weather in November allowed farmers to compensate for the delay in fall planting. According to official and industry sources, as of November 26, wheat planted area reached 760,000 HA, and barley planted area reached 250,000 HA. It is expected that final wheat planted area will not exceed 800,000 HA (according to some other sources, wheat planted area is higher, 900,000 HA); and no additional barley will be planted due to unfavorable weather conditions in December. The significant decline in wheat planting was due to reductions by small and medium-sized farmers who did not receive a good return in MY2002/03 and were forced to shrink their planted area. Another reason for lower wheat area is good corn crop in MY2002 which brought better profit margin than wheat. According to industry sources, area of some other minor crops is also expected to increase in MY2003 on the expense of wheat, for example of rapeseed, due to very good return in MY2002.

Lower planted wheat area in MY2003/04 is expected to produce sufficient quantities for the local market but may eventually lower Bulgaria's wheat export potential. The critical factor for MY2003/04 supply and demand situation will be the ending stocks from MY2002/03. MY2003 exports may also be reduced by crop quality. Growing conditions are expected to result in lower production of milling quality wheat, the shortage of milling quality wheat will, however, raise local wheat prices.

| <b>Forecast Wheat Supply and Demand for MY2003/04</b> |           |
|---|-----------|
| Area, planted, HA                                     | 800,000   |
| Area, harvested, HA                                   | 800,000   |
| Beg Stocks  | 200,000   |
| Production  | 2,500,000 |
| MY Imports  | 10,000    |
| From the U.S.   | 0         |
| Total Supply  | 2,710,000 |
| MY Exports  | 410,000   |
| Seeds use   | 250,000   |
| Food use  | 1,200,000 |
| Feed use  | 800,000   |
| Total Consumption                                     | 2,660,000 |
| End. Stocks   | 50,000    |

## Trade

### Exports

**Wheat:** According to official customs sources, wheat exports in MY02/03 as of November 24 were 638,000 MT. Trade sources indicate 534,000 MT as already exported and about 72,000 MT are being loaded currently and likely to be exported till the end of December. Major destinations are Spain, Italy, Belgium and Algeria. Out of total wheat exports, 290,000 MT or 54 percent is feed quality wheat and the remaining 46 percent is milling quality.

**Barley:** Barley MY02/03 exports as of November 24 had reached 517,000 MT (official customs data). Trade sources data show barley exports at 500,000 MT. It is expected that no more significant shipments of barley will be exported after December 2002. Major destinations are Algeria, Saudi Arabia and Romania.

**Sunflower:** Sunflower MY02/03 exports as of November 24 had reached 165,000 MT (official customs sources). Trade sources indicate lower exports of 150,000 MT of which 24,000 MT are being currently loaded. Major export destinations are Spain and Portugal. Exports of striped, white and black sunflower, are destined to Austria only, and totaled 8,000 MT.

**Corn:** MY02/03 corn exports for the period since October 1 were 37,000 MT (official customs data); 25,000 MT according to trade sources. Reportedly, another 9,000 MT are being loaded to be exported in December. Reportedly, MY02/03 corn exports may reach 60,000 MT. Major destinations are Romania (from where corn is re-exported to North Africa) and Syria.

**Soybean meal:** The latest trade information shows soybean meal imports for the period between January 1 and November 18 at 73,000 MT. These are record high imports for the last 5 years and are related to better development of the poultry industry. Major exporters are Brazil and Argentina.

| MY02/03 Wheat Exports<br>in MT by destinations<br>as of November 18   |         | MY02/03 Barley Exports<br>in MT by destinations<br>as of November 18 |         | MY02/03 Sunflower Exports<br>in MT by destinations<br>as of November 18  |         |
|---|---------|--|---------|--|---------|
| Italy   | 134,000 | Syria  | 15,600  | Holland  | 12,600  |
| Tunisia   | 29,600  | Algeria  | 86,200  | Portugal   | 27,000  |
| Greece  | 14,400  | Saudi Arabia   | 134,000 | Spain  | 60,400  |
| Turkey  | 7,200   | UAE  | 18,000  | Romania  | 25,000  |
| Spain   | 100,000 | Lybia  | 6,600   | Austria  | 3,800   |
| Lebanon   | 11,600  | Romania  | 133,000 | Germany  | 655     |
| Algeria   | 73,700  | Morocco  | 10,000  |  |         |
| Albania   | 2,000   | Tunisia  | 58,000  |  |         |
| Romania   | 20,000  | Spain  | 34,000  |  |         |
| Yemen   | 22,000  |  |         |  |         |
| Egypt   | 59,000  |  |         |  |         |
| Belgium   | 50,600  |  |         |  |         |
| Total   | 534,000 | Total  | 500,000 | Total  | 125,000 |
| 63,000 MT are being loaded<br>for Spain; 8,000 MT are being<br>loaded to Egypt;<br>1,000 MT are being loaded to<br>Romania;<br>total 606,000 MT |         |  |         | 24,000 MT are being loaded to<br>Spain; total 150,000 MT;<br>exports of striped, white and<br>black sunflower are 8,089 MT<br>to Austria |         |
| Note: This table is based on unofficial trade sources information   |         |  |         |  |         |

## Domestic Market and Policy

### Producer Prices

(during the week of November 25-30)

**Wheat:** Milling wheat prices are about 155 leva/MT - 160 leva/MT (\$77.5-\$80/MT); feed quality wheat is traded at 125-130 leva/MT (\$62.5 - 65/MT). In general, wheat prices are gradually climbing up.

**Wheat flour** (wholesale prices): The average prices remained flat as follows: basic quality type "500" price was on average 300-350 leva/MT (\$150-175/MT); the type "700" price was 280-300 leva/MT (\$140-\$150/MT).

**Barley:** Malting quality barley is not actively traded due to lack of commercial lots. Feed quality barley is traded at 130-135 leva/MT(\$65-67/MT), the highest price is in Plovdiv and Bourgas area.

**Corn:** Average prices declined further to 150-180 leva (\$75-\$90/MT).

**Sunflower:** Sunflower continued to be actively traded. Prices were higher compared to the previous weeks, about 403 leva/MT (\$200/MT), and 420 leva/MT (\$210/MT) for small lots.

**Compound feed:** Prices remained flat compared to the two previous weeks as follows:

Piglets: 390 - 430 leva/MT (\$195 - \$215); min. 330 leva/MT (\$165/MT), max. 520 leva (\$260/MT);  
Feeder pigs: 380-400 leva/MT (\$190 - \$200/MT); min. 300 leva/MT (\$150/MT), max.450 leva/MT (\$225/MT);

Poultry, broilers: 500 - 550 leva/MT (\$250-275/MT); min.420 leva/MT (\$210/MT), max. 580 leva (\$290/MT);

Poultry, hens: 440-460 leva/MT (\$220-\$230/MT), min. 350 leva/MT (\$175/MT), max.530 leva/MT (\$265/MT);

Ruminants: 330-370 leva/MT (\$165-\$185/MT), min.280 leva/MT (\$140/MT), max.450 leva/MT (\$225/MT);

Bran: wholesale prices are on average 130-150 leva/MT (\$65-\$75/MT);

**Oil Meals:**

Sunflower meal: wholesale price are on average 320-400 leva/MT (\$160-\$200/MT);

Soybean meal: wholesale prices are on average \$248-\$255/MT and sometimes reach \$275/MT.

Locally produced soybeans were traded at 420-440 Leva/MT (\$210-\$220/MT)