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Yugoslavia

Grain and Feed

Grain and Feed Spring Planting Update for Serbia and Montenegro

2003

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Report Highlights:

A very dry spring in Serbia is creating problems for Serbian farmers during the current sowing period. Wheat was planted in fall 2002 and spring 2003 on some 620,000 HA. This is 12 percent less than in 2002. Barley and corn area is roughly the same.0 HA (same as last year) while corn will be planted on slightly less area than in 2002. In contrast to major grains, industrial crops (soya, sunflower seed and sugar beet) will be planted on rough 25 percent more hectares this spring than in 2002. This is a direct result of the Serbian government's decision to pay planting subsidies for industrial crops for the first time.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Sofia [BU1], YI

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Spring Planting

Spring planting for MY03 is nearly finished. Spring planting started with a 2-3 week delay due to cold try temperatures. Early emergence and sprouting is reportedly very difficult. Rainfall is expected prior to May 15, which should improve the current dry land conditions.

Wheat

According to official sources, some 620,000 HA of wheat were planted for the FY2003/04 season. Winter crop seeding was delayed for one month due to the heavy rainfall during October 2002. Thus, sowing of wheat and barley was done during November 2002. According to Novi Sad Institute for Crops almost 40 percent of the total area of 620,000 HA planted wheat may be damaged by very dry weather this spring. Very low temperatures and a long dry winter, followed by high temperatures at the end of April have provided an uneven early growing season – on the dry side. Already, MY03 harvest dates are being pushed back from early June to July. Wheat quality will depend specifically on the weather in May and June. Total Serbian wheat production in MY03 is currently forecast is around 2.2 - 2.4 million MT with average yields of 3.5-3.8 MT/HA.

The Serbian government introduced, for the first time as of 2003, planting subsidies for industrial crops (sunflower seeds, soya and sugar beet). This measure directly encouraged farmers to decrease area sowed to wheat and other grains, by a firm 12 percent.

The current price of wheat is 8.80 dinars/kg (150 USD/kg ex-farm), which is highest in the region. Traders report the price of wheat in Hungary (FOB Danube Ports) is 95-100 USD/MT. Local prices have increased due to the reduced supply. During 2002, Serbia exported almost 600,000 MT of wheat, which is more than in previous years. Exports further reduced domestic stocks adding upward pressure on prices. Serbian companies started importing much cheaper Russian wheat (115-120 USD/MT FOB Russian Ports) during late April 2003. The Serbian Commodity Reserves have announced a tender for selling of 170,000 MT of its stocks from the MY02 wheat crop. Companies must bid based on both price and best terms of payment. The wheat purchased from the Commodity Reserves can be sold locally or exported.

Barley

Barley planting was also delayed in MY03/04. Total area planted with barley last autumn was 95,000 HA --plus 25,000 HA planted this spring-- which makes a total of 120,000 HA for MY03. Very dry weather is also hurting barley, but no significant damages are reported. Estimated production of barley this year is 300,000 MT with an average yield of 2.5 MT/HA. This is 20 percent more than in MY2002 when the barley crop was frost damaged.

Corn

Planting of commercial corn will be completed by mid May in Serbia. It is estimated that corn will be planted on 1.1-1.25 million HA, which is slightly less than in 2002. This is the result of the subsidies the GOS has offered for growing industrial crops. The current price of corn is 5.5-5.8 dinars/kg (95-100 USD/MT) which is same as in neighboring Hungary. With an average yield of 4.4 MT/HA it is expected that Serbia will produce 5.5 million MT of corn this year. This is enough for domestic needs and some 500,000 MT can be exported.

Soybeans

For the first time, the government of Serbia introduced subsidies per planted hectare of planted soybeans. The subsidy is 4,000 din/HA (70 USD/HA) and is paid in two parts. The first part is paid prior planting and the second after harvest is completed. Almost 80 percent of soy area was planted by April 30, 2003. With these subsidies, the GOS increased total planted area by 25 percent to 150,000 HA. In MY2002, soybeans were planted on 120,000 HA. Total expected production of soybeans this year will be around 250,000 MT with average yield forecast at 1.6-2 MT/HA.

Sunflowerseed

Dry soil is preventing farmers from planting sunflower. Total MY03 area for sunflower seed is estimated at 225,000 HA. Sunflower seed planting started two weeks ago and is roughly 70 percent finished. Planting subsidies (4,000 dinars/HA) for sunflower seeds also encouraged farmers to plant 50,000 HA more to sunflower than in previous years. Experts are concerned that the lack of humidity in the soil will hurt early sprouting. Total forecast production of Serbian sunflowerseed in MY03 is 300-330,000 MT.

PSD Barley

PSD Table						
Country	Yugoslavia (>01/2001)					
Commodity	Barley				(1000 HA)	(1000 MT)
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2001		01/2001
Area Harvested	120	120	120	120	0	120
Beginning Stocks	2	3	17	3	7	18
Production	300	300	240	300	0	300
TOTAL Mkt. Yr. Imports	15	20	10	15	0	10
Oct-Sep Imports	15	20	10	15	0	10
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	317	323	267	318	7	328
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	210	210	170	210	0	220
TOTAL Dom. Consumption	300	320	260	300	0	310
Ending Stocks	17	3	7	18	0	18
TOTAL DISTRIBUTION	317	323	267	318	0	328

PSD Wheat

PSD Table						
Country	Yugoslavia (>01/2001)					
Commodity	Wheat				(1000 HA)	(1000 MT)
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2001		01/2001
Area Harvested	700	720	750	750	0	620
Beginning Stocks	340	139	290	239	90	189
Production	2300	2500	2300	2500	0	2300
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Jul-Jun Imports	0	0	0	0	0	0
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	2640	2639	2590	2739	90	2489
TOTAL Mkt. Yr. Exports	200	300	600	400	0	350
Jul-Jun Exports	200	300	600	400	0	350
Feed Dom. Consumption	250	250	200	250	0	250
TOTAL Dom. Consumption	2150	2100	1900	2150	0	2050
Ending Stocks	290	239	90	189	0	89
TOTAL DISTRIBUTION	2640	2639	2590	2739	0	2489