



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 11/30/2004

GAIN Report Number: FR4067

France

Oilseeds and Products

Rapeseed Crush Significantly Up in 2004/05

2004

Approved by:

Kurt Seifarth
U.S. Embassy

Prepared by:

Marie-Cécile Hénard

Report Highlights:

In 2004/05, the French rapeseed crush is expected to increase significantly at the expense of the sunflower seed crush and soybean crush. This reflects the greater availability of rapeseed on the French market, due to a good domestic crop in 2004, combined with a lower sunflower seed crop, and significantly reduced imports from Ukraine. Also, crush margins for soybeans are lower than crush margins for rapeseed and sunflower seeds. Consequently, French imports of soybean meal are growing at the expense of imports of soybeans. French operators tend to replace sun oil with rape oil more than with soy oil, although soy oil is more price-competitive, due to biotech labeling constraints faced by soy oil.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Paris [FR1]
[FR]

Rapeseed:

In 2004, the French rapeseed harvest increased significantly to 3.9 million MT. This resulted from favorable weather conditions in 2004 compared to the severe drought of 2003, which limited yields. This increased supply of rapeseed for 2004/05 is expected to boost the rapeseed crush to 1.89 million MT in 2004/05, (a 27% increase from 2003/04) at the expense of exports (a 18% decline).

France increased its crushing capacity from 3.3 million MT to 3.4 million MT in 2003. The significant increase in rapeseed crush expected in 2004/05 will occur at the expense of the sunflower seed crush and soybean crush.

Sunflower Seed:

In 2004/05, French sunflower seed supplies are expected to decline significantly, due to reduced domestic production (resulting from lower acreage planted) and to significantly reduced imports from Ukraine. Consequently, sunflower seed crush is likely to decline in 2004/05. The reduction of exports of sunflower seeds is expected to be limited, since shipments to Spain are likely to be strong, to meet high Spanish demand of sun seeds for oil processing. Since the main French sunflower seed production area is located close to the Spanish border and transportation costs are limited.

Soybeans:

In 2004/05, French soybean imports are expected to decline to 450,000 MT, reducing crush to 280,000 MT. At the same time, French imports of soybean meal are growing. This reflects the lower crush margins for soybeans as compared to rapeseed and sunflower seeds, despite the decline in soybean prices, and due to the lower price for soy oil than for rape oil and sun oil.

Oils and Biotechnology:

Reduced supplies of sunflower seeds from the Ukraine have boosted sun oil prices in Europe. The French food industry is expected to replace sun oil with rape oil, more than with soy oil. Although soy oil is less expensive than rape oil, the recently implemented Novel Food/Novel Feed and Labeling and Traceability European regulations imposed for biotech labeling on soybean oil derived from biotech soybeans, food processors are trying to avoid such labeling. (see FR4062, dated November 11, 2004 for more information on French implementation of the NF/NF and T&L regulations)

Updated Tables:

| Oilseed; Rapeseed | Area | Beginning Stocks | Production | Imports | Total Supply | Exports | Consumption | | | | Ending Stocks | Total Dist |
|----------------------|-------|---------------------|------------|---------|-----------------|---------|-------------|-------------|---------------|-------|------------------|---------------|
| | | | | | | | Crush | Food Use | Feed, Seed | Waste | | |
| France | | | | | | | | | | | | |
| 1999/00 | 1 343 | 110 | 4 450 | 48 | 4 608 | 2 566 | 1 548 | 0 | 4091 | 957 | 85 | 4 608 |
| 2000/01 | 1 186 | 85 | 3 562 | 30 | 3 677 | 1 747 | 1 434 | 0 | 3751 | 809 | 121 | 3 677 |
| 2001/02 | 1 083 | 121 | 2 877 | 28 | 3 026 | 1 389 | 1 268 | 0 | 2541 | 522 | 115 | 3 026 |
| 2002/03 | 1 048 | 115 | 3 359 | 13 | 3 487 | 1 730 | 1 554 | 0 | 1531 | 707 | 50 | 3 487 |
| 2003/04 | 1 091 | 50 | 3 413 | 11 | 3 474 | 1 778 | 1 487 | 0 | 1901 | 677 | 19 | 3 474 |
| 2004/05 | 1 110 | 19 | 3 901 | 30 | 3 950 | 1 460 | 1 890 | 0 | 3222 | 212 | 278 | 3 950 |

| Oilseed; Sunseed | Area | Beginning Stocks | Production | Imports | Total Supply | Exports | Consumption | | | | Ending Stocks | Total Dist |
|---------------------|------|---------------------|------------|---------|-----------------|---------|-------------|-------------|---------------|-------|------------------|---------------|
| | | | | | | | Crush | Food Use | Feed, Seed | Waste | | |
| France | | | | | | | | | | | | |
| 1999/00 | 817 | 161 | 1 919 | 139 | 2 219 | 486 | 1 230 | 0 | 202 | 1 432 | 301 | 2 219 |
| 2000/01 | 710 | 301 | 1 813 | 185 | 2 299 | 428 | 1 379 | 0 | 180 | 1 559 | 312 | 2 299 |
| 2001/02 | 706 | 312 | 1 581 | 55 | 1 948 | 286 | 1 415 | 0 | 202 | 1 617 | 45 | 1 948 |
| 2002/03 | 616 | 45 | 1 497 | 80 | 1 622 | 312 | 982 | 0 | 134 | 1 116 | 194 | 1 622 |
| 2003/04 | 691 | 194 | 1 492 | 313 | 1 999 | 415 | 1 333 | 0 | 60 | 1 393 | 191 | 1 999 |
| 2004/05 | 617 | 191 | 1 338 | 130 | 1 659 | 390 | 1 150 | 0 | 67 | 1 217 | 52 | 1 659 |

| Oilseed; Soybean | Area | Beginning Stocks | Production | Imports | Total Supply | Exports | Consumption | | | | Ending Stocks | Total Dist |
|---------------------|------|---------------------|------------|---------|-----------------|---------|-------------|-------------|---------------|-------|------------------|---------------|
| | | | | | | | Crush | Food Use | Feed, Seed | Waste | | |
| France | | | | | | | | | | | | |
| 1999/00 | 102 | 16 | 267 | 448 | 731 | 25 | 343 | 30 | 292 | 665 | 41 | 731 |
| 2000/01 | 79 | 41 | 207 | 898 | 1 146 | 5 | 629 | 64 | 311 | 1 004 | 137 | 1 146 |
| 2001/02 | 104 | 137 | 308 | 1 016 | 1 461 | 17 | 788 | 75 | 352 | 1 215 | 229 | 1 461 |
| 2002/03 | 75 | 229 | 210 | 862 | 1 301 | 31 | 745 | 50 | 288 | 1 083 | 187 | 1 301 |
| 2003/04 | 81 | 187 | 130 | 550 | 867 | 20 | 357 | 50 | 296 | 703 | 144 | 867 |
| 2004/05 | 60 | 144 | 143 | 450 | 737 | 15 | 280 | 50 | 272 | 602 | 120 | 737 |