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## Russian Federation

### Oilseeds and Products

### Sunflowerseed Update

### 2005

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**Report Highlights:**

Sunflowerseed production reached 4.54 million metric tons (mmt), only 2.6 percent less than last year. Domestic crushing is forecast to increase to 4.25 mmt and will result in increased production of sunflowerseed meal and oil. Sunflowerseed meal exports are forecast at last year's level, while domestic consumption will increase to 1.3 mmt. There will be a significant increase in industrial domestic consumption of sunflowerseed oil due to decreased imports of palm oil.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow [RS1]  
[RS]

**Table of Contents**

**Sunflowerseeds**..... **3**  
    Production..... 3  
    Crush..... 3  
    Trade ..... 3  
    Table 1. PSD, Sunflowerseeds, 1,000 Metric Tons, 1,000 Hectares..... 3  
**Sunflowerseed Meal** ..... **4**  
    Table 2. PSD, Sunflowerseed Meal, 1,000 Metric Tons ..... 4  
**Sunflowerseed Oil** ..... **4**  
    Table 3. PSD, Sunflowerseed Oil, 1,000 Metric Tons..... 5

## Sunflowerseeds

### Production

Based on preliminary official Rosstat data, Russia harvested 4.74 mmt of sunflowerseeds on a sown area of 4.81 million hectares in MY 2004, the second largest crop in the last 15 years. Due to favorable weather conditions in October and first half of November 2004, losses during harvesting were low and forecast harvested area is increased to 4.7 million hectares, while average yield remains at last year's level.

### Crush

Crush domestic consumption is forecast to increase to 4.25 mmt. Stable high domestic demand for vegetable oil and increasing domestic and foreign demand for sunflowerseed meal has made this industry profitable for investors during the last three years and crushing capacity has been increased and modernized.

### Trade

Exports of sunflowerseeds are forecast to decrease to 200,000 metric tons due to high domestic prices during the fall of 2004 and a twenty percent export duty.

**Table 1. PSD, Sunflowerseeds, 1,000 Metric Tons, 1,000 Hectares**

<b>PSD Table</b>						
<b>Country</b>	<b>Russian Federation</b>					
<b>Commodity</b>	<b>Oilseed, Sunflowerseed</b>				<b>(1000 HA)(1000 MT)</b>	
	<b>2002</b>	<b>Revised</b>	<b>2003</b>	<b>Estimate</b>	<b>2004</b>	<b>Forecast</b>
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
<b>Market Year Begin</b>		<b>09/2002</b>		<b>09/2003</b>		<b>09/2004</b>
Area Planted	4117	4117	4850	5327	4500	4800
Area Harvested	3798	3798	4850	4870	4400	4700
Beginning Stocks	5	5	25	25	50	50
Production	3685	3685	4850	4870	4400	4740
MY Imports	7	5	9	5	10	10
MY Imp. From U.S.	0	0	0	0	0	0
MY Imp. From the EC	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	3697	3695	4884	4900	4460	4800
MY Exports	200	200	350	350	275	200
MY Exp. to the EC	100	100	250	250	225	100
Crush Dom. Consumption	3300	3300	4000	4000	3975	4250
Food Use Dom. Consump.	102	100	260	270	100	200
Feed,Seed,Waste Dm.Cn.	70	70	224	230	90	100
<b>TOTAL Dom. Consumption</b>	3472	3470	4484	4500	4165	4550
Ending Stocks	25	25	50	50	20	50
<b>TOTAL DISTRIBUTION</b>	3697	3695	4884	4900	4460	4800

### Sunflowerseed Meal

Meal and cake production is forecast at 1.65 mmt, meaning exports of sunflowerseed cake will remain at 450,000 metric tons and domestic meal consumption will increase to 1.2 mmt, used mostly in the poultry sector.

**Table 2. PSD, Sunflowerseed Meal, 1,000 Metric Tons**

<b>PSD Table</b>						
<b>Country</b>	<b>Russian Federation</b>					
<b>Commodity</b>	<b>Meal, Sunflowerseed</b>				<b>(1000 MT)(PERCENT)</b>	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
<b>Market Year Begin</b>		09/2002		09/2003		09/2004
Crush	3300	3300	4000	4000	3975	4250
Extr. Rate, 999.9999	0,385	0,385	0,39	0,39	0,39	0,388
Beginning Stocks	0	0	20	20	20	20
Production	1270	1270	1560	1560	1550	1650
MY Imports	17	0	45	45	45	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	1287	1270	1625	1625	1615	1670
MY Exports	169	10	450	450	440	450
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1098	1240	1155	1155	1155	1200
<b>TOTAL Dom. Consumption</b>	1098	1240	1155	1155	1155	1200
Ending Stocks	20	20	20	20	20	20
<b>TOTAL DISTRIBUTION</b>	1287	1270	1625	1625	1615	1670

### Sunflowerseed Oil

Production of sunflowerseed oil will increase to 1.7 mmt and most of this oil will be used domestically. Food domestic consumption is forecast at 1.25 mmt, only slightly more than last year, while industrial consumption is forecast to increase to 410,000 metric tons.

December's tsunami in Indonesia and Malaysia, Russia's main suppliers, will negatively affect palm oil trade. In MY 2003, Russia imported almost 300,000 metric tons of palm oil from these two countries, or 33 percent of all oils and fats imports. The effect of the tsunami on total palm oil trade is not yet clear, but it is doubtful that Russian importers will be able to continue sourcing cheap imports from these countries in MY 2004. Moreover, before the tsunami, the GOR increased import duties on palm oil (See GAIN RS4064). Sunflowerseed oil will be substituted for palm oil in a number of industries and the forecast for domestic consumption of this product is raised.

Table 3. PSD, Sunflowerseed Oil, 1,000 Metric Tons

<b>PSD Table</b>						
<b>Country</b>	<b>Russian Federation</b>					
<b>Commodity</b>	<b>Oil, Sunflowerseed</b>					
				(1000 MT)(PERCENT)		
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
<b>Market Year Begin</b>		09/2002		09/2003		09/2004
Crush	3300	3300	4000	4000	3975	4250
Extr. Rate, 999.9999	0,39	0,39	0,395	0,395	0,395	0,4
Beginning Stocks	40	40	25	25	45	45
Production	1295	1295	1580	1580	1570	1700
MY Imports	192	170	178	160	160	160
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	1527	1505	1783	1765	1775	1905
MY Exports	180	155	136	170	170	170
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	300	300	310	310	310	410
Food Use Dom. Consump.	1002	1005	1272	1220	1235	1250
Feed Waste Dom. Consum	20	20	20	20	20	30
<b>TOTAL Dom. Consumption</b>	1322	1325	1602	1550	1565	1690
Ending Stocks	25	25	45	45	40	45
<b>TOTAL DISTRIBUTION</b>	1527	1505	1783	1765	1775	1905