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## Croatia

### Grain and Feed

### Crop Update

### 2006

**Approved by:**

Sarah Hanson  
U.S Embassy

**Prepared by:**

Andreja Misir

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**Report Highlights:**

According to trade sources, the 2005/2006 wheat crop was sown on an estimated 200,000 ha, which is expected to result in a crop of about 840,000 MT. This is a bit over Croatian consumption but not enough for substantial exports. Total corn area for 2005/2006 is expected to be about 400,000 ha, which will result in a crop of 2.4 million MT. Potentially some corn could be exported from this crop season. Spring sowing of barley is currently problematic due to the spring rains. However, plantings should be finished by the end of April, which is very late for this crop. Spring barley will be sown on about 5,000 ha with total area amounting to 50,000 ha. If weather is favorable this growing season, total yield is expected to be about 180,000 MT.

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Includes PSD Changes: No  
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## SECTION I. SITUATION AND OUTLOOK

**Wheat****2004/2005 Crop**

According to trade sources, the 2004/2005 wheat crop was sown on an estimated 120,000 ha (versus the usual 200,000 ha) which resulted in a smaller crop of 500,000 MT. The growing season was wet with heavy rain occurring during harvest. As a result, some grain germinated and overall wheat quality was somewhat lower than usual. Approximately 100,000 MT of last year's harvest was of feed wheat quality. The grain moisture level varied from different parts of the country but ranged from 13 to 18%. Impurities were also high from 3 -5%.

The 2004/2005 harvest, combined with government stocks of approximately 300,000 MT, will barely meet domestic consumption of 750,000 to 800,000 MT. As a result, Croatia will not have an exportable surplus of wheat and some imports of milling wheat are expected. Wheat imports will be sourced from the closest and cheapest suppliers including Hungary, Bulgaria, Serbia and Montenegro and sometimes Austria and South American wheat producing countries.

**2005/2006 Crop**

According to trade sources, the 2005/2006 wheat crop was sown on an estimated 200,000 ha, which is expected to result in a crop of about 840,000 MT. This is a bit over Croatian consumption but not enough for substantial exports. Most of the wheat in Croatia is usually sown in the fall/winter season. This year's fall weather conditions were sunny and warm, thus sowing was successful (although the soil was a bit dry). There was adequate rain after the harvest and before winter ensuring good growth conditions. During the end of winter, temperatures were very low, and there was no snow cover that may result in some crop damages.

The spring weather in Croatia has been wet, and the wet soil has been problematic for sowing spring wheat. As a result, not all spring wheat was sown during the optimal period (which is from mid-February to mid-March). However, it is still too soon to say how the weather will affect final harvest.

**Corn****2004/2005 Crop**

Corn production in 2004/2005 amounted to 2,800,000 MT from 350,000 ha to 400,000 ha.

It is expected that there will be no need to import corn this year, and there is a possibility that Croatia will export some corn from this harvest. If Croatia exports corn, the sales will probably go to the neighboring countries of Bosnia and Herzegovina and Slovenia that have limited grain production, as well as to the EU countries like Austria and Italy.

**2005/2006 Crop**

Optimal period for sowing corn in this region is April, but because of the rainy weather not all areas were sown on time. Total corn area for 2005/2006 is expected to be about 400,000 ha, which will result in a crop of 2.4 million MT. Some corn could potentially be exported from this crop season.

## Barley

### 2004/2005 Crop

Barley was sown on an estimated 50,000 ha with a yield of 150,000 MT. Barley imports are expected to be around 50,000 MT this year. Most of the imported barley will go to the beer malting industry. Croatia's barley utilization includes 65,000 to 70,000 MT used for malting (brewing), 30,000 MT used for feed, 90,000 MT used for farm use, and the remainder going to different industries.

### 2005/2006 Crop

Spring sowing of barley is currently problematic due to the spring rains. However, plantings should be finished by the end of April, which is very late for this crop. Spring barley will be sown on about 5,000 ha with total area amounting to 50,000 ha. If weather is favorable this growing season, total yield is expected to be about 180,000 MT.

## SECTION II. STATISTICAL TABLES

### Tariffs

As part of its WTO accession package, Croatia agreed to cut agricultural tariffs by an average 25 percent in 2001, and tariffs will be reduced every year until January 1, 2007, when they are expected to average 16.4 percent. Croatia publishes a revised applied tariff schedule at the beginning of every year.

Tariffs and quota information can be found at [www.carina.hr](http://www.carina.hr), or from the USDA/FAS office in Zagreb by contacting Andreja Misir, USDA/FAS, Agricultural Specialist, [andreja.misir@usda.gov](mailto:andreja.misir@usda.gov)

## SECTION III. NARRATIVE ON SUPPLY AND DEMAND, POLICY AND MARKETING

### Consumption

At present, utilization is as follows:

Corn: 1.7 to 1.9 million MT animal feed (industry and for farm use)

Wheat: 800,000MT (650,000MT industry, 100,000MT farm use, 50,000MT for seed)

Barley: 200,000MT (90,000MT on farm use, 65,000MT – 70,000 MT malting industry, 30,000MT mixed feed industry, 14,000MT other industry)

Cattle, hog and poultry numbers were devastated during the war (mid-1990's), and the recovery has been very slow. The poultry industry is modernizing and expanding although, this year, it had a slight set back because of the occurrence of Avian Influenza in wild birds. Hog numbers depend on corn prices while the number of cattle is stagnating. (Note: 2005 official statistics report: 471,000 of cattle, 1,205,000 hogs, and 10,641,000 chickens.)

## Policy

### Domestic Support

For the 2005 crop, the Croatian Government projected the following maximum area payments:

- wheat, malt barley and rye: Kn 1,650 (\$ 270)/for minimum 3 ha of production
- feed corn: Kn 1,250 (\$ 204) / for minimum 2 ha of production
- oats, corn: Kn 1,250 (\$ 204) / for minimum 3 ha of production

### Biotechnology

In general, Croatia is trying to adopt legislation that is compliant with EU biotech legislation. At present, no biotech seed varieties have been approved for planting in Croatia. The Law on GMO outlines the approval process, but there are no regulations that define the actual process although if there were, not many companies would apply since Croatians are opposing biotechnology. Thus there is a de facto ban on biotech seed plantings in Croatia with a biotech seed threshold level of 0.0%.

No biotech crops have been approved for food or feed use in Croatia, but there is a 0.9% threshold level for some GMOs in food and feed. Under the Food Act (special ordinance from 2004, see section IIIa), the threshold for biotech content in food depends upon whether or not the product has previously been tested and licensed in the EU. If the product has been approved by an EU member state (a list is contained in the ordinance), it does not need to be labeled for sale on the Croatian market--provided separate tests within Croatia confirm the product contains less than 0.9% biotech content. However, if the biotech content is above 0.9%, the product has to be labeled. The biotech threshold level drops to 0.0% for products that have not yet been approved by the EU. The same goes for feed.

However, the laws are changing constantly, and all the regulations that would be needed to implement the laws are lacking. Therefore, the only "defacto rule" for the market is no GMOs. Prior to entering Croatia, all products and commodities suspected to contain biotech products must undergo laboratory testing for biotech content.

For more information on the biotech situation in Croatia see Gain Reports (HR 3019, 3023, 3024, 4002, 4006, 5001, 5004, 5005, 5008, 5009).

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