

Voluntary Report – Voluntary - Public Distribution

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Report Name: Another Drought Reduces Romanian Grain Yields

Country: Romania

Post: Bucharest

Report Category: Grain and Feed, Oilseeds and Products

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Report Highlights:

Romania's grain production is forecast down by 2.6 percent in marketing year (MY) 2020/21 from MY 2019/20. Dry weather conditions will reduce current MY winter crop yields. Soil moisture levels remain low in eastern and southeastern regions, but are more favorable in western and southwestern regions. Rains in early May helped winter crops partially recover and provided a strong boost to recently planted spring crops. Corn exports are expected to reach record levels in MY 2019/20.

Grain Production Overview

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

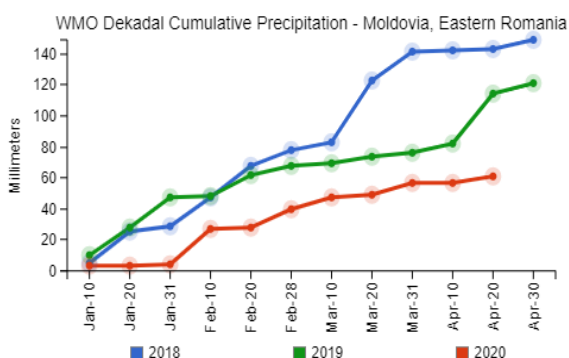
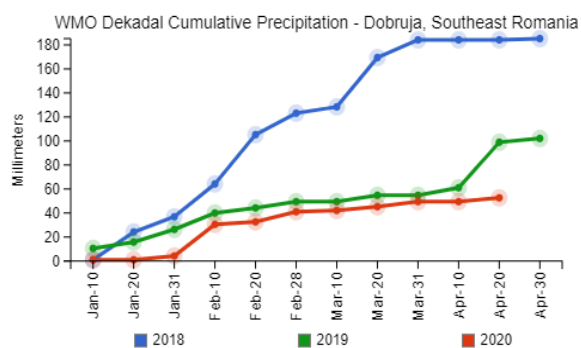
Romania’s area planted for grain ranges between 5.3 and 5.6 million hectares (HA), depending on the total oilseed acreage. Wheat and corn cover about 85 percent of the total grain area. The mild 2019/20 winter prompted wheat and barley out of winter dormancy earlier than usual. Mid-March frost came unexpectedly after above-normal temperatures. As spring unfolded, plants became more stressed because of increasingly dry conditions, particularly in the south and southeastern regions. In some instances, farmers had to operate irrigation systems as early as of March. Precipitation and soil moisture levels have been more favorable in Romania’s western and southwestern regions. The mild winter and dry conditions also increased the risk of pressure from pests.

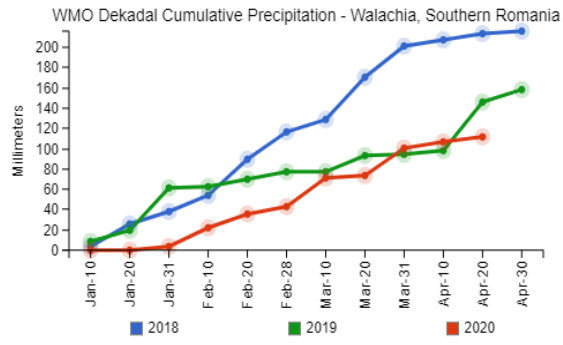
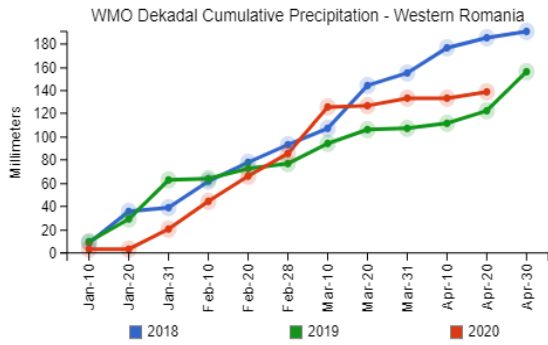
Based on fall planting and weather conditions, Romanian grain production is forecast to decline in MY 2020/21 by 2.6 percent, despite the 2.2 percent increase in the area planted. As a result, total grain exports are projected to decline by 5.5 percent in MY 2020/21, after MY 2019/20’s estimated 9.5 percent increase. Amid fears that grain and oilseed stocks would run low, the Romanian Government suspended temporarily oilseed and grain exports to non-EU markets in mid-April (see [GAIN report](#)).

During the beginning of COVID-19 pandemic, some farmers reported concerns about seed availability or delays in procuring fertilizers and plant protection products due to logistical challenges. Suppliers of these products worked with farmers to cover their needs during planting. Overall, the spring planting season has been on track.

Weather Conditions

The dry weather from summer 2019 continued into fall 2019 and winter 2019/20. Dry conditions continue in most parts of the country. While western, southwestern, and central regions have seen adequate levels of precipitation, Romania’s eastern and southeastern regions remain dry and are seeing drought conditions. 2020 precipitation levels are depicted in the regional maps below.



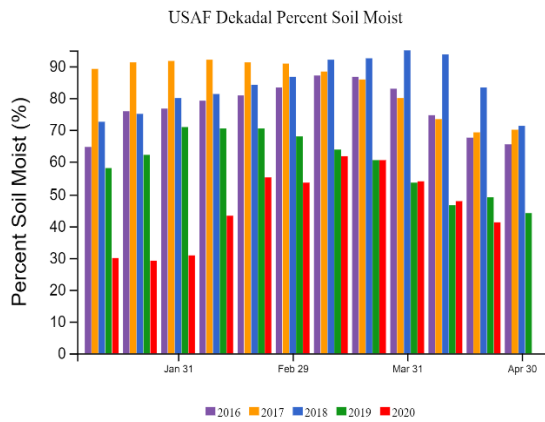


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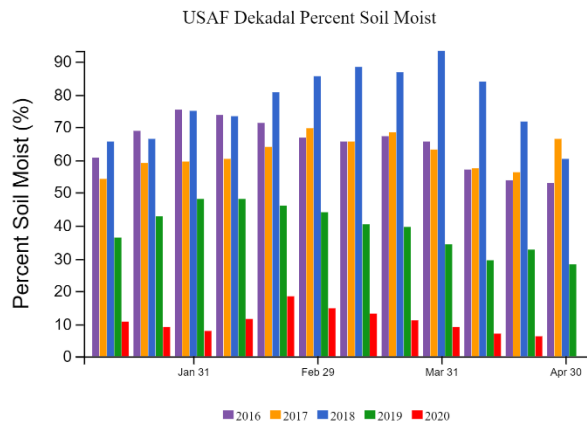
Soil moisture levels were at five-year lows at the end of April 20 in many areas. Soil moisture levels were around 40 percent in the western and southern regions, but at critical levels (below 20 percent) in the southeastern and eastern regions. This may have a negative effect on winter crop development and spring crop germination and emergence. The first chart below shows a relatively similar percentage to last year, while the second one indicates the critically low level of moisture in the spring of 2020.

Romania, West, Timis and Arad Counties



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Romania, Southeast, Calarasi, Ialomita and Braila Counties



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Irrigated Areas

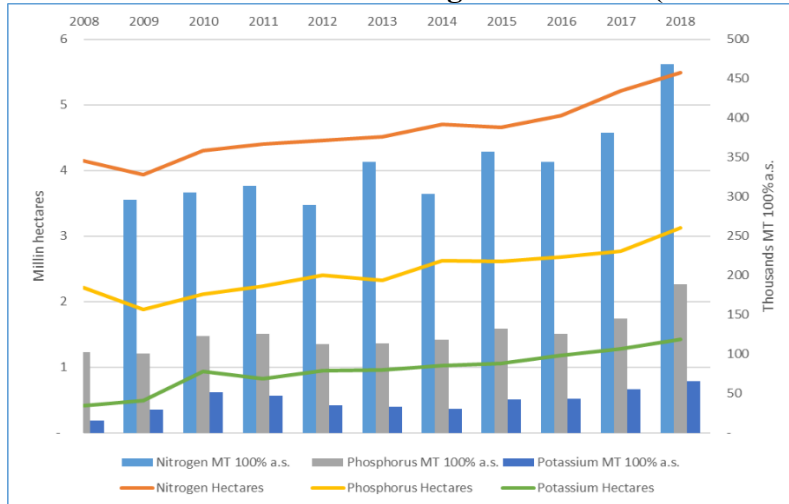
According to Ministry of Agriculture data, as of April 2020, Romania had just over 1 million HA of irrigable land, with 844,000 HA under irrigation contracts. However, the irrigated area as of late April 2020 was around 200,000 HA, less than 10 percent of the total area planted. Water costs associated with irrigation are covered by the Romanian Government. Funding availability, irrigation infrastructure development, and farmers' access to irrigation equipment remain ongoing issues.

Fertilizer Usage

Positive developments in grain yield over recent years are partially due to better access to inputs, such as fertilizers. Total fertilizer usage has grown spectacularly in Romania, with potassium-based fertilizers used 230 percent more than 2010, followed by phosphor with 86 percent, and nitrogen with 62 percent

in 2018 versus 2009 (Chart 1). For organic fertilizers, the ten-year growth levels were 37 percent in terms of area and seven percent in terms of volume.

Chart 1. Mineral Fertilizers Usage in Romania (2009 – 2018)



Source: National Institute of Statistics

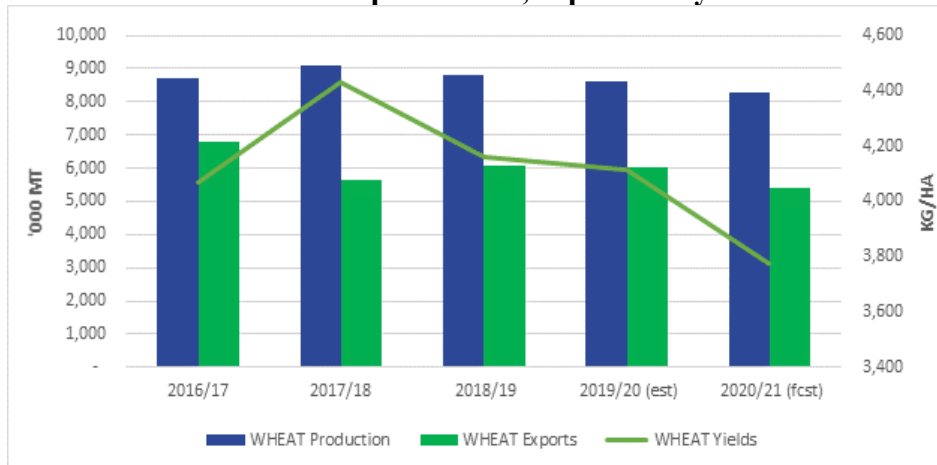
Wheat

MY 2020/21

Fall 2019 planting conditions were slightly improved over the previous year, but remained difficult because of the drought. 2019/20 winter weather was mild and warmer than average, but also lacked significant precipitation. An early February snowfall contributed somewhat toward replenishing soil moisture. Despite dry conditions, in early spring, Romania’s winter wheat crop was reported to be in good overall condition when most fields emerged in early February. A mid-March frost, followed by wide daily temperature swings (-4C degrees to +15 C degrees) in April, stressed the wheat crop. As spring progressed, the wheat crop became increasingly stressed because of drought. Soil moisture levels improved in western and southwestern regions, but dry weather continues in the eastern, southeastern, and northeastern regions. Early May rains throughout Romania provided some relief, but some farmers are considering replanting some winter wheat acres with spring crops, particularly sunflower or corn.

Post estimates the MY 2020/21 planted area for wheat at 2.2 million HA, a 5.2-percent increase over the previous year. The higher wheat area is partially attributed to the decline in Romania’s rapeseed area. Yields are expected lower this MY due to continued dry weather, notably in some of Romania’s most productive counties in its southeastern and eastern regions. Potential production increases in other areas are not expected to offset these reductions. Average wheat yields are forecast to decline by eight percent in MY 2020/21 from the previous year, which would be a five-year low in average yields (Chart 2). Total wheat production is forecast to fall from 8.6 MMT in MY 2019/20 to 8.3 MMT in MY 2020/21, a 3.5-percent decline. This estimate may be further adjusted, pending weather upcoming conditions.

Chart 2: Romania – Wheat production, export and yields



Sources: National Institute of Statistics, Trade Data Monitor, FAS

A lower harvest and higher domestic consumption will decrease exports by 10.7 percent. Roughly 80 percent of Romanian wheat exports will be delivered to non-EU markets.

Table 1: Romania, Wheat Trade

| Romania | 2016/17 | 2017/18 | 2018/19 | 2019/20 est | 2020/21 fcst |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Marketing Year (MY) Begin | July, 2016 | July, 2017 | July, 2018 | July, 2019 | July, 2020 |
| MY Imports (000) MT | 2,350 | 1,047 | 947 | 1,040 | 950 |
| MY Exports (000) MT | 6,797 | 5,648 | 6,088 | 6,050 | 5,400 |

Sources: Trade Data Monitor, FAS

MY 2019/20

MY 2019/20 wheat production fell by 2.2 percent due to dry weather. Imports are forecast to increase by 10 percent, while exports are projected to be stagnant. Egypt, which was the leading wheat buyer during the first seven months of the MY 2019/20, increased its purchase from Romania by 10 percent. Jordan (500,000 MT) ranked second, followed by South Korea, Sudan, and Thailand outside EU. Only 20 percent of Romanian wheat exports are shipped to other EU countries, with Spain and Italy as Romania’s main markets (see the Appendix for more details).

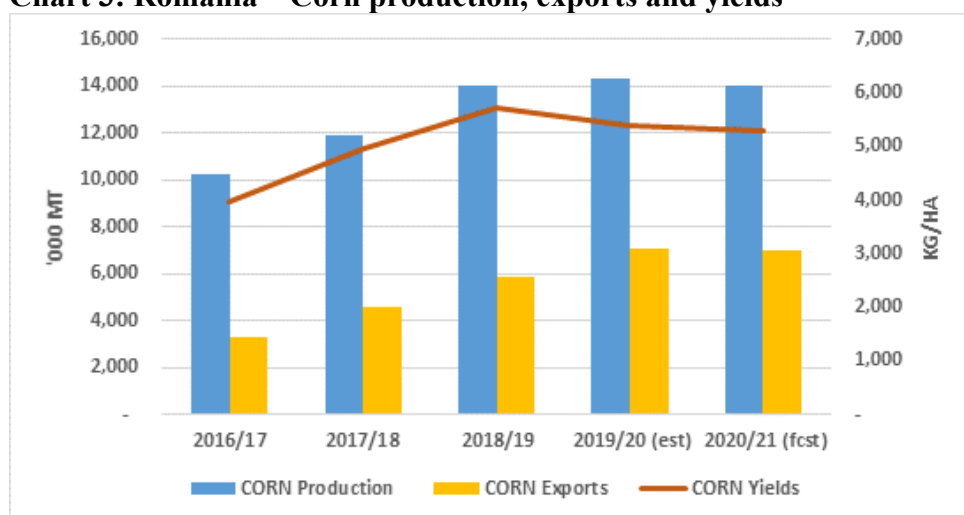
Corn

MY 2020/21

The MY 2020/21 corn area planted is forecast to remain at 2.65 million HA following last year’s sharp eight percent increase. The corn area may see a marginal uptick if some farmers convert winter wheat and/or barley acres into corn, similar to last year’s corn displacement of the rapeseed area. Some corn may also displace sunflower acres, given this year’s lack of a neonicotinoid derogation for sunflower. Although farmer organizations pushed hard for additional sunflower and corn neonicotinoid derogations, in January 2020 the Ministry of Agriculture approved a derogation only for corn.

The spring 2020 corn planting season is nearly complete. Dry conditions and cool temperatures prevented early planting in some areas. Where corn has already emerged, the plants lack uniformity due to the dry conditions. However, rains during the first week of May gave the new corn plants a much-needed boost. Given current weather conditions and assuming similar precipitation levels to last year, corn yields are anticipated to decline only marginally. The corn harvest is forecast to reach 14.0 MMT in MY 2020/21, slightly below last season (Chart 3).

Chart 3: Romania – Corn production, exports and yields



Source: National Institute of Statistics, Trade Data Monitor, FAS

Corn exports in MY 2019/20 are forecast to decline somewhat from 2019/20's record of 7.1 MMT. Romania will likely ship nearly half that much to other EU countries. Domestic feed consumption is forecast to remain relatively stable.

Table 2: Romania, Corn Trade

| Romania | 2016/17 | 2017/18 | 2018/19 | 2019/20 est | 2020/21 fcst |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Marketing Year (MY) Begin | October, 2016 | October, 2017 | October, 2018 | October, 2019 | October, 2020 |
| MY Imports (000) MT | 762 | 369 | 530 | 530 | 450 |
| MY Exports (000) MT | 3,307 | 4,585 | 5,825 | 7,100 | 7,000 |

Source: Trade Data Monitor, FAS

MY 2019/20

Romanian's corn area increased by about 10 percent year-on-year (250,000 HA) in MY 2019/20, as poor conditions for rapeseed incentivized some farmers to convert rapeseed acres into corn. Total corn production reached an estimated 14.3 MMT in MY 2019/20, a 2.14-percent increase over previous year's crop. Considering the large harvest, corn exports are forecast to expand by 22 percent. The higher prices in earlier calendar year 2020 boosted exports. During the first four months of MY 2019/20, exports to non-EU markets doubled, while deliveries to EU countries grew by 20 percent.

Romania's main non-EU corn markets are Turkey, Egypt, South Korea, and Lebanon. Spain, Italy, and the Netherlands are its primary export markets within the EU (see Appendix for more details). About half of corn exports will be delivered to non-EU markets. Domestic feed consumption is expected slightly lower, due largely to the continued presence of African swine fever.

Barley

MY 2020/21

Barley remains mainly an export crop. Although winter barley planting conditions in fall 2019 were difficult because of the drought, they were better than conditions for winter rapeseed, which should translate into a marginally higher area for barley. Like wheat, the barley crop was in good condition until about mid-March, when weather conditions began to negatively affect plant development. Dry weather is expected to lower yields by seven percent, especially in eastern and southeastern areas. Based on the current crop conditions and area, total barley production is forecast at 1.55 MMT, a three-percent decline from 1.6 MMT in MY 2019/20. Exports are forecast to marginally lower due to the forecast shorter harvest, with 85 percent of Romanian barley exports shipped to non-EU markets.

Table 3: Romania, Barley Trade

| Romania | 2016/17 | 2017/18 | 2018/19 | 2019/20 (Estimated) | 2020/21 (Forecast) |
|--------------------------------------|-----------------------|-------------------|-----------------------|--------------------------------|-------------------------------|
| Marketing Year (MY) Begin | July, 2016 | July, 2017 | July, 2018 | July, 2019 | July, 2020 |
| MY Imports (000) MT | 480 | 408 | 245 | 197 | 230 |
| MY Exports (000) MT | 1,130 | 1,494 | 1,085 | 1,100 | 1,060 |

Source: Trade Data Monitor, FAS

MY 2019/20

MY 2019/20 barley production increased by three percent and exports are forecast to grow marginally. During the first seven months of MY 2019/20, barley exports grew by 10.6 percent. Saudi Arabia remains Romania's top market, followed by Libya and Turkey. EU deliveries accounted for under 20 percent of exports, with Spain and the Netherlands as major buyers.

Minor crops

MY 2020/21

The minor crop area planted varies only slightly year on year. Oats are forecast to cover about 120,000 HA in MY 2020/21, rye about 10,000 HA, mixed grains (mostly triticale) about 75,000 HA, and rice about 9,000 HA. Sorghum is expected to continue its upward trend and will cover about 20,000 HA. Total minor crop production is estimated 3.6 percent lower from MY 2020/21 from last year. Given the small volumes, these crops are mostly traded domestically.

Appendix Tables

Table 4: Romanian Global Wheat Exports, Commodity: 1001, Wheat and Meslin

| Partner | Unit | Year Ending (UOM1: T) | | | | Year to Date | | |
|------------------------|----------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------|
| | | 2016 | 2017 | 2018 | 2019 | 07/18-1/19 | 07/19-1/20 | %Δ |
| World, of which | T | 4,719,757 | 6,727,421 | 5,618,635 | 6,075,175 | 4,222,978 | 4,093,162 | (3) |
| Egypt | T | 1,258,183 | 1,109,509 | 1,062,384 | 1,293,821 | 693,000 | 758,788 | 9 |
| Jordan | T | 771,969 | 627,426 | 761,976 | 641,564 | 450,187 | 500,236 | 11 |
| Spain | T | 391,225 | 273,350 | 932,713 | 566,535 | 566,524 | 431,275 | (24) |
| Italy | T | 166,948 | 299,173 | 373,391 | 530,593 | 365,999 | 197,446 | (46) |
| Germany | T | 14,350 | 29,564 | 44,733 | 429,829 | 342,206 | 31,951 | (91) |
| Sudan | T | 157,083 | 266,835 | 290,594 | 317,186 | 258,572 | 297,947 | 15 |
| Ethiopia | T | 433,081 | 163,143 | 278,583 | 314,575 | 170,138 | 147,590 | (13) |
| Israel | T | 152,387 | 195,212 | 217,169 | 290,436 | 138,271 | 221,263 | 60 |
| Netherlands | T | 39,316 | 92,650 | - | 267,132 | 212,605 | 30,243 | (86) |
| Yemen | T | 56,365 | 57,536 | 123,900 | 151,311 | 151,311 | - | (100) |
| Libya | T | 258,852 | 324,826 | 343,193 | 139,551 | 95,144 | 36,094 | (62) |
| Philippines | T | 11,000 | - | - | 133,388 | 121,055 | 169,052 | 40 |
| United Kingdom | T | 44,904 | 19,181 | 45,133 | 110,576 | 99,012 | 43,882 | (56) |
| Greece | T | 110,148 | 119,793 | 118,111 | 101,300 | 92,835 | 65,368 | (30) |
| South Korea | T | 26,250 | 73,251 | - | 63,000 | - | 317,627 | - |
| Vietnam | T | 62,613 | 838,201 | 127,762 | 56,485 | 56,485 | 96,337 | 71 |
| Thailand | T | 55,650 | - | 34,119 | 20,000 | - | 296,628 | - |
| Syria | T | 57,934 | - | 55,000 | 27,000 | - | 81,758 | - |
| France | T | 46,413 | 103,429 | 45,915 | 48,197 | 35,802 | 34,245 | (4) |

Source: Trade Data Monitor

Table 5: Romania Exports to World; Commodity: 1005, Corn (Maize)

| Partner | Unit | Year Ending (UOM1: T) | | | | Year to Date | | |
|--------------|----------|-----------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| | | 2016 | 2017 | 2018 | 2019 | 10/18-1/19 | 10/19-1/20 | %Δ |
| World | T | 3,074,542 | 3,312,746 | 4,586,693 | 5,824,891 | 2,467,633 | 3,742,148 | 51.65 |
| Turkey | T | 202,072 | 359,612 | 456,208 | 957,624 | 134,813 | 592,067 | 339 |
| Spain | T | 580,245 | 357,043 | 1,116,733 | 651,803 | 311,480 | 568,898 | 83 |
| Italy | T | 337,633 | 269,324 | 645,985 | 630,988 | 346,695 | 413,110 | 19 |
| Netherlands | T | 307,620 | 99,391 | 239,601 | 448,543 | 204,015 | 288,535 | 41 |
| Lebanon | T | 206,815 | 246,247 | 273,713 | 392,683 | 218,700 | 103,067 | (53) |
| Germany | T | 43,132 | 13,273 | 125,912 | 338,302 | 238,771 | 165,339 | (31) |
| Egypt | T | 172,874 | 325,850 | - | 296,928 | 102,222 | 449,670 | 340 |
| Iran | T | - | 50,668 | 232,756 | 203,726 | - | 65,769 | - |
| Greece | T | 96,381 | 85,864 | 194,735 | 167,832 | 105,184 | 96,935 | (8) |
| Libya | T | 56,918 | 52,259 | 101,548 | 155,504 | 101,688 | 46,807 | (54) |
| Portugal | T | 88,503 | 193,033 | 190,146 | 139,485 | 139,466 | 63,648 | (54) |
| South Korea | T | 14,971 | 42,952 | - | 129,864 | 34,314 | 134,390 | 292 |
| France | T | 21,602 | 269,090 | 43,783 | 126,973 | 90,903 | 98,957 | 9 |
| Israel | T | 80,736 | 17,416 | 3,277 | 98,277 | 7,649 | 142,414 | 1,762 |
| New Zealand | T | - | 33,770 | 68,851 | 90,000 | 90,000 | 71,947 | (20) |
| Iraq | T | 154,968 | 53,321 | 4,643 | 77,051 | 33,000 | 64,525 | 96 |
| Ireland | T | 99,609 | 156,069 | 93,474 | 30,914 | - | 62,050 | - |

Source: Trade Data Monitor

Table 6: Romania - Barley Exports to World; Commodity: 1003, Barley

| Partner | Unit | Year Ending (UOM1: T) | | | | Year to Date | | |
|--------------|----------|-----------------------|------------------|------------------|------------------|----------------|----------------|-----------|
| | | 2016 | 2017 | 2018 | 2019 | 07/18-1/19 | 07/19-1/20 | %Δ |
| World | T | 1,993,762 | 1,129,805 | 1,493,898 | 1,085,461 | 885,383 | 979,557 | 11 |
| Saudi Arabia | T | 873,208 | 471,231 | 788,451 | 718,319 | 542,615 | 315,393 | (42) |
| Tunisia | T | 102,176 | 27,500 | 27,500 | 101,489 | 101,489 | 51,515 | (49) |
| Libya | T | 258,749 | 103,533 | 88,156 | 63,772 | 63,772 | 142,399 | 123 |
| Turkey | T | - | 39,243 | 35,847 | 10,478 | 10,478 | 82,050 | 683 |
| Spain | T | 27,323 | 68,228 | 179,044 | 8,927 | - | 70,107 | - |
| Netherlands | T | - | - | 1,095 | 254 | 237 | 64,276 | 27,021 |
| Japan | T | 130,545 | 7,592 | 25,851 | - | - | 75,536 | - |
| Jordan | T | 277,716 | 104,508 | 51,002 | - | - | 63,000 | - |

Source: Trade Data Monitor

Attachments:

No Attachments.