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EU-27

Grain and Feed

Delays to EU-27 harvest put focus on quality 2008

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Report Highlights:

Expectations for the size of the EU-27 grain crop have again been revised upwards, to 300 MMT, this month. However, while yield forecasts remain good, weather related delays to the progress of the harvest, most notably in the north, are causing some concern for the quality of the crop that remains in the ground. Weather over the next few weeks will largely affect milling quality of small grains while total tonnage should remain at or above levels reported here.

Includes PSD Changes: No
Includes Trade Matrix: No
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Introduction

This report presents the outlook for grain and feed, and Production, Supply and Demand (PS&D) forecasts for the Marketing Year (MY) 2008/2009. Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU and is not official USDA data.

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HA = Hectares

MT = Metric Tonne

MY = Marketing Year. Post estimates follow the EU local marketing year of July to June except for corn which follows an October to September calendar. USDA official data use July to June for wheat and October to September for all coarse grains

TY = July to June for wheat and October to September for coarse grains

Executive Summary

Country:	EU 27									
Commodity:	Total grains									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Market Year Begin		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	56306	56183	56183	56714	56529	56529	59570	59315	59550	(1000 HA)
Beginning Stocks	45660	46150	45660	29283	31132	30642	23815	27315	26825	(1000 MT)
Production	262272	261782	261782	255599	255441	255441	297246	297115	299765	(1000 MT)
MY Imports	13126	13141	13141	25390	26616	26616	10655	13215	13215	(1000 MT)
TY Imports	13875	13141	13141	24890	26616	26616	10655	13215	13215	(1000 MT)
TY Imp. From U.S.	2069	0	0	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	321058	321073	320583	310272	313189	312699	331716	337645	339805	(1000 MT)
MY Exports	18566	18532	18532	15735	15755	15755	20700	20955	22405	(1000 MT)
TY Exports	5495	18532	18532	4125	15755	15755	5200	20955	22405	(1000 MT)
Feed	170407	167808	167808	168262	167457	167457	175741	173465	173465	(1000 MT)
FSI Consumption	102802	103601	103601	102460	102662	102662	105020	106100	106100	(1000 MT)
TOTAL consumption	273209	271409	271409	270722	270119	270119	280761	279565	279565	(1000 MT)
Ending Stocks	29283	31132	30642	23815	27315	26825	30255	37125	37835	(1000 MT)
Total Distribution	321058	321073	320583	310272	313189	312699	331716	337645	339805	(1000 MT)
Yield	4.657976	4.659452	4.659452	4.506806	4.51876	4.51876	4.989861	5.009104	5.033837	(MT/HA)

Wet weather in the EU-27 is delaying harvest progress in those countries, predominantly in the north, where the grain remains in the fields. While the quality of the crop that has already been harvested is reported as fair to good, concerns are inevitably beginning to grow about the remainder. However, yield expectations remain strong and, while it remains subject to change, the forecast size of this year's EU-27 grain crop is again revised upwards this month, to 300 MMT. Within this total, wheat production is put at 146 MMT and barley at 63 MMT.

Following the good crops in the likes of Bulgaria, Romania, Hungary and the Iberian Peninsula – the latter expecting its best quality crop in years in part due to the favorable weather conditions during the spring - the focus is now on harvest progress in the north of the EU-27. In the UK, harvest is less than a quarter complete. In contrast, this time last year less than a quarter remained in the field. That said, the winter barley harvest is complete and reported to be good in both terms of yield and quality while average wheat yields are thus far reported to be good. Grower concerns are focusing on the financial consequences of needing to dry the crop and the reduced value of feed wheat versus bread making wheat should the quality of the wheat still in the ground be adversely affected. The French harvest in the north of the country has also been delayed by rain but as with the UK the focus is on quality, currently described as satisfactory, rather than yields which are on the high side. German farmers are reported to have harvested a record wheat crop of almost 26 MMT and despite some quality problems, again caused by the rain, the average quality is said to be fair to good. The German barley crop is put at 12 MMT with the quality of the malting barley also said to be fair to good. And in Poland, harvest in the south is complete while much of that in the north remains to be done.

While the current outlook remains positive, the delays to the progress of the EU-27 harvest mean that the weather over the next few weeks will be critical to the final outcome of the crop, both in terms of size and quality, with the inevitable impact this may have on trade flows in MY2008/9.

Appendices

Wheat PSD

Country:	EU 27									
Commodity:	Wheat									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	24466	24459	24459	24718	24645	24645	26603	26700	26600	(1000 HA)
Beginning Stocks	23391	23391	23391	13994	16048	16048	10280	13000	13000	(1000 MT)
Production	124839	124830	124830	119251	119485	119485	143170	143500	146000	(1000 MT)
MY Imports	5137	5137	5137	6500	6500	6500	5000	5000	5000	(1000 MT)
TY Imports	5137	5137	5137	6500	6500	6500	5000	5000	5000	(1000 MT)
TY Imp. From U.S.	645									(1000 MT)
TOTAL SUPPLY	153367	153358	153358	139745	142033	142033	158450	161500	164000	(1000 MT)
MY Exports	13873	13873	13873	11000	11000	11000	15500	15500	17000	(1000 MT)
TY Exports		13873	13873		11000	11000		15500	17000	(1000 MT)
Feed	60200	57792	57792	53165	52251	52251	65000	60000	60000	(1000 MT)
Food, Seed & Industrial (FSI)	65300	65645	65645	65300	65782	65782	66000	67500	67500	(1000 MT)
TOTAL consumption	125500	123437	123437	118465	118033	118033	131000	127500	127500	(1000 MT)
Ending Stocks	13994	16048	16048	10280	13000	13000	11950	18500	19500	(1000 MT)
TOTAL DISTRIBUTION	153367	153358	153358	139745	142033	142033	158450	161500	164000	(1000 MT)
Yield	5.10255	5.103643	5.103643	4.82446	4.848245	4.848245	5.381724	5.374532	5.488722	(MT/HA)

Barley PSD

Country:	EU 27									
Commodity:	Barley									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		(MM/YEAR)
Area Harvested	13,835	13,784	13,784	13,837	13,793	13,793	14,491	14,175	14,500	(1000 HA)
Beginning Stocks	8,535	8,535	8,535	5,642	5,414	5,414	5,330	5,100	5,100	(1000 MT)
Production	56,214	56,110	56,110	57,800	57,933	57,933	62,701	62,500	63,000	(1000 MT)
MY Imports	245	245	245	285	300	300	100	150	150	(1000 MT)
TY Imports	167	245	245	285	300	300	100	150	150	(1000 MT)
TY Imp. From U.S.										(1000 MT)
TOTAL SUPPLY	64,994	64,890	64,890	63,727	63,647	63,647	68,131	67,750	68,250	(1000 MT)
MY Exports	3,501	3,476	3,476	4,000	4,000	4,000	3,500	4,500	4,500	(1000 MT)
TY Exports	4389	3,476	3,476	3400	4,000	4,000	3500	4,500	4,500	(1000 MT)
Feed	40,000	39,000	39,000	38,547	38,047	38,047	39,000	40,000	40,000	(1000 MT)
Food, Seed & Industrial (FSI)	15,851	17,000	17,000	15,850	16,500	16,500	16,500	17,000	17,000	(1000 MT)
TOTAL consumption	55,851	56,000	56,000	54,397	54,547	54,547	55,500	57,000	57,000	(1000 MT)
Ending Stocks	5,642	5,414	5,414	5,330	5,100	5,100	9,131	6,250	6,750	(1000 MT)
TOTAL DISTRIBUTION	64,994	64,890	64,890	63,727	63,647	63,647	68,131	67,750	68,250	(1000 MT)
Yield	4.063173	4.070662	4.070662	4.177206	4.200174	4.200174	4.326893	4.409171	4.344828	(MT/HA)

Corn PSD

Country:	EU 27									
Commodity:	Corn									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		(MM/YEAR)
Area Harvested	8492	8489	8489	8329	8329	8329	8708	8700	8700	(1000 HA)
Beginning Stocks	9461	9951	9461	7382	7925	7435	5706	7030	6540	(1000 MT)
Production	53829	53829	53829	47324	47105	47105	58585	58400	58400	(1000 MT)
MY Imports	7056	7056	7056	13000	14000	14000	4000	6500	6500	(1000 MT)
TY Imports	7056	7056	7056	13000	14000	14000	4000	6500	6500	(1000 MT)
TY Imp. From U.S.	45									(1000 MT)
TOTAL SUPPLY	70346	70836	70346	67706	69030	68540	68291	71930	71440	(1000 MT)
MY Exports	664	664	664	500	500	500	1000	500	500	(1000 MT)
TY Exports	664	664	664	500	500	500	1000	500	500	(1000 MT)
Feed	48700	48682	48682	48500	48500	48500	47000	48000	48000	(1000 MT)
Food, Seed & Industrial (FSI)	13600	13565	13565	13000	13000	13000	14000	14000	14000	(1000 MT)
TOTAL consumption	62300	62247	62247	61500	61500	61500	61000	62000	62000	(1000 MT)
Ending Stocks	7382	7925	7435	5706	7030	6540	6291	9430	8940	(1000 MT)
TOTAL DISTRIBUTION	70346	70836	70346	67706	69030	68540	68291	71930	71440	(1000 MT)
Yield	6.338789	6.34103	6.34103	5.681835	5.655541	5.655541	6.727722	6.712644	6.712644	(MT/HA)

Rye PSD

Country:	EU 27									
Commodity:	Rye									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	2335	2335	2335	2579	2579	2579	2687	2665	2665	(1000 MT)
Beginning Stocks	1874	1874	1874	775	775	775	564	500	500	(1000 MT)
Production	6541	6541	6541	7639	7642	7642	9175	9150	8800	(1000 MT)
MY Imports	25	25	25	100	100	100	50	50	50	(1000 MT)
TY Imports	36	25	25	100	100	100	50	50	50	(1000 MT)
TY Imp. From U.S.										(1000 MT)
TOTAL SUPPLY	8440	8440	8440	8514	8517	8517	9789	9700	9350	(1000 MT)
MY Exports	424	419	419	75	100	100	300	300	250	(1000 MT)
TY Exports	313	419		65	100	100	300	300	250	(1000 MT)
Feed	2125	2700	2700	2550	3417	3417	2700	3500	3500	(1000 MT)
Food, Seed & Industrial (FSI)	5116	4546	4546	5325	4500	4500	5600	4700	4700	(1000 MT)
TOTAL consumption	7241	7246	7246	7875	7917	7917	8300	8200	8200	(1000 MT)
Ending Stocks	775	775	775	564	500	500	1189	1200	900	(1000 MT)
TOTAL DISTRIBUTION	8440	8440	8440	8514	8517	8517	9789	9700	9350	(1000 MT)
Yield	2.801285	2.801285	2.801285	2.962001	2.963164	2.963164	3.414589	3.433396	3.302064	(MT/HA)

Sorghum PSD

Country:	EU 27									
Commodity:	Sorghum									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	104	104	104	94	96	96	94	90	100	(1000 HA)
Beginning Stocks	90	90	90	178	20	20	328	300	300	(1000 MT)
Production	560	560	560	530	548	548	464	465	465	(1000 MT)
MY Imports	653	653	653	5500	5700	5700	1500	1500	1500	(1000 MT)
TY Imports	1474	653	653	5000	5700	5700	1500	1500	1500	(1000 MT)
TY Imp. From U.S.	1379									(1000 MT)
TOTAL SUPPLY	1303	1303	1303	6208	6268	6268	2292	2265	2265	(1000 MT)
MY Exports	5	1	1	10	5	5	0	5	5	(1000 MT)
TY Exports	5	1	1	10	5	5		5	5	(1000 MT)
Feed	950	1202	1202	5700	5863	5863	2100	2060	2060	(1000 MT)
Food, Seed & Industrial (FSI)	170	80	80	170	100	100	170	100	100	(1000 MT)
TOTAL consumption	1120	1282	1282	5870	5963	5963	2270	2160	2160	(1000 MT)
Ending Stocks	178	20	20	328	300	300	22	100	100	(1000 MT)
TOTAL DISTRIBUTION	1303	1303	1303	6208	6268	6268	2292	2265	2265	(1000 MT)
Yield	5.384615	5.384615	5.384615	5.638298	5.708333	5.708333	4.93617	5.166667	4.65	(MT/HA)

Oats PSD

Country:	EU 27									
Commodity:	Oats									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	2922	2906	2906	3011	2992	2992	3029	3050	3050	(1000 HA)
Beginning Stocks	772	772	772	804	674	674	893	650	650	(1000 MT)
Production	7768	7643	7643	8849	8730	8730	8791	8700	8700	(1000 MT)
MY Imports	10	5	5	5	5	5	5	5	5	(1000 MT)
TY Imports	5	5	5	5	5	5	5	5	5	(1000 MT)
TY Imp. From U.S.										(1000 MT)
TOTAL SUPPLY	8550	8420	8420	9658	9409	9409	9689	9355	9355	(1000 MT)
MY Exports	99	99	99	150	150	150	400	150	150	(1000 MT)
TY Exports	124	99	99	150	150	150	400	150	150	(1000 MT)
Feed	5782	5782	5782	6700	6729	6729	6641	6655	6655	(1000 MT)
Food, Seed & Industrial (FSI)	1865	1865	1865	1915	1880	1880	1850	1900	1900	(1000 MT)
TOTAL consumption	7647	7647	7647	8615	8609	8609	8491	8555	8555	(1000 MT)
Ending Stocks	804	674	674	893	650	650	798	650	650	(1000 MT)
TOTAL DISTRIBUTION	8550	8420	8420	9658	9409	9409	9689	9355	9355	(1000 MT)
Yield	2.658453	2.630076	2.630076	2.938891	2.917781	2.917781	2.902278	2.852459	2.852459	(MT/HA)

Mixed Grain PSD

Country:	EU 27									
Commodity:	Mixed grain									
		2006/07			2007/08			2008/09		UOM
	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	USDA Official	Post Estimate Old	Post Estimate New	
Marketing Year Begins		07/2006			07/2007			07/2008		MM/YYYY
Area Harvested	4,152	4,106	4,106	4,146	4,095	4,095	3,958	3,935	3,935	(1000 HA)
Beginning Stocks	1,537	1,537	1,537	508	276	276	714	735	735	(1000 MT)
Production	12,521	12,269	12,269	14,206	13,998	13,998	14,360	14,400	14,400	(1000 MT)
MY Imports	-	20	20	-	11	11	-	10	10	(1000 MT)
TY Imports	-	20	20	-	11	11	-	10	10	(1000 MT)
TY Imp. From U.S.										(1000 MT)
TOTAL SUPPLY	14,058	13,826	13,826	14,714	14,285	14,285	15,074	15,145	15,145	(1000 MT)
MY Exports	-	-	-	-	-	-	-	-	-	(1000 MT)
TY Exports		-	-		-	-		-	-	(1000 MT)
Feed	12,650	12,650	12,650	13,100	12,650	12,650	13,300	13,250	13,250	(1000 MT)
Food, Seed & Industrial (FSI)	900	900	900	900	900	900	900	900	900	(1000 MT)
TOTAL consumption	13,550	13,550	13,550	14,000	13,550	13,550	14,200	14,150	14,150	(1000 MT)
Ending Stocks	508	276	276	714	735	735	874	995	995	(1000 MT)
TOTAL DISTRIBUTION	14,058	13,826	13,826	14,714	14,285	14,285	15,074	15,145	15,145	(1000 MT)
Yield	3.015655	2.988066	2.988066	3.426435	3.418315	3.418315	3.628095	3.659466	3.659466	(MT/HA)

Related Reports

Report Number	Title	Date Released
E48089	Crop update – more grain less quality	08/06/2008
BU8010	Market Update	07/29/2008
E48072	Crop update – things are looking up	07/08/2008
E48065	EU-27 Continued suspension of grain import duties until 30 June, 2009	06/24/2008
BU8023	Bulgaria Grain and Feed Market Update	06/18/2008
GM8023	Germany Grain Prices and Crop Outlook	05/23/2008
E48050	EU-27 Grain and Feed Annual 2008	05/06/2008
These reports are available on the FAS website at : http://www.fas.usda.gov/scripts/AttacheRep/default.asp		