

**Voluntary Report** – Voluntary - Public Distribution

**Date:** September 11,2020

**Report Number:** RO2020-0024

**Report Name:** Drought Continues to Stymie Romanian Oilseeds

**Country:** Romania

**Post:** Bucharest

**Report Category:** Agricultural Situation, Agriculture in the News, Oilseeds and Products

**Prepared By:** Monica Dobrescu

**Approved By:** Jonn Slette

**Report Highlights:**

Although oilseed growers in western and central Romania benefited from early-summer precipitation, farmers in eastern Romania experienced significant drought conditions throughout the growing season. Based on current crop conditions, average sunflower yields are expected to fall by 17.5 percent, soybean yields will drop by 11 percent, and rapeseed yields will decline by 18 percent in marketing year (MY) 2020/21. In September 2020, the Government of Romania (GOR) approved support payments to partially offset winter crop losses, including \$233/hectare (HA) for rapeseed.

## **Rapeseed**

### **MY 2020/21**

Romania's rapeseed harvest is complete and low yields reflect the challenging growing season conditions. Romania's southern and southeastern counties, its largest rapeseed production area, experienced spring frosts, consistent drought, and excessive heat. Based on average yield estimates of 1.9 metric tons (MT) per (HA), down from 2.4 MT/HA last year, Post revises down its MY 2020/21 rapeseed production estimate to 620,000 MT. That is about 10 percent lower than the already reduced crop of the previous year. If soil moisture does not improve, the prospects for next year's crop looks dim. Dry conditions have reduced by half Romania's rapeseed area planted over the past two years.

### **MY 2019/20**

The short rapeseeds crop left few exportable stocks. 11-month trade data shows a 70-percent decline in rapeseed exports to other EU markets, from 1.24 million metric tons (MMT) in MY 2018/19 to 373,000 MT in the current MY. According to Trade Data Monitor (TDM) data, the largest destination was the Netherlands (117,683 MT), the Czech Republic, Belgium, and Germany, each with about 60,000 MT. MY 2019/20 Romanian rapeseed exports to non-EU markets are marginal.

## **Sunflower**

### **MY 2020/21**

Romanian's sunflower area declined by about 12 percent due to lower profitability, crop rotation, and Romania's inability to obtain another neonicotinoid derogation from the European Commission. Despite the growing season's promising early start, Post expects lower yields due to erratic rainfall. Plant emergence was inconsistent and crop development varied from one field to another. The most drought-affected areas were the eastern and southeastern regions, where early summer rainfall was not enough to meet the needs of the crop. National yield averages are forecast down by 17.5 percent from last year. Total production is projected to reach 2.24 MMT, a 28 percent year-on-year decline. As a result, MY 2020/21 sunflower seed exports are projected to drop by 37 percent from the previous year.

### **MY 2019/20**

According to TDM, MY 2019/20 sunflower seed exports to other EU markets during the first eight months of 2020 reached 1.188 MMT, a 26-percent increase over the same period in MY 2018/19. Leading EU markets for Romanian sunflower were Bulgaria (263,000 MT), France (262,000 MT), the Netherlands (224,000 MT), and Spain (131,000 MT). Exports to non-EU markets fell by 79 percent, with a noteworthy reduction in exports to Turkey. Turkey had been one of Romania's top sunflower market in recent years.

## **Soybeans**

### **MY 2020/21**

Post estimates the soybean area at 165,000 HA, down from last year and commensurate with the lower production estimate. Given the dry conditions in the eastern and southeastern counties where soybeans production is most prevalent, average yields are estimated down by 11 percent to 2.0 MT/HA. Soybean production is therefore projected at 330,000 MT, an 18-percent decline from the previous MY, due to the lower area and lower productivity. Total soybean exports are projected at 220,000 MT, a 14-percent decline.

### **MY 2019/20**

Although Romania is among the EU's top soybean producing countries, local production is not sufficient to meet domestic demand and imported soybeans cover demand from the livestock sector. Eight-month trade data shows that soybean imports reached nearly 170,000 MT, mainly from Brazil (122,000 MT). Imports declined six percent by volume in response to higher domestic stocks in MY 2019/20. At the same time, soybean exports grew by 10 percent during the first eight months of the MY. The 29-percent decrease in exports to other EU markets was offset by higher exports to non-EU markets. Turkey was the biggest driver of this year-on-year growth, which imported 71,000 MT versus 7,900 MT in MY 2018/19. This helped to counter a 10-percent decline in soybean exports to Russia, which imported 58,225 MT versus 65,181 MT in MY 2018/19.

### **Attachments:**

No Attachments.