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### **Report Highlights:**

In MY 2023/24, EU's grain production is anticipated to reach 285 MMT, up from the 267 MMT registered the previous season, when a severe drought pushed yields down. Favorable initial crop development conditions are reported across the EU, although spring rains in the EU's southwest will be critical to replenish soil moisture and allow for yields to bounce back to average levels. Russia's invasion of Ukraine, combined with soaring food prices, continue to stress the EU grains balance, which has resulted in a stagnation of grain demand. The larger anticipated production is projected to reduce import needs and allow for larger grain exports in MY 2023/24.

**Disclaimer:** This report presents the first outlook for grain and feed, and Production, Supply and Distribution (PSD) forecasts for the Marketing Year (MY) 2023/24. 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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**Executive Summary**

**Table 1. Production, Supply and Distribution - Total Grains**

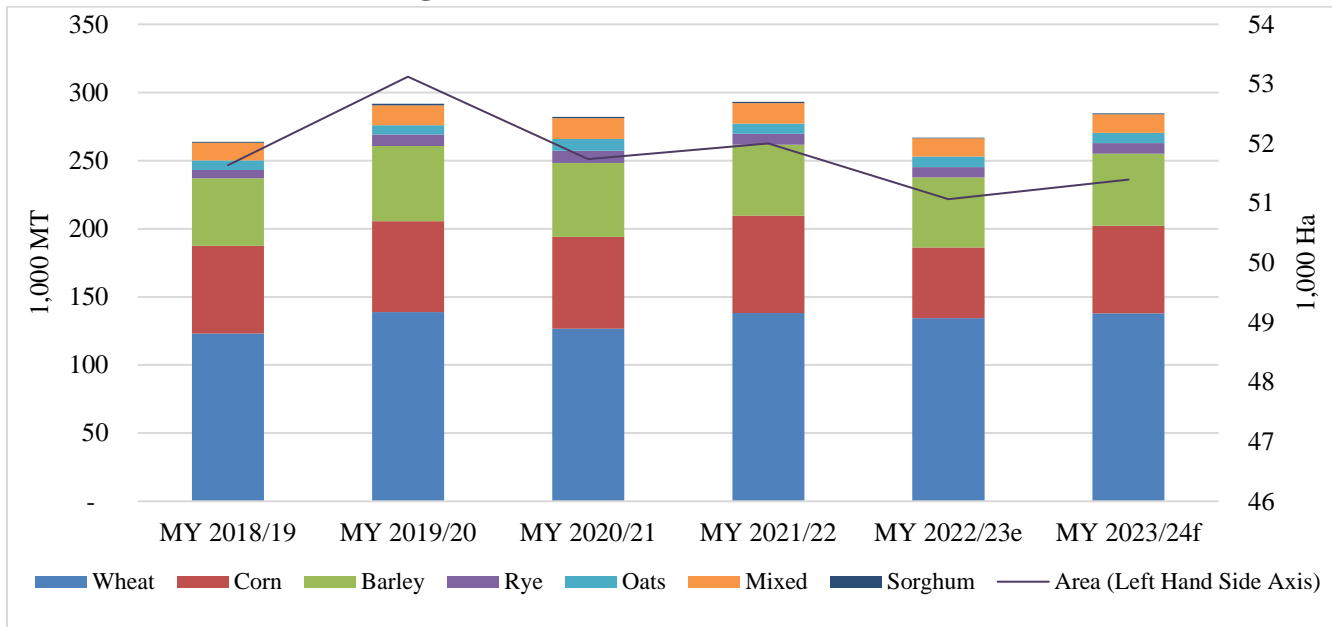
Total Grains <sup>1</sup>	2021/2022		2022/2023		2023/2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
<b>Area Harvested</b> (1000 HA)	52,017	52,002	51,105	51,067		51,395
<b>Beginning Stocks</b> (1000 MT)	25,322	25,322	30,014	31,974		29,808
<b>Production</b> (1000 MT)	293,012	293,061	268,192	266,834		284,726
<b>MY Imports</b> (1000 MT)	25,977	25,968	37,425	35,595		27,445
<b>TY Imports</b> (1000 MT)	26,248	26,252	37,090	35,000		27,595
<b>TY Imp. from U.S.</b> (1000 MT)	1,153	1,126				
<b>Total Supply</b> (1000 MT)	<b>344,311</b>	<b>344,351</b>	<b>335,631</b>	<b>334,403</b>		<b>341,979</b>
<b>MY Exports</b> (1000 MT)	45,717	45,671	43,275	42,290		47,446
<b>TY Exports</b> (1000 MT)	44,777	44,657	43,470	42,880		47,746
<b>Feed and Residual</b> (1000 MT)	165,450	162,439	164,290	158,851		158,881
<b>FSI Consumption</b> (1000 MT)	103,130	104,267	102,400	103,454		104,335
<b>Total Consumption</b> (1000 MT)	268,580	266,706	266,690	262,305		263,216
<b>Ending Stocks</b> (1000 MT)	30,014	31,974	25,666	29,808		31,317

<sup>1</sup> “Total grains” is the sum of wheat, barley, corn, rye, sorghum, oats, and mixed grains.

<b>Total Distribution</b> (1000 MT)	<b>344,311</b>	<b>344,351</b>	<b>335,631</b>	<b>334,403</b>		<b>341,979</b>
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Source: FAS EU Posts.

**Figure 1. EU Grain Area and Production**



Source: FAS EU Posts estimates based on Member States statistical sources.

Area planted to grains in the EU in MY 2023/24 is expected to amount to 51.4 million Hectares (Ha), up from the 51 million Ha planted in MY 2022/23. Improved grain prices expectations for MY 2023/24, steady EU demand for food or industrial uses, together with new facilities entering production, expanding capacity, or increasing products range, and a looming reduction in [Ukraine](#) grain production, all contribute to projected expansion in EU grains area for MY 2023/24. The increase in grains area is most notable in Hungary, where area planted to corn is expected to bounce back.

All winter grains are projected to exceed previous season planting levels. After the severe drought and the fertilizer prices hike faced by EU farmers in 2022, there is a growing interest in more drought resilient and less input intensive crops. Wheat and barley, which are more drought tolerant than corn, are expected to come forward in the crop structure. In MY 2023/24, area planted to protein crops in the EU is also expected to expand, benefiting from this year's exemption that allows crops to be grown in fallow land, but also in normal crop land as result of the implementation of new CAP 2023-27 eco-schemes promoting crop rotation. For spring plantings, such as corn or rice and sorghum, area will ultimately depend on price evolution and water availability. The shift towards less input intensive oilseeds, such as sunflower, initiated in MY 2022/23 and is expected to consolidate in MY 2023/24. Likewise, soybeans,<sup>2</sup> which have lower nitrogen fertilizer requirements, are also projected to expand in MY 2023/24 at the expense of corn. Conversely, the European Court of Justice (ECJ) decision not to

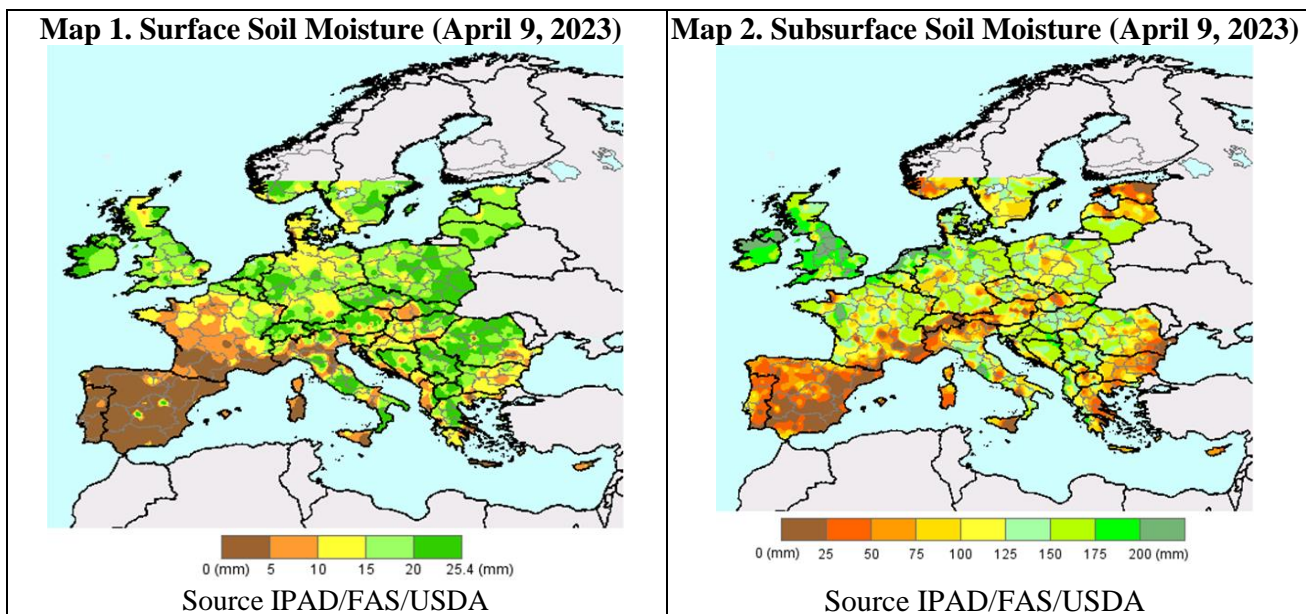
<sup>2</sup> Additional information regarding the EU's sunflower and soybeans area is available in the latest [EU Oilseeds](#) GAIN Report.

allow exceptional authorizations for neonicotinoids in sugar beet plantings may prevent corn area from declining further. Interestingly, despite its resilience, sorghum area in the EU continues shrinking.

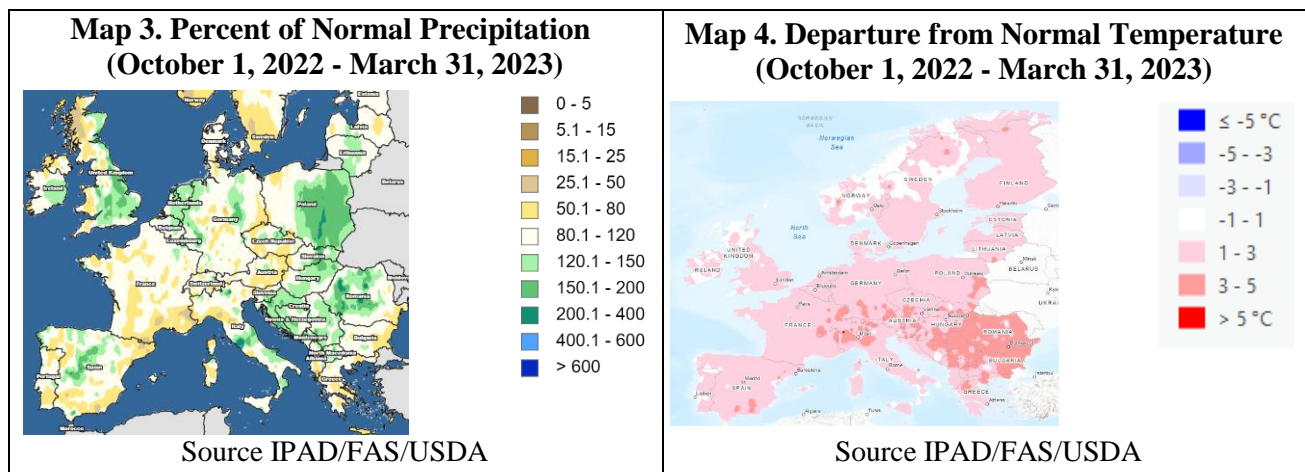
The MY 2023/24 EU grain crop is currently forecast at 284 MMT, up from the 267 MMT produced in MY 2022/23, when the summer heat and drought drastically trimmed yields. Russia’s invasion of Ukraine stressed the EU fertilizers’ supply chain, sending fertilizer prices to record high levels. However, according to the latest [EU agricultural input prices dashboard](#), fertilizers prices, while still at high levels, have eased<sup>3</sup> from the record highs registered in 2022. Moreover, high agricultural commodity prices justify the investment to secure a sizeable grain crop with an adequate protein content.

### Favorable Growing Conditions in the EU for Grains with Additional Precipitation Needed

The MY 2023/24 grain crop cycle was marked by above-average temperatures, especially in eastern EU Member States (MS) (**Map 4**), and with an absence of cold spells. Consequently, winter damage is expected to be negligible. However, the mild winter temperatures have the potential to increase pest incidence, which could affect yields. In the EU’s southwest, where crop development is more advanced, grain crops are already affected by drought. Although winter grain planting operations were carried out in dry conditions, especially in the EU’s southwest, good grain crop development conditions for fall-planted grains prevailed across the EU, with late fall rains improving soil moisture. Nevertheless, additional precipitation is needed to reduce potential drought damage in main producing MS.



<sup>3</sup> The moderation of fertilizer prices in recent months can be explained by the decrease in gas prices and the elimination of EU import tariffs on nitrogenated fertilizers originating in countries other than Russia and Belarus, and the [elimination since December 2022](#) of the restrictions on the movement of capital that were preventing access to Russian and Belarus ammonia exports.



### EU MS Crop Situation Outlook

In southern EU MS, such as Spain, Portugal, and Italy, fall 2022 started with dry and warmer than average conditions. Winter grain planting operations were delayed and carried out under poor soil moisture conditions. However, timely rains in December helped replenish soil moisture, allowing for proper crop establishment. In this region, winter grains are already suffering from drought. Sufficient April rains are particularly critical to improve water availability for irrigation purposes, as well as to restore soil moisture in the southern half of the Iberian Peninsula and the northern half of Italy.

Winter grains in Greece, Malta and Cyprus are reportedly in good condition. Nevertheless, additional precipitation is needed to restore soil moisture and allow winter grains to achieve full yield potential, especially as warmer spring temperatures increase water needs. In Croatia, grain crops experienced mild winter temperatures and excessive rains in January that resulted in waterlogged fields, followed by cold outbreaks in mid-February. Despite these s, grain crops to date in Croatia are generally good.

In France, additional precipitation is crucial to ensure winter crops achieve full potential and to allow adequate planting, germination, and growing conditions for corn. The months of January and February 2023 were the driest in recent history, amounting to over 30 days without rain. This situation has fueled concerns about the negative impact in MY 2023/24 of a new episode of drought similar to MY 2022/23. Despite temperatures remaining above the seasonal average and soil moisture becoming increasingly dry, grain production in France is expected to recover from the low levels registered in MY 2022/23.

Winter grain crops in Ireland benefited from good planting conditions in the fall. Contrary to the previous marketing year, when the drier conditions allowed for very good production results, excessive soil moisture and humidity has started raising concerns about final grain yield potential.

In Romania, mixed conditions for winter grains crop development occurred, with winter crops planting delayed by dryness in some regions and wetness in others. While fall conditions were warm and dry in the south and south-eastern regions, they were wet in the country's western areas. Warm and dry conditions prevailed in early winter, with large differences between day and night temperatures, which poses the risk of weakening the plants and favoring pest development. Although precipitation and snow improved the soil moisture nation-wide, there is still a water deficit, particularly in the south-eastern areas. Additional precipitation is critical to allow proper planting, germination, and growing conditions for spring crops.

[Bulgaria](#)'s grain production is expected to recover after the poor results obtained in MY 2022/23. Unlike the previous season, most winter crops were planted in the optimal time window due to rains in early fall. Nevertheless, additional precipitation is needed to recharge the depleted soil moisture.

In Central EU Countries like the Czech Republic, Slovakia, and Slovenia, sowing operations and plant establishment took place under favorable soil moisture conditions and in absence of winter kill. However, poor soil moisture conditions have negatively impacted grain crops in Austria, except for the provinces of Styria and Carinthia. In the case of Slovakia, above average winter temperatures prevailed in January, which contrasts with low temperatures and heavy snowfall received in February, especially in the north of the country. This contributed to winter grains hardening, and replenished soil moisture, resulting in an optimistic grain production outlook. In absence of winterkill, crops overwintered uneventfully in the Czech Republic, where the production forecast is currently positive.

In Hungary, despite the extreme 2022 summer drought, abundant precipitation during fall restored soil moisture. Mild temperatures allowed for proper establishment and hardening. As a result of the warmer-than-usual weather, there may be higher pest and disease pressure on winter crops in spring.

In the Benelux Countries (Belgium, the Netherlands, and Luxemburg), where the market is mostly supplied by imported grains, the crop cycle started under favorable conditions: sufficient soil moisture and above average winter temperatures.

Germany's winter grains were planted under favorable conditions. Winter temperatures were mild and thus far, there are no reports of winterkill. The lower temperatures registered in February restored winter grain hardiness, lowering concerns that late frosts could cause damage. While soil moisture is reportedly good in the north of Germany, additional rainfall is necessary to counter the dry conditions prevailing in the east of the country.



Winter grains in Poland and the Baltic states (Lithuania, Latvia, and Estonia) are in good condition. The amount of precipitation in the form of rain or snow has been above average, resulting in adequate soil moisture levels. While below average temperatures were recorded in December, mild temperatures prevailed since the beginning of 2023, except for mid-February, when low temperatures contributed to grain hardening. Presently, average yields are projected in this region.

In the Nordics (Sweden, Denmark, and Finland), temperatures dropped for a short period in December 2022, but most fields were covered with snow, so only minor damage is expected. A large share of grains in this EU MS is spring planted, with fall sowings only between 5 and 10 percent of grain sowings. However, this share has the potential to expand as new varieties become available. A reduction in grain output is anticipated in MY 2023/24 in the Nordic countries because the favorable conditions that allowed record grain production in MY 2022/23 are not expected to be repeated.

### **Conflicting Forces Drive EU Grains Demand**

Total consumption of grains in the EU in MY 2023/24 is projected at 263.2 MMT, slightly up from the 262.3 MMT estimated for MY 2022/23. The outlook for grain consumption in MY 2023/24 remains subject to the overall macroeconomic developments, the consequences of inflation, and inflation mitigation measures.

Animal feed is the EU's primary grain destination, accounting on average for over 60 percent of the bloc's grain consumption. In MY 2023/24, it is projected at 158.8 MMT, showing stability compared to the estimated consumption for MY 2022/23, under the expectation of stable feed prices and positive prospects for the EU poultry industry in 2023, as this meat is still generally more affordable compared to other animal protein sources.<sup>4</sup>

Feed production is expected to contract in MY 2022/23 compared to MY 2021/22 in response to livestock producers eroding margins, increased environmental restrictions<sup>5</sup>, animal diseases incidence<sup>6</sup>, inflation-affected sluggish domestic demand, and reduced export demand of pork products, leading to a progressive consolidation and decapitalization of the swine and cattle sectors<sup>7</sup>. Conversely, poultry production is estimated to expand, despite the increasing production costs of production and ongoing Highly Pathogenic Avian Influenza (HPAI) outbreaks across the EU. Interestingly, the need to compensate for the limited pasture availability in MY 2022/23 may have cushioned the overall compound feed production decline, as extensive livestock producers increase their feed demand to supplement their animals.

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<sup>4</sup> Additional information regarding the EU's [Poultry](#) sector is available in the latest EU GAIN Report.

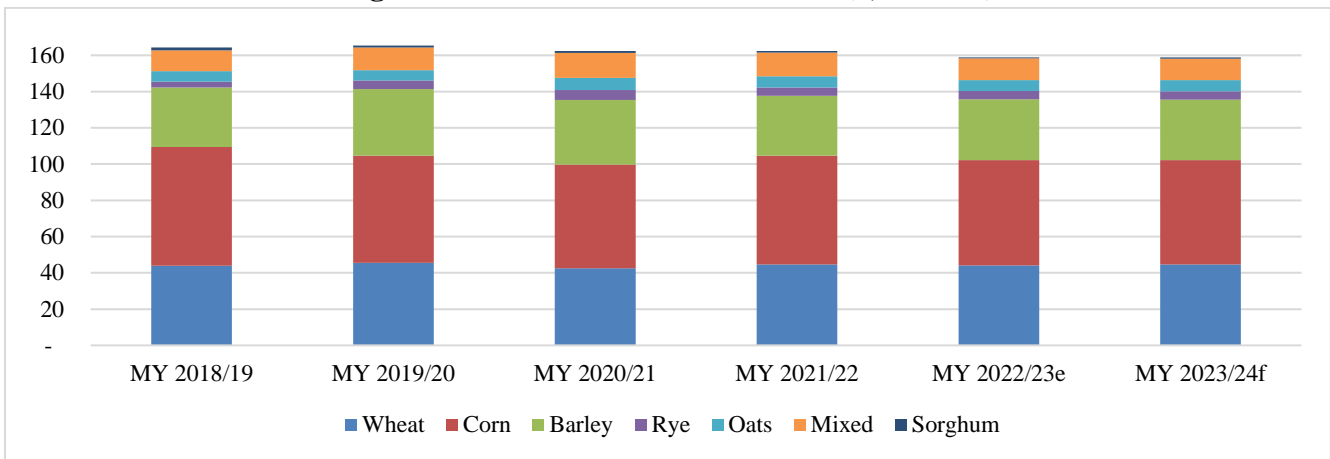
<sup>5</sup> E.g., the Netherlands aims to reduce Nitrogen emissions. For more information GAIN Report entitled: [Nitrogen Report Delivered to the Dutch Government](#).

<sup>6</sup> The EU swine sector faces lingering issues with the African Swine Fever (ASF), Porcine Reproductive and Respiratory Syndrome (PRRS).

<sup>7</sup> Additional information regarding the EU's [Livestock](#) sector is available in the latest EU GAIN Report.

Major grains (corn, wheat, and barley) account for 85 percent of grains used in feed. In MY 2023/24, corn remains the EU’s main feed grain (**Figure 2**). However, the use of barley is forecast to grow compared to Post’s previous estimate as the favorable [price](#) differential allows for an increased inclusion against corn. Additionally, the increased soybean meal prices stemming from the drought in Argentina favor the use of alternative meals (rapeseed, sunflower, and palm kernel meal) as well as the use of higher-protein content grains in the feed formula like wheat. Nevertheless, the large opportunities for wheat export markets prevents wheat feed uses from expanding in export-oriented MS like France and Germany.

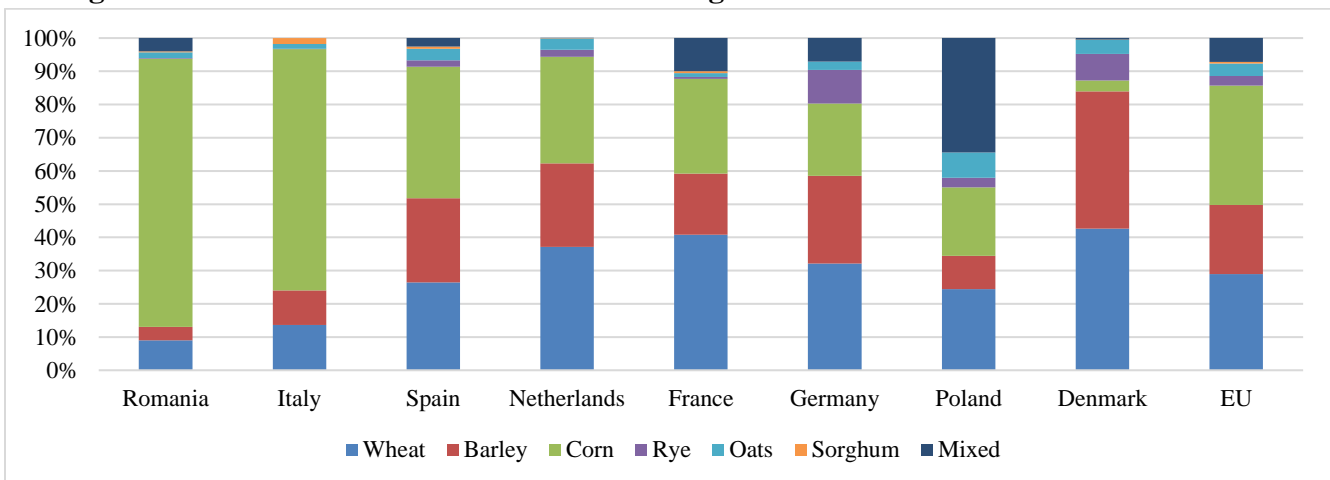
**Figure 2. Feed Grain Uses in the EU (1,000 MT)**



Source: FAS EU Posts estimates.

Composition in the grain portion of the feed formula differs in the EU MS as it is affected by domestic availability and trade orientation. Broadly speaking, corn plays a larger role in grain-deficient MS. Romania is the exception to the rule, as given the ample domestic supplies, corn stands out by far as the main grain used in the feed formula (**Figure 3**).

**Figure 3. Preferred Feed Grain in the EU’s Largest Feed Markets - MY 2023/24 Forecast**

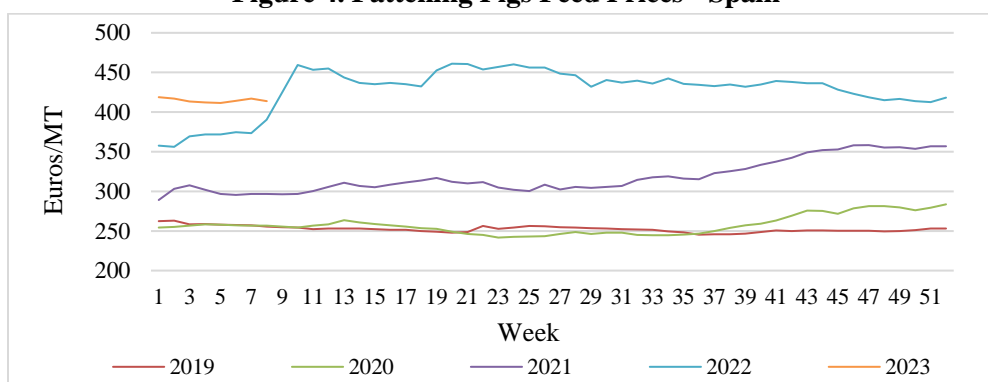


Source: FAS EU Posts estimates.



Grain prices differ significantly across the EU, while the west of Europe faced increased grain costs during 2022 that are only easing now (**Figure 4**). Conversely, eastern EU MS bordering Ukraine faced depressed grain prices and pressure on logistical chains due to the Ukrainian grains and oilseeds overflow. While this ultimately benefited livestock farmers, it eroded crop farmers' margins in that region. See [Policy](#) Section for additional information regarding EU Commission measures in place to counter Ukrainian grains and oilseed overflow in neighboring MS.

**Figure 4. Fattening Pigs Feed Prices - Spain**



Source: FAS Madrid based on MAPA data.

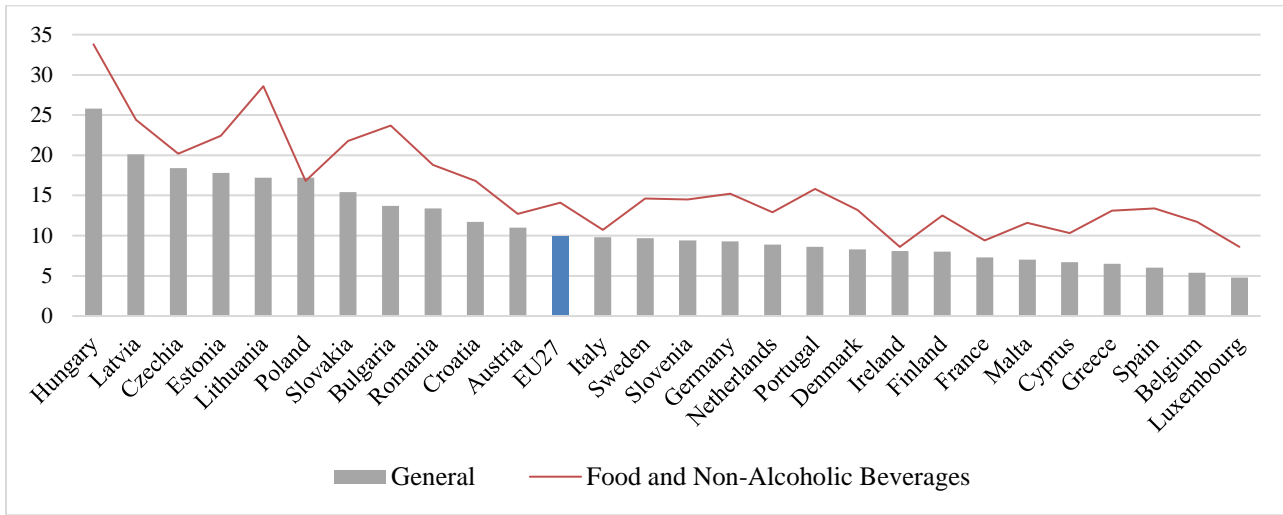
Food, Seed, and Industrial (FSI) grain use in the EU is expected to continue to expand in MY 2023/24 and amount to 104.3 MMT up from the 103.4 MMT estimated for MY 2022/23.

Production capacity expansion of industrials is projected to expand in MY 2023/24. Solid demand for isoglucose, starch, and bioethanol helps to sustain the level of the industrial uses of wheat and corn. By-products of industrial grain processes such as non-animal origin protein concentrates are becoming increasingly important. While in 2022 some bioethanol producers reported energy cost-driven production halts, a return to nominal capacity use is projected for 2023.<sup>8</sup>

In MY 2023/24, food use is expected to increase, given the [refugee-driven population growth](#), as well as the larger activity by the Hotels, Restaurant, and Institutions (HRI) sector as foreign tourism picks up. The expansion of food uses is limited by soaring consumer prices across the EU (**Figure 5** and **Figure 6**). Price sensitive consumers may respond to the rising inflation by watching their food expenditure, switching away from premium and value-added food products, and increasing consumption of staple and cheaper foods. Broadly speaking, western and central EU MS register larger inflation rates than in southeast EU MS. In the case of Hungary, currently the EU leading Member State in terms of inflation levels, the government has imposed price controls on staple foods. As of February 1, 2022, the Hungarian government has been intervening in the prices of wheat flour, sugar, sunflower oil, cow's milk, chicken breast, etc. holding them at the level of October 15, 2021. In other MS like Spain and Portugal, initiatives to counter food inflation include VAT exemptions for basic food products.

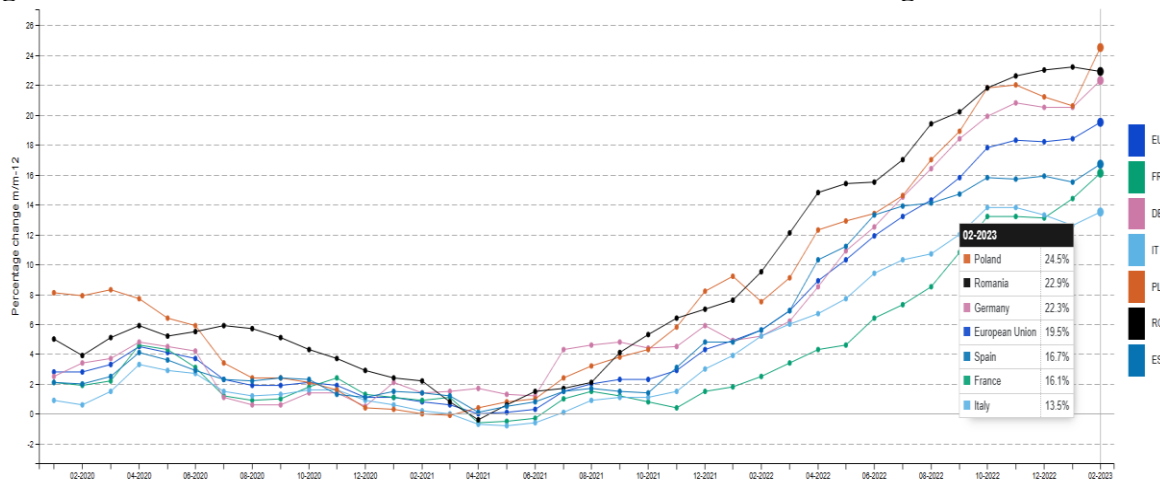
<sup>8</sup> Additional information regarding the EU's biofuel sector is available in the latest [EU Biofuels Report](#) and in the latest [Biofuel Mandates in the EU](#) by Member State. For additional information on the EU isoglucose sector, see the latest [EU Sugar Report](#).

**Figure 5. EU Harmonized Index of Consumer Prices (HICP) by EU Member State\***



Source: [Eurostat](https://ec.europa.eu/eurostat). February data. \*12-Month Average Rate.

**Figure 6. EU Harmonized Index of Food and Non- Alcoholic Beverages Consumer Prices\***



Source: [Food price monitoring tool \(europa.eu\)](https://food-price-monitoring-tool.europa.eu) . \*12-Month Average Rate.

On a positive note, according to the [EU Commission winter economic forecast](#),<sup>9</sup> the EU is set to avoid recession. The Commission improves the prospects for the EU economy compared to the Fall forecast to 0.8 percent due to the strength of the labor market and improving confidence. However, EU consumers and businesses continue to face high energy costs and core inflation,<sup>10</sup> which erodes households purchasing power, weighs on business activity, and discourages investment.

<sup>9</sup> The European Commission Spring Economic Forecast is scheduled to be published in May 2023.

<sup>10</sup> Excluding energy and unprocessed food.

## Export Opportunities for Food Quality Wheat Overlap with Surge in Feed Grain Imports

Early estimates for the MY 2023/24 season indicate that the improved domestic grain crop may ultimately reduce the EU grains import needs, which are projected at 27.4 MMT, down from the 35.6 MMT estimated for MY 2022/23. EU imports of barley and wheat are projected to revert to average levels. Corn is expected to remain the EU's largest imported grain, despite the forecast reduced production levels in Ukraine and the competition for [Brazilia Safrihna](#) corn by China.

In MY 2022/23, the [UN's Black Sea Initiative](#), in place since July 2022 and extended on March 19, 2023 (see [Policy](#) Section), came as a relief for grain end-users in grain-deficient EU MS (namely Spain, Italy, and the Netherlands). To date, grain exports to the EU from the three Ukrainian Ports of Odessa, Chornomorsk, and Yuzhny/Pivdennyi amount to 8.2 MMT grains. Since under the Initiative, Ukraine exports are not subject to the [EU's annual grain tariff rate quotas](#), Ukrainian grain imports have boosted competition for grain exporting MS, pushing [EU grain prices](#) down. Corn is by far the largest grain exported out of Ukraine to the EU, however, wheat and barley exports registered steady increases since Q4 of 2022 as the price spread with corn narrowed.

In MY 2023/24, EU's total grain exports are projected at 47.4 MMT, higher than in MY 2022/23 (42.3 MMT), as the anticipated recovery in the domestic grain crop is projected to allow the EU to improve its export position of all main grains (wheat, corn, and barley).

MY 2023/24 ending stocks in the EU are projected to amount to 31.3 MMT, up from the 29.8 MMT anticipated for MY 2022/23. This is particularly true in the case of wheat, which is expected to ease tensions in the EU grain balance that the low EU corn crop created. However, this figure is contingent on expectations of an average EU grain crop, a stagnant internal grain demand, and reduced import needs.

Grain ending stocks distribution in MY 2022/23 is projected to be uneven across the EU. In central and western EU MS (Hungary, Spain, Italy, and France), ending stocks are projected down in the aftermath of the poor MY 2022/23 grain crop. In the EU's Eastern MS (Poland, Germany, Bulgaria, and Romania), high ending stocks are projected for MY 2022/23 due to sluggish exports, fierce competition by Ukraine in EU markets, and by Russia and Australia's impacts in third country markets. Farmers' stock retention in expectation of a recovery of grain prices may be negated if expectations of an ample EU crop are confirmed in order to release capacity use to storage of new-crop's grains, avoiding logistical challenges by harvest time.

## Section I. Wheat

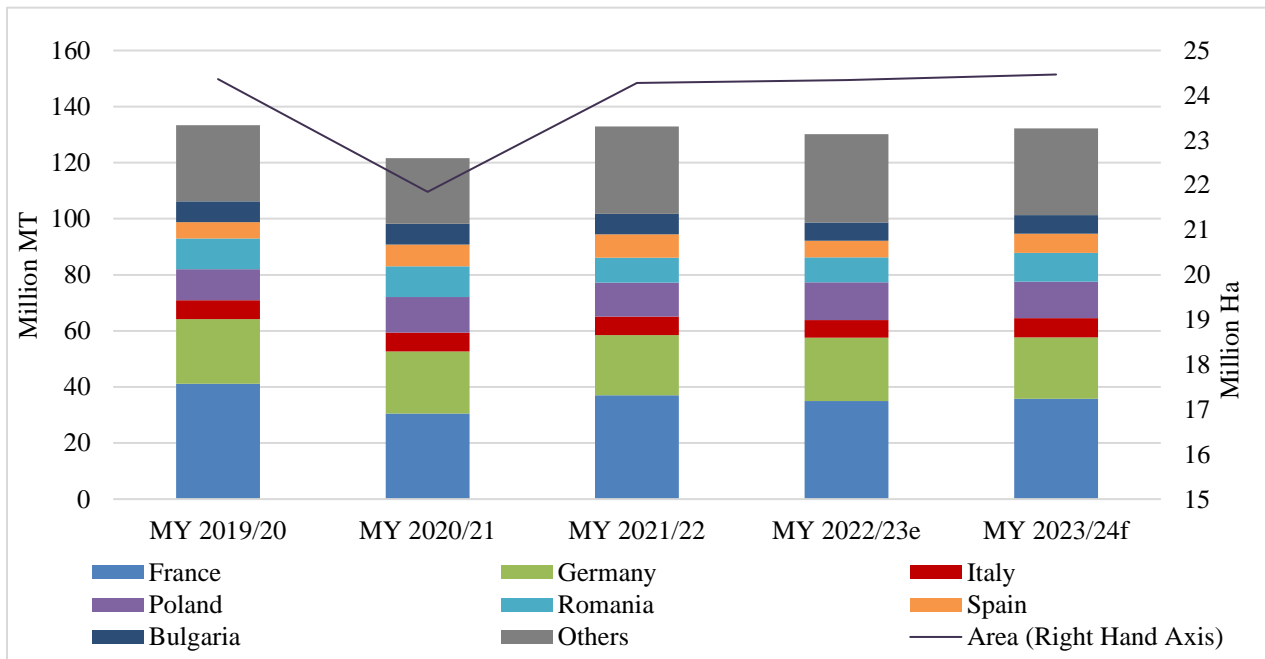
**Table 2. Production, Supply and Distribution – Wheat**

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
<b>Area Harvested</b> (1000 HA)	24,281	24,280	24,345	24,340		24,550
<b>Beginning Stocks</b> (1000 MT)	10,698	10,698	13,323	13,500		15,400
<b>Production</b> (1000 MT)	138,244	13,8230	134,341	134,300		137,800
<b>MY Imports</b> (1000 MT)	4,629	4,629	10,500	8,800		6,500
<b>TY Imports</b> (1000 MT)	4,629	4,629	10,500	8,800		6,500
<b>TY Imp. from U.S.</b> (1000 MT)	285	256				
<b>Total Supply</b> (1000 MT)	153,571	153,557	158,164	156,600		159,700
<b>MY Exports</b> (1000 MT)	31,998	31,928	35,000	33,300		35,400
<b>TY Exports</b> (1000 MT)	31,998	31,928	35,000	33,300		35,400
<b>Feed and Residual</b> (1000 MT)	45,000	44,679	47,000	44,200		44,700
<b>FSI Consumption</b> (1000 MT)	63,250	63,450	64,000	63,700		64,000
<b>Total Consumption</b> (1000 MT)	108,250	108,129	111,000	107,900		108,700
<b>Ending Stocks</b> (1000 MT)	13,323	13,500	12,164	15,400		15,600
<b>Total Distribution</b> (1000 MT)	153,571	153,557	158,164	156,600		159,700
<b>Yield</b> (MT/HA)	5.6935	5.6932	5.5182	5.5177		5.6130

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Source: FAS EU Posts.

**Figure 7. EU Wheat Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

EU wheat<sup>11</sup> area is expected to increase slightly in MY 2023/24. French, Hungarian, Romanian, and Polish wheat growers are anticipated to plant more wheat, while producers in Spain, Czech Republic, Denmark, Germany, and Slovakia are expected to reduce their wheat plantings.

EU wheat production is forecast to bounce back to 137.8 MMT in MY 2023/24, driven by higher production in France, [Bulgaria](#), Baltic countries, Hungary, Romania, and Italy, not being offset by lower crop expectations anticipated for Denmark, Germany, and Poland. However, weather conditions until harvest can still play a significant role in final production volumes. Planting conditions were good to ideal for wheat in most growing regions. Little or no winterkill was reported, and cold waves in western Europe in February helped hardening. Despite rains resuming in early spring, soil moisture remains a concern in most EU wheat-producing countries, especially in western EU MS, specifically France, where winter was significantly dry. Regions with light or sandy soils are more vulnerable to this situation. On the other hand, wheat growers in Bulgaria, Romania, and Hungary report good soil moisture levels despite some abnormally high temperatures in the winter that led to higher evaporation. If the dryness in major EU wheat-producing countries extends into April and May, it could limit the amount of nitrogen the wheat plant can absorb and ultimately lower protein content in wheat. Overall, significant rain is needed in most of the EU throughout the spring to keep MY 2023/24 wheat yields above average and to allow efficient fertilization.

Within FSI, both food and industrial wheat uses in the EU are expected to increase slightly in MY 2023/24. Wheat uses for biofuel purposes are anticipated to increase marginally in MY 2023/24 as, contrary to what occurred in MY 2022/23, lower wheat prices are likely to support the demand for wheat feedstocks against other feedstocks. Likewise, food uses of wheat are expected to increase slightly in MY 2023/24 as the COVID-19 pandemic-related restrictions affecting tourism and the HRI sector throughout the EU are now fully lifted. Moreover, population growth in most EU MS, but especially in Poland, Germany, and the Czech Republic, fueled by several [million refugees coming from Ukraine](#) since February 2022, drove wheat food uses slightly up. The hike in wheat prices since the conflict in [Ukraine](#) had a direct consequence in food prices, starting with pasta prices. However, food inflation does not seem to have lowered consumption of wheat-based food products in the EU, as it is a staple food. Moreover, the decline in wheat prices since the fall of 2022 is now easing the inflationary pressure on wheat-based food products.

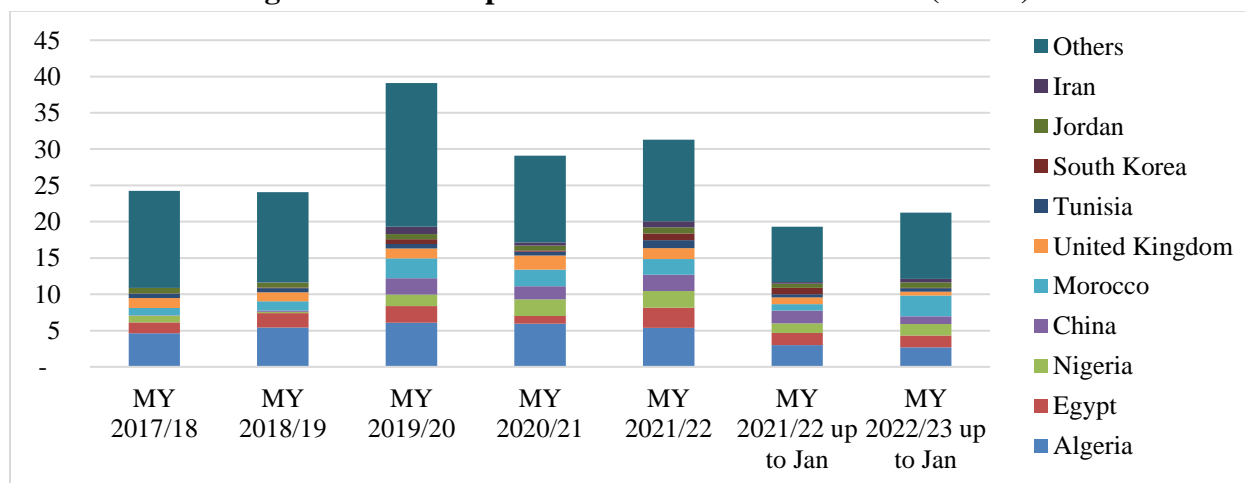
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<sup>11</sup> EU wheat production mostly consists of winter wheat (soft wheat and durum wheat), which has already been planted in the Fall of 2022 for harvest in the summer of 2023, and only to a much lesser extent spring wheat.

EU feed use of wheat in MY 2023/24 is forecasted to rise slightly from MY 2022/23. Ample supplies, both domestically and from imports, and lower expected prices will support the competitiveness of wheat in feed rations, despite a of stagnant overall feed demand. In MY 2022/23, EU wheat feed uses suffered from higher wheat price, especially in the first half of the MY, but on the other hand benefited from a lower corn crop and high imports from Ukraine, especially in Spain. Thus, EU feed use of wheat is now foreseen to decrease only marginally in MY 2022/23.

EU wheat exports are anticipated to reach a very high level in MY 2023/24, partly benefiting from the ongoing war in Ukraine hampering the country’s production and exports, but also from the larger anticipated wheat crop and price competitiveness for EU wheat. Main wheat-exporting MS include France, Romania, Germany, Poland, Bulgaria, and the Baltic States. In MY 2022/23, despite the somewhat lower domestic crop, EU wheat exports are expected to increase to 33.3 MMT, buoyed by weaker Ukrainian competition and a strong demand in North Africa due to the 2022 drought in the Mediterranean region. Morocco is likely to become the largest EU customer of wheat, with France, Germany, Poland, Lithuania, and Romania as the main suppliers, after being a major customer of Ukrainian wheat for years. [Algeria](#) is a steady customer for French milling wheat, given its significant shipping cost advantage. Egypt, Nigeria, and [Saudi Arabia](#) are also likely to be major importers of EU wheat in MY 2022/23. EU wheat exports to Egypt, which in MY 2021/22 faced strong competition from Black Sea Region wheat, are now foreseen to increase sharply, even if the competition with Russian wheat is still high. On the other hand, China is anticipated to purchase less EU wheat in MY 2022/23 due a strong competition from Australia, Canada, and the United States. EU wheat exports to South Korea, mainly originating in Romania, Bulgaria, and Baltic States, are also likely to be sharply down in MY 2022/23 due to strong competition from Australia, United States, and India, after surging during MY 2021/22. If not rescinded by the implementation date, France’s Food Safety and Environmental Agency (ANSES) decision to ban the use of Phosphine as of April 25, 2023, has the potential to hamper the country’s exports to North African markets, where fumigation of grain shipments is required.

**Figure 8. Main Export Destinations for EU Wheat (MMT)**



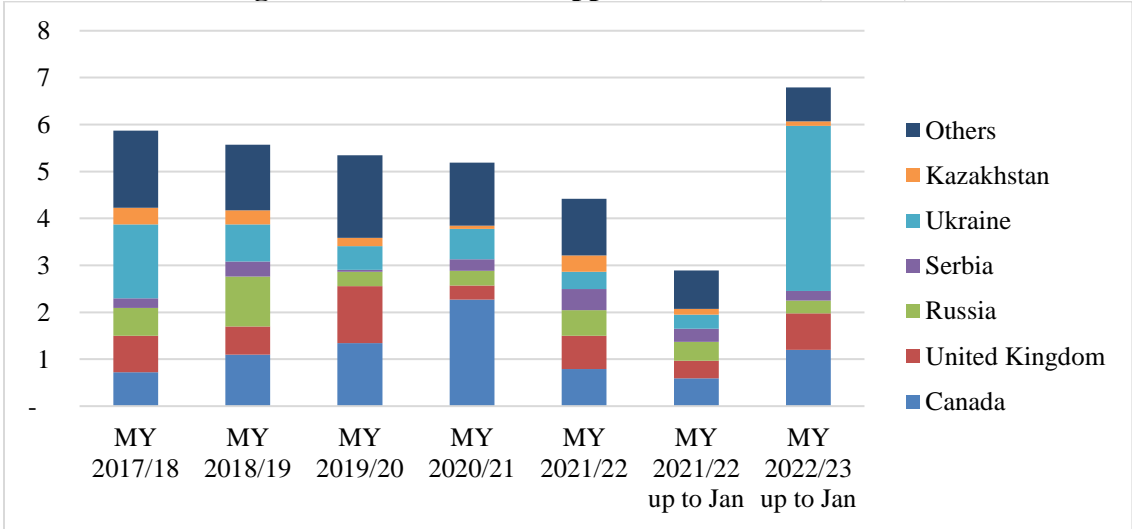
Source: Trade Data Monitor LLC. Trade data include wheat products.



EU wheat imports in MY 2023/24 are likely to go down, as the Ukrainian crop is anticipated to decrease from MY 2022/23 and the EU domestic crop is expected to recover. Trade data available for MY 2022/23 and import licenses issued indicate that EU wheat imports in MY 2022/23 will double from MY 2021/22, amounting to 8.8 MMT, due to the surge of imports of Ukrainian wheat to Eastern EU MS and to Spain under the [UN’s Black Sea Initiative](#), escaping [EU’s annual wheat tariff rate quotas](#). Such large wheat imports have not occurred since MY 2014/15. Due to its smaller wheat, mainly durum, crop, Italy will remain the EU’s largest wheat-importing MS, accounting for between one fourth and one third of the EU’s total wheat imports in MY 2022/23, followed by Spain, Romania, and Poland. Italy imports most of its non-EU wheat from Canada and Ukraine, and to a lesser extent from Australia and the United States.

In MY 2022/23 Spain experienced a dramatic drought that sharply reduced grain crops, increasing the country’s grain shortfall. As of November of 2022, as the price spread between wheat and corn narrowed, feed manufacturers quickly switched to Ukrainian wheat, consolidating Spain’s position as the second destination for Ukrainian wheat after China. The surge of Polish imports was exceptionally large, with imports of Ukrainian wheat going from 1,000 MT in MY 2021/22 to close to 800,000 MT in 2022/23. Ukrainian wheat filled grain silos in Poland, and due to logistical hurdles, this wheat was not re-exported but largely remained in Poland, competing with the record domestic harvest, pushing grain prices down. Likewise, until the opening of the grain corridor in the Black Sea, Constanza Port in Romania became the most important gate for Ukrainian grain exports, with Romania becoming EU’s number one market for Ukrainian wheat (import and transshipments). Barges on the Danube River have been the major transportation method, followed by trains and trucks. Wheat imports from Ukraine and Moldova are estimated to reach nearly one million MT in MY 2022/23 versus a mere 39,000 MT the previous MY.

**Figure 9. Main Wheat Suppliers to the EU (MMT)**



Source: Trade Data Monitor LLC. Trade data include wheat products.

EU wheat ending stocks in MY 2023/24 are expected to remain at the high level they were in MY 2022/23. The influx of Ukrainian wheat that could not be exported in late MY 2021/22 and MY 2022/23 due to logistical hurdles in Polish, Romanian, and Bulgarian ports will inflate wheat stocks at the end of MY 2022/23 in those countries. Even if some of these stocks is finally re-exported in MY 2023/24, a larger expected domestic crop will continue to add to the EU wheat ending stocks.

## Section II. Coarse Grains<sup>12</sup>

### Corn

**Table 3. Production, Supply and Distribution – Corn**

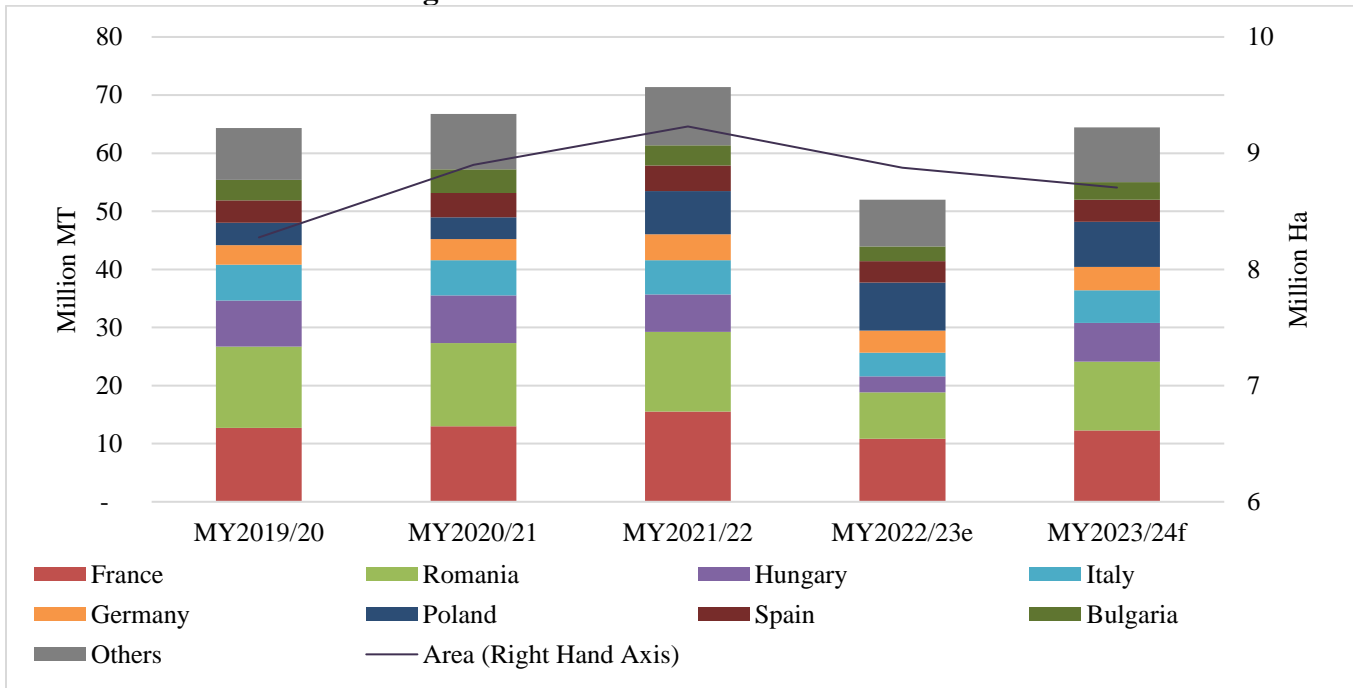
Corn Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9,228	9,247	8,872	8,870		8,700
Beginning Stocks (1000 MT)	7,880	7,880	9,930	11,309		6,929
Production (1000 MT)	71,367	71,400	52,972	52,000		64,400
MY Imports (1000 MT)	19,783	19,770	24,500	24,500		19,700
TY Imports (1000 MT)	19,783	19,770	24,500	24,500		19,700
TY Imp. from U.S. (1000 MT)	747	750				
Total Supply (1000 MT)	99,030	99,050	87,402	87,809		91,029
MY Exports (1000 MT)	6,000	6,026	2,200	2,300		4,800
TY Exports (1000 MT)	6,000	6,026	2,200	2,300		4,800
Feed and Residual (1000 MT)	62,300	60,000	58,500	58,000		57,500
FSI Consumption (1000 MT)	20,800	21,715	19,600	20,580		20,930
Total Consumption (1000 MT)	83,100	81,715	78,100	78,580		78,430
Ending Stocks (1000 MT)	9,930	11,309	7,102	6,929		7,799
Total Distribution (1000 MT)	99,030	99,050	87,402	87,809		91,029
Yield (MT/HA)	7.7337	7.7214	5.9707	5.8625		7.4023

(1000 HA), (1000 MT), (MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

<sup>12</sup> Coarse grains are the threshed, dry seeds of plant, cultivated for human/and or animal consumption and gathered in the dried, unprocessed state upon maturity. Coarse grains is the total of corn, barley, rye, oats, mixed grains, and sorghum.

**Figure 10. EU Corn Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

In MY 2023/24, the EU corn area is forecast to drop to 8.7 million Ha as farmers increased the winter crops area in the fall of 2022 due to the price attractiveness of and competition from more drought-tolerant crops like sunflower or more profitable ones like soybeans. In some MS, farmers are less willing to assume the risk of yield losses due to another drought. Likewise, the pressure exerted by the import of lower-priced corn, particularly in the MS bordering [Ukraine](#), is an additional factor in planting decisions. Romania expects the largest area drop for corn in MY 2023/24, followed by Poland, France, Germany, Croatia, Slovakia, and Italy. Conversely, Hungary and Spain expect an increase in the planting area. Other MS like Slovenia anticipate small variations, or no changes in [Bulgaria](#) and the Czech Republic. In the sugar beet-producing countries, such as Austria and France, the ECJ decision to ban neonicotinoid utilization in sugar beets may support corn plantings. Some EU countries are already facing water deficits, particularly in Bulgaria, Greece, Slovenia, Croatia, Hungary, Italy, and certain regions in Romania. In the case of Spain and Portugal, where grain corn is entirely grown under irrigation, the final area planted to corn will be determined by irrigation water allocations. In France, one of the major corn producers in the EU, precipitation must improve to ensure proper conditions for planting and germination. Concerns about water availability are also reported in central EU countries such as Austria, and Czech Republic. Germany and Poland currently seem not to be facing such a risk.

EU corn production is projected to rebound in MY 2023/24, especially in the EU MS which experienced drastic drops in MY 2022/23,<sup>13</sup> and amount to 64.4 million MT, assuming normal weather conditions and an adequate use of crop technology resources. The area reduction is expected to be fully compensated for by the productivity increase. However, given the below average precipitation so far, the yield estimates for most of the EU corn growing MS are conservative. Except for Belgium, which is stagnant, and Poland, which projects a marginal drop from its record crop in 2022, all the MS estimate an increase in corn production. In volume terms, Hungary and Romania anticipate the largest recoveries from their crop failures in 2022. In Spain and Portugal, where irrigation stabilizes yields, the increased corn production anticipated is a direct consequence of the larger projected area. In France, the dry winter has not lowered the drought fears for MY 2023/24, but still higher yields than in the previous season are anticipated. As temperatures continue to stay above average and soil moisture is at increasingly non-satisfactory levels in many of the EU growing regions, additional precipitation is crucial in ensuring adequate planting, germination, and growing conditions for corn.

Apart from Spain and Portugal, no biotech corn<sup>14</sup> is grown in the EU. In Romania, which did not opt-out from GE crops cultivation, the rigorous traceability requirements and difficulties in marketing crops discouraged farmers from cultivating biotech corn. This largely explains why, contrary to the United States, corn crop yields in the EU have stagnated over the past five years.

Total EU corn consumption is anticipated to marginally fall in MY 2023/24, as the lower feed demand is not fully compensated for by the increased demand for FSI uses. In MY 2023/24, feed uses of corn are expected to contract and amount to 57.5 MMT, amid forecasts for declining animal inventory and downward livestock products demand. Nevertheless, recoveries from previous season are expected in corn-producing MS, such as France, Romania, Hungary, Austria, and Croatia. The growth in these countries does not suffice to counter the lower consumption projected for Poland, Germany, Italy, and Spain. In the latter, the larger domestic availability of alternative grains ultimately results in demand reduction for corn.

For MY 2022/23 feed use is pegged at 58 MMT, down from the previous marketing year levels as factors tied to both demand and supply are responsible for pushing feed demand down. The declining livestock inventories, incidence of animal diseases, and the rate of inflation which curbs meat and dairy demand add pressure on corn feed. Furthermore, as the price difference between corn and other feed ingredients narrows, corn is increasingly substituted with wheat and barley in the feed formulas, particularly in the countries which harvested less corn in the previous season. Significant reductions in feed are expected mainly in France, Italy, Romania, Hungary, and Germany. These are corn-producing countries in which a significant share of the corn crop is used for feeding livestock on farms. Smaller decreases in volume are anticipated in other MS, such as Belgium, Croatia, Poland, and Slovenia. In the Netherlands, a country heavily reliant on imported feed ingredients, feed corn is projected to decline due to the falling number of intensive livestock farmers in response to stricter environmental regulations adopted at the national level.

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<sup>13</sup> Apart from reduced quantity, summer heat and drought generated some quality issues (high-aflatoxin and other mycotoxins) in some Member States.

<sup>14</sup> See [Policy](#) Section for additional information regarding biotechnology situation in the EU.

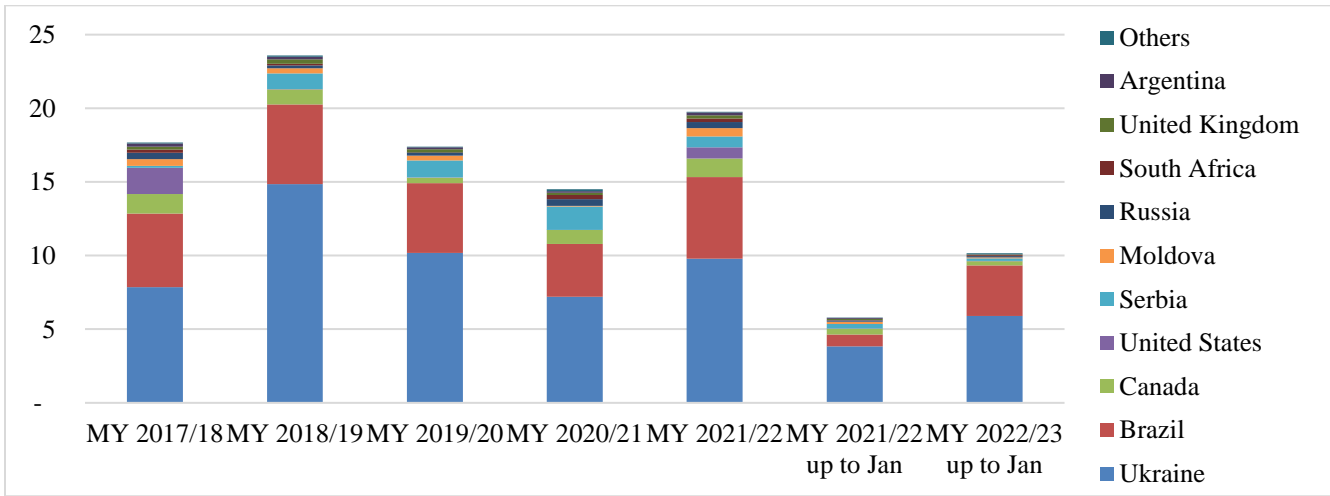
FSI corn consumption in MY 2023/24 is anticipated to expand to 20.9 MMT, mostly driven by Hungary and Spain, and to a smaller extent in Bulgaria and Slovakia. Industrial use has the potential to rise primarily in Hungary, where the solid demand for starch, isoglucose, bioethanol and other grain processing by-products sustains an increased corn utilization. In Spain, where corn is the preferred grain by the bioethanol industry, there are positive prospects for bioethanol production as energy prices stabilize, fuel consumption continues to recover, and blending mandates expand.

In MY 2022/23, FSI consumption is projected to shrink primarily driven by lower corn demand for bioethanol and food purposes across the EU, except for Germany. In the first part of the MY 2022/23, margins in the biofuel industry remained poor because of the high input and processing costs (corn and gas) and declining fuel prices. Furthermore, despite its downward price trend, corn may become less competitive compared to wheat in industrial use in the second part of the marketing year.

Given expectations for a sizeable crop, the import needs are revised down to 19.7 MMT in MY 2023/24. Ukraine is poised to remain the largest EU corn supplier, though with a lower volume because of the foreseen production cut. The country's export capabilities are dependent on continuation of the [UN's Black Sea Grain Initiative](#), allowing Ukraine to load and ship large vessels from its three ports included in the agreement. [Brazil](#), the second largest EU corn supplier, and the United States, where farmer planting intentions currently favor corn, are anticipated contribute to meet EU's corn demand in MY 2023/24. Their shares on the EU market depend on the competition for corn by China. Other corn exporters such as Serbia and Moldova may regain their share on the EU import market, provided a rebound in production levels materializes.

In MY 2022/23, corn imports are anticipated to grow and amount to 24.5 MMT. The import hike of Ukrainian corn during the first quarter of MY 2022/23 responded to the lower domestic availability aggravated by farmers' tendency to hold their crop hoping for higher prices. Russia's invasion affected Ukraine's capabilities to reach export markets. In MY 2022/23, corn is imported or transited from Ukraine through neighboring countries, such as Romania, Poland, Hungary, and Slovakia by railway and highway, as opposed to almost entirely sea exports before the war. Even after July 2022, when the UN's Black Sea Grain Initiative partially restored Ukraine's access to sea, land routes kept their share in moving grains out of Ukraine despite being less competitive and highly dependent on trucks and wagons availability. Additionally, barges on the Danube River remain a valuable alternative for transiting corn from Ukraine, either directly to the Black Sea or through Constanta port in Romania, which has been considered a safe origin. Brazil, as the EU's second larger supplier of corn, also played a key-role in meeting feed compound demand and replenishing stocks. Argentina, while not a major direct supplier of corn to the EU, is expecting a reduced corn crop, and Serbia's corn crop was impacted by a second consecutive drought. By contrast, a steady amount is anticipated to be procured from Canada.

**Figure 11. Main Corn Suppliers to the EU (MMT)**

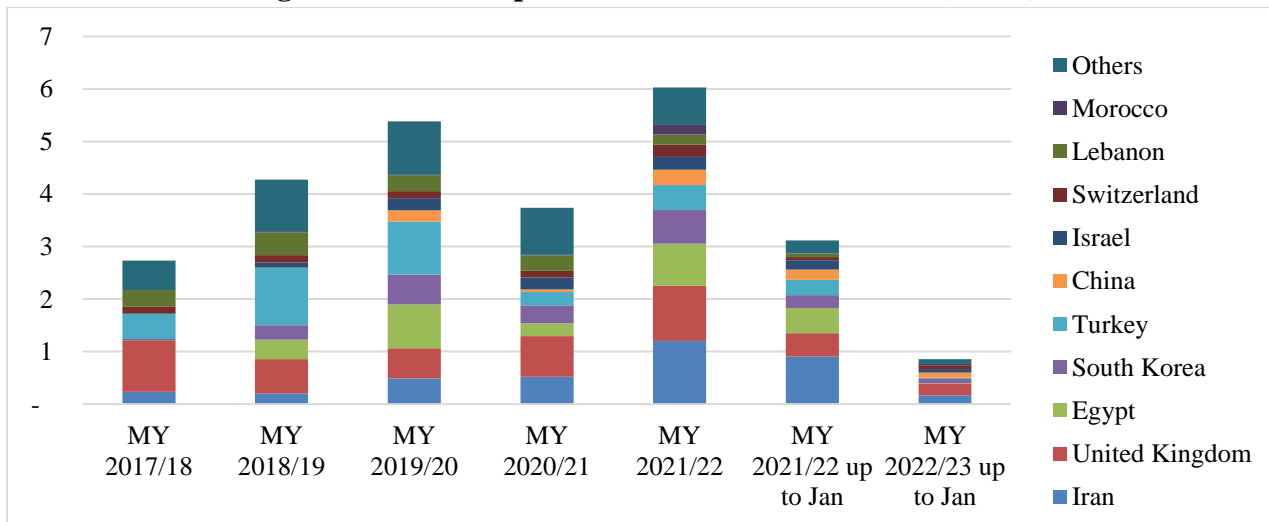


Source: Trade Data Monitor LLC.

Given expectations for a rebound in exportable supply, exports are poised to recover in MY 2023/24. A total of 4.8 MMT is anticipated to be distributed to key export markets, which is double from the previous season but well-below the historical record achieved in MY 2021/22. The resumption of the EU’s corn exports is expected to be led by Romania, due to its advantageous geographical position in supplying the Middle East and North African markets, combined with the prospects for a weaker competition by Ukraine. Poland, the newest player in the corn export market, is consolidating its position as an EU exporter, equal to Bulgaria and France.

EU corn exports are expected to fall drastically in MY 2022/23 to 2.3 MMT due to diminished domestic crop in the major EU exporters like Romania, Bulgaria, and France. The United Kingdom, South Korea, Israel, Iran, and China were the EU’s main trading partners in the first quarter of MY 2022/23.

**Figure 12. Main Export Destinations for EU Corn (MMT)**



Source: Trade Data Monitor LLC.



The crop rebound anticipated for MY 2023/24, if materialized, would support a restoration of the ending stocks from the previous season. In line with previous Post estimates, ending stocks are predicted to tighten in MY 2022/23 because of the poor EU harvest.

## Barley

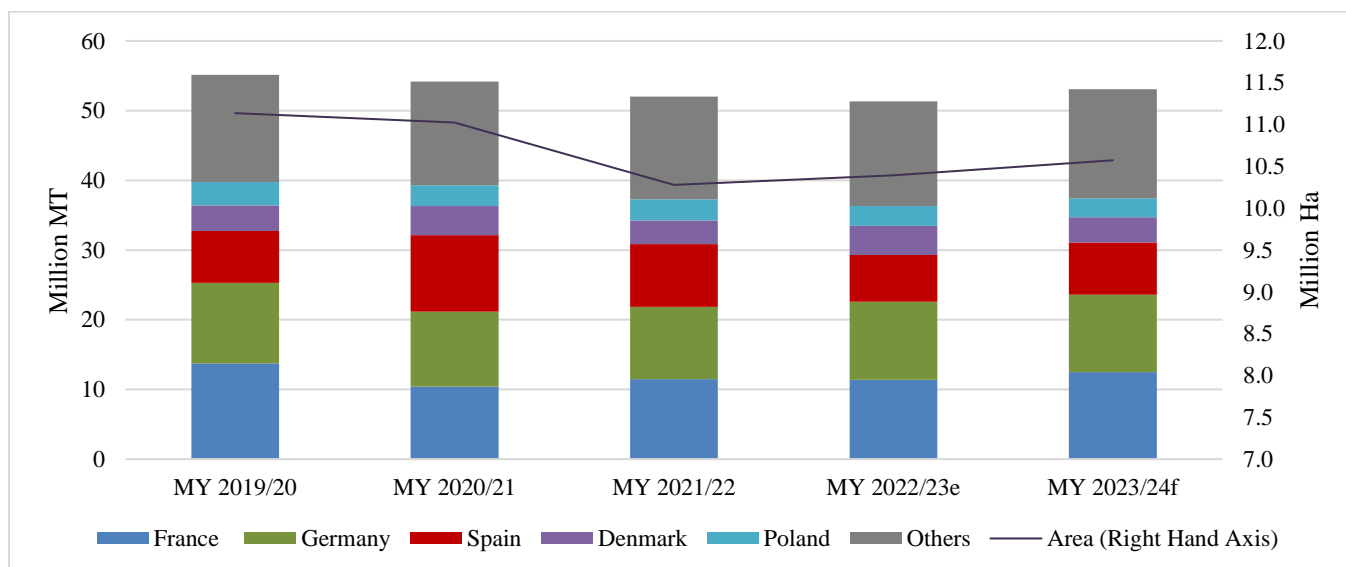
**Table 4. Production, Supply, and Distribution – Barley**

Barley	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
European Union						
Area Harvested (1000 HA)	10,303	10,279	10,417	10,395		10,500
Beginning Stocks (1000 MT)	5,010	5,010	5,270	5,213		5,713
Production (1000 MT)	52,050	52,092	51,799	51,450		53,000
MY Imports (1000 MT)	991	993	2,000	1,950		900
TY Imports (1000 MT)	1,239	1,247	1,700	1,500		1,050
TY Imp. from U.S. (1000 MT)	0	0				
Total Supply (1000 MT)	58,051	58,095	59,069	58,613		59,613
MY Exports (1000 MT)	7,331	7,332	5,800	6,450		7,000
TY Exports (1000 MT)	6,362	6,362	6,000	7,000		7,300
Feed and Residual (1000 MT)	32,800	32,900	35,300	33,600		33,400
FSI Consumption (1000 MT)	12,650	12,650	12,700	12,850		13,100
Total Consumption (1000 MT)	45,450	45,550	48,000	46,450		46,500
Ending Stocks (1000 MT)	5,270	5,213	5,269	5,713		6,113
Total Distribution (1000 MT)	58,051	58,095	59,069	58,613		59,613
Yield (MT/HA)	5.0519	5.0511	4.9725	4.9495		5.0476

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Barley begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Source: FAS EU Posts.

**Figure 13. EU Barley Area and Production**



Source: FAS EU Posts estimates based on Member States statistical sources.

Barley area in the EU is forecast to grow slightly to 10.5 million Ha in MY 2023/24. Farmers in the main EU barley producers, namely, France, Germany, Spain, Romania, Italy, and Hungary, are expected to increase their plantings given barley's higher tolerance to drought and lower input needs compared to corn.

After the previous year's setback in South and Central Europe, EU barley production in MY 2023/24 is forecast to rebound to 53 MMT. In most EU MS, barley benefited from the benign weather in the fall and mild winter, with virtually no winterkill. Temperatures and growing degree days accumulated from September 2022 are average levels. The low soil moisture in western EU MS contrasts with the excessive rainfall in central EU MS.

Water deficits are growing, particularly in southeastern Spain and France, and the coastal regions of Romania and [Bulgaria](#), aggravated by strong winds across Europe at the beginning of March 2023 that dried the surface of topsoil in many EU grain growing regions. In Central Europe, the accumulated precipitation exceeded average levels in winter and replenished water reserves and soil moisture. The overall outlook for winter and spring barley remains satisfactory and average yields are expected in MY 2023/24.

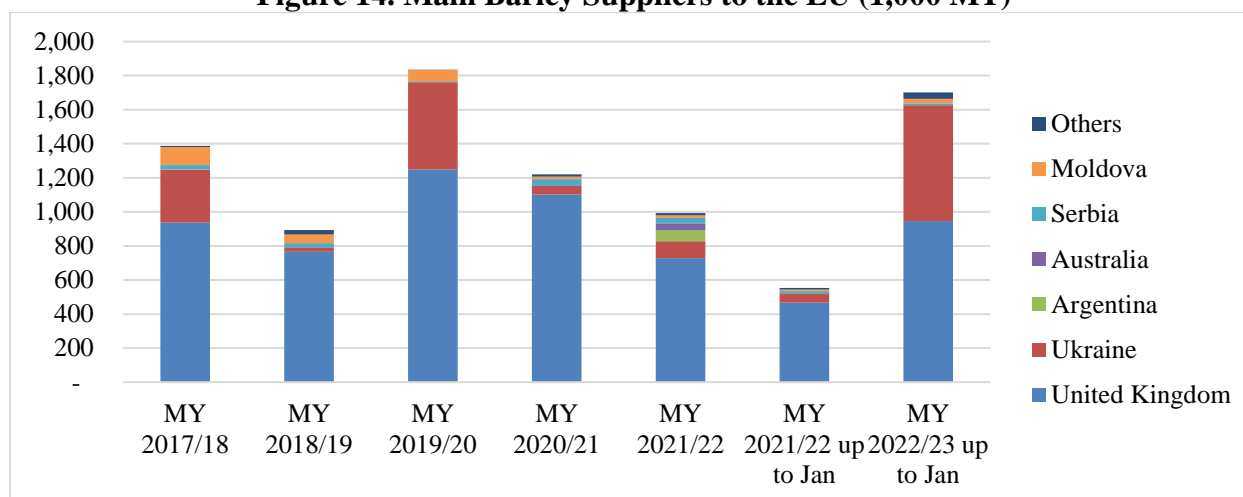
Total barley consumption in MY 2023/24 is anticipated to edge up to 46.5 MMT, driven by increasing demand for alternative dietary protein sources, and a growth in processing capacities for barley protein in Hungary. Barley provides viable option to substitute animal proteins with plant origin products in different diets. Demand for malting barley is also solid as the rebound of EU tourism is predicted to continue and approach pre-pandemic levels in MY 2023/24. The industrial use of barley is set to remain flat with firm demand for grains in starch production. Demand for feed barley in MY 2023/24 is estimated at 33.4 MMT, slightly down year-on-year. After a setback in MY 2022/23, the rebound of corn and wheat production in drought-hit countries and the reduced demand by the livestock sector are anticipated to keep barley use in feed from expanding in MY 2023/24. More specifically, feed barley consumption is projected down in MS such as Spain, Denmark, Hungary, Poland, the Netherlands, Sweden, and Greece. Conversely, a significant increase is projected in feed use in France, Finland, Germany, Ireland, and Italy.

In MY 2022/23, total barley consumption is estimated at 46.4 MMT, up from MY 2021/22 as demand for barley for malting purposes expands, driven by the recovery of tourism and the increasing need for high-quality barley protein. Despite the suspension or relaxation of biofuel blending obligations in some MS (Latvia and Finland), barley utilization in the biofuel industry is projected to remain stable in MY 2022/23 given increased sales of bioethanol. In parallel, demand for starch for processed and convenience food products is forecast to grow moderately this marketing year. The livestock sector's demand for feed barley has been revised up for MY 2022/23, and it is currently estimated at 33.6 MMT. Despite the negative trends in the livestock sector, feed consumption is anticipated to rise given barley's price competitiveness against corn and wheat after the drastic fall in their production in the EU.

EU barley imports in MY 2023/24 are projected to fall significantly to 900,000 MT in MY 2023/24 as [Ukraine](#) barley production levels are expected to drop and the country's export capabilities are dependent on continuation of the [UN's Black Sea Grain Initiative](#). If British barley production keeps its level, imports from the United Kingdom will remain solid. Moldova will also be able to export barley to the EU, despite its limited exportable supply.

As the EU and international institutions made efforts to boost secure routes for Ukraine's grain harvest, EU barley imports increased by 1.1 MMT in the first half of MY 2022/23 driven by the large amount of Ukrainian imports (660 thousand MT), as the country exploits its competitive price advantage. Likewise, the almost doubled volume of barley imported from the United Kingdom barley (871 thousand MT) in the first six months of the marketing year contributes to near record EU barley import levels. Despite the sharp decline in Ukrainian barley exports compared to MY 2021/22, higher volumes are imported by Romania by land as transshipments to other destinations. Spain is anticipated to import higher volumes of Ukrainian and British barley to offset the reduced domestic grain crop. High volumes of Russian and Australian availabilities in the global market continue to pressure barley prices downwards.

**Figure 14. Main Barley Suppliers to the EU (1,000 MT)**



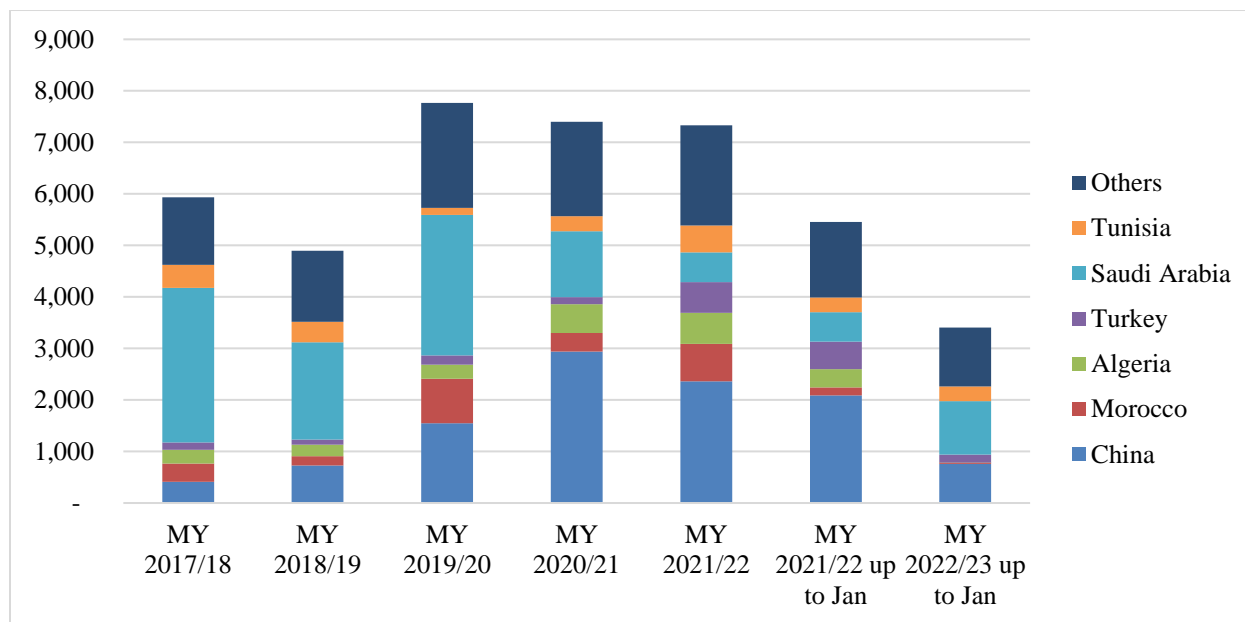
Source: Trade Data Monitor LLC.

Given the satisfactory outlook for barley production, EU barley exports in MY 2023/24 are forecast to rise to 7.0 MMT. Likewise, the EU could seize more opportunities to improve its export position in North Africa, the Middle East, and Asia, as China reopens its borders to international visitors, its anti-dumping and anti-subsidy tariff on Australian barley remains in place, and shipping from Ukraine is anticipated to be weaker. However, Australia and Russia are expected to remain competitive in these regions.

EU barley exports in MY 2022/23 are revised down to 6.4 MMT. In the first half of the marketing year, EU exports showed a substantial decline compared to the same period in MY 2021/22 driven by export reductions of French barley to China and the loss of Romania's markets in the Middle East, Bulgaria's in [Turkey](#) and [Tunisia](#), and Germany's in Iran. Lithuanian and Latvian exports destined for the North

African market also experienced reductions. An increase of Germany’s barley exports to [Saudi Arabia](#), and a resumption of sales by Romania and France to India, Iran and Tunisia, were not enough to offset the sharp decline in other markets. Russian and Australian barley is strongly competitive, crowding out EU crops in the North African and the Middle East markets. At the same time, France still has room to improve its export position by benefiting from China’s trade dispute with Australia and the difficulties that Ukrainian cargoes face in reaching Asian markets, due to a hold-up in inspections for vessels from the Black Sea ports.

**Figure 15. Main Export Destinations for EU Barley (1,000 MT)**



Source: Trade Data Monitor LLC.

In MY 2023/24, a more comfortable level of ending stocks (6.1 MMT) is expected despite the rebound of exports and higher volumes of food use. In MY 2022/23, ending stocks are also projected up, driven by a hike in imports from the United Kingdom and Ukraine and by plummeting exports to the Chinese, North African and Middle East markets. EU MS building up their barley stocks include Germany, France, Estonia, Denmark, Bulgaria, Romania, Lithuania, Czechia, Belgium, Sweden, and Latvia. Stocks are forecast down mostly in Spain, and to a lesser extent in the Netherlands.

# Rye

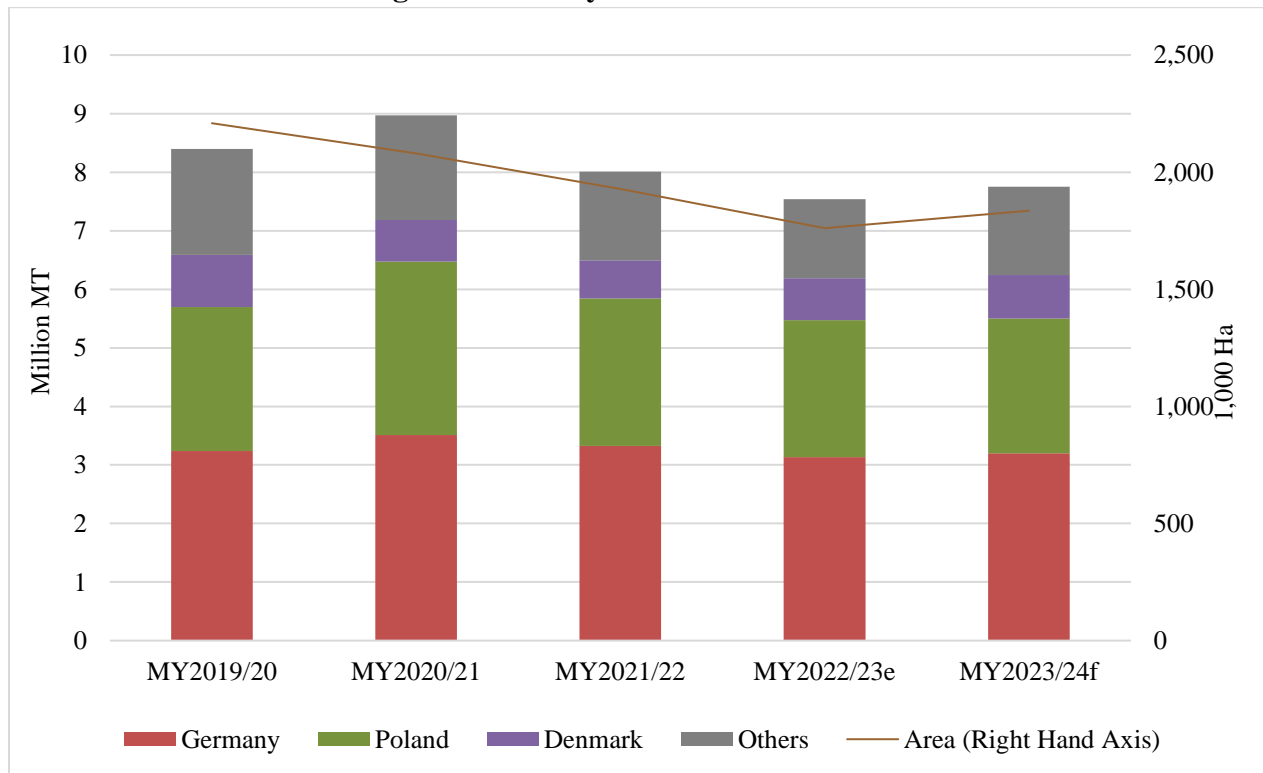
**Table 5. Production, Supply and Distribution – Rye**

Rye	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
European Union						
<b>Area Harvested</b> (1000 HA)	1,928	1,928	1,761	1,760		1,840
<b>Beginning Stocks</b> (1000 MT)	739	739	686	880		794
<b>Production</b> (1000 MT)	8,008	8,008	7,536	7,540		7,750
<b>MY Imports</b> (1000 MT)	258	260	150	130		130
<b>TY Imports</b> (1000 MT)	220	219	150	80		130
<b>TY Imp. from U.S.</b> (1000 MT)	0	0				
<b>Total Supply</b> (1000 MT)	9,005	9,007	8,372	8,550		8,674
<b>MY Exports</b> (1000 MT)	159	159	160	120		130
<b>TY Exports</b> (1000 MT)	210	211	150	150		130
<b>Feed and Residual</b> (1000 MT)	4,950	4,700	4,700	4,430		4,570
<b>FSI Consumption</b> (1000 MT)	3,210	3,268	3,150	3,206		3,186
<b>Total Consumption</b> (1000 MT)	8,160	7,968	7,850	7,636		7,756
<b>Ending Stocks</b> (1000 MT)	686	880	362	794		788
<b>Total Distribution</b> (1000 MT)	9,005	9,007	8,372	8,550		8,674
<b>Yield</b> (MT/HA)	4.1535	4.1535	4.2794	4.2841		4.2120

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Rye begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

**Figure 16. EU Rye Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

In MY 2023/24, EU rye area is expected to increase to 1.8 million Ha. Germany and Poland account for over 70 percent of the EU’s rye production. In Poland, planted area shows a long-term downward trend, in line with the reduction in swine inventories. Conversely in Germany a rebound in rye plantings is forecast for MY 2023/24. German farmers, who stepped away from rye production in MY 2022/23 due to the high availability of corn silage, are returning to rye cultivation again. Assuming average yields, EU’s rye production is forecast to amount to 7.8 MMT in MY 2023/24, up from MY 2022/23 levels.

Consumption of rye for feed purposes in MY 2023/24 is forecast to increase due to higher production anticipated. In MY 2022/23, rye feed use decreased due to lower availability in main producing MS Poland, which also lowered usage potential in neighboring Germany, and growing competition from wheat and corn in feed formulas in EU MS such as Romania. Conversely, in Finland, Denmark, Austria, and Estonia, increased feed use of rye stemming from larger domestic production has been reported.

FSI use is forecast to remain stable in MY 2023/24, due to unchanged industrial use in Poland and Germany, primarily for biofuel and biogas. The projected slight increase in food use in MY 2023/24 can be attributed to an increase in the EU population initiated in 2022 as Ukrainian refugees arrived in EU countries. Moreover, EU consumers mainly in Poland and Germany continue to increase interest for rye bread.

EU rye is largely traded within the EU. The United States, accounting for nearly 70 percent of the EU’s rye exports, is the main destination for EU rye, followed to a much lesser extent by Japan and United Kingdom.

## Oats

**Table 6. Production, Supply and Distribution – Oats**

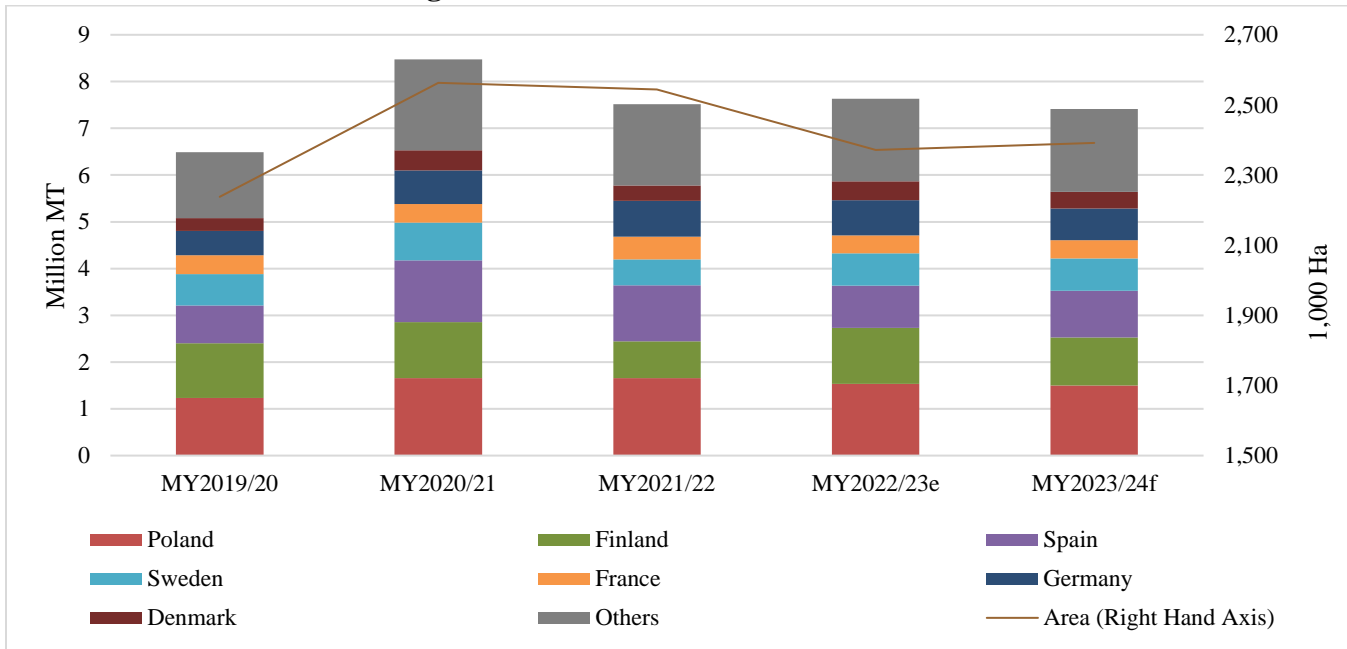
Oats Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>European Union</b>						
<b>Area Harvested</b> (1000 HA)	2,544	2,544	2,372	2,370		2,370
<b>Beginning Stocks</b> (1000 MT)	540	540	348	450		548
<b>Production</b> (1000 MT)	7,516	7,516	7,631	7,630		7,500
<b>MY Imports</b> (1000 MT)	155	155	200	125		125
<b>TY Imports</b> (1000 MT)	209	219	160	40		125
<b>TY Imp. from U.S.</b> (1000 MT)	1		0			
<b>Total Supply</b> (1000 MT)	8,211	8,211	8,179	8,205		8,173
<b>MY Exports</b> (1000 MT)	213	210	100	110		106
<b>TY Exports</b> (1000 MT)	188	111	100	110		106
<b>Feed and Residual</b> (1000 MT)	6,200	6,120	6,300	6,100		6,100
<b>FSI Consumption</b> (1000 MT)	1,450	1,431	1,430	1,447		1,448
<b>Total Consumption</b> (1000 MT)	7,650	7,551	7,730	7,547		7,548
<b>Ending Stocks</b> (1000 MT)	348	450	349	548		519
<b>Total Distribution</b> (1000 MT)	8,211	8,211	8,179	8,205		8,173
<b>Yield</b> (MT/HA)	2.9544	2.9544	3.2171	3.2194		3.1646

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Oats begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.



**Figure 17. EU Oats Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

In MY 2023/24, oats area<sup>15</sup> in the EU is forecasted to remain stable at the level of 2.4 million Ha. EU oats production is forecast to decrease to 7.5 MMT, driven by yields returning to average levels in main EU producing MS such as Poland and Finland, despite the improved yields projected in Spain, Hungary, Romania, and Slovakia.

In MY 2023/24, total EU oats consumption is forecast to remain unchanged year-on-year. FSI use is expected to grow marginally, driven by increased interest for food with healthy attributes in the Nordic Countries and Germany, respectively. In MY 2022/23, EU total oats consumption remained unchanged compared to the last season despite greater production, due to availability of alternative feed grains.

EU MY 2023/24 oats exports are projected lower than last year, given the smaller production. EU oats are traded mostly within the EU. Export volumes to non-EU countries usually originate from Latvia, Finland, and Sweden and are mainly directed to third countries such as [Algeria](#), the United States, and Switzerland. In the first half of MY 2022/23, main export non-EU markets included the United Kingdom, Libya, and [Morocco](#).

<sup>15</sup> Oats are spring planted in main oats producing Member States like Poland, Finland, Germany, and Sweden. Spain is the exception to the rule, as most of the oats are planted in fall.

## Mixed Grains<sup>16</sup>

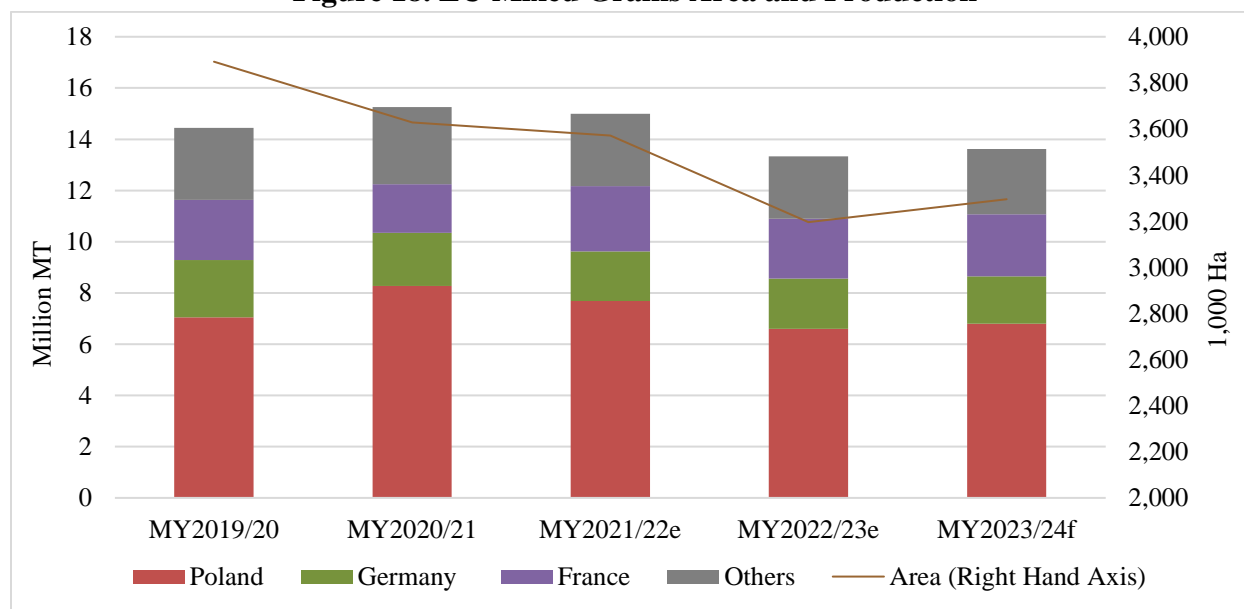
**Table 7. Production, Supply and Distribution – Mixed Grains**

Mixed Grain Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
<b>Area Harvested</b> (1000 HA)	3,585	3,570	3,209	3,200		3,300
<b>Beginning Stocks</b> (1000 MT)	434	434	440	604		406
<b>Production</b> (1000 MT)	15,026	15,000	13,362	13,350		13,620
<b>MY Imports</b> (1000 MT)	0	0	0	0		0
<b>TY Imports</b> (1000 MT)	0	0	0	0		0
<b>TY Imp. from U.S.</b> (1000 MT)	0	0				
<b>Total Supply</b> (1000 MT)	15,460	15,434	13,802	13,954		14,026
<b>MY Exports</b> (1000 MT)	0	0	0	0		0
<b>TY Exports</b> (1000 MT)	0	0	0	0		0
<b>Feed and Residual</b> (1000 MT)	13,270	13,100	11,900	11,900		11,900
<b>FSI Consumption</b> (1000 MT)	1,750	1,730	1,500	1,648		1,648
<b>Total Consumption</b> (1000 MT)	15,020	14,830	13,400	13,548		13,548
<b>Ending Stocks</b> (1000 MT)	440	604	402	406		478
<b>Total Distribution</b> (1000 MT)	15,460	15,434	13,802	13,954		14,026
<b>Yield</b> (MT/HA)	4.1914	4.2017	4.1639	4.1719		4.1273

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Mixed Grain begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Source: FAS EU Posts.

**Figure 18. EU Mixed Grains Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

<sup>16</sup> Figures for EU mixed grain include triticale, and the threshed, dry seeds of wheat, barley, corn, oats, rye, and sorghum grown and harvested on the same field. Triticale, the most profitable and largest category within mixed grains, is largely planted in fall, other mixed grains are planted in spring. Triticale mostly replaces wheat on less fertile soils, that are still too good for rye.

For MY 2023/24, the EU mixed grain area is projected to increase to 3.3 million Ha, after a sharp decline in the previous year. Increases of planted area in Poland, Spain, and Hungary will more than compensate for a small decrease in Germany. The cold wave hitting Poland and the Nordic and Baltic countries has slightly delayed mixed grain planting operations. Nevertheless, mixed grains production is expected to bounce back from the lower levels registered in MY 2022/23. This is particularly true in Poland and the Baltic countries. Conversely, lower yields are projected in Denmark.

Consumption of mixed grain in MY 2023/24 is forecast to remain stable. Feed is by far the main usage for mixed grains, accounting for roughly 90 percent of total consumption and it is expected to remain stable compared to the previous marketing year’s levels. Mixed grains and triticale are not used for human consumption. Industrial use of mixed grains for bioethanol and biomethane production, the main component of FSI, is comparatively low, compared to other grains. Mixed grains account for just over 5 percent of the EU industrial uses of grain. There is no trade with non-EU countries in mixed grains. Intra EU trade occurs mainly from Poland to Germany for feed purposes.

In MY 2022/23, on-farm feed use of mixed grains decreased following the less abundant crop. There is a growing preference to feed triticale to livestock over other mixed grains due to its higher nutritional value, which supports a higher triticale share within mixed grains production. Mixed grains are used by livestock farmers for their day-to-day needs. Stocks are used up systematically throughout the year, so end-of-year stocks are usually small. Accordingly, given the smaller production, it is expected that MY 2023/24 ending stocks will be higher in comparison with the previous year.

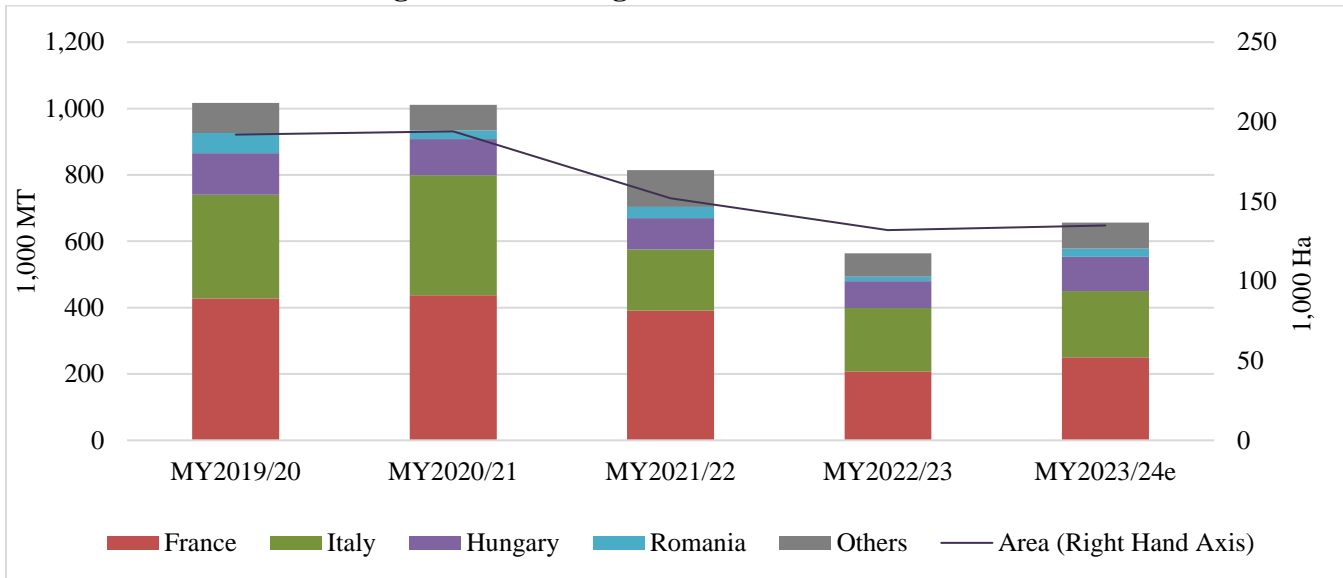
## Sorghum

**Table 8. Production, Supply and Distribution – Sorghum**

Sorghum Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>European Union</b>						
<b>Area Harvested</b> (1000 HA)	148	154	129	132		135
<b>Beginning Stocks</b> (1000 MT)	21	21	17	18		18
<b>Production</b> (1000 MT)	801	815	551	564		656
<b>MY Imports</b> (1000 MT)	161	161	75	90		90
<b>TY Imports</b> (1000 MT)	168	168	80	80		90
<b>TY Imp. from U.S.</b> (1000 MT)	120	120				
<b>Total Supply</b> (1000 MT)	983	997	643	672		744
<b>MY Exports</b> (1000 MT)	16	16	15	10		10
<b>TY Exports</b> (1000 MT)	19	19	20	20		10
<b>Feed and Residual</b> (1000 MT)	930	940	590	621		711
<b>FSI Consumption</b> (1000 MT)	20	23	20	23		23
<b>Total Consumption</b> (1000 MT)	950	963	610	644		734
<b>Ending Stocks</b> (1000 MT)	17	18	18	18		10
<b>Total Distribution</b> (1000 MT)	983	997	643	672		744
<b>Yield</b> (MT/HA)	5.4122	5.2922	4.2713	4.2727		4.8593
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2023/2024 = October 2023 - September 2024						

Source: FAS EU Posts.

**Figure 19. EU Sorghum Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

EU sorghum area in the EU is anticipated to amount to 135 thousand Ha<sup>17</sup> in MY 2023/24, up from the 132 thousand Ha planted to sorghum in MY 2022/23. EU sorghum production is concentrated in a handful of MS. France, Italy, and Hungary account for over 80 percent of the EU’s sorghum area. Sorghum yields, given the conditions under which this crop is grown, are extremely variable. Assuming average conditions, in MY 2023/24 EU sorghum production may rebound to 656 MMT.

In MY 2023/24, the larger EU sorghum domestic availability is anticipated to allow for increased consumption, especially for feed uses. Given the variety of potential uses of sorghum, ranking from gluten-free food uses,<sup>18</sup> to animal feed or bioethanol production, EU’s sorghum consumption follows a path of expansion. However, sorghum consumption remains concentrated in producing MS or in large feed markets (Spain and the Netherlands) when certain market conditions concur (i.e., tight feed supplies, significant discounted price against corn, favorable transport logistics, and delayed EU grain supply). Normally, due to transport logistics and price competitiveness, [Ukraine](#) is better positioned than the United States to supply sorghum to the EU. However, if a good crop were confirmed, U.S. sorghum could help EU grain-deficient MS in the transition until the new domestic crop becomes available in MY 2023/24.

Trade data available through January 2023 show a significant recovery of Ukraine sorghum sales to the EU, which in seven months alone amounted to 21 thousand MT. However, dry summer conditions forced U.S. sorghum production down, preventing [U.S. exports to the EU](#) from expanding in MY 2022/23.

<sup>17</sup> Note that as of the drafting of this report, most of the sorghum in the EU has not been yet planted. Thus, forecasts are based on farmers’ planting intentions.

<sup>18</sup> Given its gluten-free status for human consumption, the low tannin levels that certain varieties offer for feed uses, and its adaptability to bioethanol distillation processes.

### Section III. Rice

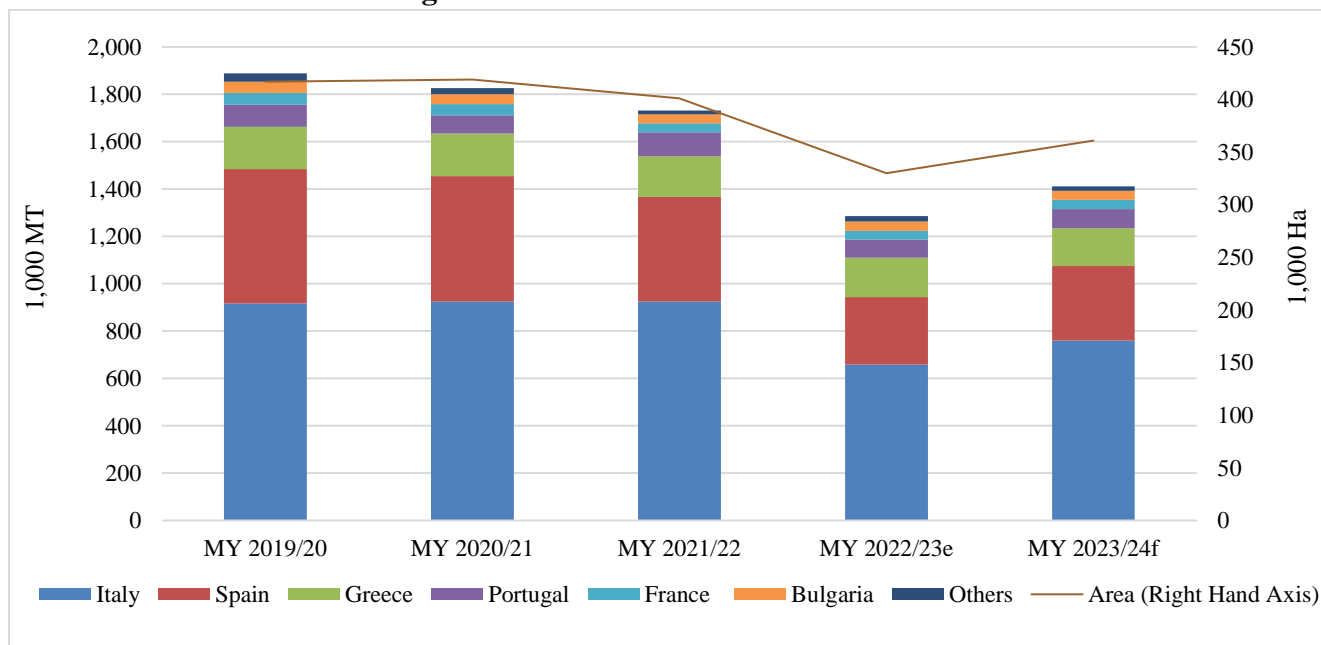
**Table 9. Production, Supply and Distribution – Rice**

Rice, Milled Market Year Begins	2021/2022		2022/2023		2023/2024	
	Sep 2021		Sep 2022		Sep 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Harvested (1000 HA)	401	401	330	330		361
Beginning Stocks (1000 MT)	682	682	933	987		953
Milled Production (1000 MT)	1,732	1,732	1,336	1,336		1,412
Rough Production (1000 MT)	2,661	2,669	2,086	2,123		2,206
Milling Rate (.9999) (1000 MT)	6,510	6,489	6,404	6,293		6,401
MY Imports (1000 MT)	2,432	2,437	2,650	2,500		2,450
TY Imports (1000 MT)	2,516	2,516	2,650	2,500		2,450
TY Imp. from U.S. (1000 MT)	18	24	0			
Total Supply (1000 MT)	4,846	4,851	4,919	4,823		4,815
MY Exports (1000 MT)	413	414	400	400		380
TY Exports (1000 MT)	401	404	400	400		380
Consumption and Residual (1000 MT)	3,500	3,450	3,550	3,470		3,475
Ending Stocks (1000 MT)	933	987	969	953		960
Total Distribution (1000 MT)	4,846	4,851	4,919	4,823		4,815
Yield (Rough) (MT/HA)	6.6359	6.6559	6.3212	6.4333		6.1108

(1000 HA),(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Source: FAS EU Posts.

**Figure 20. EU Rice Area and Production**



Source: FAS EU Posts estimates based on MS statistical sources.

In MY 2023/24, EU rice planted area is forecast<sup>19</sup> to go up to 361 thousand Ha, driven by increases projected in Italy, Greece, and Spain, where a larger area planted in Extremadura is expected to compensate for the reduction in Andalucía. Rice area is expected to level-off in Portugal, France, and [Bulgaria](#). Of note, Italy is bracing for a second consecutive year of drought for the first time in decades, which could potentially affect rice planted area and yields in MY 2023/24.

EU rice production is forecast to recover somewhat to 1.4 MMT in MY 2023/24, driven by somewhat higher volumes in Italy, Spain, and Romania, while remaining stable in Greece, Portugal, and Hungary, and decreasing in Bulgaria and France. Italy is the largest rice producer in the EU, accounting for more than half of the EU's production. Rice cultivation is mostly located in the north (Piemonte, Lombardia, and Veneto regions). Approximately 75 percent of rice varieties grown in Italy are Japonica, while the rest of the varieties are Indica. Except for limited amounts of rough (un-milled) rice exports and domestic seed sales, virtually all Italian rice is marketed as a whole kernel milled product. Spain is the second largest rice producer in the EU, accounting for approximately 20 percent of production. The main Spanish rice producing regions are Andalusia, Extremadura, Valencia, Cataluña, Aragon, and Navarra. In Spain, on average, nearly 60 percent of rice area corresponds to Japonica varieties and the remainder to Indica varieties.

Despite the ongoing [price](#) spike, EU rice consumption is anticipated to keep an upward trend in MY 2023/24, as it generally represents a convenient meal solution at a time when consumers are watching their spending. There is a traditional affinity for Japonica varieties in rice producing MS particularly due to its cooking characteristics, namely its capacity to absorb flavors. Indica consumption, which is more popular in non-producing MS, along with other non-traditional varieties (i.e., Basmati, wild rice blends, brown rice, glutinous rice, or starchy rice), and ready-to-eat rice portions, keeps growing as consumers continue to opt for non-traditional dishes. Small volumes of rice are also used in food industry such as in beer fermentation and in pet food.

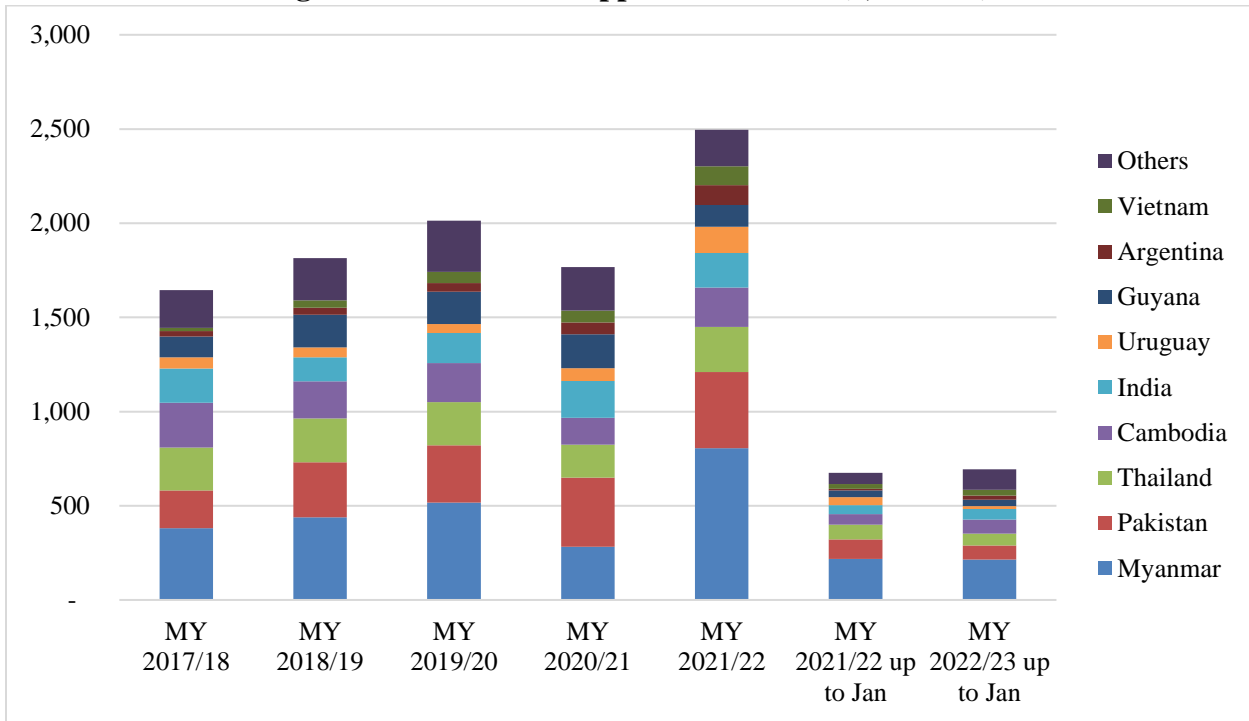
EU rice imports are forecast to decrease slightly in MY 2023/24 to 2.4 MMT, driven by the recovery in domestic production. Myanmar, Pakistan, Thailand, and Cambodia are expected to remain the EU's leading rice suppliers to non-producing EU MS where there is a larger affinity for Indica rice and non-traditional varieties. The [ECJ ruling of November 9, 2022](#), along with the repeal of the 25 percent retaliatory tariffs on U.S. broken and milled rice from January 2022 until December 31, 2023 (see [Policy Section](#)) paves the way for further expansion of third countries' rice imports to the EU.

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<sup>19</sup> Note that as of the drafting of this report, most of the rice in the EU has not been yet planted.



**Figure 21. Main Rice Suppliers to the EU (1,000 MT)**



Source: Trade Data Monitor, LLC.

In MY 2023/24, EU rice exports are forecast to decrease slightly due to lower domestic availability in Spain and Portugal. The United Kingdom is forecast to remain the main non-EU rice export destination.

## Section IV. Policy

In 2022, the European Union finalized the reform of the Common Agricultural Policy (CAP) while continuing to propose new legislation to implement the [Farm to Fork Strategy](#) (F2F). Sustainability of agricultural production drives the Strategy, and it is at the heart of debates surrounding agriculture and food policies in the European Union. In February 2022, Russia launched an unprovoked invasion of [Ukraine](#), putting pressure on global food security. The European Union adopted several measures to enhance global food security and to mitigate the impact of the war for EU farmers given rising commodity and inputs prices.

### Common Agricultural Policy (CAP)<sup>20</sup>

The new CAP for 2023-2027 was [adopted](#) on December 2, 2021, and published in the Official Journal on December 6, 2021:

- [Regulation \(EU\) 2021/2116](#), repealing Regulation (EU) 1306/2013 on the financing, management, and monitoring of the CAP.
- [Regulation \(EU\) 2021/2115](#), establishing rules on support for national CAP strategic plans, and repealing Regulation (EU) 1305/2013 and Regulation (EU) 1307/2013.
- [Regulation \(EU\) 2021/2117](#), amending Regulation (EU) 1308/2013 on the Common organization of the agricultural markets; Regulation (EU) 1151/2012 on quality schemes for agricultural products; Regulation (EU) 251/2014 on geographical indications for aromatized wine products; and Regulation (EU) 228/2013 laying down measures for agriculture in the outermost regions of the EU.

EU MS (MSs) were requested to submit so-called [Strategic Plans](#), incorporating MS specific goals and initiatives, by the end of 2021. By December 2022, all national strategic plans were approved by the European Commission. The new CAP started to be implemented on January 1, 2023.

### The European Green Deal: Farm to Fork and Biodiversity Strategy

On December 11, 2019, the EC announced the [European Green Deal](#). The EC sees the Green Deal and accompanying strategies as a way of achieving the [Paris Climate Agreement](#) and [UN Sustainable Development Goal](#) commitments. For the food and agriculture sector, the Commission adopted the [Farm to Fork \(F2F\) Strategy](#) and the [Biodiversity Strategy](#) for 2030. The strategy targets a 50 percent reduction in pesticide use, a 20 percent reduction in fertilizer use, a 50 percent reduction in nutrient leakage in groundwater, 25 percent of agricultural land being used for organic farming, 10 percent of land being set aside for environmental areas, and an increase in nature conservation areas by 30 percent.

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<sup>20</sup> For more information, please see GAIN Report on [EU Common Agricultural Policy Reform](#).

## Deforestation-free supply chains<sup>21</sup>

As part of the Green Deal, the EC published a [proposal](#) for a Regulation aimed at preventing products causing deforestation from entering the EU market. The proposal targets products which are identified by the EC as the main drivers of deforestation: soy, palm oil, beef, timber, rubber, chocolate, and coffee. On December 6, 2022, the proposal was adopted by the EU institutions. The text is going through a legal review but is now de-facto final and is expected to be formally adopted in the coming months. It will then enter into force late 2024 or early 2025. While no grains are covered by the scope of this Regulation, there is a review clause two years following the entry into force to ensure that the most relevant products are included in the list that may extend the scope. During the legislative process, the European Parliament proposed adding maize to the list. While it was not in the final text, it is possible that it could be included in the revision.

## EU Policy Response to the War in Ukraine

In February 2022, Russia launched an unjustified invasion of [Ukraine](#), which continues to put pressure on global food security as both countries are major exporters of feed and grains products. The grains sector has been impacted by disruption in trade flows and increased input prices, such as energy, fertilizers, and pesticides.

On March 23, 2022, the European Commission published a Communication on ‘[Safeguarding food security and reinforcing the resilience of food systems.](#)’ This Communication outlines short-term and medium-term actions that the EU took to enhance global food security and support EU farmers given rising commodity prices and costs for energy and fertilizer inputs due to the war in [Ukraine](#):

- €500 million euros distributed in national allocations for direct support for EU farmers most affected by higher input costs and the closure of export markets. MS could supplement this support using national funds.
- Exceptional and temporary derogations from certain greening obligations such as the production of food and feed crops on fallow lands.
- Reduction of blending proportion requirements for biofuels.
- Derogations from Regulation 396/2005 for pesticide maximum residue levels (MRLs) to be able to import feedstock from additional sources.

In May 2022, the European Commission published an [Implementing Regulation \(EU\) 2022/791](#) in the EU’s Official Journal calling on MS to gather monthly data on levels of grains, oilseeds and rice stocks in the EU. For the Commission, up-to-date information on levels of stocks, including production and levels of stocks of certified seeds held by producers, wholesalers and relevant operators is essential to decide on relevant measures to prevent and mitigate market disruptions. Additionally, the European Commission’s Directorate General for Agriculture and Rural Development (DG AGRI) launched a

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<sup>21</sup> For more information, please see GAIN Report: European Institutions Finalize Deforestation-Free Supply Chain Regulation

[dedicated website](#) presenting statistics on prices, production, trade and stocks of grains and oilseeds at EU and global level.

In May 2022, the European Commission also published an Action Plan for [EU-Ukraine Solidarity Lanes](#) to facilitate [Ukraine](#)'s agricultural exports after the initial blockade of Ukrainian Black Sea ports. The Commission laid down a list of actions to help [Ukraine](#) export as many agricultural products as possible before the new harvest. This included making additional vehicles available, prioritizing Ukrainian agricultural export through new rail slots, and addressing delays to shipments due to burdensome border checks.

On November 9, 2022, the European Commission published a [Communication](#) on the availability and affordability of fertilizers in the EU. The aim of this long-awaited document was to address the significant fertilizer price increases, which grew by 149 percent from September 2021 to September 2022 for nitrogen fertilizers. The Communication proposes using emergency funds from the CAP 2023 agricultural reserve to stabilize agricultural markets and create a market observatory system for fertilizer prices.

On March 30, 2023, the EU Commission approved a support package of €56.3 million from the agricultural reserve to compensate farmers' economic loss from the increased imports of cereals and oilseeds from Ukraine into neighboring MS (Poland, Bulgaria, and Romania). Eligible MS have the possibility to supplement EU funds with national funding up to 100 percent. This package partly responded to the Visegrad group<sup>22</sup> (V4) demands to alleviate market pressure.

### **Black Sea Grain Initiative**

The Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian ports, also known as the [UN's Black Sea Grain Initiative](#), has been in place since July 2022. This United Nations' initiative has allowed the safe export of grains out of Ukraine to third countries. While the initiative was originally intended to expire on November 19, a 120-day extension was granted on November 17, 2022, until March 19, 2023, when the initiative was extended for a period of at least 60 days.

### **EU Plant Protection Products Policy**

As part of the Farm to Fork Strategy, the Commission announced a reduction of the overall use and risk of chemical pesticides by 50 percent and the use of high-risk pesticides by 50 percent by 2030. The suggested actions to achieve these targets include putting forward proposals to revise the Sustainable Use of Pesticides Directive (SUD), enhancing provisions on integrated pest management (IPM), and promoting the use of alternative ways to protect harvests from pests and diseases. These developments would affect the availability of crop protection products permitted for EU farmers, and by extension, agricultural exporters to the EU.

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<sup>22</sup> Polish, Slovak, Hungarian and Czech Republic.

EU Restrictions on the Use of Neonicotinoids: As of December 2013, the EU has prohibited the use of three neonicotinoids (clothianidin, imidacloprid, and thiamethoxam) on crops attractive to honeybees. In May 2018, the Commission further restricted the use of neonicotinoids except for their application in permanent greenhouses in the EU and banned a fourth one (thiacloprid) in January 2020. The measures followed assessments by EFSA, which showed that the first three substances posed risks to bee health and the use of thiacloprid could lead to the contamination of groundwater. [Commission Regulation \(EU\) 2023/334](#), published in the Official Journal on February 15, 2023, reduces the current EU maximum residue limits (MRLs) for clothianidin and thiamethoxam to the limit of determination (LOD) and will apply 36 months after its entry into force to give food operators and third countries time to adapt. Imported products will no longer be able to contain residues of these two neonicotinoids as of March 7, 2026. The proposed reduction in MRLs is not due to food safety concerns stemming from the presence of pesticide residues in imported foods, but rather based on a stated interest in protecting pollinators in countries outside of the EU.

Upcoming Reviews for MRLs: Plant protection products (PPPs) along with MRLs and import tolerances, are an increasingly important issue in the EU since there is a significant reduction in the number of active substances approved for use. [Regulation \(EC\) No 1107/2009](#) and [Regulation \(EC\) No 396/2005](#) regulate PPPs and MRLs, respectively. There is a regular review of active substances for which the approval is up for renewal, as well as their associated MRLs. Existing MRLs are also being reviewed through a process known as an Article 12 review. The [link](#) refers to a list indicating the upcoming MRL reviews under this Article 12 process. The second list includes the active substances that are, or will soon be, up for renewal. It is important to note that these lists are not all-inclusive.

**Table 10. Upcoming reviews for active substances**

Active substance	Expiration date	Last day of application for renewal
Flucapyroxad	05/31/2025	05/31/2022
Bixafen	05/31/2025	05/31/2022
Pyriofenone	01/31/2025	01/31/2025
Disodium phosphonate	01/31/2026	01/31/2023
Penflufen	05/31/2025	05/31/2022
Sedaxane	05/31/2025	05/31/2022
Benalaxyl-	04/30/2025	04/30/2022
Pyroxsulam	04/30/2025	04/30/2022
Penthiopyrad	05/31/2025	05/31/2022
1,4-Dimethylnaphthalene	06/30/2025	06/30/2022
Pyridalyl	06/30/2025	06/30/2022

Due to the complexity of the renewal process and the importance of the issue, stakeholders are encouraged to actively engage early on in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data is available for review or if trials for data collection are in progress or should be initiated etc., especially if the substance is not used or authorized in the EU. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities and to check the USEU website for updates of the [EU Early Alert](#).

Glyphosate: The active substance glyphosate is approved for use at the EU level but was set to expire on December 15, 2022, although its renewal procedure is currently still ongoing. The Commission extended the approval period for glyphosate for one year until December 15, 2023, since both the European Food Safety Authority (EFSA) and the European Chemicals Agency (ECHA) need additional time to complete the re-evaluation process of glyphosate. While the substance is still approved at the EU level, some MS are banning its sale or restricting its use in plant protection products at the national level. Since the EU MRLs for glyphosate remain in place in these MS, there may be some political pressure to restrict imported products containing glyphosate because some EU farmers are not allowed to use the substance.

### **Agricultural Biotechnology<sup>23</sup>**

Commission [Implementing Regulation \(EU\) 503/2013](#) establishes requirements for applications for approval of genetically engineered (GE) plants for use as food and feed. However, the EU system for GE approvals routinely disregards set regulatory timelines, and although the EU's legally prescribed approval time is 12 months (6 months for the risk assessment by the European Food Safety Authority and 6 months for the risk management process or comitology review by the European Commission), it takes approximately four to five years for the approval of a GE product.

Commercial cultivation of GE crops is limited to one percent of the EU's total corn area (concentrated in Spain and Portugal). Since 2015, nineteen EU countries have "opted out" of GE crops cultivation for all or part of their territories under [Directive \(EU\) 2015/412](#). GE corn produced in the EU is domestically used as animal feed. Spain and Portugal's feed grain elevators do not keep separate production lines for GE and non-GE corn as practically all marketed feed contains GE soybean as a source of protein, and consequently it is labeled by default as "contains GE products." The corn processing industry uses GE-free corn for production that is intended to enter the food chain, in many cases sourced through identity preserved programs. Every year, the EU imports between 12 to 25 million MT of corn and corn-processing byproducts (GE and non-GE). The share of EU imported GE corn is estimated at just over 20 percent. Over the past 10 years, on average, the United States represented 5 percent of total EU imports of corn. U.S. exports to the EU declined drastically following the start of GE corn plantings in the United States in 1998 because of slower GE trait approvals in the EU compared to the United States (asynchronous approval) and the lack of an EU low-level presence policy.

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<sup>23</sup> For additional information on agricultural biotechnology in the EU, see the latest GAIN Report on [Biotechnology and Other New Production Technologies in the EU](#).

**Innovative Technologies:** On April 29, 2021, the European Commission published its “[Study on the status of new genomic techniques](#)” under Union law and in light of the Court of Justice ruling in Case C-528/16.” This study states that these newer techniques can contribute to the objectives of the European Green Deal’s Farm to Fork and Biodiversity Strategies, and the current “GMO Directive” is not “fit for purpose.” Consequently, on September 24, 2021, the European Commission launched a policy initiative and roadmap on “Legislation for plants produced by certain new genomic techniques.” In April 2022, the Commission launched a 12-week public consultation period to seek additional views from stakeholders. The proposed legislation is scheduled to be published in June 2023.

## EU Grains Import Policy

The EU limits the entry of lower priced grains from non-EU countries through a system of import duties and quotas. Under the WTO Uruguay Round Agreement, all import quotas and variable levies applied to EU imports of grains and processed grains were fixed or ‘tariffied’ and subsequently reduced by 36 percent over the six-year period from July 1, 1995, to June 30, 2001. However, under the Blair House Accord concluded between the United States and the EU in 1993, it was agreed that the difference between the grains import price (Cost Insurance Freight [CIF] duty paid in Rotterdam), and the EU’s intervention price could not be greater than 55 percent. The EU then developed a system where duties were set based on separate reference prices for six grain types and applied to imports of high-quality wheat, durum wheat (high quality), durum wheat (medium quality), maize (corn), flint corn, rye, and sorghum. The resulting duty has been set at zero Euro/MT for the above-mentioned grains since August 27, 2020. The references considered for duties calculation and a sample of duty calculation are as follows:

**Table 11. Reference Used for Calculating Import Duties**

Type of Grain	Reference variety	Reference market
High quality wheat	U.S. hard red spring No. 2	Minneapolis
Durum wheat (high quality)	U.S. hard red spring No. 2	Minneapolis
Durum wheat (medium quality)	U.S. hard red spring No. 2	Minneapolis
Corn	U.S. yellow corn No. 3	Chicago Mercantile Exchange
Flint corn	U.S. yellow corn No. 3	Chicago Mercantile Exchange
Other feed grains (rye, sorghum)	U.S. yellow corn No. 3	Chicago Mercantile Exchange

Source: Commission [Regulation \(EU\) 642/2010](#) and [Regulation \(EU\) 643/2011](#).

**Table 12. Example Illustrating Method of Calculating EU Import Duties Euro/MT)**

Grain	Representative world standard	EU Reference price (a)	World price (b)	FOB premium (c)	Freight (d)	Representative world price (e) = (b)+(c)+(d)	EU duty (a)-(e)
Corn	Chicago yellow corn No. 3	157.03	68.46	16.20	15.56	100.22	56.81

Note: Reference price = EU intervention price is 1.55 times €101.31/MT

Source: FAS EU Posts.



Details on quotas available for grains imports to the EU are outlined in the table below.

**Table 13. EU Grain Import Quotas Available**

Product	Quantity (MT)	Period	Origin	In-Quota Duty (€/MT)
Common Wheat	572,000	Jan – Dec	United States	12 (vs. 95 outside quota)
Common Wheat	100,000	Jan – Dec until 2023	Canada	0 (vs. 95 outside quota)
Common wheat	2,371,600 I) 1,185,800 II) 1,185,800	I) Jan-Jun II) July-Dec	Third countries, other than U.S. and Canada	12 (vs. 95 outside quota)
Common wheat	129,577	Jan-Dec	All	12 (vs. 95 outside quota)
Common wheat and products	1,000,000	Jan-Dec 2021	Ukraine	0 (vs. 95 outside quota)
Corn	277,988 I) 134,994 II) 134,994	I) Jan-Jun II) July-Dec	All	0 (vs. EU duty calculated value)
Corn and products	650,000	Jan-Dec 2021	Ukraine	0 (vs. EU duty calculation)
Barley and products	350,000	Jan-Dec 2021	Ukraine	0 (vs. 93 outside quota)
Barley	307,105	Jan-Dec	All origins	16 (vs. 93 outside quota)
Malting barley	50,890	Jan-Dec	All origins	8 (vs. 93 outside quota)

Source: [Commission Implementing Regulation \(EU\) 2020/761](#), [Commission Implementing Regulation \(EU\) 2020/1988](#), and [Commission Implementing Regulation 2014/416](#).

Actual quantities of grain traded, based on the European Commission’s DG TAXUD surveillance, are published on a weekly basis on Mondays at 16:00 Brussels time on [the European Commission website](#). Import licenses applying to grains subject to TRQs are valid for the current month plus two.

**Special Provisions for Maize (Corn) and Sorghum for Spain and Portugal – “Abatimento”:** Spain and Portugal’s accession to the EU resulted in the application of common EU tariff barriers on Spanish and Portuguese imports. It consequently reduced the competitiveness of imports from non-EU countries. An agreement between the EU and the United States allows for the import of a fixed quantity of non-EU corn and sorghum at a preferential import duty as compensation for the loss of the Spanish and Portuguese market. The current agreement applies to 2 million MT of corn and 0.3 million MT of sorghum for Spain, plus a quota of 500,000 MT of corn for Portugal. Amounts are reduced by any quantity of grain substitutes (e.g., starch residues and citrus pulp) imported during the same year. Flint corn is not permitted to be included within these concessions. [Regulation 2020/760](#) has amended the management of this scheme. Since April 1, 2021, the former bidding system was replaced by the automatic fixation of zero duty (TRQ) from April 1 of each year (i.e., the normal import regime would apply from January 1 until March 31).

Intervention Mechanism: Regulation (EU) 1308/2013 of the European Parliament and of the Council (Common Market Organization) allows the EU to intervene in markets by purchasing grains from farmers and traders at an intervention price. Selling into intervention is aimed to be the market of last resort for farmers and traders. Since January 1, 2023, intervention purchases may be made between October 1 and May 31 for common wheat and throughout the year for durum wheat, barley, corn, and paddy rice. Grain held in intervention stores is disposed of mainly through sale by tender onto the domestic market or for export, although a proportion may be released for the most deprived people in the EU. Each year the Commission must publish details of the conditions under which products bought in under public intervention were bought or sold in the previous year. Guaranteed intervention quantities were reduced to zero MT for corn since MY 2009/10, durum wheat since MY 2009/10, barley since MY 2010/11, and rice since MY 2009/10. By reducing the guaranteed intervention quantity to zero, the EU maintains the right to reintroduce intervention if market conditions are considered appropriate. In practice, no grains have been held in intervention since 2010. In 2016, the rules applying to the intervention system were simplified by Commission Delegated Regulation (EU) 2016/1238 and Commission Implementing Regulation (EU) 2016/1240.

### **EU Free Trade Agreements (FTAs)**

The EU is negotiating and has implemented several FTAs with other countries and regions, which include concessions on oilseeds. Additional information is available on the website of the EC at: <https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>

In June 2022, the European Union concluded negotiations for a trade agreement with New Zealand, which is currently being ratified by the European Union. The trade agreement removes all tariffs at entry into force on EU agri-food exports to New Zealand. However, this is not the case for all agri-food imports into the EU with tariffs rate quotas for some products. More information about the agreement can be found [here](#).

### **EU Additional Duties Targeting U.S. Grains**

EU retaliation on U.S. Section 232 Safeguard Measures on EU Steel and Aluminum Temporary Suspension: On June 22, 2018, the EU imposed [additional tariffs](#) of 25 percent on U.S. corn, semi-milled and milled rice, and products in retaliation against U. S. safeguard measures on EU steel and aluminum (Commission Implementing Regulation (EU) 2018/886). On October 30, 2021, the United States and European Union agreed to end the dispute over U.S. steel and aluminum tariffs. On November 26, 2021, under Commission Implementing Regulation (EU) 2021/2083, the EU suspended tariffs affecting U.S. agricultural products from January 1, 2022, until December 31, 2023.

U.S.-EU WTO Cases on Aircraft Subsidies: On November 9, 2020, the European Union announced retaliatory tariffs against U.S. exports following the World Trade Organization's (WTO) ruling that authorized the EU to take such countermeasures due to U.S. subsidies to aircraft maker Boeing. The European Commission published [Implementing Regulation 2020/1646](#) that outlined the list of products subjected to a 25 percent additional tariff. The Regulation entered into force on November 10, 2020. Wheat other than durum were listed. In June 2021, the European Union and the United States reached an understanding in the large civil aircraft dispute. On July 9, 2021, the European Commission adopted [Implementing Regulation \(EU\) 2021/1123](#) suspending the application of tariffs until July 11, 2026.

## **EU Rice Import Policy**

Exports of rice to countries outside the EU are mostly subject to the issuance of an export license. Rice products for which an import license is required are as follows:

- Husked rice under heading 1006 20: Period of validity is until the end of the second month following application. Security is €30/MT. On September 7, 2022, under the EU [Commission Implementing Regulation \(EU\) 2022/1481](#), the EU increased the import duty for husked rice (falling within CN code 1006 20, other than basmati rice) to €65/MT. Since March 8, 2023, by [Commission Implementing Regulation \(EU\) 507/2023](#), the import rate of duty reverted to €30/MT.
- Milled rice under heading 1006 30: Period of validity is until the end of the second month following application. Security is €30/MT. Current rate of duty is €175/MT.
- Broken rice under heading 1006 40 00: Period of validity is until the end of the second month following application. Security is €1/MT. Current rate of duty is €65/MT.

Between January 2019 and January 2022, as a temporary measure to help protect EU farmers from competitively priced long grain rice, [Commission Implementing Regulation 2019/67](#) allowed the EU to impose safeguard measures to imports of Indica rice originating in Myanmar and [Cambodia](#). During this three-years' timeframe, tariffs amounted to €175/MT, €150/MT, and €125/MT in 2019, 2020, and 2021 respectively. Since January 2022, these duties reverted to zero. On November 9, 2022, the European Court of Justice (ECJ) issued a [ruling](#) cancelling the [Commission Implementing](#) regulation that allowed the EU to impose safeguard measures on imports from Cambodia and Myanmar. In January 2023, the Commission [reopened](#) the safeguard investigation that led to the adoption of the Implementing Regulation.

## Abbreviations used in this report

<b>ASF</b>	African Swine Fever
<b>Benelux</b>	Belgium, the Netherlands, and Luxemburg
<b>CY</b>	Calendar year
<b>e</b>	Estimate (of a value/number for the current, not yet completed, marketing year)
<b>ECJ</b>	European Court of Justice
<b>EU</b>	European Union (Current EU-27, without the UK).
<b>f</b>	Forecast (of a value/number for the next, not yet started, marketing year)
<b>FAS</b>	Foreign Agricultural Service
<b>Coarse Grains</b>	Threshed, dry seeds of plant, cultivated for human/and or animal consumption and gathered in the dried, unprocessed state upon maturity. Is the total of corn, barley, rye, oats, mixed grains, and sorghum.
<b>GE</b>	Genetically Engineered
<b>Ha</b>	Hectares
<b>HPAI</b>	Highly Pathogenic Avian Influenza
<b>HRI</b>	Hotels, Restaurants, and Institutions
<b>IPAD</b>	International Production Assessment Division
<b>FSI</b>	Food, Seed, and Industrial
<b>MAPA</b>	Spanish Ministry for Agriculture, Fisheries and Food
<b>MMT</b>	Million Metric Tons
<b>MRL</b>	Maximum Residue Limits
<b>MS</b>	EU Member State(s)
<b>MT</b>	Metric Ton (1000 kg)
<b>MY</b>	Marketing Year. July to June for all grains, except for corn which follows an October to September, and rice which follows a September to August calendar
<b>PRRS</b>	Porcine Respiratory and Reproductive Syndrome
<b>TDM<sup>24</sup></b>	Trade Data Monitor LLC.
<b>TY</b>	Trade Year. July to June for wheat, October to September for coarse grains, and January to December for rice
<b>UK</b>	United Kingdom
<b>U.S.</b>	United States

## Related Reports

<b>Title</b>	<b>Date</b>
<a href="#">EU Grain and Feed Fall Update 2022</a>	11/30/2022
<a href="#">EU Grain and Feed Summer Update 2022</a>	07/29/2022
<a href="#">EU Grain and Feed Annual 2022</a>	04/26/2022

<sup>24</sup> Trade figures throughout the report are based on Trade Data Monitor LLC. data, which are sourced from EU Member State customs data, and the U.S. Bureau of Census.

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## Attachments:

No Attachments