

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain and Feed Update

Country: Bulgaria

Post: Sofia

Report Category: Grain and Feed

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Report Highlights:

FAS Sofia increases its estimate for wheat and barley crops to 6.0 million metric tons (MMT) and 590,000 metric tons (MT), respectively, due to favorable weather in April and May. Frequent rainfall and lower temperatures in early April prevented timely corn planting. However, farmers caught up in May and are optimistic about yield potential. Assuming favorable weather later in the growing season, Post may revise its production estimates higher.

Weather Overview

Chilly weather during the first half of April delayed the spring planting. Warmer conditions during the second half of the month and the first half of May allowed most spring planting to get done. Frequent rainfall raised soil moisture reserves above critical levels and higher than last year (see Maps 1 and 2, [Crop Explorer](#) and [Bulgaria data](#)). Current soil moisture levels are satisfactory in northern Bulgaria, but are declining in southern region due to uneven rainfall distribution. Cold weather at the beginning of April slowed the phenological development of winter grains and may delay lead harvest by one or two weeks. Corn yields are forecast at the long-term average and should improve over 2020. Corn is likely to benefit from significantly improved subsurface soil moisture (Map 2).

MY 2021/22 Forecast

Wheat: The latest official data (Ministry of Agriculture (MinAg) weekly bulletin dated June 2) confirms the wheat area planted at 1.164 million hectares (HA), with no winter losses. Due to favorable spring weather, private estimates for average yields are optimistic and vary from 4.9 MT/HA to 5.5 MT/HA, with most recent European Commission (EC) May [estimate](#) of 5.01 MT/HA. Industry production estimates are as high as 6.2 MMT. Post projects average yields upward to 5.2 MT/HA. The production estimate is also higher, from 5.9 MMT to 6.05 MMT (Table 1).

Barley: The barley (winter and spring) area planted was confirmed by the MinAg at 126,000 HA. Average yields (for both winter and spring barley) are forecast to increase from 4.5 MT/HA to 4.7 MT/HA. The EC's most recent [estimate](#) is 4.72 MT/HA. Production estimates vary from 530,000 MT to 590,000 MT. Post's projection estimate is increased to 590,000 MT (Table 1).

Corn: Cold and rainy weather prevented timely corn planting. Per MinAg data, the corn area planted as of May 27 was 13.6 percent lower than in the same period a year ago. Farm reports indicate a catchup in planting due to attractive prices. As of May 2021, ex-farm prices continued to be 40 percent above those in May 2020. Still, the rainy weather hinders farmers from reaching the target areas. Post reduces its previous estimate for the area planted to 550,000 HA.

Based on favorable subsurface soil moisture reserves and moderate temperatures, private analysts began to increase the yield potential from 6.3 MT/HA to 7.0 MT/HA, and production as high as 3.85 MMT. Farmers, however, report pest problems due to the EU's neonicotinoid ban on. Use of biochemicals was reported to be not efficient in pest control. Post increases its yield estimate marginally to 6.5 MT/HA and maintains its previous production projection at 3.6 MMT.

MY 2020/21

Trade Estimates

Wheat: According to Eurostat (per Trade Data Monitor (TDM)), exports of wheat and products throughout February 2021 were 2.37 MMT (in wheat equivalent), mostly to Spain, Romania, Greece, Italy, Libya, Pakistan, and the Philippines. This marks a 45-percent decrease in wheat exports from the corresponding period in MY 2019/20 (4.23 MMT). As of early June 2021, wheat exports reached over 2.94 MMT (Table 2). Annual exports for the MY continue to be projected at 3.0 MMT. Ex-farm wheat prices remain favorable and as of end-May, they were 15 percent above the level a year ago.

Barley: According to Eurostat/TDM data, barley exports throughout February 2021 were 290,000 MT mainly to Tunisia, Morocco, Libya, Greece, and Romania, an eight-percent increase over the corresponding period in MY 2019/20 (268,000 MT). As of early June 2021, barley exports reached 285,000 MT (Table 2). MY exports are projected higher to 300,000 MT. Ex-farms prices are not motivating farmers to keep stocks since the prices as of May 2021 are eight percent lower compared to May 2020.

Corn: The Eurostat/TDM data for corn exports October 2020 – February 2021 shows 660,000 MT, a 47-percent decrease from the corresponding period in MY 2019/20 (1.24 MMT). As of early June 2021, corn exports reached 949,000 MT (Table 2). Post maintains its forecast for annual corn exports in MY 2020/21 at 1.5 MMT.

Processed Grain Products: The main processed grain product export is distillers dried grains with solubles (DGSS) (HS#23033). In MY 2020/21 throughout February 2021, DDGS exports were at 43,000 MT, with Turkey and Greece as major export markets. DDGS exports were 17 percent lower than in the corresponding period a year ago due to lower consumption for bioethanol and alcohol.

Domestic Consumption

The latest MinAg data throughout June 2021 shows improving use of barley for brewing (79,000 MT as of June 2021 compared to 62,000 MT a year ago) due to the opening of the tourist season and spring holidays. While feed consumption of wheat is six percent lower, corn use for feed has grown by seven percent due to higher demand by the pork/poultry industries.

Stocks

The latest official data for the first ten months of MY 2020/21 (end of April), shows wheat stocks five percent lower at 1.07 MMT, compared to 1.12 MMT last year. The decrease in wheat prices and the positive development of the new wheat crop over the last two months motivated farmers to start selling their stocks. Barley stocks are reported at 42,000 MT, 16 percent lower than a year ago. Corn stocks are registered at 1.6 MMT, 13 percent lower from MY 2019/20, in line with lower crops. As a result, ending grain stocks will be at their low end and the country's export potential will depend on the size of the new crops in MY 2021/22.

Appendix:

Table 1. FAS Sofia Grain Production Estimates MY 2021/22, June 2021

Crops	Area Harvested, HA	Production, MT
Wheat	1.17 million	6.05 million
Barley (winter and spring)	130,000	590,000
Corn	550,000	3.6 million

Table 2: MY 2020/21 Trade in Major Grain Crops, as of June 6, 2021

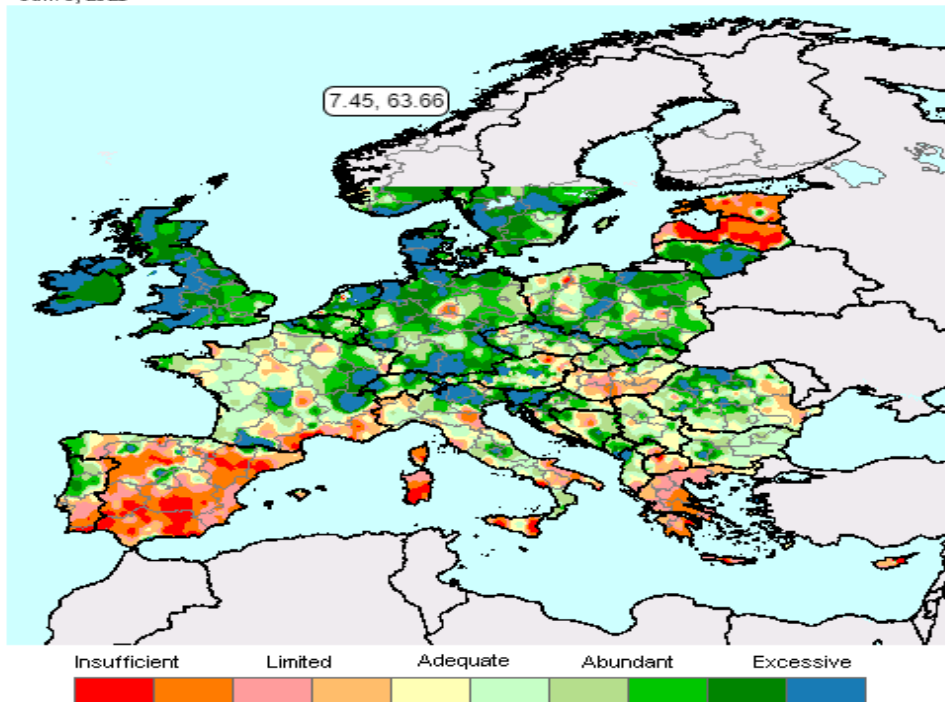
Types of Grains	Imports, MT	Exports, MT
Wheat	21,643 MT	2,936,673 MT (including 1,421,724 MT to non-EU markets);
Barley	635 MT	285,315 MT (including 237,850 MT to non-EU markets);
Corn*	45,785 MT	948,656 MT (including 269,030 MT to non-EU countries)

Source: MinAg Weekly Grain Market Bulletins 2021.

*Note: The Bulgarian MinAg uses September 1-August 31 as a MY for corn. Trade data refers to 2020 corn crop traded since September 1, 2020

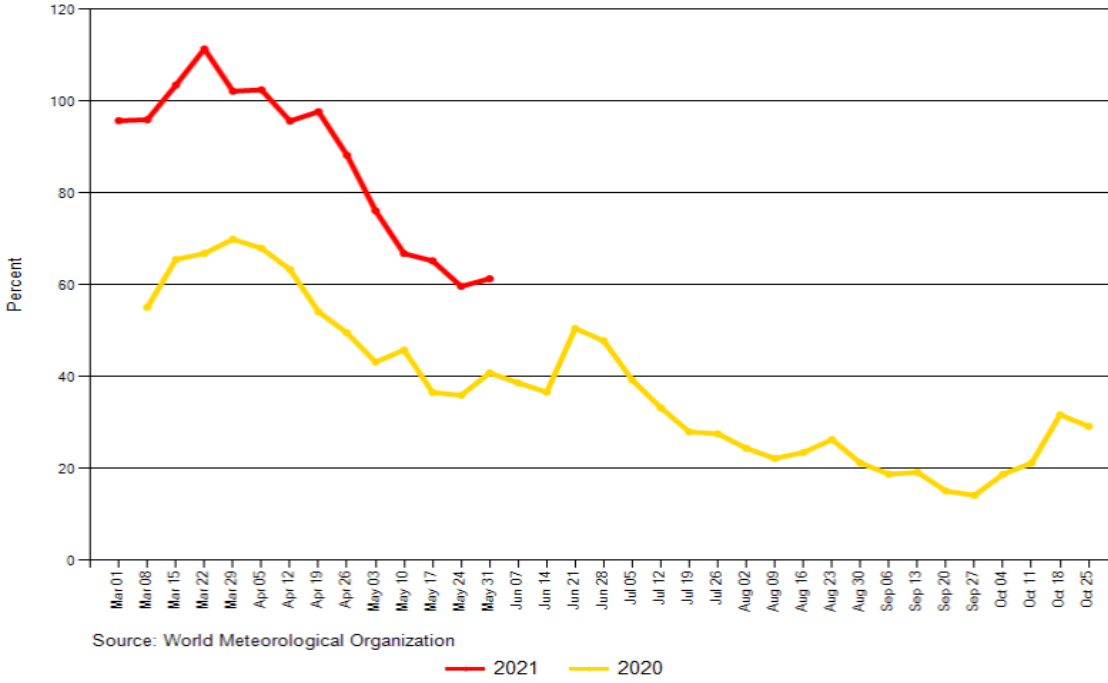
Map 1: USDA Crop Explorer, Europe, Percent Soil Moisture, June 6, 2021

Percent Soil Moisture (WMO)
Jun. 6, 2021

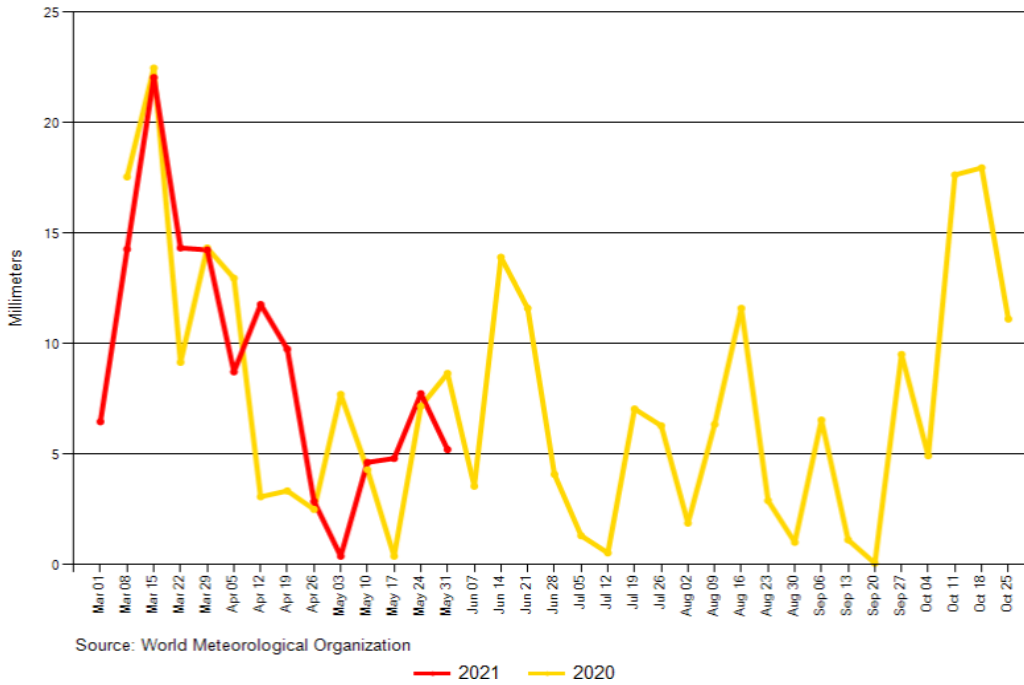


Map 2: Bulgaria, Percent Soil Moisture, Surface and Subsurface Soil Moisture as of May 31, 2021

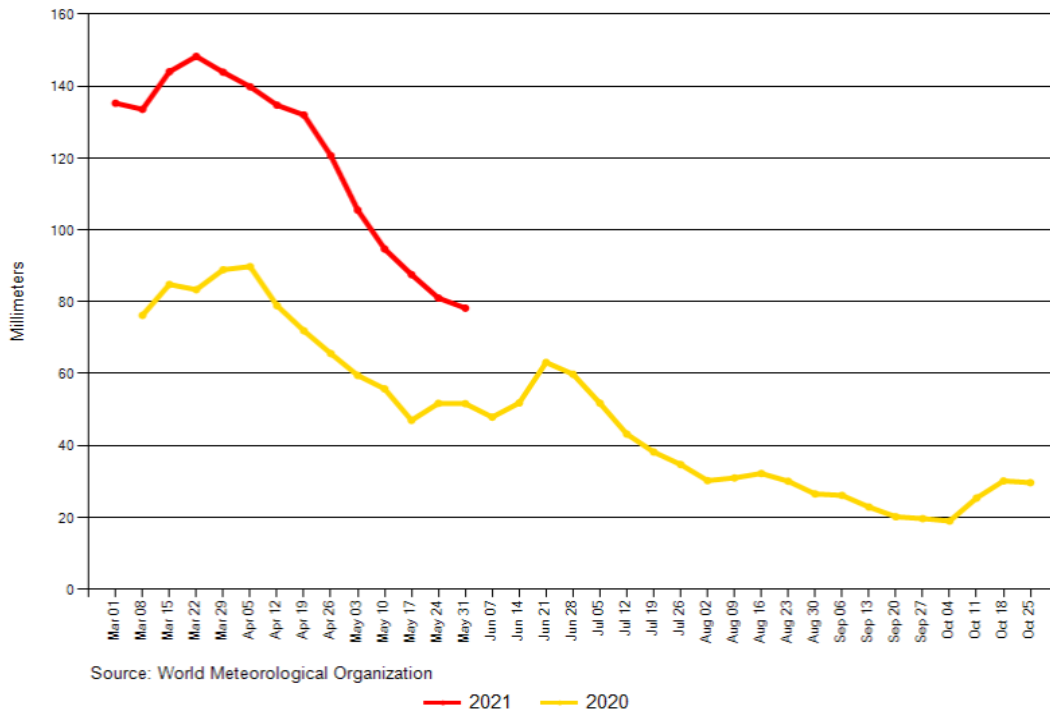
Percent Soil Moisture (WMO) for Bulgaria



Surface Soil Moisture (WMO) for Bulgaria



Subsurface Soil Moisture (WMO) for Bulgaria



Attachments:

No Attachments.