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Post: Warsaw

Report Category: Agricultural Situation, Agriculture in the Economy, National Plan, Policy and Program Announcements, Agriculture in the News, Grain and Feed

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Report Highlights:

Estonia's total wheat, rye, mixed grains, triticale, barley, corn, and oat production in marketing year (MY) 2021/22 is forecast at 1.5 million metric tons (MMT), a 6.3-percent decrease from MY 2020/21. Post anticipates a return to more average production levels for all grain varieties in MY 2021/22. Cold spring temperatures slowed both winter and spring plant development. In MY 2020/21, for the second consecutive year, Estonian farmers capitalized on higher international soft wheat prices. During first nine months of MY 2020/21, wheat exports reached 561,000 metric tons (MT), only 11.5 percent below the previous year's record. High global grain prices motivated Lithuanian farmers to increase the wheat area in MY 2021/22.

Grain Production and Area

MY 2021/22

Post forecasts Estonia's total wheat, rye, mixed grains, triticale, barley, corn, and oat production in MY 2021/22 at 1.5 MMT, a 6.3-percent decrease from MY 2020/21. The projected lower grain production is due to a decline in yields following MY 2020/21's record-high production. Post forecasts MY 2021/22 yields to be more consistent with the six-year average. The total area planted for grains is three percent higher over the previous year, although some shifts occurred among the grain varieties. Rising wheat prices and export opportunities motivated Estonian farmers to increase the wheat area, while reducing areas for barley and rapeseed. Estonia's total spring and winter grains area reached 373,000 hectares (HA) in MY 2021/22.

Warm and sunny weather, along with favorable precipitation, during the 2020 fall provided good conditions for winter grain planting. Winter conditions were generally mild. Soil moisture remained at adequate levels. There were no winterkills, despite sudden cold snaps in February 2021. These low February temperatures lowered the threat of early-spring pests for winter grains. March and April temperatures were lower than average with frequent nighttime frosts. Cold spells hit the Baltic States especially in early April. Although the chilly conditions slowed plant development, winter grains also benefited from favorable levels of rainfall during this time. Spring planting generally went well despite chilly weather. In May, Estonian rainfall was above average. From May 10, warmer temperatures combined with moist soil accelerated vegetation of both winter and spring grains. Crop condition as of early June were favorable, although final yields continue to hinge on early summer weather.

MY 2020/21

MY 2020/21 grain production slightly exceeded MY 2019/20 by 0.5 percent, while the total area harvested increased by two percent over MY 2019/20. Favorable weather boosted yields and resulted in record production levels at 1.6 MMT.

Estonia's grain industry was not severely affected by COVID-19, despite some initial border delays and logistical turbulence after March 2020, when many EU Member States closed national borders. Farmers in 2020 also experienced difficulties due to grain collection point closures following social distancing requirements.

Table 1: Area by Grain Variety, (000) HA

Estonia	MY 2019/20	MY 2020/21	MY 2021/22(f)	Change year to year 2021/20 (%)	Change year to year 2022/21 (%)
Wheat	166	167	180	0.6	7.8
Barley	122	129	125	5.7	-3.1
Rye	28	20	22	-28.6	1.1
Mixed grains	6	6	6	0	0
Oats	33	40	40	21.2	0
Total	355	362	373	2.0	3.0

Source: Estonian Statistical Office, FAS

Table 2: Production by Grain Variety, (000) MT

Estonia	MY 2019/20	MY 2020/21	MY 2021/22(f)	Change year to year 2021/20 (%)	Change year to year 2022/21 (%)
Wheat	847	841	820	-0.7	-2.5
Barley	523	561	490	7.3	-12.7
Rye	119	79	80	-33.6	1.3
Mixed grains	37	32	29	-13.5	-9.4
Oats	97	118	110	21.6	-6.8
Total	1,623	1,631	1,529	0.5	-6.3

Source: Estonian Statistical Office, FAS

Trade

In MY 2020/21, Estonian grain exports were above-average for a second consecutive year, with wheat accounting for 60 percent of total grain exports. During the first nine months of MY 2020/21 (July-March), total Estonian grain exports reached 1.0 MMT, maintaining MY 2019-20's record level. Estonia has been particularly competitive in North Africa this year. In MY 2020/21 exports destinations changed shifted somewhat, mostly due to a slight year-on-year dip in quality, particularly due to rainfall during harvest. In MY 2020/21, Morocco became Estonia's main wheat market, replacing Saudi Arabia, which was its main market in MY 2019/20. Another new market for Estonian wheat is South Korea, which accounts for an 11 percent of share of total Estonia wheat exports by volume. Post anticipates that in MY 2020/21, shipments to Algeria will remain on the last year's level. Due to the bumper crops across the Baltic region, the three Baltic States together will compete for global market share with leading EU exporters, including France and Romania.

Total Estonian grain exports in MY 2019/20, reached 1.1 MMT, over double MY 2018/19's record low of 500,000 MT. Grain quality was inconsistent and based on the region. In spring 2020, Estonian grain exporters capitalized on the strong international post-COVID demand, particularly for wheat, as many importing countries sought to bolster domestic grain stocks.

During the first nine months (July-March) of MY 2020/21, Estonian grain imports reached 45,000 MT, roughly on par with the same period of MY 2019/20. These imports consisted mostly of wheat from Latvia and Finland and corn from Latvia, Lithuania, and Ukraine.

Table 3: Estonia, Grain Exports, (000) MT

MY begins July	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months July-March	MY 2020/21 9 months July-March
Wheat	471	261	686	634	561
Barley	296	196	307	305	352
Rye	16	8	61	49	33
Triticale	1	0	4	4	0
Oats	46	59	79	58	55
Corn*	0	0	0	0	0
Total	830	524	1,137	1,050	1,001

Source: Estonian Statistical Office

*MY begins October

Table 4: Estonia, Grain Imports, (000) MT

MY begins July	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months July-March	MY 2020/21 9 months July-March
Wheat	29	40	17	13	21
Barley	24	6	14	13	6
Rye	4	18	8	4	1
Triticale	1	0	0	0	0
Oats	2	2	1	0	1
Corn*	29	31	23	14	16
Total	89	97	63	44	45

Source: Estonian Statistical Office

*MY begins October

Crop Specific**Wheat**

Post forecasts MY 2021/22 Estonian wheat production at 820,000 MT, down from the previous MY's 841,000 MT. Following the two previous years' lackluster harvests, Post anticipates yields closer to the long-term average for the MY 2021/22. The Estonian wheat area planted increased by 13,000 HA, as farmers are optimistic for another year of high prices and export opportunities.

Estonia is a net exporter of soft wheat. In MY 2021/22, Post forecasts wheat exports slightly lower than last year, due to more limited grain availability. In MY 2020/21, high global prices strongly motivated Estonian exporters, especially for non-EU markets. During the first nine months of MY 2020/21 (July-March), Estonia exported almost 561,000 MT of wheat, a 12-percent decrease from the same period last year. Morocco became the leading export destination this year, replacing Saudi Arabia, in MY 2019/20.

Table 5: Estonia, Wheat Trade, (000) MT

Wheat	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months	MY 2020/21 9 months
Imports	41	29	40	17	13	21
Exports	351	471	261	686	634	561

Source: Estonian Statistical Office

Barley

In MY 2021/22, Post forecasts the total barley area planted, mostly spring barley, at three percent lower from the last year, mainly due to the higher area for wheat. Despite chilly spring planting conditions in April 2021, spring rains improved soil moisture and boosted plant development in May. Warmer than usual temperatures in the latter part of May, combined with soil water content surpluses, significantly accelerated plant development. Barley grain production is projected at 490,000 MT, a 12.7-percent decline from the previous year. Post expects domestic feed barley consumption to diminish slightly from MY 2020/21 due to lower grain availability.

Table 6: Estonia, Barley Trade, (000) MT

Barley	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months	MY 2020/21 9 months
Imports	6	24	6	14	13	6
Exports	221	296	196	307	305	352

Source: Estonian Statistical Office

Rye

Post forecasts Estonian MY 2021/22 rye production at 80,000 MT, a one-percent increase over last year, mostly due to a slight increase in the area planted. In MY 2020/21, rye production decreased by 7.3 percent from the previous year, due to both much smaller area planted area and lower yields. Estonian farmers have been reluctant to plant rye due to ongoing African swine fever outbreaks.

Table 7: Estonia, Rye Trade, (000) MT

	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months	MY 2020/21 9 months
Imports	13	4	18	8	4	1
Exports	17	16	8	61	49	33

Source: Estonian Statistical Office

Oats

Post forecast Estonia's MY 2021/22 oat area unchanged from last year. Yields are projected closer to the long-term average. Post forecasts oat production at 110,000 MT. In MY 2020/21, weather

conditions were favorable for oat producers. Oat production reached record level of 118,000 MT. Oat exports in MY 2020/21 show that the farmers took advantage of this year's abundant crop, exporting almost 62 percent of total export volume to Belgium.

Table 8: Estonia, Oats Trade, (000) MT

	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 9 months	MY 2020/21 9 months
Imports	2	2	2	1	0	1
Exports	39	46	59	79	58	55

Source: Estonian Statistical Office

Appendix:

Table 9: Estonia, Wheat Imports by Country, (000) MT

Partner	MY Begins July			Market Share (%)			(000) MT, Change 2019/18
	2017/18	2018/19	2019/20	2017	2018	2019	
World	29	40	17	100	100	100	-23
Latvia	22	22	10	74.3	55.3	60.8	-12
Finland	3	2	2	9.5	5.0	12.2	0
Lithuania	2	10	2	6.2	25.0	9.8	-8
France	1	1	1	2.5	1.7	4.6	0
Italy	1	1	1	2.4	1.5	4.3	0

Source: Estonian Statistical Office

Table 10: Estonia, Wheat Exports by Country, (000) MT

Partner	MY Begins July			Market Share (%)			(000) MT, Change 2019/18
	2017/18	2018/19	2019/20	2017	2018	2019	
World	471	261	686	100	100	100	425
Saudi Arabia	66	0	315	14.0	0	45.9	315
Turkey	0	55	77	0	21.1	11.2	22
Sudan	0	0	76	0	0	11.1	76
Kenya	0	0	48	0	0	7.03	48
Spain	33	45	42	7.0	17.4	6.2	-3
Latvia	17	6	35	3.6	2.5	5.2	29
Algeria	93	0	31	19.7	0	4.5	31
Burundi	0	0	14	0	0	2.0	14

Source: Estonian Statistical Office

Table11: Estonia, Wheat Exports by Country, During Nine Months of MY, (000) MT

Partner	MY, 9 months			Market Share (%)			(000) MT Change 2020/ 19
	July, 2018/ March 2019	July, 2019 / March 2020	July, 2020/ March 2021	2018/ 19	2019/ 20	2020/ 21	
World	249	634	561	100	100	100	-74
Morocco	0	0	211	0.0	0.0	37.7	211
Netherlands	0	6	84	0.0	0.9	15.0	78
Saudi Arabia	0	315	66	0.0	49.6	11.8	-249
South Korea	0	0	60	0.0	0.0	10.8	60
Algeria	0	31	28	0.0	4.8	5.1	-2
Mauritania	0	0	27	0.0	0.0	4.9	27
United Kingdom	0	1	22	0.0	0.2	3.9	21
Ireland	0	0	15	0.0	0.0	2.7	15
Norway	0	0	13	0.2	0.0	2.3	13
Latvia	5	24	10	2.1	3.8	1.7	-14

Source: Estonian Statistical Office

Chart 1: Estonia, WMO Minimum Temperature in Years 2019-21

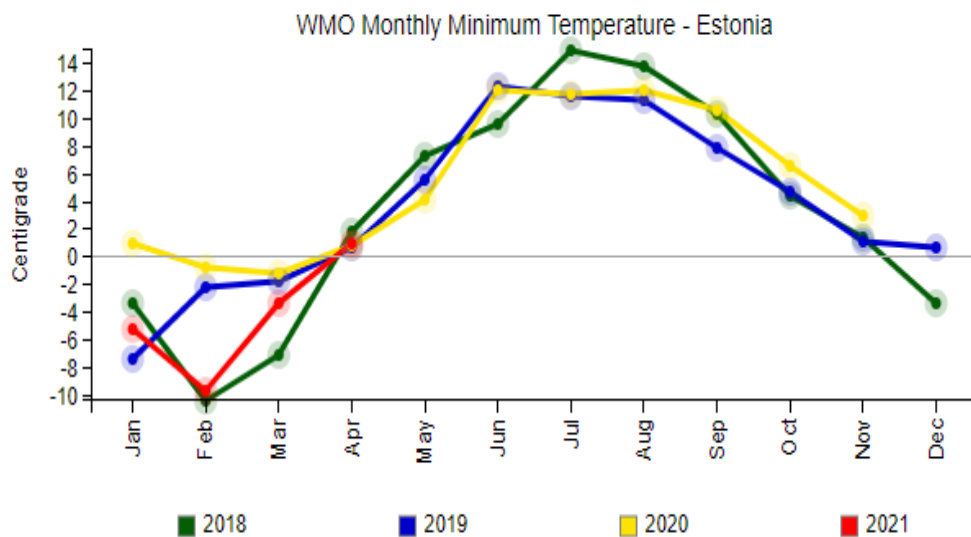
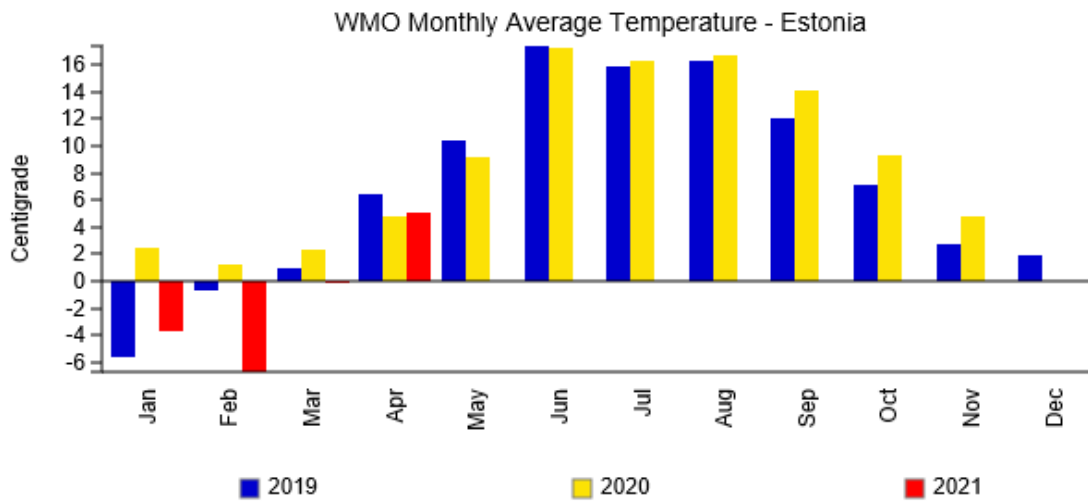
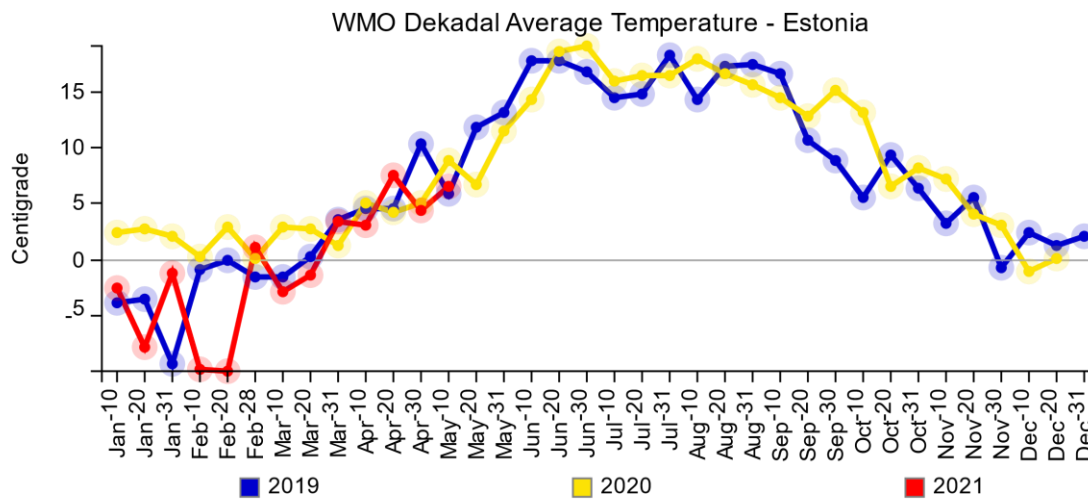


Chart 2: Estonia, WMO Monthly Average Temperature in Years 2019-21



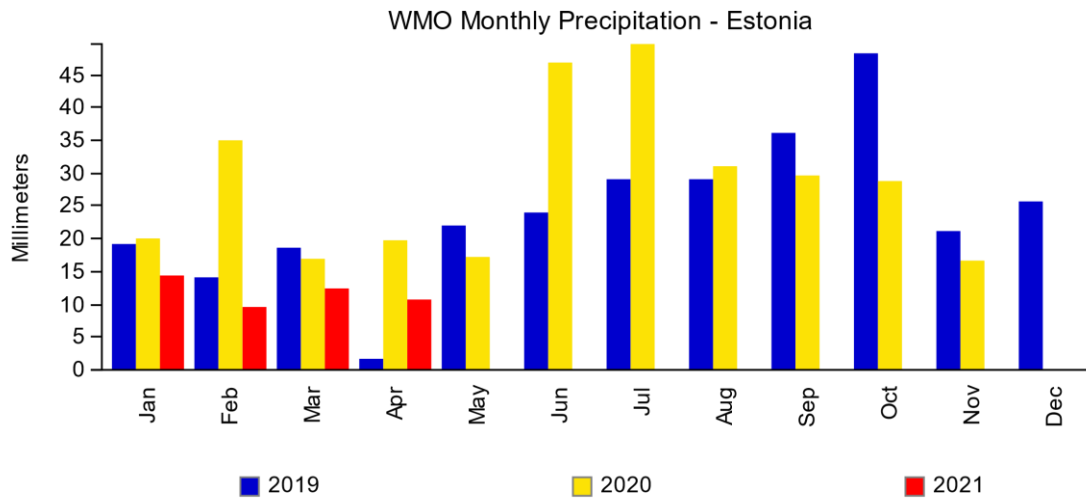
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Chart 3: Estonia, WMO Dekadal Average Temperature in Years 2019-21



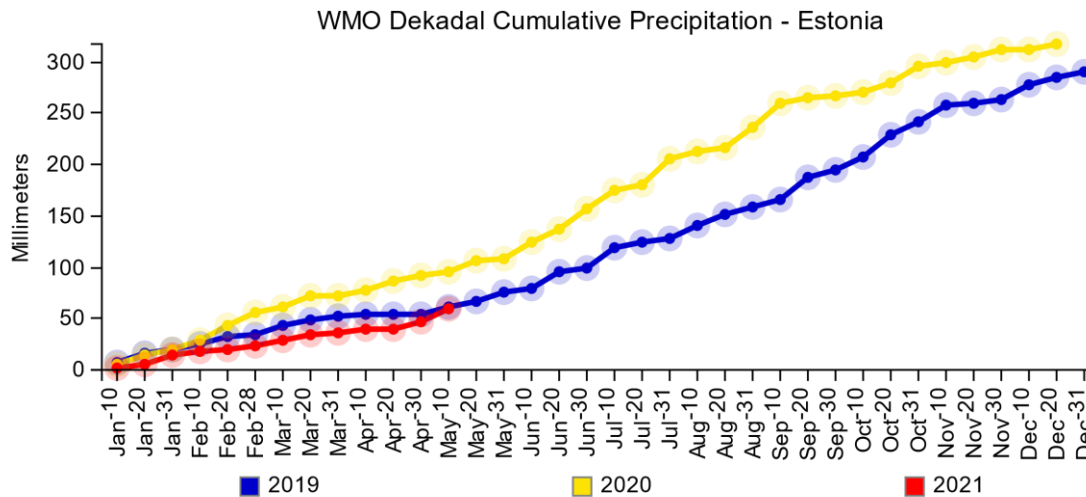
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Chart 4: Estonia, WMO Precipitation in Years 2019-21




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Chart 5: Estonia, WMO Cumulative Precipitation in Years 2019-21




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Attachments:

No Attachments.