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## Spain

### Grain and Feed

### Grain PS&D Update

**1999**

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#### **Report Highlights:**

**While updated data for area planted resulted in an increase in wheat production expectations, Spain's winter grains crop is still expected to be much lower than the previous year due to the early season dry growing conditions. Updated PS&D's for winter grains, corn, and rice are provided in this report.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Madrid [SP1], SP

## Executive Summary

Wet and relatively cool weather conditions, prevalent throughout most of Peninsular Spain since early May, helped development of the 1999/2000 winter grain crop in northern producing areas. However, the precipitation was too late for the earlier maturing crop in southern regions, which had already been severely affected by dry weather. Preliminary reports of extremely low yields in Andalucía, Extremadura, and southern Castilla La Mancha have confirmed earlier expectations for very short barley and wheat crops in southern Spain. Furthermore, pasture conditions remain very poor in the South. In response to the drought in the South, the GOS recently announced a disaster relief package that will subsidize financing and transport costs of feed ingredients (grains and alfalfa) from northern area to extensive livestock areas located in the south. The poor pasture conditions are encouraging the use of grain in extensive livestock areas. Meanwhile, production in north-central Spain (Castilla y León) is still expected to be relatively good as this region did not suffer the early dry period as in the South, and recent weather has helped crop development.

As a result of the availability of updated data on planted area (based on farmers' claims for area-based EU compensatory payments), wheat harvested area has been increased. Planted wheat area rose to an estimated 2.2 million hectares in 1999/00, a 17 percent increase from the previous year. The increase in area was proportionally greater in the north. As about 200,000 HA will not be harvested in drought-damage areas in the South, harvested area is expected to be about 2 million HA. Reportedly, farmers shifted from barley to wheat due to the relatively more favorable wheat prices in comparison with barley prices.

Due to the timely and needed rain over the past month in the north, in addition to the new data for planted area, the 1999/00 forecast for wheat output was increased from 3.5 to 4.2 million tons. As a result of the larger expected domestic crop, the wheat import forecast was reduced. The rains primarily benefitted the wheat produced in central and northern Spain, as the rains were too late and too scarce to help the earlier-maturing wheat in the south. As most durum is produced in the south, the durum crop gained little from the moisture, and almost all the increase in the forecast can be attributed to higher expectations for the bread wheat crop. For durum, while the new planting indicates more area than recently forecast, the production forecast was raised by only 50,000 tons. Of the estimated 819,000 HA originally planted to durum, only 500,000 is expected to be harvested. Wheat harvest continues to progress from southern Spain to the north and is about 40 percent completed. Harvest in the latest maturing areas of the North will begin in early July.

As a result of the recent rains and the unseasonably cool temperatures, the production forecast for 1999/00 barley crop was increased slightly. While it still depends on whether the Commission wishes to approve the export of Spain's relatively higher priced barley, the availability of an intervention export tender for Spain's barley may mean that up to 300,000 tons may be exported. Despite expectations for a lower domestic crop, barley prices were at or below intervention in recent weeks. Due to low prices, ending intervention stocks rose to about 1 million tons.

The forecast for corn production was reduced slightly to reflect lower estimated area. Despite lucrative direct payments, recent prices of about 22,000 pesetas (\$136) per ton in production areas were reportedly too low for marginal areas, which resulted in a drop in planted area. In 1999, around 1.6 million tons of corn have been purchased under Spain's reduced-duty corn import program. The remaining quota is around 400,000 tons. The overwhelming majority of imports under this program continue to be sourced from Argentina.

Updated PS&D are provided for Oats and rice.

PSD Table						
Country	Spain					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	2050	2050	1835	1875	1500	2000
Beginning Stocks	250	250	293	300	200	297
Production	4643	4643	5300	5347	3500	4200
TOTAL Mkt. Yr. Imports	3712	3369	2500	3300	4100	4000
Jul-Jun Imports	3712	3369	2500	3300	4100	4000
Jul-Jun Import U.S.	254	214	0	300	325	325
TOTAL SUPPLY	8605	8262	8093	8947	7800	8497
TOTAL Mkt. Yr. Exports	1187	598	500	600	200	200
Jul-Jun Exports	1187	598	500	600	200	200
Feed Dom. Consumption	3825	3364	4100	4050	3697	4297
TOTAL Dom. Consumption	7125	7364	7393	8050	7697	8297
Ending Stocks	293	300	200	297	0	0
TOTAL DISTRIBUTION	8605	8262	8093	8947	7897	8497

PSD Table						
Country	Spain					
Commodity	Wheat, Durum				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	642	644	640	625	400	500
Beginning Stocks	0	0	0	0	0	0
Production	1110	1114	1375	1290	400	450
TOTAL Mkt. Yr. Imports	120	132	50	80	150	100
Jul-Jun Imports	120	132	50	80	150	100
Jul-Jun Import U.S.	3	3	3	25	50	50
TOTAL SUPPLY	1230	1246	1425	1370	550	550
TOTAL Mkt. Yr. Exports	550	288	1125	300	180	180
Jul-Jun Exports	760	288	1125	300	180	180
Feed Dom. Consumption	430	697	50	800	100	100
TOTAL Dom. Consumption	680	958	300	1070	370	370
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1230	1246	1425	1370	550	550

PSD Table						
Country	Spain					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	3707	3706	3590	3525	3000	3100
Beginning Stocks	676	200	1250	400	1100	1200
Production	8600	8592	11000	10900	8000	8100
TOTAL Mkt. Yr. Imports	402	308	750	200	250	250
Oct-Sep Imports	299	296	750	200	250	250
Oct-Sep Import U.S.	0	2	0	0	0	0
TOTAL SUPPLY	9678	9100	13000	11500	9350	9550
TOTAL Mkt. Yr. Exports	28	32	500	300	300	300
Oct-Sep Exports	25	31	500	300	300	300
Feed Dom. Consumption	7300	7568	7400	8900	7850	8050
TOTAL Dom. Consumption	8400	8668	8500	10000	8950	9150
Ending Stocks	1250	400	4000	1200	100	100
TOTAL DISTRIBUTION	9678	9100	13000	11500	9350	9550

PSD Table						
Country	Spain					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Harvested	486	486	460	467	440	427
Beginning Stocks	230	508	508	508	508	508
Production	4426	4426	4200	4154	3900	3800
TOTAL Mkt. Yr. Imports	2550	2597	2100	2500	2800	3000
Oct-Sep Imports	2970	2597	2300	2500	2800	3000
Oct-Sep Import U.S.	140	79	0	135	0	0
TOTAL SUPPLY	7206	7531	6808	7162	7208	7208
TOTAL Mkt. Yr. Exports	148	159	150	180	150	150
Oct-Sep Exports	95	159	150	180	150	150
Feed Dom. Consumption	5550	5864	5150	5474	5550	5558
TOTAL Dom. Consumption	6550	6864	6150	6474	6550	6558
Ending Stocks	508	508	508	508	508	500
TOTAL DISTRIBUTION	7206	7531	6808	7162	7208	7208

PSD Table						
Country	Spain					
Commodity	Oats				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	396	395	400	398	300	389
Beginning Stocks	0	0	0	0	0	0
Production	500	503	650	698	500	500
TOTAL Mkt. Yr. Imports	10	73	10	55	50	50
Oct-Sep Imports	10	62	10	55	50	50
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	510	576	660	753	550	550
TOTAL Mkt. Yr. Exports	50	26	75	18	5	5
Oct-Sep Exports	50	16	75	18	5	5
Feed Dom. Consumption	340	480	495	665	465	465
TOTAL Dom. Consumption	460	550	585	735	545	545
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	510	576	660	753	550	550

PSD Table						
Country	Spain					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Harvested	112	112	113	113	0	110
Beginning Stocks	96	100	100	115	85	112
Milled Production	554	554	560	560	0	545
Rough Production	791	791	800	800	0	780
MILLING RATE (.9999)	7000	7000	7000	7000	0	7000
TOTAL Imports	25	79	25	62	0	55
Jan-Dec Imports	25	79	25	62	0	50
Jan-Dec Import U.S.	0	11	0	11	0	11
TOTAL SUPPLY	675	733	685	737	85	712
TOTAL Exports	250	288	270	290	0	300
Jan-Dec Exports	230	288	270	290	0	300
TOTAL Dom. Consumption	325	330	330	335	0	340
Ending Stocks	100	115	85	112	0	72
TOTAL DISTRIBUTION	675	733	685	737	0	712