

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain and Feed Market Update

Country: Bulgaria

Post: Sofia

Report Category: Grain and Feed

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Report Highlights:

Bulgaria's wheat and barley harvests are underway and farmers are reporting lower than expected yields and inconsistent quality. As of July 9, 2020, Bulgaria's wheat harvest was 74 percent complete and reported average yields were about 30 percent lower from the previous year, with total production reported at 3.3 million metric tons (MMT). The barley harvest is roughly 93 percent complete and average yields were down 14 percent from last year. The wheat and barley crops are lower than expected due to dry weather during critical crop development stages, especially in northeastern Bulgaria's main production region. Post estimates the marketing year (MY) 2020/21 wheat crop down to 5.4 MMT and barley crop at 570,000 metric tons (MT). Bulgaria's corn area reached an all-time high and production is forecast at 3.9 MMT, just below MY 2019/20's 4.0 MMT record.

Weather Overview

The fall 2019 winter crop planting season was excessively dry and was followed by below-normal levels of precipitation and mild weather in winter 2019/20. According to the European Union's (EU) Monitoring Agricultural Resources (MARS) Bulletin [Vol.28, No 6](#), near- to above-average rainfall in June 2020 improved soil moisture and conditions for corn, but arrived too late to significantly bolster winter grain yields. Precipitation during the first and last weeks of May was mostly above average, although it was not enough to fully meet the needs of winter crops undergoing heading and flowering. The soil moisture deficit was especially pronounced in eastern Bulgaria. May to mid-June brought alternating warm weather and unseasonably chilly weather. As of mid-June, soil moisture levels in winter crop fields were mostly below average, except in western Bulgaria, where average rainfall levels prevailed. Corn benefited from increasing rainfall in most regions.

MY 2020/21 Forecast

Wheat: According to the Bulgarian Ministry of Agriculture (MinAg), this year's wheat area planted is four percent higher over the previous year (Table 4). As of July 9, the wheat harvest was 74 percent complete, with average yields at 3.77 MT/HA, a 30-percent decline from last year's yields. Reported production was 3.3 MMT (MinAg Weekly Bulletin #28, July 15, 2020). This year's wheat harvest is more advanced than last year, which was five percent complete as of early July 2019.

Farmers are reporting disappointing yields, especially in eastern Bulgaria, where dry conditions in the spring were more pronounced. Some farmers from in the northeastern region of Dobrudza reported yields of 1.0-2.0 MT/HA. Reported yields in northcentral and northwestern Bulgaria were significantly better due to more rainfall. Quality is mixed, but the overall share of milling quality wheat is likely to be higher. Farmers report lower hectoliter, and higher gluten and protein contents.

Private wheat production estimate vary with the lowest from the National Grain Association at 4.1 MMT and up to 5.6 MMT from some traders. Post currently estimates the wheat crop at 5.4 MMT (4.6 MT/HA), although further revisions may occur as the harvest progresses.

According to Post sources, the recent uptick in wheat prices is leading to contract defaults, as some farmers are reportedly underreporting production to avoid contracted deliveries. These farmers are eager to keep their wheat to sell on the higher spot market. The early uptick in export demand for Bulgarian wheat is contributing to this phenomenon.

Barley: The barley harvest is 93 percent (Table 4) complete with average yields reported at 4.12 MT/HA, a 14-percent decline from MY 2019/20. The barley area planted was 20 percent higher this MY. As of July 9, reported production reached 522,000 MT. Post currently estimates the total barley crop at 570,000 MT with average yields of 4.22 MT/HA.

Corn: This year's corn area reached 584,000 HA, a record high, as reported by MinAg as of June 25. May and June rains have helped the corn crop develop well, to date. Favorable July weather during tasseling will be critical for Bulgaria's corn crop. Private yield estimates vary widely from 6.5 MT/HA to 7.7 MT/HA, meaning total production could range from 3.77 MMT to 4.45 MMT. Post currently estimates the corn crop at 3.9 MMT, slightly below last year.

MY 2019/20 Production Estimates and Trade

The total area harvested for cereal grains in MY 2019/20 increased by six percent. Total cereal production increased by 10 percent over MY 2018/19 (Table 1). According to Eurostat, the final wheat production number was 6.32 MMT, a six-percent increase over MY 2018/19, due to a 7.5-percent increase in average yields (5.27 MT/HA) (Table 1). Record-level corn production reached 4.0 MMT, mainly on a 26-percent increase in area planted.

Higher domestic stocks and favorable export demand increased exports. Early official data for MY 2019/20 shows wheat exports up by 28 percent and barley exports also up 57 percent over MY 2018/19. As of June 30, MY 2019/20 corn exports were up 35 percent, due to strong demand outside of the EU.

Wheat: Wheat farm-gate prices in MY 2019/20 were below last year (Graph 1). Stable stocks, competitive prices, higher quality, and favorable export demand drove wheat exports. As of early July 2020, MinAg [reported](#) MY 2019/20 wheat exports at 4.8 MMT, a 28-percent increase over MY 2018/19 (Tables 2 and 3). Export growth to non-EU markets increased more than tripled over the previous MY.

According to Eurostat (Trade Data Monitor/TDM based on Eurostat), wheat exports during the first nine months of MY 2019/20 were 4.52 MMT, mostly to Spain, Greece, Portugal, Romania, South Korea, and Indonesia. This marks a 25-percent increase over the first nine months of MY 2018/19. As of June 30, authorities reported wheat stocks at 290,000 MT, down from 440,000 MT from the same period in MY 2018/19.

Barley: Barley farm-gate prices were below MY 2018/19 (Graph 1). Barley exports in MY 2019/20 increased by 57 percent over the previous MY. Export trends were similar to wheat, with a 60-percent increase to non-EU markets (Tables 2 and 3). According to Eurostat/TDM data, exports during the first nine months of the MY were at 273,000 MT, mainly to Saudi Arabia, Spain, and Greece, a 74-percent increase over the first nine months of MY 2018/19. As of June 30, barley stocks were reported at 10,000 MT, up from 4,500 MT during the corresponding period of 2019.

Corn: Corn farm-gate prices have been higher this season due to stronger global demand (Graph 1). Exports through June were 35 percent higher than in MY 2018/19, per MinAg data. Corn exports to non-EU markets grew almost tripled, while exports within the EU declined by 13 percent. The latest Eurostat/TDM data for corn exports in the first half of MY 2019/20 show 1.58 MMT, a 45-percent increase over the corresponding period of MY 2018/19. FAS Sofia forecasts corn exports in MY2019/20 will reach 2.2 MMT.

Domestic corn consumption was stable, with a slight decline for feed use and higher industrial use among starch, ethanol and spirits distillers. Official corn stocks as of June 30 were reported at about 1.16 MMT, roughly on par with last year (1.23 MMT).

Appendix:

Table 1: Grain Crops Production Data MY2018/19 and MY2019/20, July 2020

Crops	Area Harvested (000 HA)		Production (000 MT)	
	MY 2019/20	MY 2018/19	MY 2019/20	MY 2018/19
Wheat	1,199	1,212	6,320	5,955
Barley	112	104	563	449
Corn	561	445	4,060	3,523
Rice	12	11	71	61
Oats	12	11	32	25
Triticale	15	15	44	41
Rye	6	8	12	14
Sorghum	7	9	23	37
Total	1,924	1,815	11,125	10,105

Source: Eurostat data based on EU standard moisture content- updated as of July 2020. Bulgarian MinAg final national estimates are shown [here](#).

Table 2: MY2019/20 Trade in Major Grain Crops, June 30, 2020

Types of Grains	Imports, MT	Exports, MT
Wheat	50,300 MT	4,808,980 MT (including 2,379,566 MT to non-EU markets);
Barley	14,265 MT	273,044 MT (including 180,500 MT to non-EU markets);
Corn	18,815 MT	2,035,369 MT (including 1,066,659 MT to third countries)

Source: MinAg Monthly Bulletin of June 30, 2020.

Table 3: Wheat, Barley, and Corn Exports/MT, MY2019/20 vs MY2018/19, as of June 30

	June 30, MY2019/20	June 30, MY2018/19	Difference, in Percentage
Total Wheat Exports	4,808,980	3,754,350	+28%
--To EU markets	2,429,414	3,010,700	-20%
--To non-EU markets	2,379,566	743,650	+320%
Total Barley Exports	273,044	173,568	+57%
--To EU markets	92,544	60,600	+53%
--To third countries	180,500	112,968	+60%
Total Corn Exports	2,035,369	1,506,300	+35%
--To EU markets	968,710	1,110,800	-13%
--To non-EU markets	1,066,659	395,500	+270%

Source: MinAg Monthly June Bulletins

Table 4: Grain Area Planted and Harvested, MY2019/20 and MY2020/21, HA, July 2020

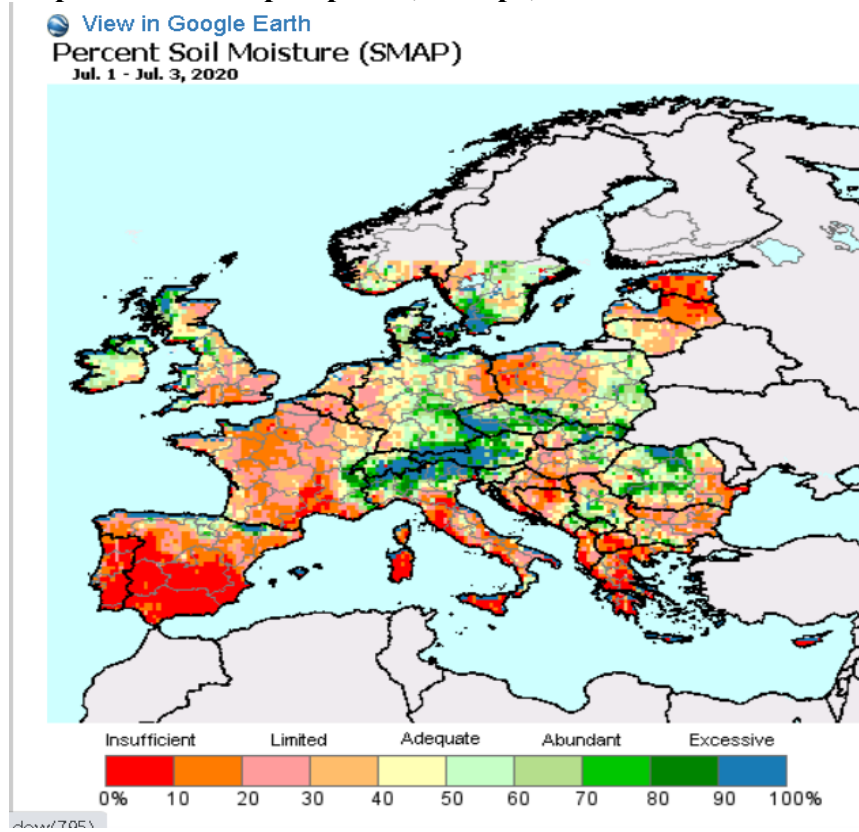
	July 2, 2019	July 9, 2020	Difference in Percentage
Winter Grains			
Wheat			
--Planted	1,131,709	1,178,968	+4.2%
--Harvested	58,193 (5%)	866,553 (74%)	
Barley (Winter and Spring)			
--Planted	113,587	137,007	+20.6%
--Harvested	50,841 (45%)	126,738 (93%)	
Triticale			
--Planted	13,696	14,628	+6.8%
--Harvested	307 (2%)	2,473 (17%)	
Rye			
--Planted	5,954	6,879	+15.5%
--Harvested	NA	229 (3%)	
Spring Grains			
-Corn, Planted (as of the end of June)	454,371	584,429	+28.6%

Source: MinAg Weekly Bulletins

Table 5. FAS Sofia Grain Production Estimates MY2020/21, July 2020

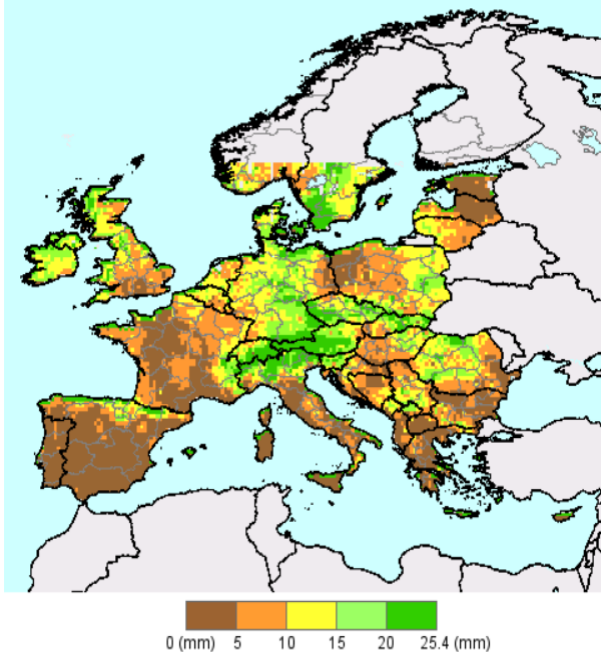
Crops	Area Harvested, HA	Production, MT
Wheat	1,170,000	5,400,000
Barley	135,000	570,000
Corn	580,000	3,900,000

Map 1: USDA Crop Explorer, Europe, Percent Soil Moisture July 1-3, 2020

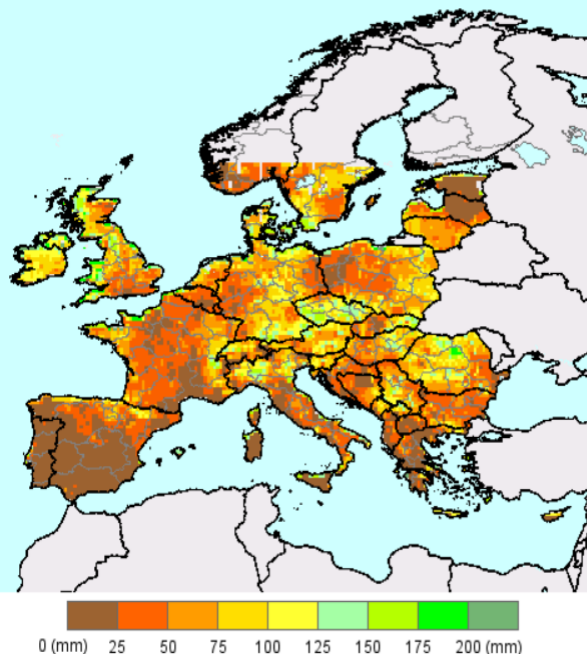


Map 2: USDA Crop Explorer, Europe, Surface and Subsurface Soil Moisture July 1-3

[View in Google Earth](#)
Surface Soil Moisture (SMAP)
 Jul. 1 - Jul. 3, 2020

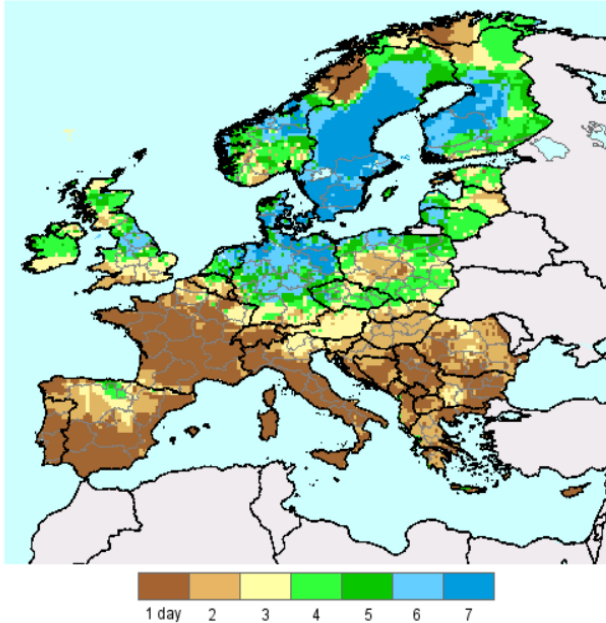


[View in Google Earth](#)
Subsurface Soil Moisture (SMAP)
 Jul. 1 - Jul. 3, 2020

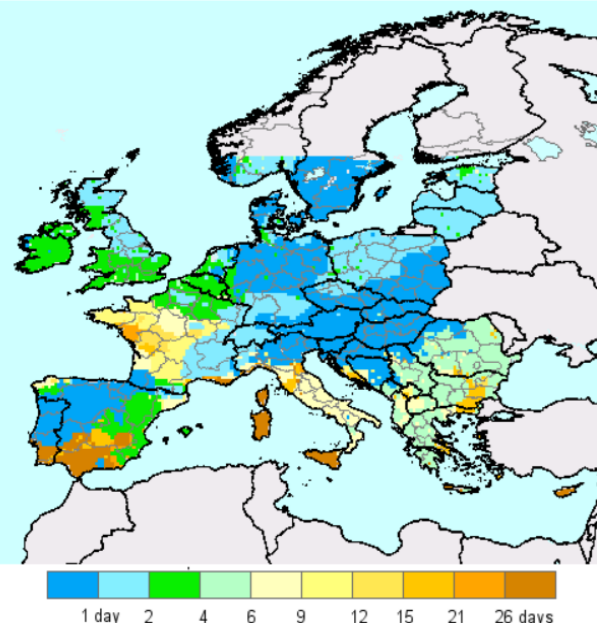


Map 3: USDA Crop Explorer, Europe, July 6-12 Rain Days, and 30-day Rain Days

[View in Google Earth](#)
Number of Rain Days (USAF 557th WW)
 Jul. 6 - 12, 2020



[View in Google Earth](#)
Number of Days Since a Rain Day in past 30-days (USAF 557th WW)
 Jul. 6 - 12, 2020



Graph 1. Monthly Farm-gate Prices for Wheat, Barley and Corn, MY2019/20 (red) and MY 2018/19 (green), in Bulgarian Leva (1.95 leva=1.0€)

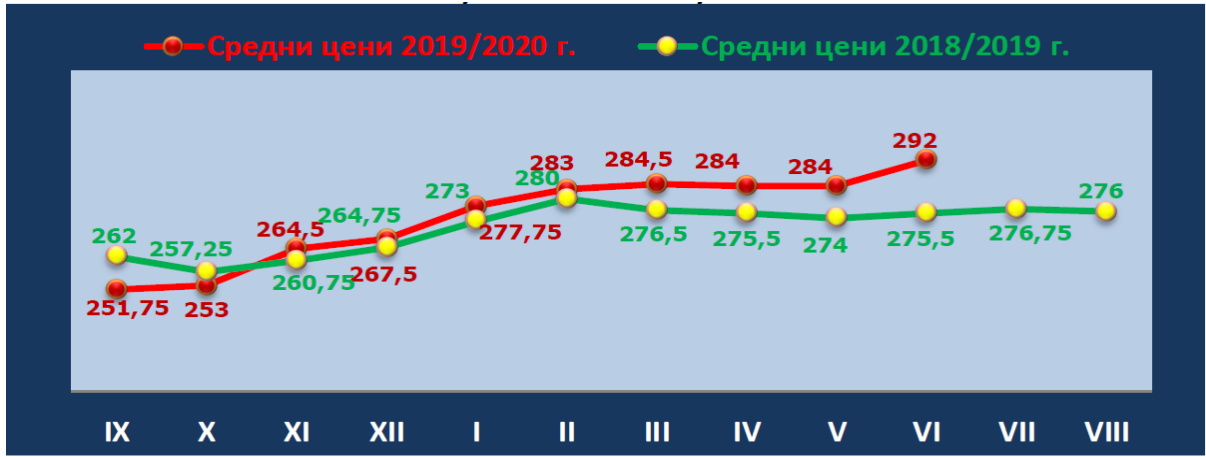
Wheat:



Barley:



Corn:



Източник: „САПИ“

Source: Bulgarian MinAg

Attachments:

No Attachments.