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Report Name: Grain and Feed Update

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Post: Warsaw

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Prepared By: Mira Kobuszynska

Approved By: Jonn Slette

Report Highlights:

Total Polish wheat, rye, mixed grains, triticale, barley, corn, and oat production in marketing year (MY) 2020/21 reached 3.3 million metric tons (MMT), a 15.5-percent increase over MY 2019/20. Favorable weather during the growing seasons combined with dry weather during the harvests lifted yields, production, and grain quality. In MY 2019/20, Polish wheat exports reached 4.2 MMT, more than double the level of exports from the previous year. High international grain prices and the weaker Polish zloty against the euro and the dollar will continue to motivate Polish grain exporters in MY 2020/21.

Grain Production and Area

MY 2020/21

Poland's Main Statistical Office (MSO) estimates that Poland's total wheat, rye, mixed grains, triticale, barley, corn, and oat production in MY 2020/21 reached 33.3 MMT, a 15.5-percent increase over MY 2019/20. Higher grain production resulted from increased area planted and higher average yields for all grain varieties in MY 2020/21. Poland's total spring and winter grains area planted reached 8.0 million hectares (HA), a 2.2 percent increase over MY 2019/20.

Although early official weather forecasts for the 2020 spring and summer months predicted drought conditions in Poland, consistent rain fell throughout June and July. Warm and sunny weather during the first half of August further created excellent growing conditions for spring grains.

The winter grain harvest reached 19.5 MMT, a 13-percent increase over the previous year, and the spring grain crop is estimated at 9.5 MMT, a 21-percent increase over the MY 2019/20. While all Polish grains benefited from the favorable conditions, the largest year-on-year production increases were for oats, rye, and mixed grains, as these commodities were also the most negatively affected by the drought in MY 2019/20. Grain quality was consistently high across the board.

MY 2021/22

In September and October 2020, warm weather and substantial soil moisture created favorable conditions for field work and plant development. In middle and late October, heavy rainfall occurred throughout Poland and caused localized flooding, which delayed winter wheat planting in some regions. 81 percent of the winter crops were planted on time, while 19 percent were planted two to three weeks late. However, due to warm fall weather, the delayed planting did not negatively affect plant development. Farmers finished planting rye, triticale, and wheat during the first half of October. October rains bolstered soil moisture levels and accelerated plant emergence. Warmer than average November air and soil temperatures created favorable conditions for late-planted winter crops (see Appendix, Charts 1-3). Crops entered winter dormancy in good condition, reportedly better than in recent years. According to MSO estimates, the winter grain harvested area for MY 2021/22 was in line with the previous MY. Farmers planted 2 million HA with winter wheat, 900,000 HA with rye, 1.2 million HA with winter mixed grains, and 200,000 HA with winter barley.

To date, Poland's grain industry has not been severely affected by COVID-19, despite some initial border delays and logistical turbulence after March 15, when Poland closed its national borders. Farmers were also confronted agricultural-input outlet and grain collection point closures because of staff shortages due to social distancing requirements.

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

Poland	MY 2018/19	MY 2019/20	MY 2020/21(e)	Change year to year 2021/20 (%)
Wheat	2,417	2,511	2,500	0.4
Barley	976	975	980	0.5
Corn	645	665	690	3.8
Rye	894	904	990	9.5
Mixed grains	2,281	2,247	2,300	2.4
Oats	497	495	505	2.0
Total	7,710	7,797	7,965	2.2

Source: Polish Main Statistical Office, FAS

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

Poland	MY 2018/19	MY 2019/20	MY 2020/21(e)	Change year to year 2021/20 (%)
Wheat	9,820	11,012	12,000	9.0
Barley	3,048	3,400	3,830	12.6
Corn	3,864	3,734	4,350	16.5
Rye	2,167	2,461	3,100	26.0
Mixed grains	6,592	7,055	8,450	19.8
Oats	1,166	1,233	1,600	29.8
Total	26,657	28,869	33,330	15.5

Source: Polish Main Statistical Office, FAS

Trade

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

MY begins July	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months July-October	MY 2020/21 3 months July-October
Wheat	4,042	1,982	1,898	4,160	573	742
Barley	177	89	132	120	60	199
Rye	376	441	484	789	133	401
Triticale	373	422	327	663	162	364
Oats	84	116	120	92	24	41
Corn*	1,318	1,125	1,054	1,326	-	-
Total	6,370	4,175	4,015	7,150	952	1,747

Source: Polish Main Statistical Office

*MY begins October

Total MY 2019/20 Polish grain exports, including corn, reached 7.2 MMT, up from last year's record low of 4.0 MMT. Export sales in MY 2018/19 were unusually low due to lower grain quality and low stock levels following last year's poor harvest. In spring 2020, Poland took advantage of the strong

international post-COVID demand, particularly for wheat, as many countries sought to shore up domestic grain stocks. The weakening Polish zloty versus the euro and the dollar also contributed to strong global demand for Polish grains.

MY 2019/20 Polish wheat exports reached 4.2 MMT, more than double the wheat exports from the previous MY. Almost 58 percent of MY 2019/20 exports occurred after the pandemic. In MY 2019/20, soft wheat accounted for 60 percent of total Polish grain exports. Saudi Arabia, South Africa, Cuba, Tanzania, and Kenya were Poland’s main non-EU grain markets (mostly for wheat). Poland’s the most important EU export market was Germany, where MY 2019/20 deliveries also increased by over 20 percent.

MY 2019/20 corn exports increased by 26 percent over the previous year. On-farm storage capacity grew and was roughly on par with production. By the end of MY 2019/20, Poland’s carryover stocks, especially wheat, were among the smallest in the EU due to intensive wheat exports from March through June.

Crop Specific

Wheat

MY 2020/21 Polish wheat production increased by nine percent over MY 2019/20 and reached 12 MMT. The area planted and area harvested for wheat remained almost the same as the previous MY, at 2.5 million HA.

MY 2019/20 wheat exports reached 4.2 MMT, of which over half, 2.4 MMT, was exported from February through June. Polish wheat exports reached just 600,000 MT. Since March 2020, Poland significantly increased its ocean freight wheat exports, particularly to Saudi Arabia and South Africa. Cuba also emerged as a new trading partner in MY 2019/20. By the end of MY 2019/20, Polish wheat stocks were almost depleted.

High global prices and the weakening of Polish zloty against the euro and dollar will motivate Polish exporters in MY 2020/21, particularly for non-EU markets. In September and October, export demand exceeded available supplies, as cautious farmers started to hang on to stocks as prices increased. Post expects that in MY 2020/21, Polish soft wheat exports will remain robust, although not at the record-high levels achieved in MY 2019/20. Total Polish wheat stocks in MY 2020/21 are expected to be less than MY 2019/20 due to low beginning stocks.

Table 4: Poland, Wheat Trade, (000) MT

Wheat	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months	MY 2020/21 3 months
Imports	992	803	819	927	187	233
Exports	4,042	1,982	1,898	4,160	573	742

Source: Polish Main Statistical Office

Barley

In MY 2020/21, Poland's total barley area planted, mostly spring barley, was roughly the same as in the previous year. Although spring planting conditions were dry and hot in March and April 2020, rains in May and June boosted the spring barley crop. Post expects domestic feed barley consumption to increase slightly over MY 2019/20 due to higher on-farm use. The barley area planted may decline somewhat due to better profitability for wheat and corn.

Table 5: Poland, Barley Trade, (000) MT

Barley	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months	MY 2020/21 3 months
Imports	132	252	174	226	68	55
Exports	177	89	132	120	60	199

Source: Polish Main Statistical Office

Corn

High yields drove MY 2020/21 corn production to reach 4.4 MMT, 16.5-percent increase over the previous year. Poland's MY 2020/21 corn area increased by 3.8 percent over the previous year, as farmers anticipated favorable prices. In MY 2019/20 feed demand diminished due to challenges faced by the poultry industry following the pandemic. Poland remains the EU's largest poultry producer and therefore a significant poultry feed consumer. Unless demand among the EU's hotel, restaurant, and institutional sectors rebounds significantly in 2021, Post expects that corn feed demand in Poland could remain sluggish.

By the end of MY 2019/20, Polish corn stocks were depleted, as farmers took advantage of higher prices. Processors and trading companies bought large volumes of Polish new-crop corn in 2020. Corn quality varied regionally.

Table 6: Poland, Corn Trade, (000) MT

	MY Begins in October			
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20
Imports	394	228	447	362
Exports	1,318	1,125	1,054	1,326

Source: Polish Main Statistical Office

Rye

MY 2020/21 rye production reached 3.1 MMT, 26 percent increase over last year, due to higher yields and a 9.5 percent increase in area planted. Contrary to official drought forecasts, the late spring and summer weather in Poland was very favorable for rye cultivation. In recent years, some Polish farmers have been reluctant to plant rye due to the ongoing African swine fever outbreak. MY 2020/21 feed rye use is expected to increase. Post expects growing consumer demand for rye bread in MY 2020/21, which should raise the allocation of Polish rye for human consumption. Post estimates MY 2020/21 rye exports will increase over the MY 2019/20. Germany will remain Poland main rye export destination. MY 2019/20 rye exports achieved record level, especially during the second half of the year following the global pandemic. This led to low rye stocks as of the end of the MY.

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

	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months	MY 2020/21 3 months
Imports	16	27	47	6	4	4
Exports	376	441	484	789	133	401

Source: Polish Main Statistical Office

Mixed Grains

MY 2020/21 mixed grain production reached 8.5 MMT, 19.8-percent increase over MY 2019/20. The higher production was due to better yields and a larger area planted. In MY 2020/21, farmers planted 2.3 million HA of mixed grains, a 2.4-percent increase over MY 2019/20.

Warm, sunny, and mostly dry weather in late spring and rains in June of 2020 created perfect conditions for triticale and other mixed grains in MY 2020/21. Favorable weather conditions during growth and dry conditions during the harvest boosted yields and grain quality.

MY 2020/21 on-farm feed use will increase following the abundant crop. There is a growing preference to feed triticale to livestock over other mixed grains, which supports higher triticale production and lower mixed grains production. The use of mixed grains and triticale as an ethanol feedstock is relatively small and accounts for just 2-3 percent of domestic use. Industry demand in MY 2020/21 is forecast higher, particularly from the distilled spirits industry. Mixed grains export potential also increased.

Table 8: Poland, Triticale Trade, (000) MT

	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months	MY 2020/21 3 months
Imports	11	5	7	3	1	3
Exports	373	422	327	663	162	364

Source: Polish Main Statistical Office

Oats

Poland's MY 2020/21 oat area is two percent higher from the last year's level, however production increased by 29.8 percent, and amounted to 1.6 MMT. The large production increase was due to better yields after more favorable weather and growing conditions. In MY 2020/21, weather conditions were favorable for oats producers, after some years of poor crop.

Polish oat exports in MY 2019/20 were relatively small and down by over 23 percent from the previous year. Traditionally Germany and the Netherlands are Poland's main export markets for oats. Oat exports in the first three months of the MY 2020/21 show that the farmers will take advantage of this year's abundant crop.

Table 9: Poland, Oats Trade, (000) MT

	MY Begins in July					
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2019/20 3 months	MY 2020/21 3 months
Imports	6	11	8	13	3	3
Exports	84	116	120	92	24	41

Source: Polish Main Statistical Office

Appendix:**Table 10: Poland, Wheat Imports by Country, (000) MT**

Partner	MY Begins July			Market Share (%)			%Δ 2020/19
	2018	2019	2020	2018	2019	2020	
World	803	819	927	100	100	100	13.3
Slovakia	244	284	365	30.4	34.6	39.4	28.9
Czech Republic	262	292	244	32.6	35.7	26.3	-16.6
Germany	132	123	136	16.4	15.0	14.6	10.1
Italy	33	37	38	4.1	4.5	4.1	3.1
Denmark	12	7	28	1.5	0.9	3.0	298.4
France	2	3	23	0.3	0.4	2.5	693.3

Source: Polish Main Statistical Office

Table 11: Poland, Wheat Exports by Country, (000) MT

Partner	MY Begins July			Market Share (%)			%Δ 2020/19
	2018	2019	2020	2018	2019	2020	
World	1,982	1,898	4,160	100	100	100	119.2
Saudi Arabia	300	779	1,509	15.1	41.0	36.3	93.7
South Africa	54	-	686	2.7	0.0	16.5	-
Germany	656	470	606	33.1	24.8	14.6	28.9
Cuba	-	52	167	0	2.77	4.0	218.5
Tanzania	-	-	135	0	0	3.3	-
Kenya	85	-	131	4.3	0	3.2	-
Morocco	-	-	128	0	0	3.1	-
Mozambique	36	-	101	1.8	0	2.4	-

Source: Polish Main Statistical Office

Table 12: Poland, Wheat Exports by Country, During Three Months of MY, (000) MT

Partner	MY, 3 months			Market Share (%)			%Δ 2020/ 19
	July, 2017/ Sept. 2018	July, 2018 / Sept. 2019	July, 2020 /Sept. 2020	2017/ 18	2018/ 19	2019/ 20	
World	570	573	742	100	100	100	29.5
Germany	172	191	259	30.1	33.4	34.8	35.3
South Africa	0	51	138	0.0	8.8	18.6	172.8
Algeria	29	0	93	5	0	12.6	-
Saudi Arabia	263	186	61	46.1	32.5	8.2	-67.5
Cuba	0	24	47	0	4.1	6.3	97.9
Italy	11	1	33	1.9	0.1	4.4	-
Turkey	0	0	29	0.0	0	4.0	-
Norway	19	10	16	3.4	1.7	2.1	60.3
Mozambique	0	0	13	0	0	1.8	0
Portugal	4	5	11	0.8	0.9	1.5	112.3

Source: Polish Main Statistical Office

Chart 1: Poland, WMO Average Temperature in Sept.-December in Years 2018-20

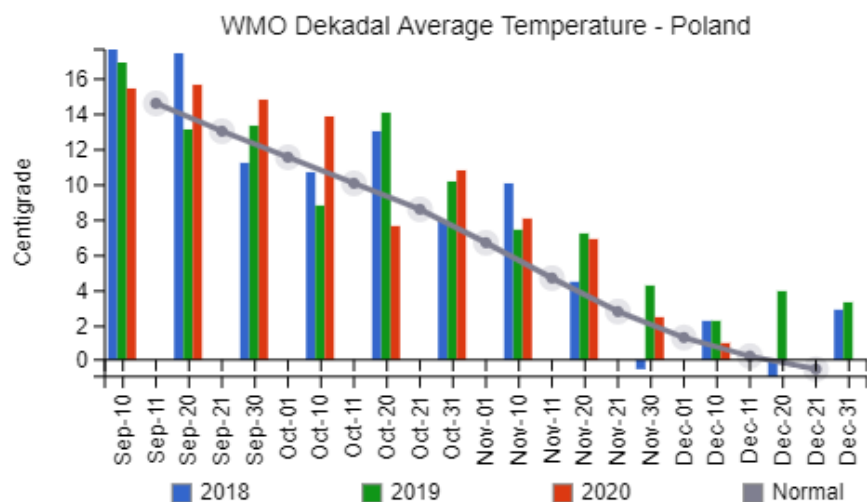
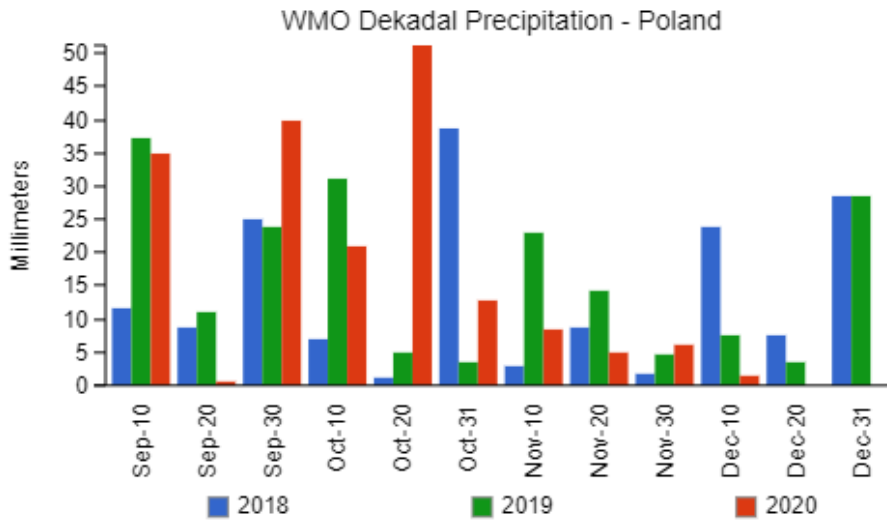


Chart 2: Poland, WMO Precipitation in Sept.-December in Years 2018-20




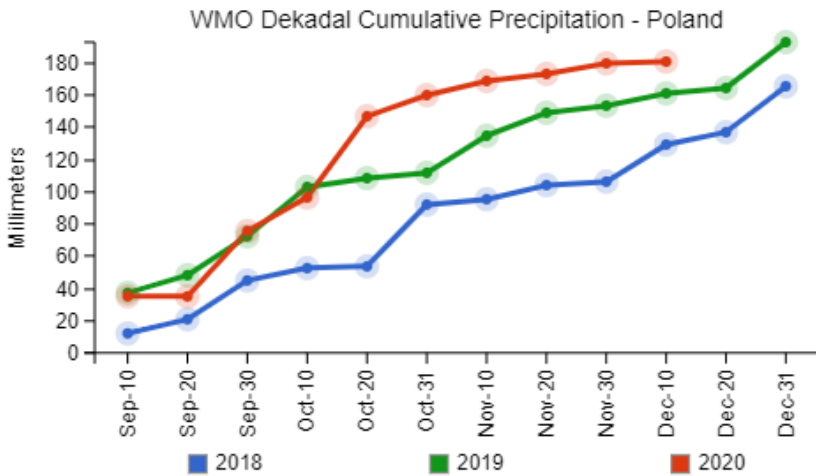


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 International Production Assessment Division

Chart 3: Poland, WMO Cumulative Precipitation in Sept.-December in Years 2018-20




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Attachments:

No Attachments.