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Spain

Grain and Feed

New Crop

2004

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Report Highlights:

Wet and relatively cool weather conditions, prevalent throughout most of Peninsular Spain since late March, have substantially improved prospects for the winter grain crop. Harvesting has begun in southern areas and good yields are reported. Prices for grains are declining dramatically and a higher use of grain in feed formulas is expected in MY 2004/05

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

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Summary

Wet and relatively cool weather conditions, prevalent throughout most of Peninsular Spain since late February 2004, have substantially improved prospects for the 2004 winter grain crop. Consequently, the 2004/05 production forecasts for wheat, barley, and other small grains have been increased. Prices for feed wheat and barley for July/December 2004 are in general about 20 percent lower than a year earlier levels. Under these prices conditions, grain consumption is expected to rise in MY 2004/05. For rice and corn, planting and emergence is reportedly progressing without problems; producers expect a record output of rice.

Current forecasts for 2004/05 grain crops are presented below:

	Area 2003/04 (1000 Has)	Production 2003/04 (1000 tons)	Area*2004/05 (1000 Has)	Production* 2004/05 (1000 tons)
Wheat	2,263	6,300	2,201	7,100
Barley	3,089	8,700	3,157	10,800
Corn	472	4,300	480	4,600
Oats	476	873	482	1,040
Rye	110	185	107	202
Sorghum	7	29	7	33
Total	6,417	20,387	6,627	23,775

*Forecast

Overview of the Spanish Feed-Livestock Sector

Marketing Year July/June	2002/03	2003/04	2004/05
Livestock Production (1,000 tons)			
Milk	6,900	6,920	6,950
Livestock Production (1,000 tons)			
Eggs (million pieces)	12,293	12,300	12,300
Pork	3,220	3,330	3,350
Beef & Veal	702	702	702
Lamb and Goat Meat	252	250	250
Poultry	1,330	1,339	1,330
Other Meats	128	119	122
Total Meat	5,632	5,740	5,754
Feed Production Capacity (1,000 tons)	33,500	34,000	34,000
Grain Used in Feeds (1,000 tons)			
Wheat	6,372	4,150	4,250
Corn	6,507	6,600	6,200
Barley	6,922	7,550	8,900
Sorghum	184	927	382
Oats	874	913	1,010
Total Grain	20,859	20,140	20,742

Protein Used in Feeds (1,000 tons)	2002/03	2003/04	2004/05
Soybean Meal	4,650	4,500	4,700
Other Protein Meal	744	825	816
Fish Meal	126	128	131
Total Protein	5,520	5,453	5,647
Other Feeds and Byproducts			
Corn Byproducts	1,090	1,050	900
Feed Peas	268	246	300
Tapioca	524	1,100	800
Palm Crude Oil	115	115	115
Alfalfa (dehydrated)	1,850	2,000	2,000
Molasses	900	900	900
Full Fat Soybeans	273	290	290
Other (bran and other grain by-products)	1,700	1,800	1,800
Total, Other Feeds and Byproducts	6,720	7,501	7,105
Total, All Inputs (1,000 tons)	33,099	33,094	33,494

Sources:

-For MY 2002/03 and MY 2003/04, GOS statistics

-For MY 2004/05, GOS statistics and FAS Madrid forecasts

Wheat

PSD Table

Country Commodity	Spain				(1000 HA)(1000 MT)		UOM
	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official	Estimate [DA Official]	USDA Official	Estimate [DA Official]	USDA Official	Estimate [New]	
Market Year Begin	07/2002		07/2003		07/2004		MM/YYYY
Area Harvested	0	2402	0	2263	0	2201	(1000 HA)
Beginning Stocks	0	450	0	450	0	450	(1000 MT)
Production	0	6782	0	6300	0	7100	(1000 MT)
TOTAL Mkt. Yr. Imports	0	5585	0	3600	0	3000	(1000 MT)
Jul-Jun Imports	0	5585	0	3600	0	3000	(1000 MT)
Jul-Jun Import U.S.	0	160	0	600	0	200	(1000 MT)
TOTAL SUPPLY	0	12817	0	10350	0	10550	(1000 MT)
TOTAL Mkt. Yr. Exports	0	1645	0	1100	0	1200	(1000 MT)
Jul-Jun Exports	0	1645	0	1100	0	1200	(1000 MT)
Feed Dom. Consumption	0	6372	0	4150	0	4250	(1000 MT)
TOTAL Dom. Consumption	0	10722	0	8800	0	8900	(1000 MT)
Ending Stocks	0	450	0	450	0	450	(1000 MT)
TOTAL DISTRIBUTION	0	12817	0	10350	0	10550	(1000 MT)

WHEAT: Due to the timely rains and moderate temperatures over the last three months, we have increased our 2004/5 forecast for total wheat output to about 7.1 million tons. This level of production would reduce imports accordingly.

Durum

PSD Table

Country	Spain						
Commodity	Wheat, Durum						
	(1000 HA)		(1000 MT)				
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [DA]	Official	Estimate [DA]	Official	Estimate [New]	
Market Year Begin	01/2002		01/2003		01/2004		MM/YYYY
Area Harvested	0	925	0	908	0	910	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	0	2073	0	2250	0	2500	(1000 MT)
TOTAL Mkt. Yr. Imports	0	182	0	150	0	150	(1000 MT)
Jul-Jun Imports	0	182	0	150	0	150	(1000 MT)
Jul-Jun Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	2255	0	2400	0	2650	(1000 MT)
TOTAL Mkt. Yr. Exports	0	1362	0	850	0	950	(1000 MT)
Jul-Jun Exports	0	1362	0	850	0	950	(1000 MT)
Feed Dom. Consumption	0	293	0	950	0	1100	(1000 MT)
TOTAL Dom. Consumpti	0	893	0	1550	0	1700	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	0	2255	0	2400	0	2650	(1000 MT)

Durum: Abundant rains and relatively low temperatures resulted in a delay in harvesting both durum and barley in the south. According to trade sources, harvesting began in the first week of June. For durum, a record crop is expected; however, heavy rains in May hurt the quality of the durum crop in some areas. According to trade sources, vitreous contents are low and some kernels have been affected by fungus. Much of this lower quality durum will go into feeds. The good crop expected in North Africa will likely hamper exports of Spanish durum.

Barley

PSD Table

Country Commodity	Spain		Barley		(1000 HA)(1000 MT)		UOM
	2002	Revised	2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official	Estimate [DA Official]	Estimate [DA Official]	Estimate [DA Official]	Estimate [New]		MM/YYYY
	07/2002	07/2002	07/2003	07/2003	07/2004		
Area Harvested	0	3100	0	3089	0	3157	(1000 HA)
Beginning Stocks	0	0	0	200	0	200	(1000 MT)
Production	0	8333	0	8700	0	10800	(1000 MT)
TOTAL Mkt. Yr. Imports	0	874	0	600	0	500	(1000 MT)
Oct-Sep Imports	0	874	0	600	0	500	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	9207	0	9500	0	11500	(1000 MT)
TOTAL Mkt. Yr. Exports	0	85	0	50	0	300	(1000 MT)
Oct-Sep Exports	0	85	0	50	0	300	(1000 MT)
Feed Dom. Consumption	0	6922	0	7550	0	8900	(1000 MT)
TOTAL Dom. Consumption	0	8922	0	9250	0	10600	(1000 MT)
Ending Stocks	0	200	0	200	0	600	(1000 MT)
TOTAL DISTRIBUTION	0	9207	0	9500	0	11500	(1000 MT)

BARLEY: The recent rains and unseasonably cool temperatures have improved prospects for the barley crop. As a result, the production forecast was raised to 10.8 million tons. Most of the crop will be consumed domestically, although some may be exported to Portugal. Barley prices have been declining steadily since April.

Oats

PSD Table

Country Commodity	Spain				(1000 HA)(1000 MT)		UOM
	2002	Revised	2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official [Estimate [DA	Official [Estimate [DA	Official [Estimate [New]	
	07/2002		07/2003		07/2004		MM/YYYY
Area Harvested	0	473	0	476	0	482	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	0	916	0	873	0	1040	(1000 MT)
TOTAL Mkt. Yr. Imports	0	86	0	150	0	80	(1000 MT)
Oct-Sep Imports	0	90	0	150	0	80	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	1002	0	1023	0	1120	(1000 MT)
TOTAL Mkt. Yr. Exports	0	38	0	20	0	20	(1000 MT)
Oct-Sep Exports	0	38	0	20	0	20	(1000 MT)
Feed Dom. Consumption	0	874	0	913	0	1010	(1000 MT)
TOTAL Dom. Consumpti	0	964	0	1003	0	1100	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	0	1002	0	1023	0	1120	(1000 MT)

The favorable weather and new varieties of oats could result in a record crop in CY 2004.

Rye

PSD Table

Country Commodity	Spain		Rye		(1000 HA)(1000 MT)		UOM
	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official	Estimate [DA]	Official	Estimate [DA]	Official	Estimate [New]	
Market Year Begin	07/2002		07/2003		07/2004		MM/YYYY
Area Harvested	0	102	0	110	0	107	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	0	174	0	185	0	202	(1000 MT)
TOTAL Mkt. Yr. Imports	0	225	0	500	0	400	(1000 MT)
Oct-Sep Imports	0	225	0	500	0	400	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	399	0	685	0	602	(1000 MT)
TOTAL Mkt. Yr. Exports	0	10	0	10	0	10	(1000 MT)
Oct-Sep Exports	0	10	0	10	0	10	(1000 MT)
Feed Dom. Consumption	0	369	0	655	0	372	(1000 MT)
TOTAL Dom. Consumption	0	389	0	675	0	592	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	0	399	0	685	0	602	(1000 MT)

RYE: The price for imported rye for delivery in July thru November 2004 is about 125 euros per MT in Spanish ports. At this price, rye will be the cheapest grain in Spanish market for the next few months.