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Romania

Oilseeds and Products

Oilseed Update (November)

2000

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Report Highlights:

Severe drought throughout Romania contributed to significant reductions in the MY 2000 domestic oilseed crop. New crop production fell 45 percent for sunflowerseed and 55 percent for soybeans in comparison to 1999. MY 2000 estimated shortfalls are 250,000 MT for sunflowerseed, and 200,000 MT for soybeans, and 20,000 MT of vegetable oil. As a result, the GOR has requested US\$100 million in GSM 103 financing to use as a means to make up for the shortfall and meet domestic demands. In recent years, Romania was a significant sunflowerseed oil exporter. In view of this years reduced crop, AgBucharest does not anticipate any sunflowerseed oil exports for MY2000/2001.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Bucharest[RO1], RO

Production

Severe dry weather conditions during October 2000 allowed producers to increase the pace of the harvesting activity. According to information released by the GOR Ministry of Agriculture, as of October 30, 2000, sunflowerseed harvesting was completed. The GOR reported that sunflowerseed production in CY 2000 totaled 700,000 MT. This was the overall production harvested from an area of 855,000 hectares planted. CY 2000 sunflowerseed yields averaged 818 kilograms per hectare. These were disappointing results, compared to CY 1999 yields of 1.3 MMT from an area of 1.05 million hectares, or 1,238 kg per hectare. This 51 percent decline in sunflowerseed yields for CY 2000, reflect the severity of this year's drought and reduced use of inputs by farmers, such as fertilizers, irrigation and agricultural chemicals.

With harvesting near completion, it is apparent to Romanian producers and agricultural officials that soybean supplies also suffered, as a result of Romania's CY 2000 drought. From a total area of 100,000 hectares planted, the output of soybean for CY 2000 is estimated to be 70,000 MT (according to the GOR Ministry of Agriculture). Like sunflowerseed, soybean yields were extremely low this year, averaging only 704 kilograms per hectare, compared to 1,938 kilograms per hectare in CY 1999. Lack of irrigation on farms was a large factor in decreased production this year. In addition, the size of the beans were much smaller than that of the previous year, which reduced the protein content. Farmers were unable to irrigate land appropriately, because they lacked the financial resources to pay for proper irrigable water. Because of high prices the use of other inputs, such as fertilizers and pesticides by farmers were extremely low, which also reduced the average yields per hectare by 64 percent.

The southern (Wallachia), eastern (Dobrogea), and south-eastern (southern part of Moldova - Romanian region) are where sunflower and soybeans are predominately grown and harvested. It was in these regions where the CY 2000 drought hit the hardest, negatively impacting both total production and yields of oilseed crops.

Following are AgBucharest's oilseed harvested area and production estimates, based on various Romanian agricultural and trade sources:

Romanian Oilseed Area and Production Estimates						
	Harvested Area (1,000 HA)			Production (1,000 MT)		
	1998	1999	2000	1998	1999	2000
Sunflowerseed	820	1,050	855	970	1,300	700
Soybean	145	80	100	200	155	70

Source: Official data (1998 and 1999) and AgBucharest estimates (2000)

Romanian Oilseed Prices - On-Farm

Crop	Domestic Price (US\$)	
	1999	2000
Sunflowerseed	\$150-160/MT	\$155-165/MT
Soybeans (whole beans)	\$180-185/MT	\$185-200/MT

Source: AgBucharest estimates based on Romanian private sources.

Trade

This year's reduced oilseeds crops will not meet the domestic demand for protein meal (sunflower and soybean), as well as contribute to a shortfall in both oilseeds and vegetable oil. The GOR's Ministry of Agriculture estimates a deficit of 250,000 MT of sunflowerseeds, 200,000 MT of soybeans, and 20,000 MT of vegetable oil for MY2000/2001. Reduced fodder supplies have resulted in the increased slaughtering of livestock, thus limiting the demand for feed. In addition, the shortage in oilseeds have negatively impacted byproduct production of soybean meal and sunflowerseed oil. The GOR has expressed interest in importing quantities under the GSM-103 program. The GOR requires an official phyto-sanitary certificate that is issued by a certified officer stating that the product is free of any quarantined weeds and or pests (*Caulophilus latinasus* and *Trogoderma granaria*) for imports of oilseeds into Romania.

During CY2000, Romania imported 38,000 MT of soybean meal, of which 32,000 MT from Argentina and 6,000 MT from Greece. Romania did not import any of oilseeds (sunflowerseed and soybean) or sunflowerseed meal during this period.

Import Tariffs

The following table lists the 2000 import duties:

HTS Code	Commodity	General Duty	EU ¹	CEFTA ²
1201.00.99	Soybeans	30	30	30
1206.00.99	Sunflowerseed	0	0	0
1507	Soybean oil	25	25	0
1512.11.91	Sunflowerseed oil	40	40	40
2304.00.00	Soybean meal (incl. pellets)	5	0	0

2306.30.00	Sunflowerseed meal (Incl. pellets)	10	10	0
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¹This is a preferential duty given to EU member countries as part of a pre-accession step for Romania.

²CEFTA stands for the Central European Free Trade Agreement. CEFTA includes Poland, Czech Republic, Slovakia, Slovenia, Hungary, Romania, and Bulgaria, who have agreed to reciprocal duties, for specified products under CEFTA, on annual basis.