

Voluntary Report – Voluntary - Public Distribution

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Report Name: Oilseeds and Products Market Update

Country: Bulgaria

Post: Sofia

Report Category: Oilseeds and Products

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Report Highlights:

Bulgarian rapeseed production in marketing year (MY) 2020/21 is forecast lower at 300,000 metric tons (MT), an all-time low. Post forecasts the sunflower crop to surpass last year and reach 2.0 million metric tons (MMT). Bulgaria's total MY 2019/20 oilseed harvest dropped two percent from MY 2018/19 due to lower average yields. Lower stocks and an uptick in the sunflower crush lowered sunflower seed exports and spurred Bulgaria to become the European Union's (EU) largest sunflower seed importer, accounting for 34 percent of total EU sunflower seed imports. The higher crush, as of late June 2020, also made Bulgaria the EU's leading sunflower oil and meal exporter, with 37 percent and 44 percent, respectively, of total EU sunflower oil and meal exports.

Weather Overview

The fall 2019 winter crop planting season was excessively dry, followed by a mild and dry 2019/20 winter. According to the EU Monitoring Agricultural Resources (MARS) Bulletin [Vol. 28, No 6](#), near-to above-average levels of rainfall in June improved growing conditions for sunflower, but arrived too late to significantly improve rapeseed yields. Rains during the first and last weeks of May were also not enough to meet the needs of the rapeseed crop. Dry conditions were especially pronounced in eastern Bulgaria. May through mid-June brought alternating warm weather followed by unseasonably chilly weather. As of mid-June, rapeseed field soil moisture levels were mostly below average, except in western Bulgaria, where average levels prevailed. The sunflower crop benefited from increasing rainfall in most production regions.

MY 2020/21 Forecast

Post currently estimates Bulgaria's rapeseed crop at 300,000 MT (2.58 MT/HA). The Bulgarian Ministry of Agriculture (MinAg) reported on July 9, 2020, the rapeseed area planted at 116,000 hectares (HA), down 26 percent from last year (Table 3). The major reason for the reduced rapeseed area was the dry planting conditions in fall 2019 and replanting the worst fields with spring crops in spring 2020. MinAg also reported a 15-percent decrease in average yields and a 31-percent production decline from the previous year.

As of July 9, MinAg reported the rapeseed harvest to be 62 percent complete. Average yields were listed at 2.23 MT/HA and reported production was 161,000 MT (Table 3). As a result, Bulgaria's rapeseed crop this MY may reach an all-time low. Private estimates for yields vary from 2.2 MT/HA to 2.6 MT/HA.

Post currently forecasts Bulgaria's sunflower production at 2.0 MMT (2.4 MT/HA). The lower rapeseed area resulted in expanded sunflower acres, as farm-gate prices and crush demand remained strong. High-oleic varieties were more widely planted. As of June, MinAg reported 819,000 HA under sunflower production, a 10-percent area increase over last MY (Table 3). Private production estimates vary from 2.2 MT/HA to 2.5 MT/HA, putting total production estimates from 1.8 MMT to 2.05 MMT.

MY 2019/20 Production Estimates and Trade

According to official data, the total MY 2019/20 oilseed area harvested was almost on par with MY 2018/19, although year-on-year production decreased by two percent due to lower yields (Table 1).

Rapeseed:

Rapeseed exports from July 2019 to March 2020 started strong due to intra-EU demand and favorable market prices (Graph 1). According to Eurostat/Trade Data Monitor (TDM), exports during this period reached 366,000 MT. MinAg reported exports as of the end of the MY (June 30) at 368,000 MT, nine percent below last year (Table 2). Bulgaria's rapeseed export markets consist entirely of other EU Member States, mainly the Netherlands (144,000 MT), Belgium (144,000 MT), Germany (53,000 MT), and Romania (21,000 MT).

Ending stocks as of June 30 were reported at only 2,600 MT, compared to 6,800 MT from the same period in MY 2018/19. Bulgaria's rapeseed crush is estimated slightly downward due to the lower domestic crop and stocks, and strong global demand. According to MinAg, the MY 2019/20 crush was five percent below MY 2018/19.

Rapeseed meal exports during the first nine months of the MY were reported at 31,000 MT (Eurostat/TDM), down from 61,000 MT during the same time last MY. The main markets were Ireland (20,000 MT) and Italy (6,000 MT). Rapeseed oil exports during the same period were about 10,000 MT, or roughly double the oil exports during the same period from the previous MY (4,900 MT). The main export destination was Germany (9,900 MT).

Sunflower:

Post expects the Bulgarian sunflower crush to increase due to favorable market demand and new crushing-capacity improvements. Demand by crushers for sunflower seeds has been robust and farm-gate prices have increased as a result (Graph 1).

Sunflower seeds imports in the first half of the MY (October 2019-March 2020) increased to 618,000 MT (Eurostat/TDM), over triple than last year's 165,000 MT due to low beginning stocks, a smaller crop, competitive import prices, available Black Sea supplies, and strong demand by crushers. Bulgarian importers mostly sourced sunflower seeds from Romania (270,000 MT), Russia (224,000 MT), Moldova (86,000 MT), and Ukraine (30,000 MT). As of early July, MinAg reported imports at 706,000 MT.

According to EU [Customs data](#), in MY 2019/20 (June 30, 2019-July 1, 2020), Bulgaria imported 360,000 MT from non-EU countries, making it the EU's leading sunflower importer, with 34 percent of total EU sunflower seed imports (1.04 MMT). Bulgarian imports from Russia (245,000 MT) accounted for 68 percent of its non-EU imports.

Sunflower seed exports during the first half of MY 2019/20 were 375,000 MT, a 12-percent decline from the previous year due to more favorable domestic demand. Major export markets included the Netherlands (101,000 MT), Germany (49,000 MT), the United States (37,000 MT) and the United Kingdom (33,000 MT). MinAg reported exports as of early July at 455,000 MT (Table 2).

[EU Customs](#) reported Bulgarian MY exports to non-EU countries at 262,000 MT, 54 percent of total EU sunflower seed exports (485,000 MT). Stocks as of June 30 were officially reported at 596,000 MT, triple more than 195,000 MT at the same period in MY 2018/19.

During the first half of MY 2019/20, sunflower oil exports increased to 266,000 MT, 18- percent higher over the same period the previous year (Eurostat/TDM). The main export destinations were South Africa (63,000 MT), Greece (45,000), Morocco (32,000 MT), Spain (24,000 MT), and Italy (19,000). [EU Customs](#) reported Bulgarian sunflower oil exports to non-EU countries in MY 2019/20 at 198,000 MT, making Bulgaria the EU's leading sunflower oil exporter, accounting for 37 percent of total EU sunflower oil exports (527,000 MT).

Sunflower meal exports during the same period reached 300,000 MT, a six percent increase over the same period the previous year. [EU Customs](#) reported Bulgarian exports in MY 2019/20 to non-EU countries at 198,000 MT, 44 percent of total EU sunflower meal exports (445,000 MT). Sunflower meal exports were driven by lower domestic demand, as feed millers were hit hard by the African swine fever outbreak between July 2019 and February 2020. Commercial swine operations began to repopulate in March/April and domestic demand for meal has stabilized.

Soybeans and Products: Soybean meal demand has grown, particularly among Bulgaria’s poultry industry. In the first half of MY2019/20 (October 2019-March 2020), imports (74,000 MT) were 12 percent higher over the same period in the previous MY. The current uptick in feed demand is likely to sustain moderate growth of soybean meal imports in the current MY.

Table 1: Final Oilseed Crops Production Data, MY 2019/20 and MY 2018/19, July 2020

Crops	Area Harvested (HA)		Production (MT)	
	MY 2019/20	MY 2018/19	MY 2019/20	MY 2018/19
Soybeans	3,860	2,320	7,570	4,730
Rapeseed	151,200	182,620	432,500	472,590
Sunflower	815,560	788,660	1,937,210	1,943,980
Total	970,620	973,600	2,377,280	2,421,300

Source: Eurostat data based on EU standard moisture content, 9.0 percent for both rapeseed and sunflower, updated as of July 2020. Bulgarian MinAg national estimates (based on 8.1 percent for rapeseed and 7.9 percent for sunflower) are shown [here](#).

Table 2: Rapeseed and Sunflower Seeds Exports, MY 2019/20 vs MY 2018/19, MT

	MY 2019/20	MY 2018/19	Difference, in Percentage
Total Rapeseed Exports (as of June 30, 2020)	368,010	404,095	-9.0%
--To EU markets	368,010	403,630	-8.9%
--To non-EU markets	0	465	
Total Sunflower Imports (as of July 10, 2020)	705,733	148,850	+474.0%
Total Sunflower Exports (as of July 10, 2020)	454,940	734,932	-38.0%
--To EU markets	372,158	649,782	-43.0%
--To third countries	82,782	85,150	-2.8%

Source: MinAg Weekly Bulletins

Table 3: Oilseeds Area Planted and Harvested, MY 2020/21 and MY 2019/20, July 2020

Area Planted Oilseed Crops, MY 2019/20 and MY 2020/21, HA			
	July, 2019	July, 2020	Difference, in Percentage
Soybeans (planted)	2,900	NA	NA
Rapeseed	156,961 (planted) 89,692 (harvested as of July 11, 58%)	116,003 (planted) 72,077 (harvested as of July 9, 62%)	-26.0% -20.0%
Sunflower (planted as of the middle of June)	742,027	818,886	+10.4%

Source: MinAg Bulletins

Table 4: Post MY 2020/21 Estimates for Major Oilseeds as of July 2020

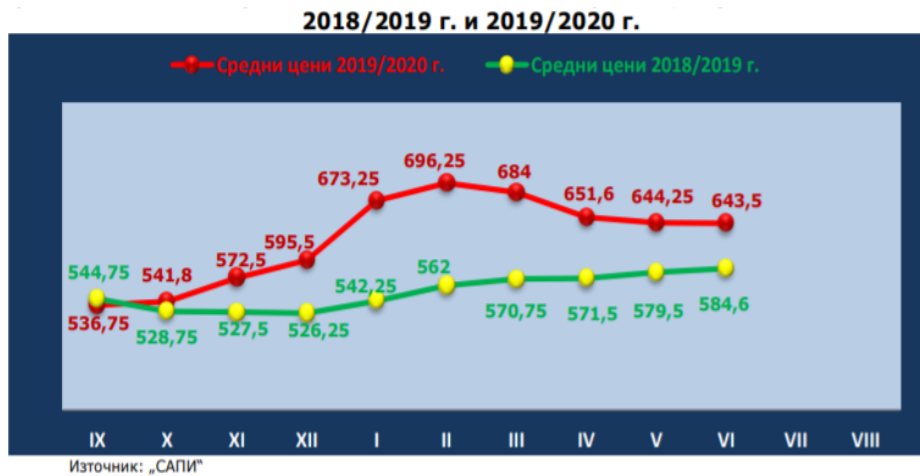
Crops	Area Harvested, HA	Production, MT
Soybeans	5,000	6,000
Rapeseed	110,000	300,000
Sunflower	820,000	2,000,000

Graph 1: Average farm-gate prices for rapeseed and sunflower in Bulgaria, by months, MY 2019/20 (in red) and MY 2018/19 (in green), in Bulgarian leva (1.95 Bulgarian leva=1.0€)

Rapeseed:

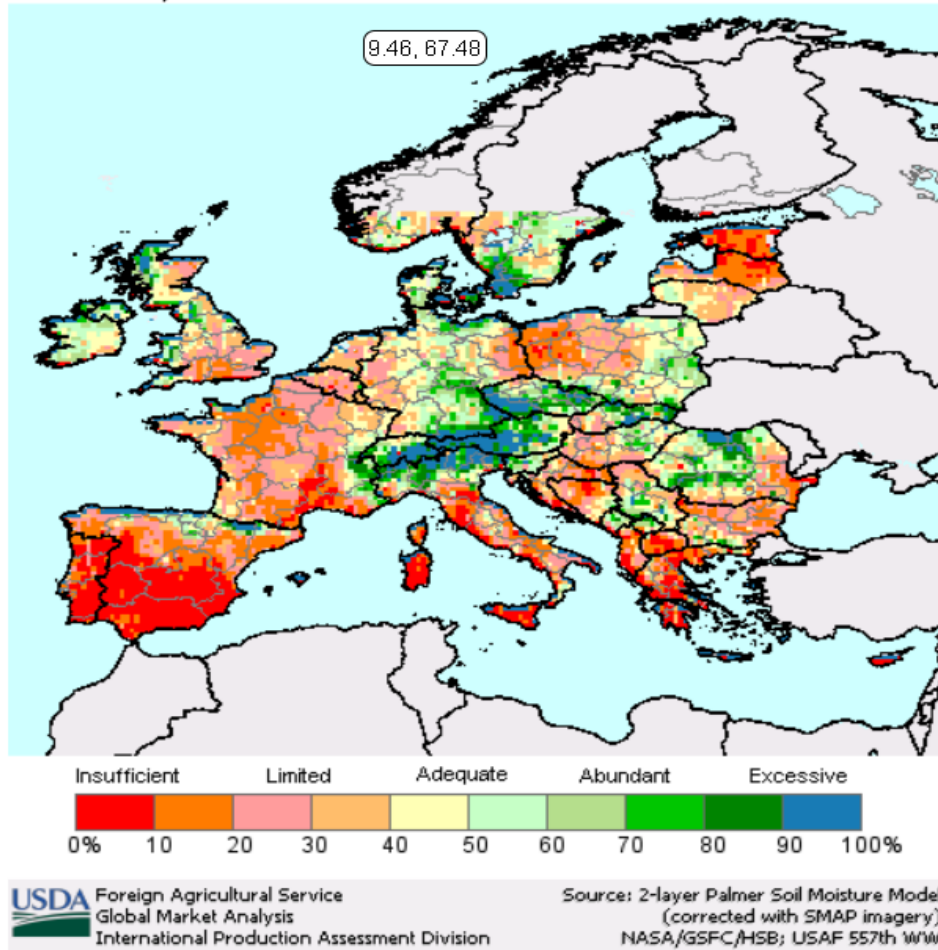


Sunflower:



Source: Bulgarian MinAg

Map 1: Percent of Soil Moisture, Europe, July 1-3, 2020
Percent Soil Moisture (SMAP)
Jul. 1 - Jul. 3, 2020



Attachments:

No Attachments.