

**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:**

Post forecasts a decline in Bulgaria's rapeseed area planted and production in marketing year (MY) 2020/21 due to dry fall planting conditions. Post estimates Bulgaria's sunflower crop in MY 2019/20 will be lower than previous forecasts due to drought conditions in July and August. The MY2019/20 rapeseed crush is projected lower than last year, while the sunflower crush is likely to increase. Reductions in Bulgaria's swine herd following the summer African swine fever (ASF) outbreak will decrease demand for oil meals, including imported of soybean meal.

## Weather Overview

According to EU MARS data ([Bulletin Vol.27, No.10](#), October 2019), after a dry and hot summer, Bulgaria saw little precipitation through the first half of September and average temperatures were 1-3.5°C above normal. Despite some rain in the latter half of September, drought conditions continued from mid-October through mid-November. Rainfall levels along the Danube from September 1 to October 20 were lowest, at 15-30 mm. Rainfall in other areas varied between 35 and 70 mm (about 20-50 percent of the long-term average). Dry and warm weather returned during the first half of November, with satellite [images](#) indicating that Bulgaria was one of the driest countries in Europe (Maps 1 and 2, Graph 1), particularly in northwestern and northcentral regions. [Temperatures](#) and [evaporation stress](#) through mid-November were above average. Rain and lower temperatures arrived during the third week of November and helped rapeseed development, although yield losses may still occur. The dry and hot weather in July and August reduced sunflower yields below earlier forecasts. Favorable weather during the September sunflower harvest assisted farmers.

## MY2020/21 Forecast

According to the Bulgarian Ministry of Agriculture (MinAg), the area planted for rapeseed as of November 14 was 116,000 HA, 28 percent lower compared to last year (Weekly Bulletin #46, November 20, 2019). The major reason behind the reduction in area planted was the dry planting conditions, despite the encouraging market prices. The decrease in the rapeseed area may lead to an expansion in the sunflower area in spring 2020, especially if farm-gate prices and the crush demand remains strong. Due to the dry planting conditions, Post expects rapeseed yields will not exceed average levels.

## MY2019/20 Production Estimates and Trade

Total oilseed area harvested in MY 2019/20 decreased by two percent and production by six percent compared to MY 2018/19 (Table 1). Final crop estimates for sunflower were lower than previously expected due to unfavorable dry and hot late-summer weather (July-August).

**Rapeseed:** Eurostat and MinAg [weekly bulletins](#) data (Weekly Bulletin #35, September 4, 2019) show rapeseed production at 400,265 MT from 152,0375 HA area harvested (Table 1). This is in line with earlier Post expectations.

Rapeseed exports in July-November 2019 started strong due to favorable intra-EU demand and favorable market prices (Table 3 and Graph 2). However, according to MinAg data, exports lag behind last year by about 20 percent. So far this MY, all Bulgarian rapeseed exports have been sent to other EU markets. Lower stocks in MY 2019/20 compared to last season, coupled with favorable export demand, may reduce the local rapeseed crush. Post estimates rapeseed exports in MY2019/20 at about 350,000 MT. Imports are likely to grow compared to last season, particularly from Ukraine.

MY2019/20 beginning stocks were reported at a low level of 6,800 MT. Mid-November stocks were reported at 78,000 MT, above the 44,000 MT of stocks from the same period in MY2018/19.

**Sunflower:** MinAg weekly data as of November 14 shows 743,000 HA area harvested under sunflower and production of 1.71 MMT. Official Eurostat data indicates a higher area harvested and production (Table 2). Unfavorable dry and hot weather in July and August decreased average yields and production estimates. Local traders' estimates vary from 1.7 MMT to 2.0 MMT. Post's current estimate for the sunflower crop is at 1.9 MMT (Table 4).

Post expects the local sunflower crush to increase this season due to favorable markets and new investments in crushing capacities. Demand by crushers has been strong and farm-gate prices began to increase (Graph 2). The domestic crush and de-hulling in the previous MY2018/19 is estimated at 1.6-1.7 MMT. Post expects this level will continue in the current MY or increase slightly. Reportedly, sunflower imports are coming from Romania, Russia, and Moldova based on competitive prices. Some private industry sources forecast lower exports of sunflower seeds, increased imports, and a potential deficit by the end of the MY. Sunflower seeds exports as of November 15 are indicated in Table 3.

MY2019/20's lower crop compared to the previous year, and strong domestic demand are likely to lower ending stocks. The MY started with reported ending stocks at 60,000 MT as of late August. Stocks as of mid-November were officially reported at 1.3 MMT, down from 2.0 MMT from mid-November MY2018/19.

**Soybeans and Products:** Bulgaria is a negligible producer and user of soybeans. Although soybean meal demand has grown relative to poultry and swine industry growth, the ASF outbreak in summer 2019 reduced the total swine herd and lowered soybean meal demand and imports (Table 2).

### **Policy**

Oilseed traders are preparing for a new highway toll system in Bulgaria which will include most highways and major roads, leaving rural roads unlevied. The oilseed industry has expressed concerns that the new road tolls may add additional costs and make Bulgarian commodity exports less competitive. The toll system is scheduled to be introduced in the beginning of 2020.

**Appendix:**

**Table 1: Oilseed Crops Production Data MY2018/19 and MY2019/20 (November 2019)**

Crops	Area Harvested (HA)		Production (MT)	
	MY 2019/20	MY 2018/19	MY 2019/20	MY 2018/19
Soybeans	4,730	2,315	6,280	4,630
Rapeseed	150,000	182,619	400,000	472,590
Sunflower	800,000	788,656	1,870,330	1,943,980
Total	954,730	973,590	2,276,610	2,421,200

Source: Eurostat data based on EU standard moisture content- updated as of November 2019

**Table 2: MY2018/19 Trade in Major Oilseed Crops and Products as of November 15, 2019**

Types of Grains	Imports, MT	Exports, MT
Soybeans	2,355 MT	1,817 MT
Soybean meal	103,408 MT	11,648 MT
Soybean oil	16,041 MT	415 MT
Rapeseed	4,410 MT	369,805 MT
	9,860 MT (MinAg, Weekly Bulletin June 30, 2019)	404,095 MT including 465 MT to non-EU countries (MinAg)
Rapeseed meal	3,347 MT	47,228 MT
Rapeseed oil	9,399 MT	18,237 MT
Sunflower seeds	177,452 MT	602,816 MT
	162,400 MT (MinAg, Weekly Bulletin of August 31, 2019)	745,230 MT including 85,150 MT to non-EU countries (MinAg)
Sunflower meal	295 MT	300,789 MT
Sunflower oil	30,762 MT	347,672 MT

Source: Trade Data Monitor unless indicated as Bulgarian MinAg weekly bulletins.

**Table 3: MY2019/20 Trade in Major Oilseed Crops and Products as of November 15, 2019**

Types of Grains	Imports, MT	Exports, MT
Soybeans	33 MT from non-EU countries (EU Customs, November 18, 2019)	NA
Soybean meal	4,026 MT from non-EU countries (EU Customs, November 18, 2019)	NA
Soybean oil	6,221 MT from non-EU countries (EU Customs, November 18, 2019)	NA
Rapeseed	16,800 MT (MinAg) 10,847 MT (TDM, July-September 2019)	318,762 MT (MinAg)

	14,884 MT imports from non-EU countries (EU Customs, November 18, 2019)	
Rapeseed meal	0	32,939 MT (TDM, July-September) 1,699 MT exports to non-EU countries (EU Customs, November 18, 2019)
Rapeseed oil	63 MT (TDM, July-September 2019)  17 MT from non-EU countries (EU Customs, November 18, 2019)	2,057MT (TDM, July - September)  14 MT exports to non-EU countries (EU Customs, November 18, 2019)
Sunflower seeds	38,700 MT (MinAg)  46,498 MT imports from non-EU countries (EU Customs, November 18, 2019)	155,135 MT (MinAg, including 22,554 MT to non-EU countries),  46,992 MT exports to non-EU countries (EU Customs, November 18, 2019)
Sunflower meal	0	73,183 MT exports to non-EU countries (EU Customs, November 18, 2019)
Sunflower oil	2,557 MT from non-EU countries (EU Customs, November 18, 2019)	36,453 MT exports to non-EU countries (EU Customs, November 18, 2019)

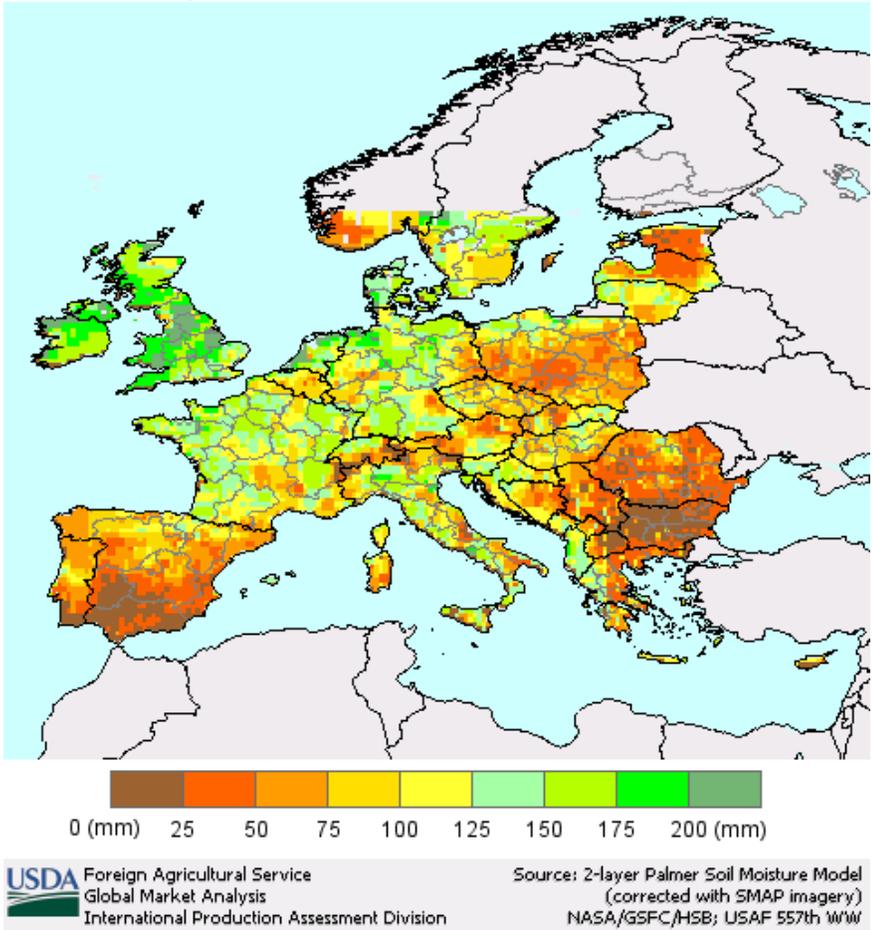
Note: EU Customs data shows different imported and exported quantities for third countries, please, see details [here](#).

Source: Trade Date Monitor (TDM), EU Customs data and Bulgarian MinAg weekly bulletins.

**Table 4: Post MY2019/20 Estimates for Major Oilseeds as of November 2019**

Crops	Area Harvested, HA	Production, MT
Soybeans	2,700	5,100
Rapeseed	150,000	400,000
Sunflower	800,000	1,900,000

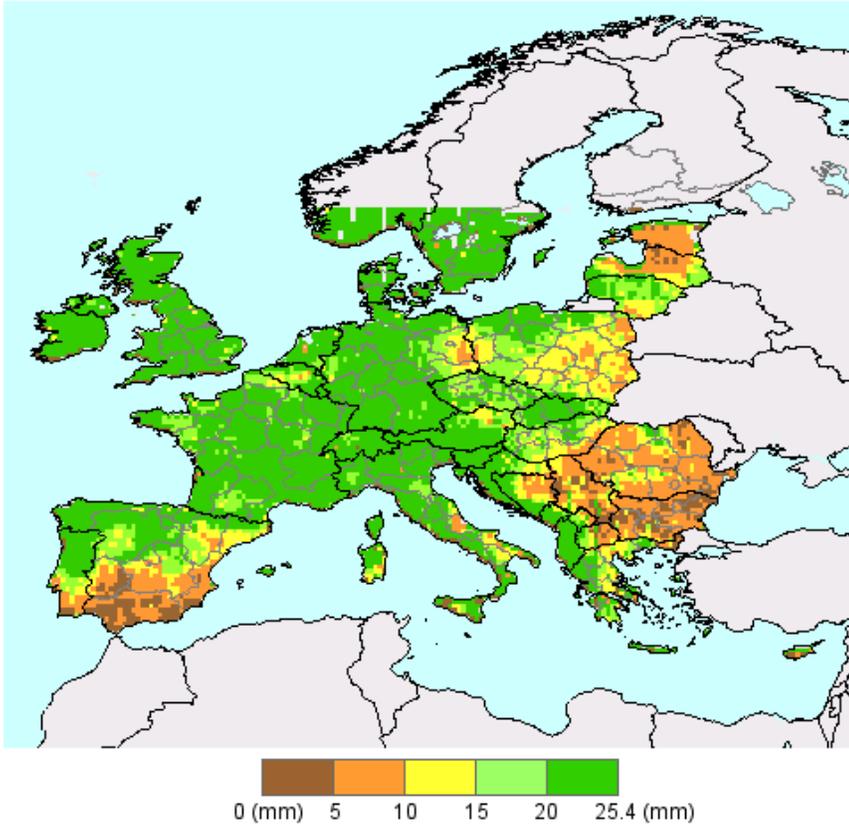
**Map 1: USDA Crop Explorer, Subsurface Soil Moisture November 13-15, 2019**  
**Subsurface Soil Moisture (SMAP)**  
Nov. 13 - Nov. 15, 2019



**Map 2. USDA Crop Explorer, Surface Soil Moisture November 13-15, 2019**

**Surface Soil Moisture (SMAP)**

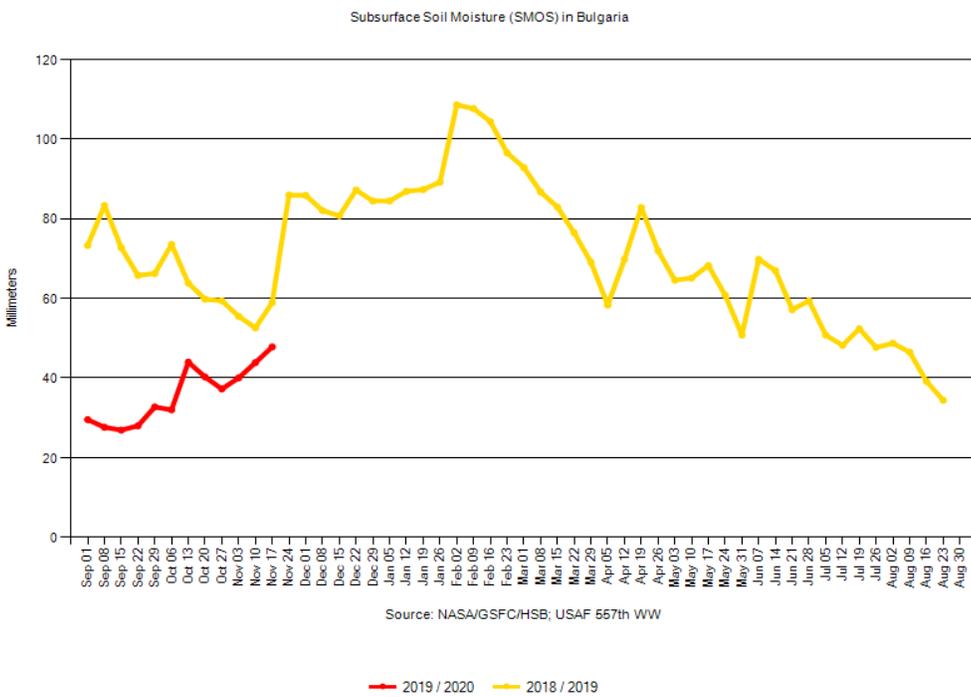
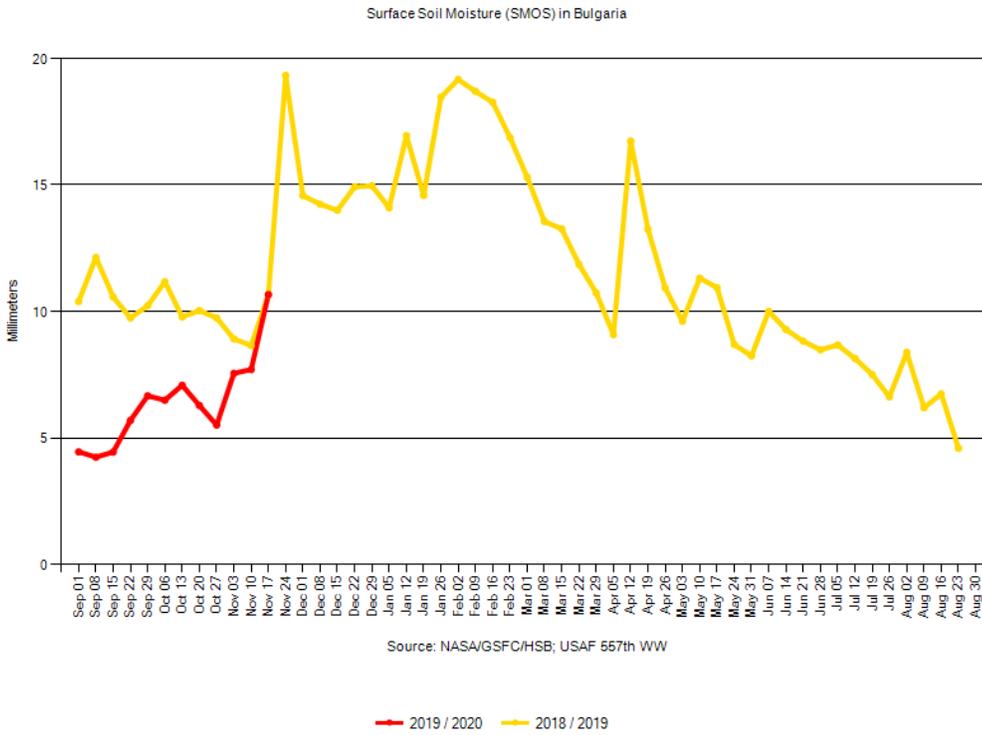
Nov. 13 - Nov. 15, 2019



**USDA** Foreign Agricultural Service  
Global Market Analysis  
International Production Assessment Division

Source: 2-layer Palmer Soil Moisture Model  
(corrected with SMAP imagery)  
NASA/GSFC/HSB; USAF 557th WW

**Graph 1. Surface and Subsurface Soil Moisture, Bulgaria, November 2018 and 2019**



**Graph 2. Average farm-gate prices for wheat, barley and corn in Bulgaria, by months, MY2019/20 (in red) and MY2018/19 (in green), in Bulgarian leva (1.95 Bleva=1.0€)**

Source: Bulgarian MinAg

Rapeseed:



Sunflower:



**Attachments:**

No Attachments.