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GAIN Global Agricultural Information Network

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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:

FAS/Sofia expects a lower Bulgarian rapeseed crop in marketing year (MY) 2024/25, falling by four percent from last year to about 200,000 metric tons (MT), due to a combination of reduced harvested area and unfavorable weather. Conversely, the sunflower crop is projected to grow to 2.1 million MT (MMT) from 1.8 MMT in MY 2023/24, due to optimal spring climate and planting conditions. In MY 2023/24, Bulgaria became a net importer of rapeseed with growing trade driven by expanding domestic crush capacities. Despite a small drought-hit sunflower crop in MY 2023/24 and limited imports, Bulgaria actually increased its sunflower crush by reducing its sunflower seed exports. This allowed Bulgaria to keep its position as the top EU exporter of sunflower oil (mainly to South Africa and Egypt), and second EU leading exporter of sunflower meal, mainly to China.

Weather Overview
Bulgaria has enjoyed favorable weather so far in the current growing season for the marketing year (MY) 2024/25 for the spring oilseed crops (sunflower and soybeans), but less favorable conditions for the winter rapeseed crop.

The fall of 2023 was challenging for rapeseed planting due to dryness. The winter was mild, but dryness continued until mid-March. Then this was followed by an unusually warm period in the first half of April. During that period, the country had warmer-than-usual conditions with temperature anomalies up to 4°C above the long-term average in parts of Bulgaria. High temperatures and low soil moisture levels during this period negatively affected the flowering period of rapeseed. Warmer weather accelerated the progress of the crop by 1–2 weeks and led to expectations for an early harvest. Since the middle of April, average to moderately below-average temperatures have prevailed, but these colder-than-usual conditions were accompanied by long-awaited rainfall. About 60–150 mm of rain was recorded (exceeding the long-term average by 10–15 percent), and some areas in the northwest of Bulgaria received slightly below average precipitation. Much wetter than usual conditions (rainfall totals of 100 percent, and in some regions 150 percent or more, above the long-term average) were observed on the Black Sea coast. Abundant rainfall has improved soil moisture conditions.

Sunflower planting started early, in late March, thanks to unusually high temperatures. From mid-April, weather conditions became rainy and colder, slowing down the progress of sowing. However, dry periods between rainfalls allowed advanced progress of the spring planting, while the rains supported adequate emergence, and initial plant growth and development. (JRC MARS Bulletin May 2024 Vol 32 №5 and Maps 1-9 Crop Explorer and Bulgaria data). Thus, sufficient rainfall and warm temperatures allowed for early completion of the spring planting of sunflower and soybeans in the optimal time window, creating expectations of better yield potential than last year. Satellite maps show a much wetter and warmer season (March-May) (Maps 1, 3, 4, 6, 7, 8, 9), especially in Bulgaria's major oilseeds production regions.

MY 2024/25 Outlook
Rapeseed: Due to the dry and warm fall weather, field work for rapeseed planting were challenging. The Ministry of Agriculture (MinAg) reported area planted to rapeseed at 97,100 hectares (HA) as of November 23, down 13.4 percent compared to the corresponding period in the previous year (GAIN report). The winter/early spring dryness in 2024 continued to negatively affect the rapeseed development and farmers undertook spring reseeding of fields by substituting rapeseed mainly with sunflower. As a result, as of June 6 the MinAg reported only 75,500 HA of rapeseed area to be harvested, 22 percent less than what was planted in the fall. This is also six percent lower than the area harvested in MY 2023/24 (see updated final data for MY 2023/24 in Table 1). A similar pattern existed in the previous season when area harvested declined by almost 30 percent compared to area planted (113,000 HA area planted in the fall of 2022 and area harvested at 80,000 HA in 2023). Growing rapeseed is losing popularity among farmers due to increasing pressure from pests caused by the EU ban on neonicotinoids, climate changes leading to winter dryness, and a limited window of only a few months of substantial domestic demand for rapeseed.

Currently, private estimates for rapeseed production vary widely from 190,000 MT to 306,000 MT, with yields projected from 2.5 MT/HA (2.62 MT/HA per JRC MARS Bulletin May 2024 Vol 32 №5) to almost 3.00 MT/HA. FAS/Sofia estimates area harvested under rapeseed at 75,000 HA and expected

production at 200,000 MT, with yields around 2.7 MT/HA, slightly above yields in MY 2023/24 (2.6 MT/HA).

Sunflower: Sunflower has continued to be a preferred choice for farmers due to its better resilience to summer droughts, lower production costs relative to corn, and favorable domestic demand for crush and de-hulling which provides better margins compared to alternative crops. According to the MinAg, the area planted under sunflower increased this season and reached 843,000 HA or 1.6 percent more than year ago. Private estimates for sunflower area vary from 880,000 HA to 940,000 HA while production expectations are between 2.0 MMT and 2.2 MMT, with yields from 2.1 MT/HA to 2.35 MT/HA (JRC MARS Bulletin May 2024 Vol 32 №5).

The warmer and drier weather in the first half of June (Map 2 and Graph 8)) is likely to negatively affect the subsurface soil moisture levels that may increase the risk for sunflower and soybean yields. The most critical months for yield will be July and August due to increasingly frequent summer heat and drought waves. Currently, FAS/Sofia projects sunflower area at 900,000 HA and production at 2.1 MMT, with average yield of 2.33 MT/HA, above the drought-hit low yield of 2.05 MT/HA in the previous season (see updated final data for MY 2023/24 in Table 1). This estimate is subject to revision depending on the weather conditions over the next two months.

MY 2023/24 Production Estimates, Trade and Use
Final production data is updated based on Eurostat data released in June 2024 and is provided in Table 1.

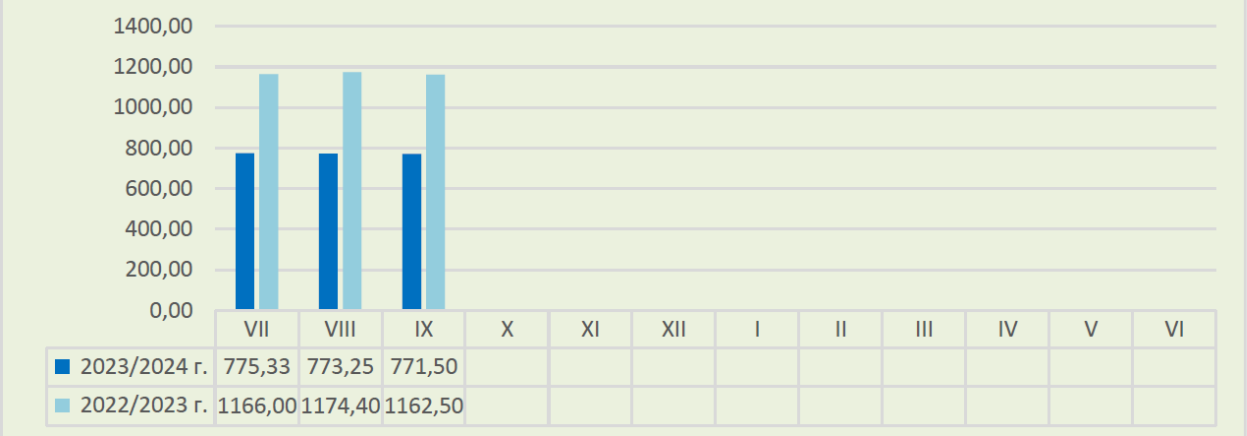
Soybeans and Processed Products: Bulgaria is not a significant producer of soybeans (Table 1); however, the country is a net importer of soybean products.

In the first half of MY 2023/24 (October 2023-March 2024), Bulgaria imported seven percent more soybean meal compared to the corresponding period a year ago due to a recovering pork industry and expanding poultry farming (Table 3). Imports of soybean oil skyrocketed by 65 percent thanks to favorable demand for vegetable oils used mainly for biodiesel as well as for food and technical purposes. Soybean oil was sourced from Serbia, and in the second quarter of MY 2023/24 from Ukraine as well.

Rapeseed and Processed Products: The latest Eurostat official data shows MY 2023/24 rapeseed harvested area at 80,000 HA due to crop losses, high abandonment, and reseeding, while rapeseed production was at 209,000 MT at standard moisture content (Table 1).

Rapeseed prices have been lower in the current marketing year (Graph 1) than the previous season. Rapeseed has a short trading window and no trade/market prices have been reported since September.

Graph 1. Rapeseed Monthly Market Prices, MY 2023/24 vs MY 2022/23 in Bulgarian Leva (BGN)/MT



	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
2023/2024 r.	775,33	773,25	771,50									
2022/2023 r.	1166,00	1174,40	1162,50									

*The chart shows prices for the MY, which begins in July, with MY 2023/24 in dark blue and MY 2022/23 in light blue.
Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Exports in the current marketing year as of June 7 were reported at 130,000 MT (Table 2, source: MinAg), mainly to the Netherlands, Germany, and the United Kingdom. This is 50 percent lower than exports a year ago (260,000 MT exported as of June 2, 2023, MinAg weekly trade data).

The sharp decline is due to the smaller crop and the domestic market being in deficit for rapeseed, which made the local users more proactive buyers. In addition, domestic demand has improved significantly due to expansion of crushing facilities for biodiesel. Finally, some traditional sunflower crushers have switched to rapeseed, a pattern which is new for the market. This was caused by a lack of sufficient sunflower seeds due to the deficit of domestic sunflower crop, the inability to import sufficient volume of sunflower to meet high demand for processing (limitation on imports from Ukraine), and reportedly better crush margins for rapeseed compared to sunflower.

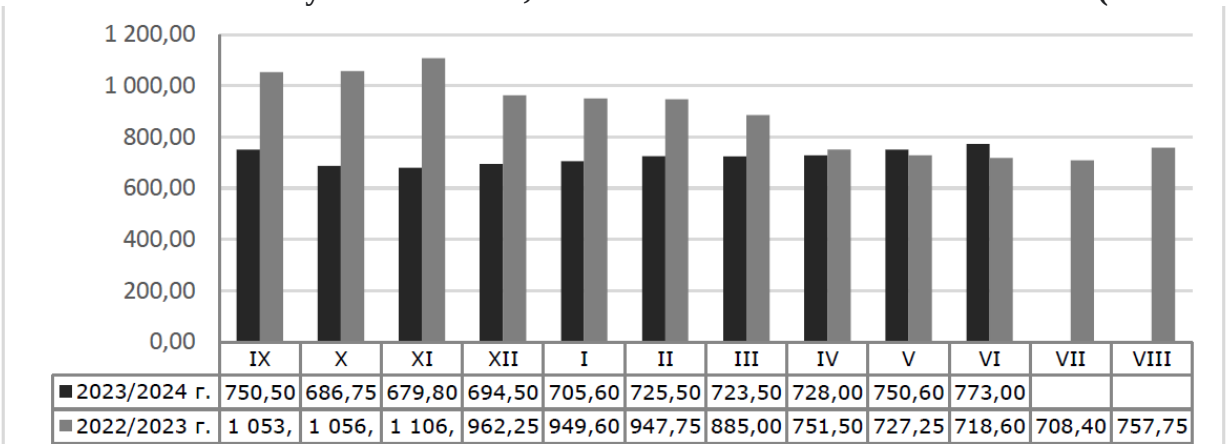
As a result of the above developments, Bulgaria for the first time turned out to be a net importer of rapeseed with imports at 182,000 MT (as of June 7), which exceeded exports by 52,000 MT and were 90 percent more than imports a year before (96,000 MT imported as of June 2, 2023). Most of these imports came from Ukraine and Moldova.

Improved domestic demand was recorded by the authorities with crush reaching 197,000 MT in MY 2023/24, 134 percent higher than in the corresponding period in MY 2022/23 (84,000 MT). As a result, trade in processed products have accelerated. Exports of rapeseed oil in the first three quarters of MY 2023/24 (Table 3, source TDM) reached 20,000 MT, a growth of 82 percent compared to the same period of MY 2022/23. Exports of rapeseed meal skyrocketed by 430 percent to 103,000 MT versus 19,000 MT exported the year before. The main export markets for rapeseed oil were in the EU (Spain and the Netherlands) and for rapeseed meal were third countries such as Israel and Morocco.

Sunflower and Processed Products: The latest Eurostat official data shows sunflower production for MY 2023/24 at 1.78 MMT at standard moisture content (Table 1).

Farm-gate sunflower seed prices have softened after their peak in the summer of 2022 (Graph 2 and 3). In MY 2023/24 farmers preferred to hold sunflower seed stocks in expectation of more attractive prices. Prices bottomed out in November 2023 but have gradually increased since then, and in May and June they have already exceeded the levels seen in the previous year (Graph 2). In these two months, prices were reported to be four to seven percent higher than a year ago.

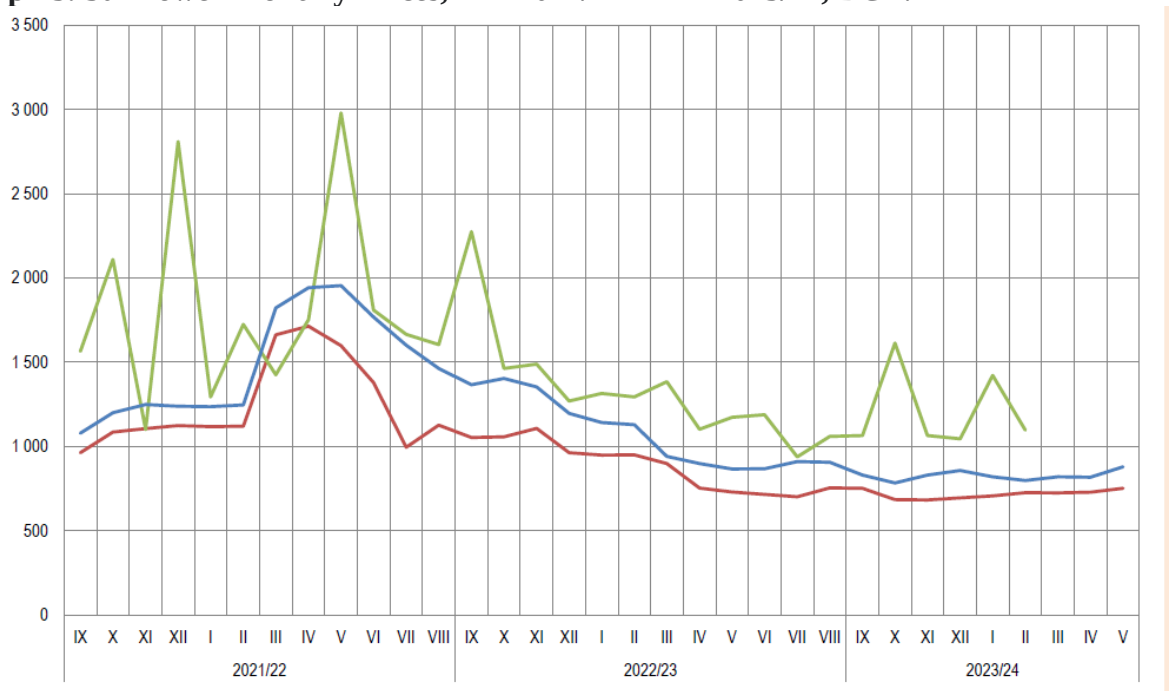
Graph 2. Sunflower Monthly Market Prices, MY 2023/24 vs MY 2022/23 in BGN/MT (June 2024)



	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII
2023/2024 г.	750,50	686,75	679,80	694,50	705,60	725,50	723,50	728,00	750,60	773,00		
2022/2023 г.	1 053,	1 056,	1 106,	962,25	949,60	947,75	885,00	751,50	727,25	718,60	708,40	757,75

*The chart shows prices for the MY, which begins in September, with MY 2023/24 in dark black and MY 2022/23 in grey.
Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Graph 3. Sunflower Monthly Prices, MY 2021/22 – MY 2023/24, BGN/MT



Red line- Bulgarian ex-farm prices, sunflower seeds, in Bulgarian leva (BGN) per MT
Blue line – EU export price FOB Bordeaux, sunflower seeds, BGN/MT
Green line – Bulgarian CIF export price, sunflower seeds, BGN/MT
Source: Bulgarian MinAg Dashboard Grains and Oilseeds, June 2024

Crushers were severely impacted by the combination of a small MY 2023/24 crop, farmers reluctance to sell while holding large stocks, and the inability to import sufficient sunflower seeds. The industry has become a stable importer, and the crushing industry is dependent on regular import flows to utilize crush capacity. As of June 7, Bulgaria imported 460,000 MT of sunflower, mainly from Romania, Moldova, and Ukraine, compared to 667,000 MT a year before, a decline of more than 30 percent. Bulgaria ranked second in the EU after Romania in total EU imports of sunflower from non-EU markets with a 11 percent share (EU Customs data as of June 11). Exports as of June 7, 2024 were at 208,000 MT, a decline of 20 percent compared to the same time last year as more was processed locally. Main export markets were the Netherlands, Germany, and China. Still, the country ranked as the top EU exporter of sunflower seeds to non-EU markets with 42 percent share (EU Customs data as of June 11).

The change in the trade pattern still allowed the domestic processors to crush more sunflower seeds this season, reported at 1.398 MMT (MinAg data for the period September 1 - June 7) compared with 1.330 MMT last year. The dehulling industry, however, suffered more with a 20-percent decline in use so far in MY 2023/24 at 350,000 MT, compared to 430,000 MT during the same period last year.

Improved crush allowed the country to maintain its export position on the sunflower oil market. Trade data for the first half of MY 2024/25 (Table 3, source TDM) shows exports stable at almost the same level as a year ago (418,000 MT versus 420,000 MT in the previous year), mainly to Greece, South Africa, and Egypt. Bulgaria ranked as a leading EU exporter to non-EU markets with 18 percent share (EU Customs data as of June 11). It is believed that some of these exports are transshipments or re-exports of imported sunflower oil. Imports grew by 22 percent to 190,000 MT, sourced from Ukraine and Romania.

However, the trade in sunflower meal revealed a declining trend. Bulgarian imports decreased by 45 percent to 55,000 MT while exports were at 409,000 MT or four percent less so far in the current season compared to the same period last year. Bulgaria ranked second in the EU after Romania in total EU exports of sunflower meal to non-EU markets with 22 percent share (EU Customs data as of June 11) and the main export destination is China.

Ending Stocks MY 2023/24

Despite smaller rapeseed crop and higher domestic use, growing imports in the current season may lead to higher ending stocks. The anticipation for a further decrease in the local crop in MY 2024/25 is also encouraging accumulation of more stocks. Reportedly, most of these stocks were held by crushers. The MinAg reported ending stocks of rapeseed at the end of May 2024 at 104,000 MT, or almost double the amount in May 2023 (55,000 MT). It is believed that these stocks, along with projected lower crop, will not be sufficient to meet local crush demand, and the country will continue to be a net rapeseed importer in MY 2024/25.

However, for sunflower a low crop in combination with smaller imports and stable domestic use is leading to a reduction in sunflower seeds ending stocks. The MinAg reported ending stocks of sunflower at the end of May 2024 at 420,000 MT or 58 percent less than the stocks in May 2023 (991,000 MT). It is believed that these stocks, despite a currently projected better crop, will still not be sufficient to meet high local demand for processing and Bulgaria will keep importing sunflower seeds in MY 2024/25. This processing is driven by export demand for sunflower products.

Table 1. Oilseed Crops Final Production Data MY 2023/24 and MY 2022/23, June 2024

Crops	Area Harvested (000 HA)		Production (000 MT)	
	MY 2023/24	MY 2022/23	MY 2023/24	MY 2022/23
Rapeseed	80.00	129.33	209.17	299.42
Sunflower	867.00	916.96	1779.16	2,140.59
Soybeans	3.60	9.50	6.22	10.18
Total	950.60	1055.79	1994.55	2450.19
Source: Eurostat data based on EU standard moisture content- updated as of June 2024				

Table 2: MY 2023/24 Trade in Major Oilseed Crops, as of June 7, 2024

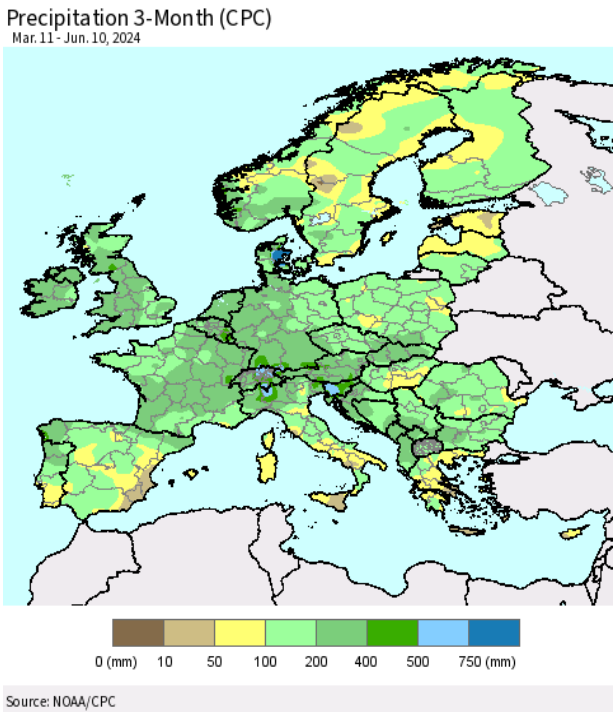
Types of Oilseeds	Imports, MT	Exports, MT
Rapeseed	182,264 MT	129,656 MT (of which 101,021 MT to the EU and 28,635 MT to non-EU markets)
Sunflower	459,558 MT	207,930 MT (of which 168,566 MT to the EU and 39,364 MT to non-EU markets)
Source: MinAg weekly bulletins; Note: The Bulgarian MinAg uses September 1-August 31 as a MY for sunflower.		

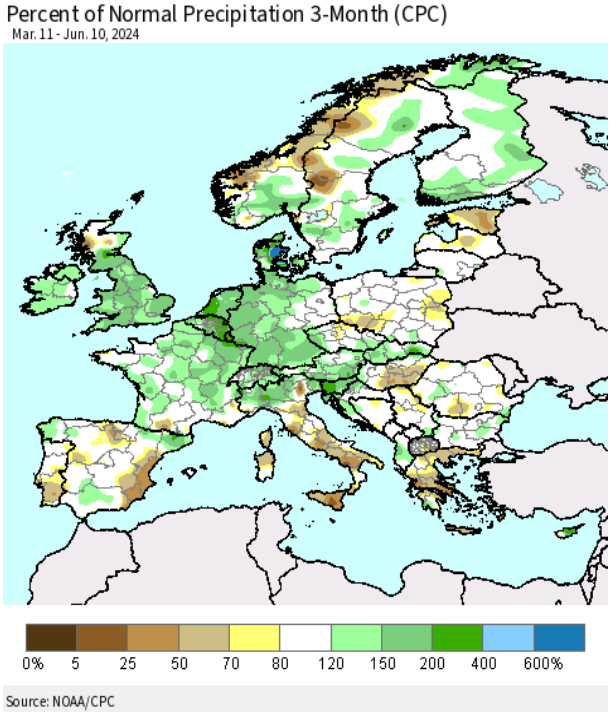
Table 3: MY 2023/24 Trade in Major Oilseeds and Processed Products

Types of Oilseeds	Imports, MT	Exports, MT
Rapeseeds (July 2023 – March 2024)	117,556 MT - 49,392 MT from Ukraine - 55,361 MT from Moldova	116,659 MT - 56,357 MT to the Netherlands - 31,011 MT to Germany - 28,636 MT to the United Kingdom
Rapeseed Meal (July 2023 – March 2024)	7,897 MT: - 6,268 MT from Romania - 1,127 MT from Germany	103,496 MT: - 54,592 MT to Israel - 19,205 MT to Morocco - 25,809 MT to Spain
Rapeseed Oil (July 2023 – March 2024)	4,886 MT: - 4,064 MT from Ukraine	20,441 MT: - 9,996 MT to Spain - 6,026 MT to the Netherlands
Sunflower Seeds (October 2023 – March 2024)	438,249 MT - 267,351 MT from Romania - 84,961 MT from Moldova - 67,686 MT from Ukraine	362,012 MT - 114,585 MT to the Netherlands - 43,106 MT to Germany - 34,050 MT to China - 26,838 MT to the United Kingdom

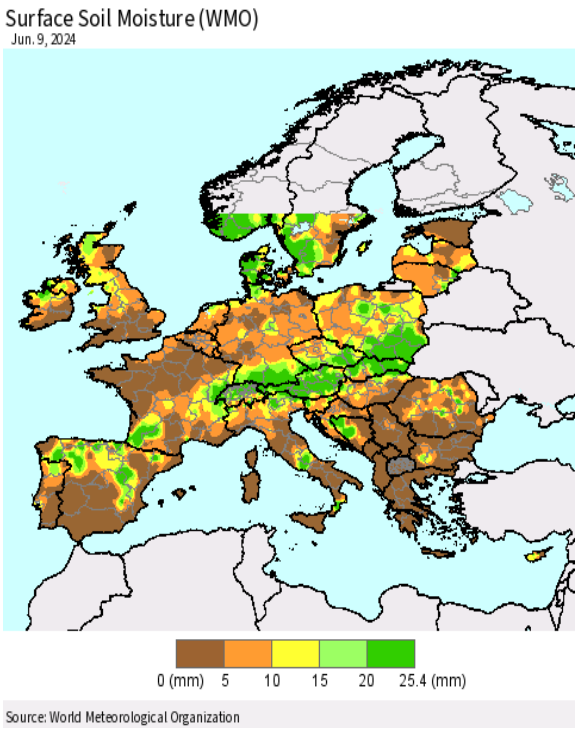
	- 7,552 MT from Hungary	- 26,571 MT to the United States
Sunflower Meal (October 2023 – March 2024)	55,202 MT: - 35,554 MT from Ukraine - 19,106 MT from Moldova	409,063 MT: - 304,654 MT to China - 29,898 MT to Greece - 18,380 MT to the Netherlands - 12,496 MT to Turkey - 9,911 MT to Romania - 6,050 MT to Israel - 6,211 Mt to Spain
Sunflower Oil (October 2023 – March 2024)	189,938 MT: - 154,428 MT from Ukraine - 27,231 MT from Romania	417,940 MT: - 64,313 MT to Greece - 61,875 MT to South Africa - 41,766 MT to Egypt - 26,847 MT to Morocco - 29,332 MT to Spain - 20,639 MT to Italy - 19,600 MT to India
Soybeans (October 2023 – March 2024)	227 MT	29 MT
Soybean Meal (October 2023 – March 2024)	58,330 MT: - 47,329 MT from Romania	108 MT
Soybean Oil (October 2023 – March 2024)	11,511 MT: - 8,516 from Serbia	67 MT
Source: Trade Data Monitor (TDM)		

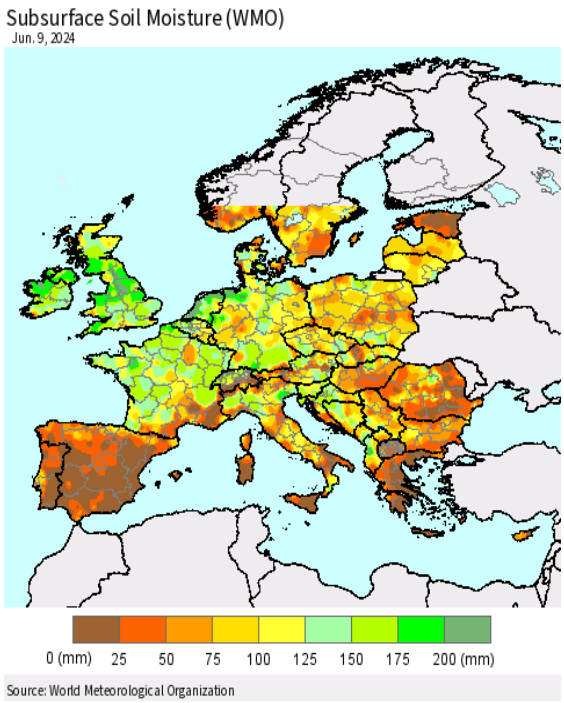
Map 1: USDA Crop Explorer, Europe (including Bulgaria), Precipitation and Percent of Normal Precipitation, March 11-June 10, 2024.



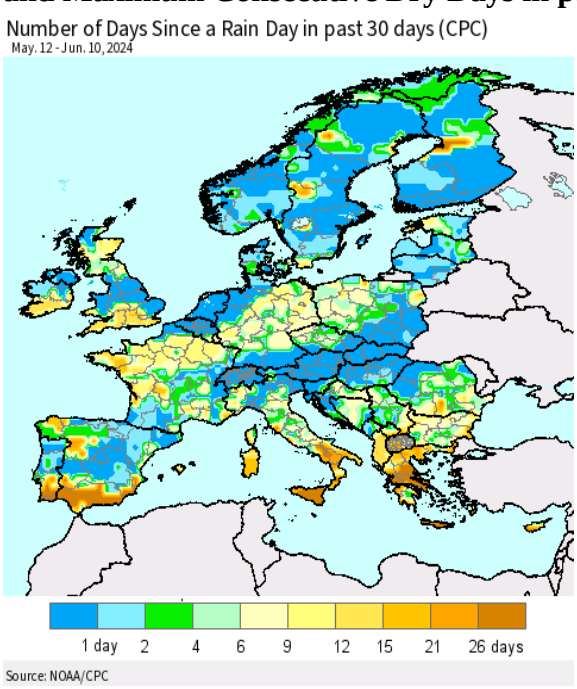


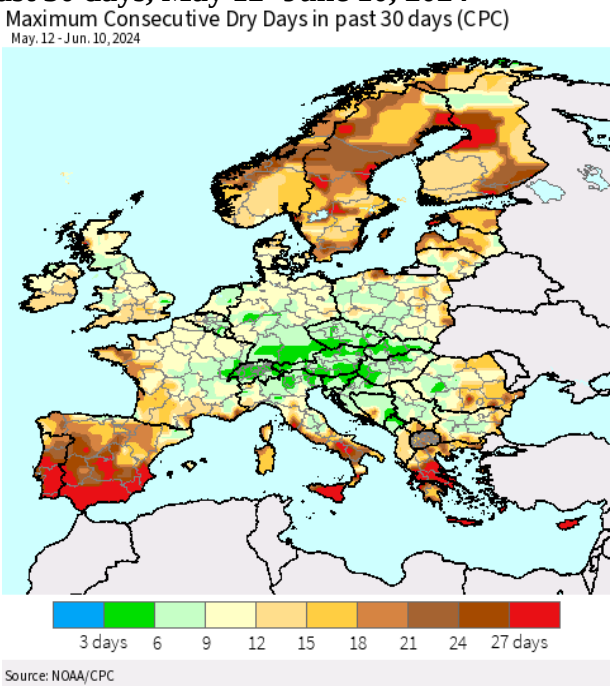
Map 2: USDA Crop Explorer, Europe (including Bulgaria), Surface and Subsurface Soil Moisture as of June 9, 2024



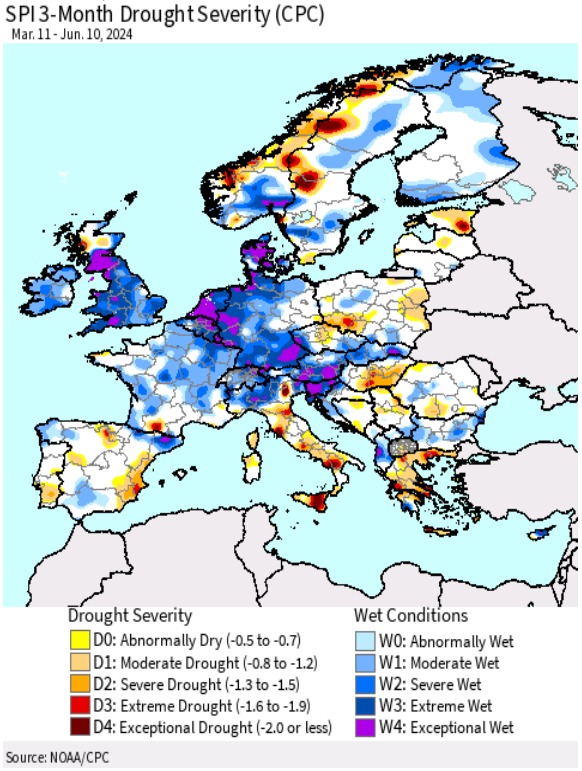


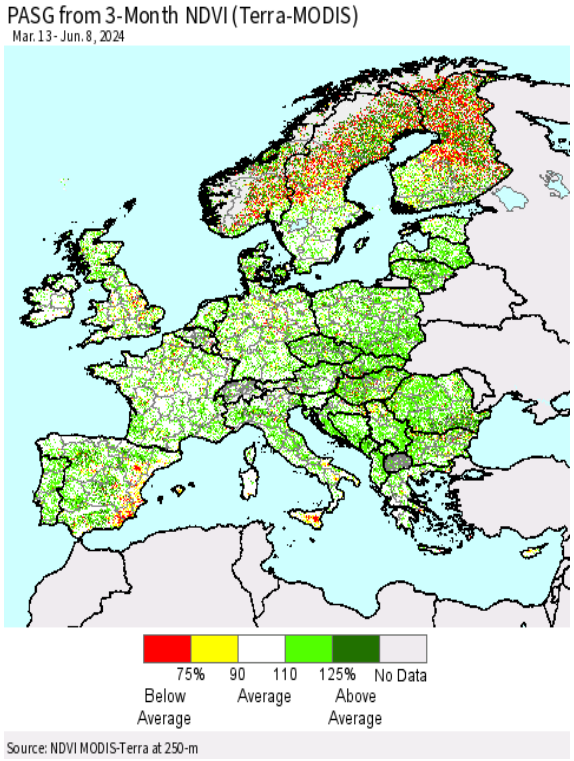
Map 3: USDA Crop Explorer, Europe (including Bulgaria), Number of Days Since a Rain Day and Maximum Consecutive Dry Days in past 30 days, May 12- June 10, 2024



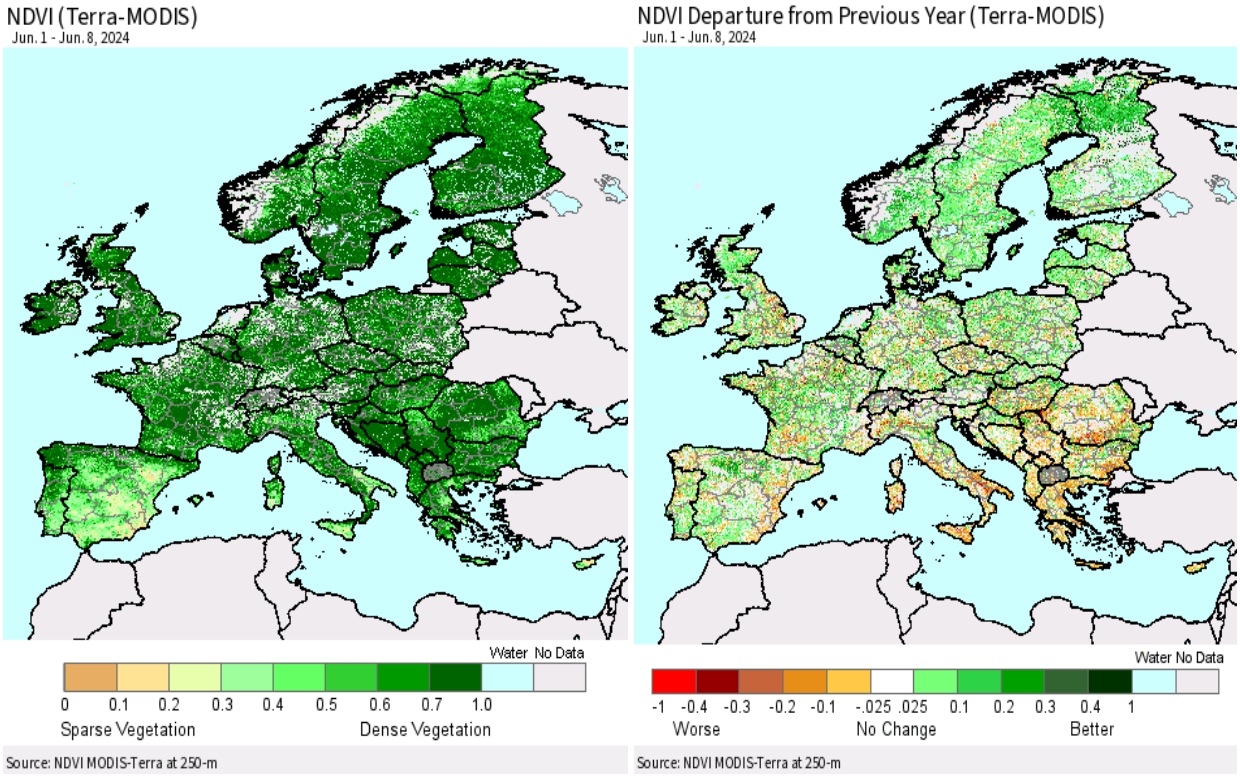


Map 4: USDA Crop Explorer, Europe (including Bulgaria), 3-Month Drought Severity, March 11- June 10, 2024 and PASG from 3-Month NDVI, March 13 – June 8, 2024

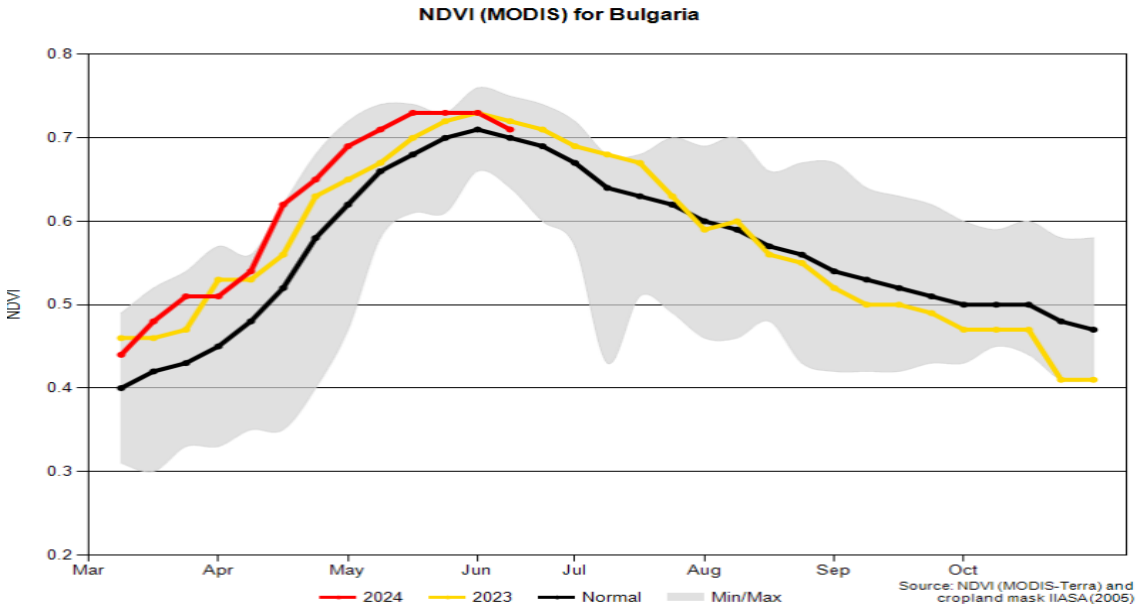


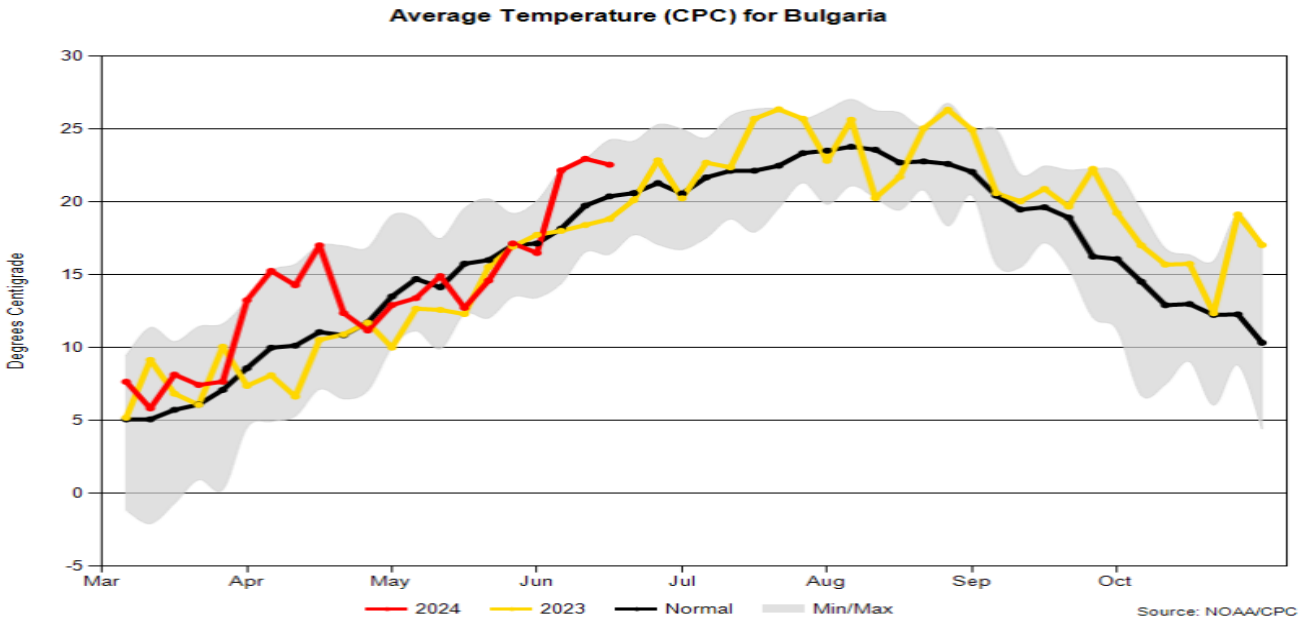


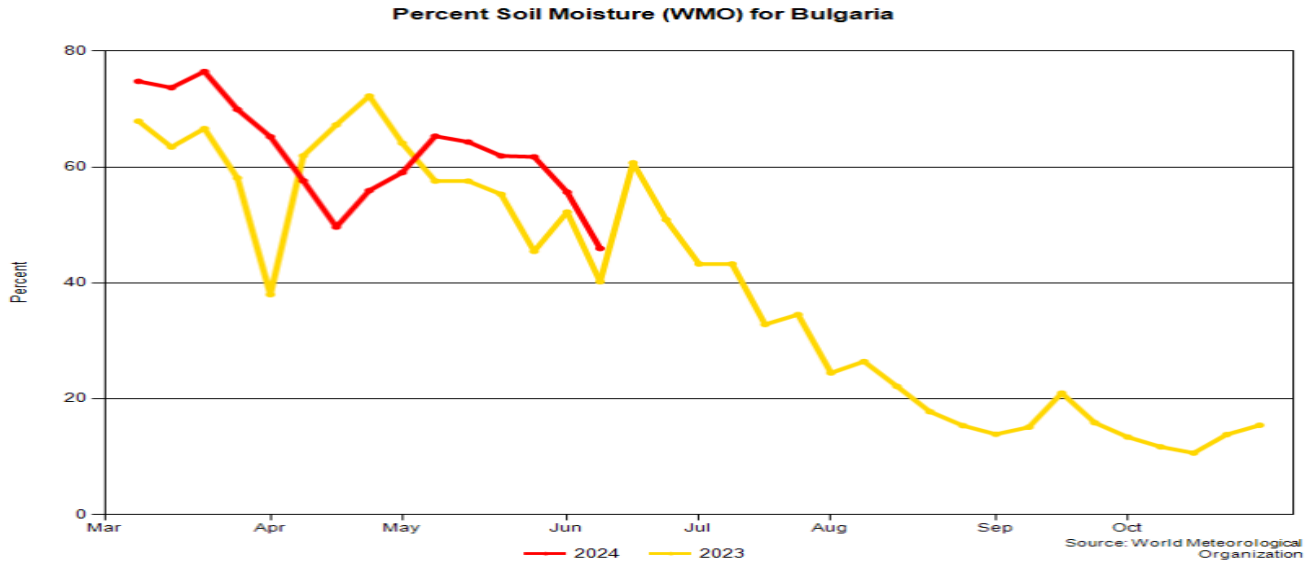
Map 5. USDA Crop Explorer, Europe (including Bulgaria), NDVI (Vegetation Index) for June 1-8, 2024 and NDVI Departure from the Previous Year for June 1-8, 2024

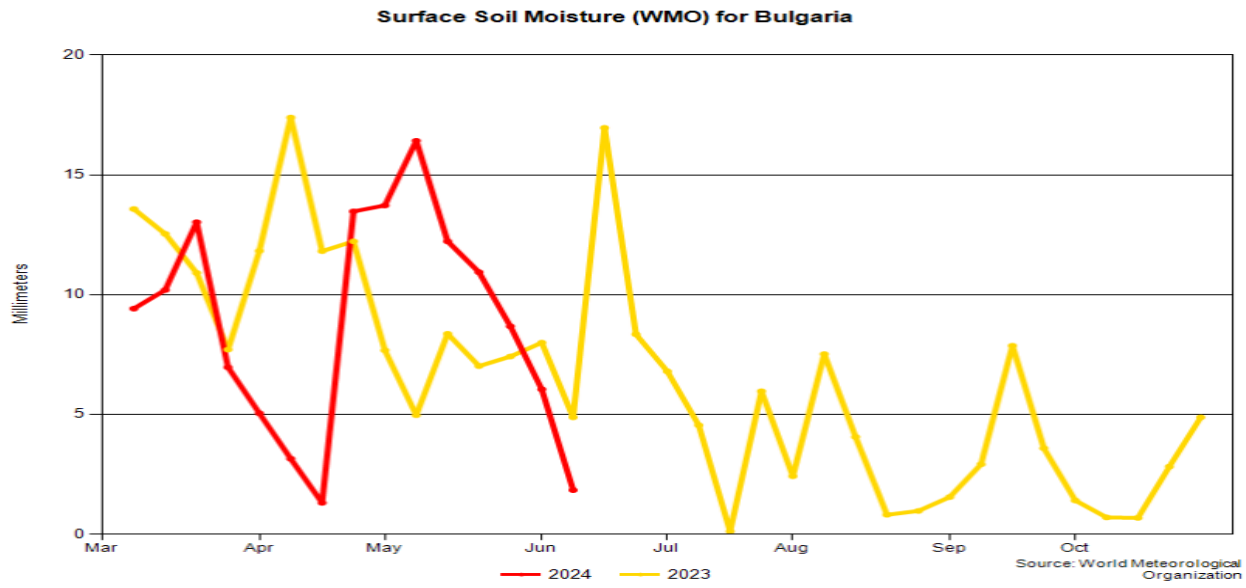


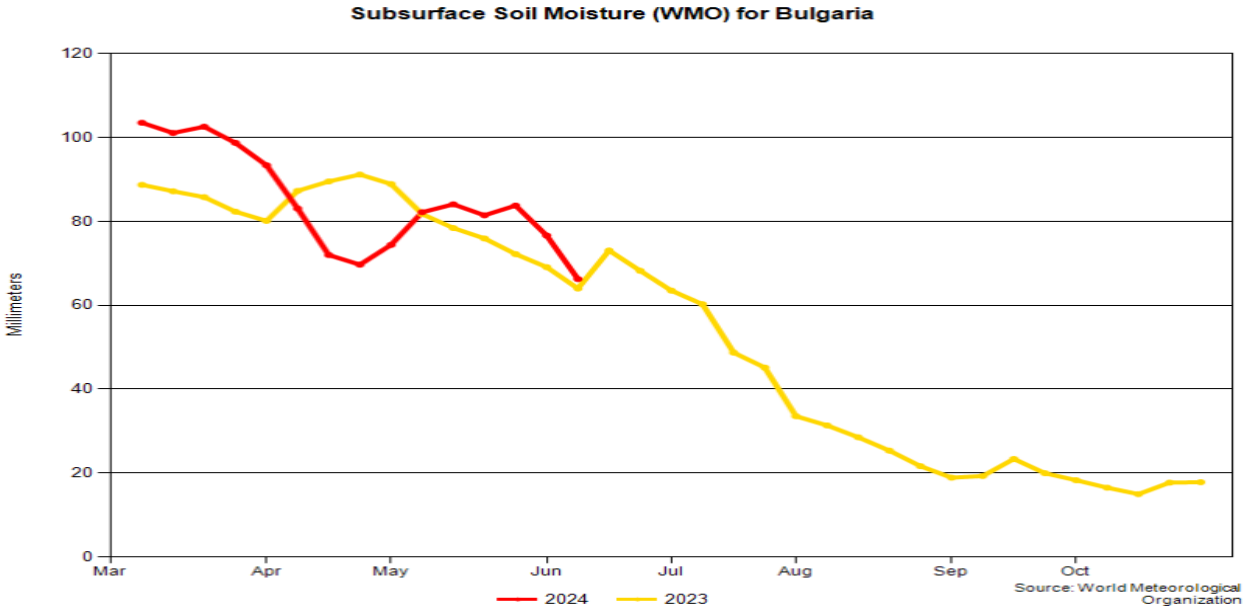
Graph 8. USDA [Crop Explorer](), Bulgaria, Vegetation Index (NDVI), Average Temperature, Percent of Soil Moisture, Surface and Subsurface Soil Moisture, as of June 10, 2024



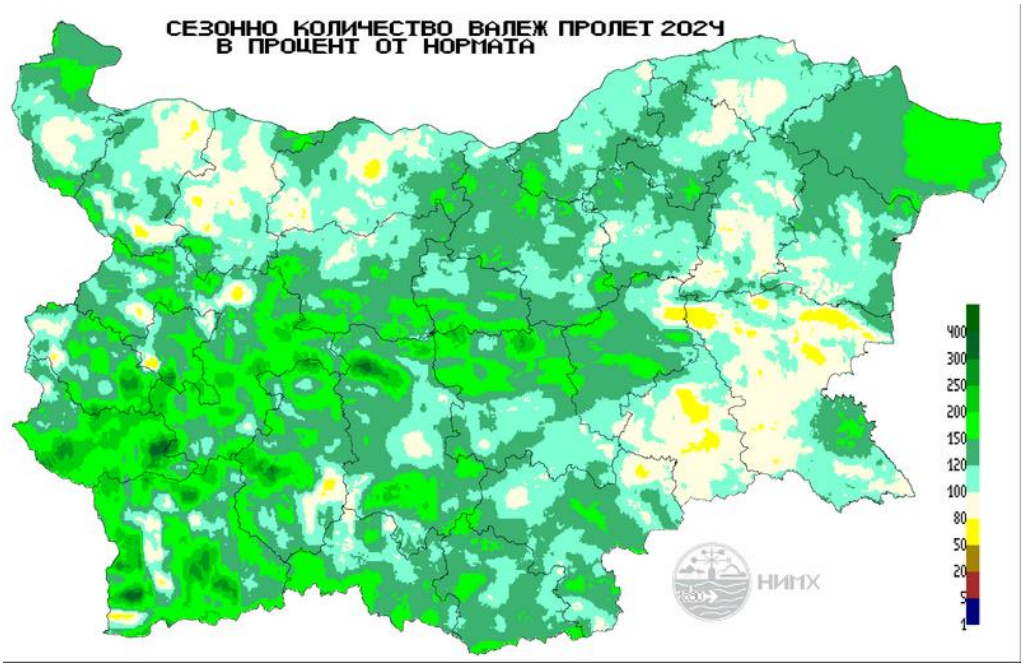

Average Temperature (CPC) for Bulgaria
Degrees Centigrade
30
25
20
15
10
5
0
-5
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
2024
2023
Normal
Min/Max
Source: NOAA/CPC


Percent Soil Moisture (WMO) for Bulgaria
Percent
80
60
40
20
0
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
2024
2023
Source: World Meteorological Organization

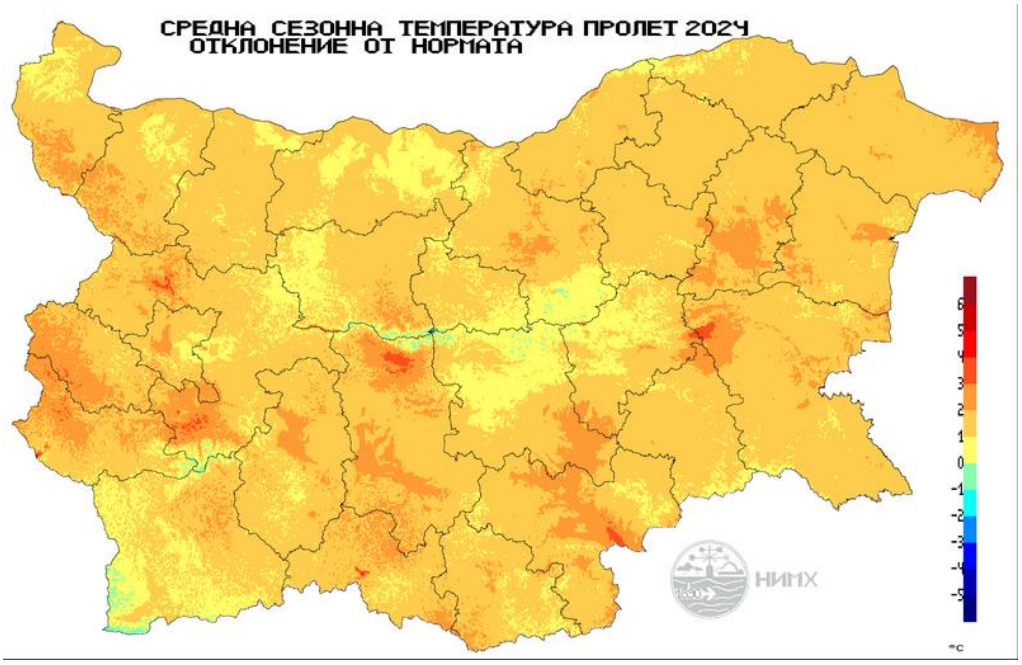

Surface Soil Moisture (WMO) for Bulgaria
Millimeters
20
15
10
5
0
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
2024
2023
Source: World Meteorological Organization


Subsurface Soil Moisture (WMO) for Bulgaria
Millimeters
120
100
80
60
40
20
0
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
2024
2023
Source: World Meteorological Organization

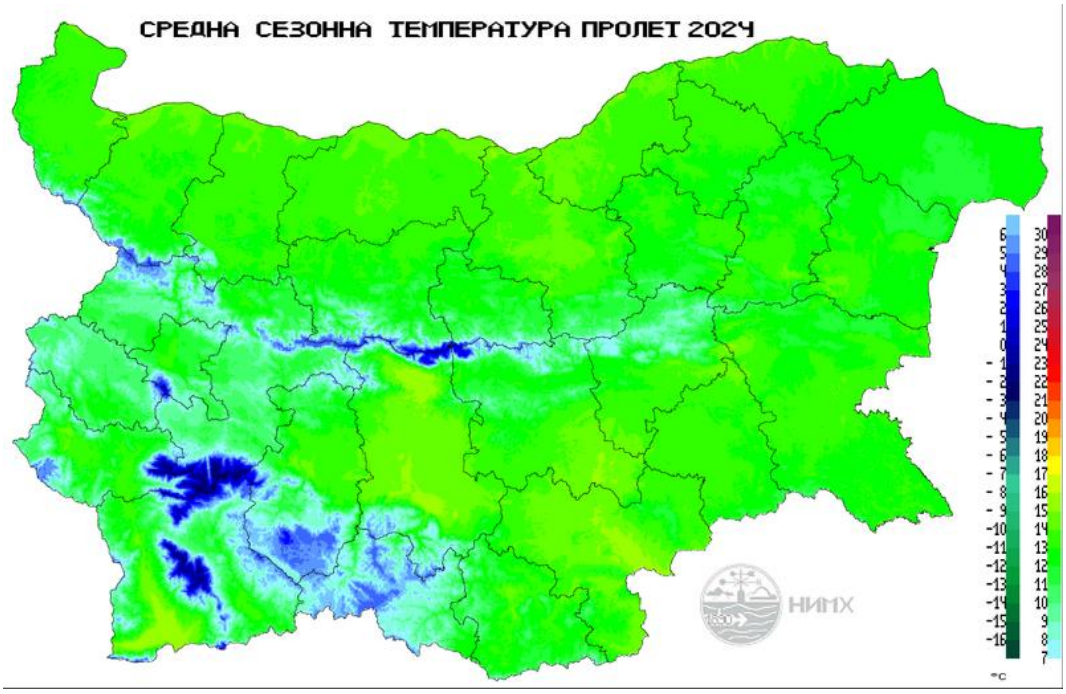
Map 6. Seasonal Rainfall Spring 2024 as a Percent of the Norm, Source: [Bulgarian National Institute of Meteorology and Hydrology]

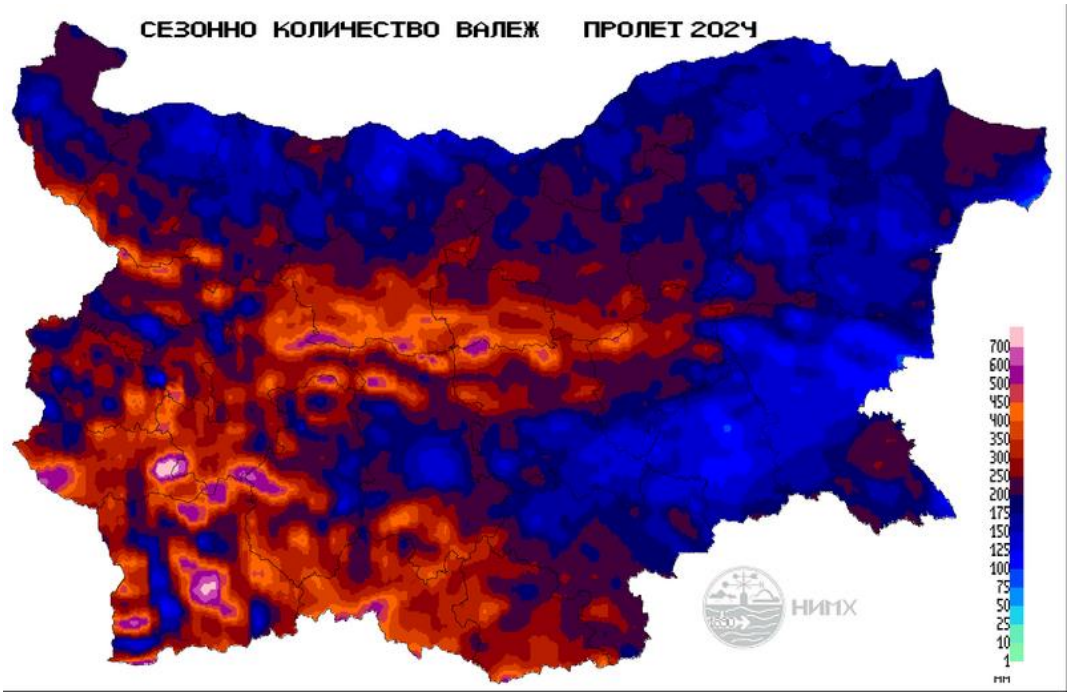


Map 7: Spring Season 2024: Deviation from the Average Seasonal Temperature Norm, Source: [Bulgarian National Institute of Meteorology and Hydrology]



Map 8. Average Seasonal Temperature Spring 2024 and Seasonal Rainfall Spring 2024, Source: [Bulgarian National Institute of Meteorology and Hydrology]





Attachments:

No Attachments.