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Rapeseed and Oilseed Products.

Report Categories:

Oilseeds and Products

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Report Highlights:

Total production of rapeseed in MY 2016/17 is forecast to decrease by 6 percent to 275,000 MT in comparison to MY 2015/2016. Rapeseed planted area in MY 2016/2017 is expected to increase by 23 percent in comparison to the previous year and amount to 110,000 hectares. After an exceptionally high yield of rapeseed in MY 2015/2016 production per hectare is expected to return to an average level in MY 2016/2017. Increase of planted area of rapeseed stems from growing demand for biofuel production and continuing demand for exports of rapeseed within the European Union.

Please Note: This report is to be read in conjunction with the Annual 2016 EU28 Consolidated Report on Oilseeds and Products ([Oilseeds and Products Annual Vienna EU-28 4-1-2016](#)) and provides further information on Latvian market of oilseeds.

General Information:

Production

MY 2015/2016

In MY 2015/2016 as compared to the previous year the sown area of rapeseed in Latvia decreased by 11 percent. The reduction of planted area resulted from a strong competition for more profitable production of wheat and reduced demand for biofuel production. Due to favorable weather conditions average yield of rapeseed increased from 1.85 MT per hectare in MY 2014/2015 to 3.29 MT in MY 2015/2016. The higher yield of rapeseed in MY 2015/2016 also resulted from increased share of winter rapeseed in total sown area, which amounted to 77 percent. Implementation of EU regulation of 2013 restricting the use of neonicotinoids in rapeseed planting did not affect conditions for rapeseed development. The high yield offset reduced acreage and the total crop of rapeseed in MY 2015/2016 amounted to 293,000 MT, 107,200 MT (58 percent) more than in the previous year. The share of rapeseed in the national sowing area in MY 2015/2016 was 8 percent compared to 9 percent in MY 2013/2014.

Rapeseed cultivation has become increasingly important in Latvia because of growing use for biofuel production and increasing export demand. In MY 2015/2016 rapeseed acreage decreased in Latvia, mostly due to uncertainty connected with changes in the EU biofuel policy and competition from more profitable grain production. The low profitability of rapeseed production in the last two years caused some farmers to change their sowing choices. However, growing demand for export of rapeseed and the continuing National Indicative Target (NIT) for biofuel use are expected to stimulate production in MY 2016/2017.

MY 2016/2017

It is estimated that area planted for rapeseed in MY 2016/2017 will amount to 110,000 hectares, an over 23 percent increase in comparison to the previous year due to growing demand for biofuel production and strong import demand from other EU member states. According to the preliminary data published by the Latvian Statistical Office, the acreage sown by winter rapeseed in the fall of 2015 for crop in MY 2016/2017 amounts to 89,000 hectares, 35 percent higher than in MY 2015/2016. It is forecast that acreage of spring rapeseed in MY 2016/2017 will remain at the previous year's level and will amount to 21,000 hectares. However, in case of winter kill losses in winter rapeseed plantings, spring rapeseed acreage may increase. Lithuanian's total production of rapeseed in MY 2016/17 is forecast to decrease by 6 percent in comparison to MY 2015/2016 and amount to 275,000 MT. The decrease of production stems from a decrease of yields which are expected to return to the average level after exceptionally high production per hectare in MY 2014/2015.

Production, cultivated area and yield of rapeseed

Marketing year starts in July	MY 2013/2014	MY 2014/2015	MY 2015/2016	MY 2016/2017*
Cultivated area (000 hectares)	128	100	89	110
Yield (MT/hectare)	2.31	1.85	3.29	2.50
Crop (000 MT)	297	183	293	275

Source: Statistical Office

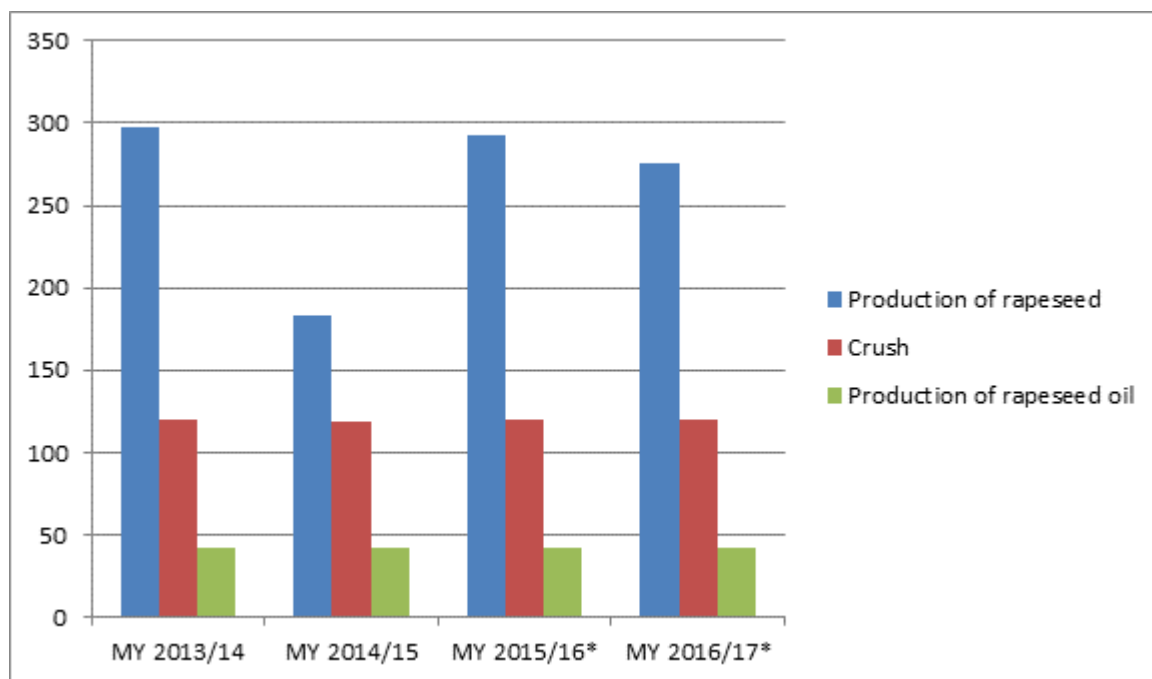
*FAS Warsaw estimate

Utilization

Rapeseed oil

It is estimated that in MY 2015/2016 rapeseed crush will amount to 120,000 MT and will be almost at the previous year's level. Rapeseed crush is determined by demand for oil for food consumption and the use of rapeseed oil for production of biodiesel, the primary biofuel produced in Latvia. Production and consumption of rapeseed oil for food consumption remains almost constant while demand for rapeseed oil for biofuel production is growing in reference to the increasing Latvian's National Indicative Target (NIT) for biodiesel use. In MY 2015/2016 industrial use of rapeseed oil for biodiesel is expected to increase 5 percent. In order to fulfil the NIT for biodiesel, domestic production of rapeseed oil will have to be supplemented with imports mainly from Belarus and Russia. In MY 2016/2017 rapeseed oil output is expected to remain level.

Production of rapeseed, crush and output of rapeseed oil (000 MT)



Source: Statistical Office

*FAS Warsaw estimate.

Rapeseed and soybean meal

In MY 2015/2016 output of rapeseed meal (a residual product in production of rapeseed oil) is

estimated at 78,000 MT, a 1 percent increase in comparison to MY 2014/2015. The expected increase in output of rapeseed meal stems from slightly higher crush in MY 2015/2016 compared to MY 2014/2015. Feed use of rapeseed meal on MY 2015/2016 is estimated to grow because of higher demand from the poultry industry.

Soybean meal is the primary protein feed used in livestock nutrition. Almost the entire demand for soybean meal has to be supplied by imports. It is estimated that in MY 2015/2016 the demand for soybean meal will increase by 2 percent due to higher use of protein feeds by the growing poultry industry.

Trade

Rapeseed

In MY 2014/2015 Latvia exported 131,000 MT of rapeseed. All exports were destined for the European Union. Germany and the Netherlands were the main export destinations for exports of rapeseed. In the first four months of the MY 2015/2016 (July-October) Latvia has exported 209,000 MT of rapeseed, over three times more than for the same period in 2014. As a result of high exports of rapeseed Latvia increased imports of rapeseed oil in order to have sufficient supplies for the biofuel industry.

Exports of rapeseed (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jul-Oct 2015	Jul-Oct 2015/ Jul-Oct 2014 (%)
Total	262	131	220	209	325
The Netherlands	65	27	60	40	400
Denmark	20	24	12	6	-50
Germany	47	30	30	19	0
Belgium	40	16	80	57	570

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Latvia imported 63,000 MT of rapeseed mainly from Lithuania. In MY 2015/16 rapeseed imports are expected grow in comparison to the previous year's level due to demand for production of biofuels.

Imports of rapeseed (000 MT)

	MY	MY	MY	Jul-Oct	Jul-Oct 2015/
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	2013/2014	2014/2015	2015/2016*	2015	Jul-Oct 2014 (%)
Total	98	63	90	38	292
Lithuania	49	50	70	31	517
Kazakhstan	36	6	12	5	250

Source: GTA

*FAS Warsaw estimate.

Rapeseed oil

In MY 2014/2015 Latvia exported 16,000 MT of rapeseed oil. All exports were destined for the European Union. Lithuania was the main export destination for exports of rapeseed oil. In the first four months of the MY 2015/2016 (July-October) Latvia exported 3,000 MT of rapeseed, 25 percent less than in the same period of 2014.

Exports of rapeseed oil (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	21	16	12	3	-25
Poland	9	6	3	0	-100
Lithuania	8	7	5	2	-34
Estonia	2	1	1	0	0

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Latvia imported 55,000 MT of rapeseed oil mainly from Russia and Belarus. In MY 2015/2016 rapeseed oil imports are forecast at the previous year's level. The biggest share of imports comes from Belarus and Russia because of proximity of the market and competitive prices. In the first four months of the MY 2015/2016 (July-October) Latvia imported 14,000 MT of rapeseed oil, the same amount as in the comparable period of 2014.

Imports of rapeseed oil (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	93	55	55	14	0
Belarus	12	12	6	0	-100
Russia	57	29	32	9	12
Estonia	14	7	10	3	50

Source: GTA

**FAS Warsaw estimate.*

Protein meals

Rapeseed meal

In MY 2014/2015 Latvia exported 47,000 MT of rapeseed meal, 10 percent more than the previous year. All exports were destined for the European Union. Rapeseed meal is in demand in Europe because it is partially used as a protein source in swine and cattle feeding rations. Norway is the main export destination for exports of rapeseed meal. In the first four months of the MY 2015/2016 (July-October) Latvia exported 15,000 MT of rapeseed, 6 percent less than in the same period of 2014 due to lower demand from Denmark.

Exports of rapeseed meal (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	43	47	45	15	-6
Denmark	0	9	3	0	-300
Norway	25	27	25	9	-10
Lithuania	1	2	2	0	0
Sweden	13	8	12	5	67
Estonia	4	2	4	1	100

Source: GTA

**FAS Warsaw estimate.*

In MY 2014/2015 Latvia imported 28,000 MT of rapeseed meal mainly from Belarus and Ukraine. In the first four months of the MY 2015/2016 (July-October) Latvia imported 9,000 MT of rapeseed meal, 10 percent less than in the same period of 2014.

Imports of rapeseed meal (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	34	28	25	9	-10
Belarus	12	9	13	3	50
Ukraine	1	8	4	2	-100
Lithuania	7	6	6	2	0

Source: GTA

**FAS Warsaw estimate.*

Soybean meal

In MY 2014/2015 Latvia imported 129,000 MT of soybean meal, 30 percent less than in the previous year. The decrease of imports stems mainly reduced demand from swine industry which is in decline due to an outbreak of African swine fever. Most of soybean meal was imported from Lithuania, Argentina and Germany. The value of imports of soybean meal was over U.S. \$59 million. In MY 2014/2015 Latvia did not import soybean meal from the United States. However, in MY 2013/2014 Latvia imported U.S. soybean meal worth U.S. \$825,000. Soybean meal remains in demand because it is a major protein source in poultry feeding rations. It is expected that in MY 2015/2016 imports of soybean meal will recover due higher poultry meat and egg production.

Volume of imports of soybean meal (000 MT)

MY starts in October	MY 2012/2013	MY 2013/2014	MY 2014/2015	MY 2015/2016*
Total	261	186	129	140
Lithuania	43	38	33	35
The Netherlands	33	30	16	20
Argentina	135	69	32	34
Germany	19	9	32	16
Cyprus	13	5	3	3
United States	1	2	0	0

Source: GTA

*FAS Warsaw estimate.

End of Report