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Rapeseed and Oilseed Products.

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Report Highlights:

It is estimated that in MY 2016/2017 rapeseed planted area amounts to 940,000 hectares, a one percent decline in comparison to the previous year due to unusually dry weather during the planting season in the fall of 2015. Despite low temperatures and lack of snow cover in December 2015, the development of rapeseed plantings was assessed as well in February 2016 with good prospects for the 2016 harvest.

Poland's total production of rapeseed in MY 2016/17 is forecast to increase by 2 percent to 3.0 million MT in comparison to MY 2015/2016. Higher yields are expected to offset reduction of planted area and should result in bigger crop in MY2016/2017.

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 Polish market of oilseeds.

General Information:

Production

MY 2015/2016

It is estimated by FAS Warsaw that MY 2015/2016 (July-June) production of rapeseed in Poland amounted to 2.95 million MT, a 10 percent decrease in comparison to the record MY 2014/2015 level. Although there is a significant drop of output in MY 2015/2016, producers and processors perceive it rather as a return to historically normal levels for rapeseed crop after a record output in MY 2014/2015. Rapeseed production in Poland became the fastest developing crop mainly because of the use of rapeseed for biofuel production. The share of rapeseed in the national sowing area has increase from 4 percent in 2004 to 9 percent in the last 5 years. In MY 2015/2016 rapeseed planted area amounted to 947,000 hectares and was only 4,000 hectares lower than in the record MY 2014/2015. However, reduction of yields caused by exceptionally dry weather conditions in the spring and summer of 2015 and implementation of the EU regulation of 2013 restricting the use of neonicotinoids in rapeseed planting created less favorable conditions for rapeseed development. It is estimated that in MY2015/2016 the average yield of rapeseed amounted to 3.12 MT per hectare compared to 3.44 MT in MY 2014/2015. The lack of moisture in many areas of Poland affected rapeseed plantations and resulted in smaller size of seeds and not well-filled pods. As a result the seeds were harvested with very low water content but average oil content.

Rapeseed cultivation is concentrated in 9 provinces located in the northern, western and southern parts of Poland. The majority of rapeseed production in Poland is carried out in Dolnośląskie, Kujawsko-Pomorskie, Lubelskie, Mazowieckie, Opolskie, Pomorskie, Warmińsko-Mazurskie, Wielkopolskie and Zachodniopomorskie provinces which have the most favorable climates and soil conditions for rapeseed cultivation. Poland is one of the leading producers of rapeseed in the EU, following Germany, France and the U.K. In Poland rapeseed acreage constitutes 95 percent of total oilseed plantings.

MY 2016/2017

It is estimated that area planted for rapeseed in MY 2016/2017 amounts to 940,000 hectares, a one percent decline in comparison to the previous year due to unusually dry weather during the planting season in the fall of 2015. It is forecast that acreage of spring rapeseed in MY 2016/2017 will amount to 80,000 hectares. However, in case of winter kill losses in winter rapeseed plantings, the acreage of spring rapeseed may increase. Poland's total production of rapeseed in MY 2016/17 is forecast to increase by 2 percent in comparison to MY 2015/2016 and amount to 3.0 million MT. The condition of winter rapeseed plantations have been assessed as well at the end of January 2016 by the Polish Association of Rapeseed Producers. Damage caused by low temperatures and lack of snow cover in December 2015 had rather a local effect on plantings. However, until the end of February 2016 there was no official information published by the Main Statistical Office or by the Ministry of Agriculture assessing the condition of rapeseed plantings after winter 2015/2016. In MY2016/2017 higher yields are expected to offset reductions in planted area and result in a bigger crop. The fast development of rapeseed acreage has slowed down in Poland, mostly due to uncertainty connected with changes in the EU biofuel policy. Low profitability of rapeseed production in the last two years made some farmers change their sowing preferences.

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)	930	951	947	940
Yield (MT/hectare)	3.19	3.44	3.12	3.19
Crop (000 MT)	2,970	3,276	2,950	3,000

Source: Main Statistical Office

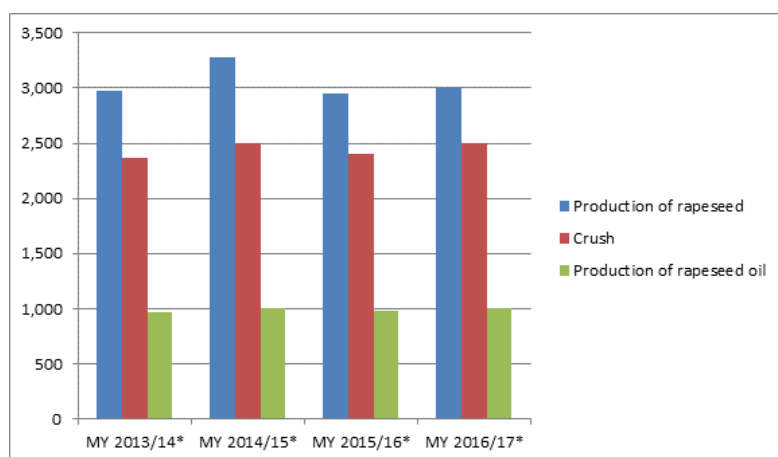
*FAS Warsaw estimate

Utilization

Rapeseed oil

It is estimated that in MY 2015/2016 rapeseed crush will amount to 2.5 million MT and will remain 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 Poland. 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 Poland's National Indicative Target (NIT) for biodiesel use. For several years food rapeseed oil consumption has not exceed 0.4 million MT. In MY 2015/2016 industrial use of rapeseed oil for biodiesel is expected to increase by 3 percent, not as much as last year, due to the stable level of the NIT (7.1 percent) and the low level of prices of conventional fuels. In MY 2016/2017 rapeseed oil output is expected to increase by one percent because of the higher oil content in rapeseed compared to the previous year and higher demand for production of biodiesel.

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



Source: Main Statistical Office

*FAS Warsaw estimate.

In MY 2015/2016 the average industrial rapeseed purchase price is estimated at PLN 1,400/MT (U.S. \$370), a 6 percent increase compared to MY 2014/2015.

Rapeseed and soybean meal

In MY 2015/2016 output of rapeseed meal (a residual product in production of rapeseed oil) is estimated at 1.42 million MT, a five percent decline in comparison to MY 2014/2015. The expected decline in output of rapeseed meal stems from the higher content of oil in rapeseed harvested in 2015 season. Feed use of rapeseed meal on MY 2015/2016 is estimated to be at the same level as in the previous year. It is expected that higher use of protein feeds by the poultry industry, which increased by 10 percent in 2015 and is projected to increase by another 2 percent in the first half of 2016, will be offset by lower demand for rapeseed meal in swine nutrition due to the 6 percent reduction in the national herd in 2015.

Soybean meal is the primary protein feed used in livestock nutrition. Acreage of domestic production of soybeans amounts to 12,000 hectares, so almost the entire demand for soybean meal has to be supplied by imports. The share of soybean meal in total use of protein feeds accounts for 56 percent, followed by rapeseed meal at 24 percent, sunflower meal at 11 percent, legumes at 8 percent and others at 1 percent. It is estimated that in MY 2015/2016 the demand for soybean meal will increase by 5 percent due to higher use of protein feeds by the growing poultry industry.

Trade

Rapeseed

In MY 2014/2015 Poland exported 912,000 MT of rapeseed. All exports were destined for the European Union, with Germany as the main export destination. During harvest German trucks often come directly to the fields of northern or western Poland and load rapeseed directly from combines. For producers from northern and eastern Poland transportation costs are lower when they sell rapeseed to the crushing plant in Rostock (Germany) instead of crushing plants in Poland. In the first four months of the MY 2015/2016 (July-October) Poland exported 689,000 MT of rapeseed, 13 percent more than in the same period of 2014.

Exports of rapeseed (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	726	912	950	689	14
Germany	559	686	700	464	13
Belgium	71	110	140	164	32
Czech Republic	19	19	20	39	8

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Poland imported 228,000 MT of rapeseed mainly from Ukraine, Czech Republic and Slovakia. In MY 2015/16 rapeseed imports are expected to decrease in comparison to MY 2014/15 because of lower demand from the biofuels industry. Total imports are forecast at 200,000 MT. The biggest share of imports comes from the Ukraine because of competitive prices. In the first four months of the MY 2015/2016 (July-October) Poland imported 90,000 MT of rapeseed, 21 percent less than in the same period of the same period of 2014 mainly because of reduced imports from Ukraine.

Imports of rapeseed (000 MT)

	MY 2013/2014	MY 2014/2015	MY 2015/2016*	Jun-Oct 2015	Jun-Oct 2015/ Jun-Oct 2014 (%)
Total	191	228	200	90	-21
Ukraine	120	90	80	66	-17
Czech Republic	9	50	50	4	2
Slovakia	30	36	25	6	-33

Source: GTA

*FAS Warsaw estimate.

Rapeseed oil

In MY 2014/2015 Poland exported 541,000 MT of rapeseed oil. All exports were destined for the European Union. The Czech Republic was the main export destination for exports of rapeseed oil. In the first four months of the MY 2015/2016 (July-October) Poland exported 143,000 MT of rapeseed, 22 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	494	541	440	143	-22
Czech Republic	180	228	260	79	20
Slovakia	111	117	80	25	-33
Germany	145	133	60	22	-61

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Poland imported 108,000 MT of rapeseed oil mainly from Czech Republic, Germany and Ukraine. In MY 2015/16 rapeseed imports are expected to decrease in comparison to MY 2014/15 because of lower demand from the biofuels industry. Total imports are forecast at 80,000 MT. The biggest share of imports comes from Czech Republic because of proximity of the market. In the first four months of the MY 2015/2016 (July-October) Poland imported 38,000 MT of rapeseed oil, 30

percent less than in the same period in 2014 mainly because of reduced imports from Czech Republic.

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	119	108	70	38	-30
Czech Republic	59	36	25	11	-32
Germany	28	13	16	6	26
Ukraine	6	10	16	11	65

Source: GTA

*FAS Warsaw estimate.

Protein meals

Rapeseed meal

In MY 2014/2015 Poland exported 641,000 MT of rapeseed meal, 7 percent more than the previous year. All exports were destined for the European Union. Rapeseed meal is demand in Europe because it is partially used as a protein source in swine and cattle feeding rations. Germany is the main export destination for exports of rapeseed meal. In the first four months of the MY 2015/2016 (July-October) Poland exported 276,000 MT of rapeseed, 36 percent more than in the same period of 2014 due to increased demand from Germany and Spain.

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	601	641	800	276	36
Germany	116	154	250	104	110
Spain	121	152	200	69	26
Sweden	43	46	60	31	41
France	36	45	60	24	51
Denmark	65	60	55	16	-10

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 Poland imported 57,000 MT of rapeseed meal mainly from Germany, Ukraine and Belarus. In MY 2015/16 rapeseed imports are expected to decline in comparison to MY 2014/15 because of lower demand for feed because of the swine herd reduction. Total imports are forecast at 50,000 MT. In the first four months of the MY 2015/2016 (July-October) Poland imported 23,000 MT of rapeseed meal, 3 percent less than in the same period of the same period of 2014 mainly because of

reduced imports from Germany.

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	60	57	55	23	-3
Germany	24	16	11	4	-30
Ukraine	15	25	28	16	8
Belarus	10	10	5	1	-50

Source: GTA

*FAS Warsaw estimate.

Soybean meal

In MY 2014/2015 Poland imported 2,282,000 MT of soybean meal, 22 percent more than in the previous year. The value of imports of soybean meal was over U.S. \$1.0 billion. Over 60 percent of imports originated from South America. Soybean meal is in demand because it is a major protein source of protein in poultry feeding rations. It is expected that in MY 2015/2016 imports of soybean meal will grow by 4 percent because of increase of poultry production.

Volume of imports of soybean meal (000 MT)

MY starts in October	MY 2013/2014	MY 2014/2015	MY 2015/2016*
Total	1,874	2,282	2,300
Argentina	1,171	1,340	1,500
Paraguay	171	336	330
Russia	159	182	100
Germany	66	154	70
United States	100	128	100
Brazil	96	99	50
United Kingdom	0	18	0
Ukraine	5	9	50
Denmark	4	3	2
Netherlands	61	3	3

Source: GTA

*FAS Warsaw estimate.

In MY 2014/2015 imports of soybean meal from the U.S. amounted to 128,000 MT and were 28 percent higher than a year ago. The value of imports from the U.S. was 5 percent higher than a year ago and amounted to U.S. \$60 million. It is expected that in MY 2015/2016 imports from the U.S. will decrease because of strong competition from South American suppliers.

Value of imports of soybean meal (000 MT)

MY starts in October	MY 2013/2014	MY 2014/2015	MY 2015/2016*
World	1,064	1,013	1,000
Argentina	648	587	650
Paraguay	97	153	150
Russia	91	82	50
Germany	41	65	35
United States	57	60	45
Brazil	57	44	22
United Kingdom	0	9	0
Denmark	4	4	3
Ukraine	3	3	15
Netherlands	39	2	2

Source: GTA

**FAS Warsaw estimate.*

End of Report