



Voluntary Report – Voluntary - Public Distribution

Date: April 10,2020

Report Number: RO2020-0009

Report Name: Romania Suspends Grain and Oilseed Exports to Non-EU

Markets

Country: Romania

Post: Bucharest

Report Category: Grain and Feed, Oilseeds and Products, Agricultural Situation, Agriculture in the News

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Report Highlights:

On April 9, the Government of Romania (GOR) suspended most exports of grains, oilseeds, and related products as of April 10, 2020, to non-European Union (EU) markets. According to the new regulation, inter-EU deliveries can continue, although EU trading partners must guarantee that Romanian-origin commodities will be consumed within the EU and not re-exported. The COVID 19 crisis is driving this reaction, amid growing concerns about Romania's winter crop, which looks to be hit by drought conditions. Post understands Romania will not limit imports of grains and oilseeds from outside of the EU.

Romanian Grain and Oilseed Exports Suspended, Deliveries within EU Subject to New Rules

The GOR declared a 30-day state of emergency on March 16, 2020, as a means to mitigate the spread of COVID-19. On April 6, Romanian President Klaus Iohannis announced that the state of emergency would be extended until May 16.

On April 9, 2020, the GOR issued Military Ordinance No. 8, which entered into force the next day on April 10, 2020. Military Ordinance No. 8 suspends exports of most grains, oilseeds, and related products to non-EU export markets during the state of emergency. The Ordinance's objective is to ensure Romanian food security, amid increasing fears that grain and oilseed stocks will run low due to exports. According to Article 7 of Military Ordinance No. 8, exports of wheat, barley, oats, corn, rice, wheat flour, soybeans, sunflower seeds, sunflower oil, sugar, bakery products, soybean meal, and other oilcakes (see full list by HS Code in Appendix) will be suspended through the state of emergency (at least May 16). Also, per Article 7, ongoing exports will also be suspended during the state of emergency, along with the issuance of phytosanitary certificates.

Article 8 of Military Ordinance No. 8 states that other EU Member States can continue to purchase Romanian grains and oilseeds only if the importing Member State can guarantee that Romanian products are being consumed within the EU and not re-exported. However, the ordinance does not provide specific details regarding the terms of these guarantees, or how the guarantees would be issued.

Current Romanian Crop Situation

Military Ordinance No. 8 comes amid concerns about Romania's winter crops, which are threatened by drought conditions. Although the 2019/20 winter was mild, the level of precipitation was below normal, following dry conditions throughout fall 2019. Romania's southeastern region, the country's major agricultural area production, is currently the most drought affected area. Dry soil conditions may also negatively affect the ongoing spring planting operations for corn, sunflower, and soybeans. Romania typically exports a large percentage of its grain and oilseed crops. Exports outside of the EU vary by commodity, from 10 percent for sunflower, 25 percent for corn, and about 50 percent for wheat and barley.

Post will continue to monitor the situation and report any new developments. See <u>here</u> for an English translation of Military Ordinance No. 8.

Appendix

List of commodities for which export is banned/suspended during state of emergency

- 1. Wheat and meslin, HS code 1001
- 2. Barley, HS code 1003
- 3. Oats, HS code 1004
- 4. Maize (Corn), HS code 1005
- 5. Rice, HS code 1006
- 6. Wheat or meslin flour, HS code 1101
- 7. Soybeans, HS code 1201
- 8. Sunflowerseeds, HS code 1206
- 9. Sunflowerseeds, safflower or cotton Oil, HS code 1512
- 10. Cane or beet sugar, HS code 1701
- 11. Bread, pastry, cakes etc., HS code 1905
- 12. Oilcake and other solid residues, resulting from extraction of soybean oil, HS code 2304
- 13. Oilcake and other solid residues, resulting from extraction of fats or oils, other than those of heading 2304 or 2305, HS code 2306

Attachments:

No Attachments.