

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary Public

Date: 12/11/2017

GAIN Report Number: BU1734

Bulgaria

Post: Sofia

Oilseeds and Products Market Update

Report Categories:

Oilseeds and Products

Approved By:

Jonn Slette

Prepared By:

Mila Boshnakova

Report Highlights:

The Bulgarian Ministry of Agriculture (MinAg) increased its post-harvest estimate for rapeseed due to higher yields. 85 percent of new-crop rapeseed was exported as of early December. The sunflower harvest was reported as complete in early November. Hot and dry late-summer weather reduced sunflower crop production. The new marketing year (MY) started with higher sunflower stocks, which Post expects will be reduced by domestic users by the end of the season. Domestic demand is stronger for sunflower.

General Information: Overview

Late-July and August weather was hot and dry, which negatively affected the sunflower crop, especially in southern regions, which also experienced dry spring weather. Hail also damaged crops in isolated locations and reduced yields. As a result, one important producer group lowered its sunflower estimate from 2.0 MMT to 1.9 million metric tons (MMT), while other traders continue to estimate sunflower production at around 2.0 MMT. MinAg early-harvest data as of early November ([MinAg Weekly Bulletin #47](#)) is even lower, at 1.85 MMT (oil bearing and confectionary sunflower). Sunflower harvested area was reported as 6.2 percent higher, average yields were up by 1.8 percent, and total production increased by 8.2 percent over MY2016/17.

Post forecasts MY2018/19 rapeseed area planted at 171,000 HA, comparable with MY2017/18. Although farmers in southern Bulgaria experienced dry weather while planting, more favorable rainfall later in the season, the crop has since rebounding and looks promising.

MY2017/18

Rapeseed: The latest official post-harvest data shows a six-percent production increase (460,000 metric tons (MT) over the previous official estimate (Table 1). Official data also reflects higher average yields, at 2.84 MT/HA, although this estimate still falls 3.7 percent short of last year. FAS Sofia adjusts its earlier rapeseed production estimate higher from 435,000 to 460,000 MT.

According to the MinAg, recent rapeseed export sales as of December 1, 2017, reached 392,000 MT, most of which (365,000 MT) were shipped within the European Union. July and August imports were also larger than usual, with 33,000 MT of imports from Ukraine, Moldova, and Romania. (Source: World Trade Atlas/WTa)

The early FAS Sofia forecast for the domestic crush reflects growth driven by favorable rapeseed oil prices. MinAg's beginning rapeseed stock estimates are 25,000 MT, although private projections are much lower, below 5,000 MT.

Sunflower: The latest official post-harvest estimates for harvested sunflower acreage are lower from the previous forecast due to hail damage. Nonetheless, sunflower acres are still somewhat higher over last year. FAS Sofia's current estimate for harvested area for all types of sunflower (oil-bearing, confectionary, and black and white) is adjusted lower to 820,000 HA (Table 1).

Yield averages remain strong, although slightly lower than earlier estimates due to the effects of the summer dry conditions and hail damage. FAS Sofia's production forecast remains unchanged at 2.0 MMT, based on an average yield of about 2.4 MT/HA. However, Post may revise downward in its next update, pending final harvest data.

Current MinAg weekly reports predict 1.85 MMT of harvested sunflower (Table 2). However,

MinAg's weekly harvest data is usually updated later in the season and is often increased by 100,000-150,000 MT for various grain and oilseed crops.

Exports, as of December 1, 2017, were 173,000 MT, of which 143,000 MT were sold to other EU Member States. MinAg also reported domestic sales at 343,000 MT for the same period.

Beginning stocks are higher than usual, due to lower exports during the previous marketing year. MinAg estimates beginning stocks at 480,000 MT a record high (MinAg Weekly Bulletin November 10-17). Some traders indicate that stocks are lower, between 300,000-350,000 MT. Even if trader numbers prove to be more representative of actual stocks, those estimates are still significantly higher than average-year stocks.

Soybeans: Despite earlier expectations for a recovery in area planted, soybean acres were reduced by 23 percent (Table 2). Production is revised downward to 18,000 MT, as per the latest harvest data. Due to lower levels of production, Post expects that Bulgaria will increase soybean and soybean meal imports in MY2017/18, driven by domestic demand.

MY2016/17

The latest official and final production data is provided in Table 3.

Rapeseed: Final trade data (WTA) shows higher than expected imports at 39,803 MT, mostly from Romania (25,000 MT), Moldova (6,800), and Ukraine (6,300 MT). Exports reached 490,000 MT and were shipped mainly to Belgium (244,000 MT), Germany (89,000 MT), France (71,000 MT), and the Netherlands (55,000 MT).

Sunflower: Trade data as of August 2017 (WTA) shows 200,000 MT of sunflower imports, mainly from suppliers in Romania (110,000 MT) and Moldova (65,000 MT). This unusually high volume of imports (171 percent) is due to competitive import prices, better quality, and more demand for food use. Conversely, exports declined by 10 percent to 609,000 MT. Bulgarian sunflower exports were shipped to the Netherlands (120,000 MT), Turkey (86,000 MT), Germany (78,000 MT), and France (63,000 MT).

Soybeans: The latest trade data from August 2017 (WTA) shows lower soybean imports, at 8,000 MT, mostly from Romania. Meal import levels were average, at 100,000 MT.

Appendix:

Table 1. FAS Sofia Oilseeds Production Estimates November 2017

FAS Sofia Oilseeds Production Estimates November 2017		
Crops	Harvested Area, HA	Production, MT
Rapeseeds	162,000	460,000
Sunflower	820,000	2,000,000
Soybeans	11,000	18,000

Table 2. Harvested Oilseeds Crops, MY2017/18

Harvested Oilseeds Crops, MY2017/18			
	November 16, 2017	November 24, 2016	Difference, %
<i>Harvested Area, HA</i>			
Sunflower (Oil-bearing), HA	808,689	760,586	+6.3%
Black & White Sunflower, HA	5,925	7,339	-20.7%
Soybeans, HA	11,172	14,424	-22.6%
<i>Harvested Production, MT</i>			
Sunflower (Oil-bearing), MT	1,840,543	1,701,094	+8.2%
Black & White Sunflower, MT	11,166	13,477	-17.2%
Soybeans, MT	17,187	18,616	-7.7%

Source: MinAg Weekly Bulletin #47, November 22, 2017 and Weekly Bulletin #47, November 30, 2016

Table 3. Final Official Oilseeds Production Data MY2016/17 and MY2015/16

Crops	Harvested Area (000 HA)		Production (000 MT)	
	MY2016/17	MY2015/16	MY2016/17	MY2015/16
Rapeseeds	172	170	509	460
Sunflower	818	811	1,838	1,699
Soybeans	14	34	18	40

Source: Eurostat