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Oilseed Update: Record EU-27 Sunflower Production

Report Categories:

Oilseeds and Products

Grain and Feed

Bio-Fuels

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Report Highlights:

This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.

General Information:

Introduction

This report presents the outlook for oilseeds in the EU-27. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

This report was a group effort of the following FAS analysts:

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The FAS EU-27 oilseeds reporting team would like to thank Yoonhee Macke from FAS/OGA for her valuable input and support.

Abbreviations used in this report

Benelux	= Belgium, the Netherlands, and Luxembourg
CAP	= EU common agricultural policy
CY	= Calendar year
e	= Estimate (of a value/number for the current, not yet completed, marketing year)
EU-27	= European Union of 27 member states (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)
FSU	= Former Soviet Union
f	= Forecast (of a value/number for the next, not yet started, marketing year)
Ha	= Hectares
GE	= Genetically engineered / Genetically engineered organisms
GHG	= Greenhouse gas
MT	= Metric ton (1000 kg)
MMT	= Million metric tons
MS	= EU Member State(s)
MY	= Marketing year
NUTS2	= Nomenclature of Units for Territorial Statistics level 2 = code for regions within a country
SME	= Soybean meal equivalent
U.K.	= United Kingdom
U.A.E.	= United Arab Emirates
U.S.	= The United States of America

In this report "**biofuel**" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity

production or other technical uses such as lubricants or in detergents are included in "**industrial use**".

The marketing years used in this report are:

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Executive Summary:

Coordinator: Roswitha Krautgartner / FAS Vienna

Consumption and Trade

Lower availability and higher prices for rapeseed in marketing year (MY) 2011/12 will increase EU-27 feed demand for soybean meal by about 2 percent. Moderating this increase is the good availability of grains and sunflower seed meal that, to some degree, can be substituted for soy in feed rations. Germany, Spain, Italy, and the Benelux countries account for 60 percent EU-27 soybean meal consumption. Imports of soybean meal, which come mainly from Brazil and Argentina, are forecast to increase, while imports of soybeans will decline, due in part to strong demand for biodiesel in major exporting countries. Increased imports of rapeseed from Ukraine, Australia, and Canada will not fully offset lower EU-27 rapeseed production. Because of this, consumption of rapeseed, rapeseed meal and oil are expected to decline. For sunflower seed, there is both high availability of seed and good crushing margins. Most of Europe's record sunflower oil production is expected to be used for food purposes. A smaller proportion will be used for industrial purposes, including biodiesel.

Production

In MY 2011/12, total EU-27 production of major oilseeds (rapeseed, sunflower and soybeans) is expected to reach 28.49 million metric tons (MMT), which is flat compared to last year. Lower EU-27 rapeseed production is mainly due to lower production in Germany, Poland, Romania, and Denmark. Rapeseed yields, although down (minus 6.3 percent), are better than previous pessimistic forecasts. For sunflower seed, good growing conditions and increased acreage led to record production (plus 15.2 percent). Significantly higher sunflower production is being reported in France, Romania, Portugal and Spain.

Although not a widely planted crop in the EU, soybean production also grew (plus 8.8 percent) to 1.14 MMT.

Policy

High olive oil ending stocks in MY 2010/11, mostly in Spain, caused a fall in prices below the Private Storage Aid (PSA) trigger level of 1.77 Euro/kg. In response to falling prices, Spain requested activation of the PSA program. The EU Management Committee authorized 1.3 Euros per ton per day in storage aid for about 44,000 MT of virgin olive oil over a 180 day period. This amounts to a payment of 234 Euro/MT.

Total of Major Oilseeds (Soybean, Rapeseed, Sunflower)

Coordinator: Roswitha Krautgartner / FAS Vienna

EU-27 Area of Major Oilseeds (in 1,000 ha)

Area	2009	2010	2011e
Rapeseed	6,526	6,983	6,800
Sunflower	3,900	3,718	4,050
Soybeans	308	375	420
Total	10,734	11,076	11,270

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2009 = harvested in CY 2009, marketed in MY 2009/10)
e = estimate

Source: FAS EU-27

EU-27 Major Oilseed Production (in 1,000 MT)

Production	2009	2010	2011e
Rapeseed	21,395	20,700	19,400
Sunflower	6,909	6,900	7,950
Soybeans	836	1,048	1,140
Total	29,140	28,648	28,490

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2009 = harvested in CY 2009, marketed in MY 2009/10)
e = estimate

Source: FAS EU-27

EU-27 Major Oilseed Crush (in 1,000 MT)

Crush	MY 2009/10	MY 2010/11e	MY 2011/12f
Rapeseed	23,000	22,700	22,100
Soybeans	12,261	12,600	12,300
Sunflower	6,150	6,160	6,800
Total	41,411	41,460	41,200

e = estimate, f = forecast

Source: FAS EU-27

Feed, Seed, Waste Use of Major Oil Meals in the EU-27 (in 1,000 MT)

Feed, Seed, Waste Use Meals	MY 2009/10	MY 2010/11e	MY 2011/12f
Soybeans	29,861	31,100	32,000
Rapeseed	12,560	12,669	12,315
Sunflower	5,100	5,025	5,450
Total	47,521	48,794	49,765

e = estimate, f = forecast

Source: FAS EU-27

Industrial Use of Major Oils in the EU27 (in 1,000 MT):

Industrial Dom. Consumption	MY 2009/10	MY 2010/11e	MY 2011/12f
Rapeseed Oil	7,239	7,079	7,110
Soybean Oil	1,170	1,330	1,280

Sunflower Oil	300	220	270
Total Oils	8,709	8,629	8,660

e= estimate, f = forecast

Source: FAS EU-27

Ending Stocks of Selected Vegetable Oils in the EU27 (in 1,000 MT):

Ending Stocks	MY 2009/10	MY 2010/11e	MY 2010/11f
Sunflower Oil	448	283	393
Soybean Oil	194	328	366
Rapeseed Oil	365	260	200
Total	1,007	871	959

e= estimate, f = forecast

Source: FAS EU-27

Soybean Complex

Coordinator: Marie-Cecile Henard / FAS Paris

Oilseed, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	350	308	350	375	360	420
Area Harvested	308	308	375	375	420	420
Beginning Stocks	453	558	300	277	443	474
Production	836	836	1,048	1,048	1,220	1,140
MY Imports	12,429	12,301	12,900	13,000	12,600	12,300
MY Imp. from U.S.	2,700	2,499	2,700	3,175	1,600	2,500
MY Imp. from EU	0	0	0	0	0	0
Total Supply	13,718	13,695	14,248	14,325	14,263	13,914
MY Exports	36	36	55	60	30	80
MY Exp. to EU	0	0	0	0	0	0
Crush	12,510	12,261	12,550	12,600	12,600	12,300
Food Use Dom. Cons.	122	117	120	124	120	140
Feed Waste Dom. Cons.	750	1,004	1,080	1,067	1,080	1,060
Total Dom. Cons.	13,382	13,382	13,750	13,791	13,800	13,500
Ending Stocks	300	277	443	474	433	334
Total Distribution	13,718	13,695	14,248	14,325	14,263	13,914

1000 HA, 1000 MT

Meal, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,510	12,261	12,550	12,600	12,600	12,300
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	130	130	130	130	151	368
Production	9,880	9,648	9,899	9,910	9,928	9,688
MY Imports	20,730	20,721	22,000	22,200	23,000	22,800
MY Imp. from U.S.	150	1,033	200	450	200	450
MY Imp. from EU	0	0	0	0	0	0
Total Supply	30,740	30,499	32,029	32,240	33,079	32,856
MY Exports	472	466	570	530	450	440
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	10	10	10	10	10
Food Use Dom. Cons.	32	32	32	32	32	32

Feed Waste Dom. Cons.	30,096	29,861	31,266	31,300	32,237	32,000
Total Dom. Cons.	30,138	29,903	31,308	31,342	32,279	32,042
Ending Stocks	130	130	151	368	350	374
Total Distribution	30,740	30,499	32,029	32,240	33,079	32,856
1000 MT, PERCENT						

Oil, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,510	12,261	12,550	12,600	12,600	12,300
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	234	234	280	194	171	328
Production	2,280	2,310	2,288	2,354	2,302	2,298
MY Imports	543	550	900	880	800	740
MY Imp. from U.S.	1	1	1	1	1	1
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3,057	3,094	3,468	3,428	3,273	3,366
MY Exports	380	380	430	430	350	380
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	1,030	1,170	1,547	1,330	1,430	1,280
Food Use Dom. Cons.	1,287	1,300	1,200	1,290	1,200	1,290
Feed Waste Dom. Cons.	80	50	120	50	90	50
Total Dom. Cons.	2,397	2,520	2,867	2,670	2,720	2,620
Ending Stocks	280	194	171	328	203	366
Total Distribution	3,057	3,094	3,468	3,428	3,273	3,366
1000 MT, PERCENT						

MY 2011/12

In MY 2011/12, feed demand for soybean meal is estimated to be 32 MMT, i.e., a more than two percent increase over MY 2010/11. The use of soybean meal in animal feed is being encouraged by a smaller rapeseed harvest and, consequently, a reduction in the price-competitiveness of domestically-produced rapeseed meal. However, the increase in soybean meal use in animal feed is moderated by good availability of grains and, to a lesser extent, by a higher use of sunflower meal in animal feed.

The biggest users of soybean meal in the EU are Germany, Spain, France, Italy, and the Benelux countries, which together account for more than 60 percent of total EU consumption. Imports of soybean meal are anticipated to increase at a rate similar to the growth in feed use, totaling 22.8 MMT.

Major suppliers Brazil and Argentina are expected to use more soybeans for domestic biodiesel production. As a result, EU imports of soybeans are expected to decline by 5 percent to 12.3 MMT. Of note, Spain expects to decrease its use of soybean oil for biodiesel production, a trend that mirrors Spain's low utilization of biodiesel production capacity. Overall, industrial use of soybean oil is expected to be 1.28 MMT in MY 2011/12.

With higher imports of soybean meal and reduced demand for soybean oil, demand for soybean crush will decline to 12.3 MMT in MY 2011/12. Soybeans will account for about 30 percent of total EU oilseeds crush.

EU domestic soybean production remains marginal compared to the overall animal feed demand for protein. In MY 2011/12, EU-27 soybean production is estimated at 1.14 MMT. Almost 60 percent of production is concentrated in Italy. EU producers are not permitted to grow modern biotech varieties of soybeans, although foreign suppliers are generally permitted to ship these varieties to into the EU market.

Rapeseed Complex

Coordinator: Leif Erik Rehder / FAS Berlin

Oilseed, Rapeseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,530	6,530	6,900	6,900	7,000	7,000
Area Harvested	6,527	6,526	6,983	6,983	6,800	6,800
Beginning Stocks	1,843	1,843	1,847	1,687	1,666	1,562
Production	21,589	21,395	20,594	20,700	18,800	19,400
MY Imports	2,106	2,106	2,572	2,572	2,650	3,000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	25,538	25,344	25,013	24,959	23,116	23,962
MY Exports	157	157	197	197	180	160
MY Exp. to EU	0	0	0	0	0	0
Crush	22,550	23,000	22,280	22,700	21,070	22,100
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	984	500	870	500	826	500
Total Dom. Cons.	23,534	23,500	23,150	23,200	21,896	22,600
Ending Stocks	1,847	1,687	1,666	1,562	1,040	1,202
Total Distribution	25,538	25,344	25,013	24,959	23,116	23,962
1000 HA, 1000 MT						

Meal, Rapeseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	22,550	23,000	22,280	22,700	21,070	21,300
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	95	95	75	300	118	400
Production	12,982	12,850	12,827	12,800	12,130	12,300
MY Imports	134	134	223	224	130	200
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	13,211	13,079	13,125	13,324	12,378	12,900
MY Exports	214	214	252	250	100	180
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	5	0	5	0	5
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	12,922	12,560	12,755	12,669	12,177	12,315
Total Dom. Cons.	12,922	12,565	12,755	12,674	12,177	12,320
Ending Stocks	75	300	118	400	101	400
Total Distribution	13,211	13,079	13,125	13,324	12,378	12,900
1000 MT, PERCENT						

Oil, Rapeseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	22,550	23,000	22,280	22,700	21,070	21,300
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	474	474	249	365	191	260
Production	9,370	9,540	9,258	9,400	8,756	9,000
MY Imports	441	441	488	488	550	750
MY Imp. from U.S.	24	24	15	12	15	10

MY Imp. from EU	0	0	0	0	0	0
Total Supply	10,285	10,455	9,995	10,253	9,497	10,010
MY Exports	111	111	214	214	170	150
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	7,190	7,239	6,905	7,079	7,150	7,110
Food Use Dom. Cons.	2,730	2,700	2,680	2,650	1,962	2,500
Feed Waste Dom. Cons.	5	40	5	50	5	50
Total Dom. Cons.	9,925	9,979	9,590	9,779	9,117	9,660
Ending Stocks	249	365	191	260	210	200
Total Distribution	10,285	10,455	9,995	10,253	9,497	10,010
1000 MT, PERCENT						

MY 2011/12

EU rapeseed production is expected to be higher than earlier estimates but still 6.3 percent lower than the previous marketing year. The harvest in France, U.K., Denmark, Austria, and Spain was better than expected. The U.K. reported record production, supported by record acreage. France's production has also increased significantly compared to the previous year; in fact, this season France replaced Germany as the largest producer of rapeseed in the EU-27. The shortfall in Europe is mainly a result of lower production in Germany, Poland, Romania and Denmark. Germany's production alone reportedly dropped by 1.6 MMT compared to the previous marketing year.

Overall, EU-27 rapeseed production is estimated to drop to 19.4 MMT in MY 2011/12, a decrease of 1.3 MMT. The EU-27's production shortfall will be compensated for by higher imports from other major producers such as Ukraine, Australia and Canada. However, supplies of rapeseed and canola on the world market remain tight. This will result in a partial shift to sunflower seed. Because the price for rapeseed oil is expected to remain high, it is likely that consumption of sunflower oil will increase.

The shortage of rapeseed oil could trigger an increase in imports of biodiesel from countries like Argentina and Indonesia, especially into those member states that have not yet implemented the Renewable Energy Directive's sustainability requirements for biofuels.

Sunflower Complex

Coordinator: Monica Dobrescu / FAS Bucharest

Oilseed, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,950	3,900	3,900	3,900	3,900	3,920
Area Harvested	3,904	3,900	3,741	3,718	4,050	4,050
Beginning Stocks	780	780	404	437	311	362
Production	6,913	6,909	6,919	6,900	7,800	7,950
MY Imports	269	269	360	365	650	500
MY Imp. from U.S.	70	0	70	0	70	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,962	7,958	7,683	7,702	8,761	8,812
MY Exports	543	541	500	485	450	450
MY Exp. to EU	0	0	0	0	0	0
Crush	6,180	6,150	6,150	6,160	6,760	6,800
Food Use Dom. Cons.	290	290	270	235	300	270
Feed Waste Dom. Cons.	545	540	452	460	558	500
Total Dom. Cons.	7,015	6,980	6,872	6,855	7,618	7,570
Ending Stocks	404	437	311	362	693	792
Total Distribution	7,962	7,958	7,683	7,702	8,761	8,812

1000 HA, 1000 MT						

Meal, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,180	6,150	6,150	6,160	6,760	6,800
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	309	309	70	130	122	140
Production	3,373	3,260	3,354	3,260	3,688	3,560
MY Imports	2,007	2,007	2,100	2,220	2,500	2,450
MY Imp. from U.S.	0		0		0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5,689	5,576	5,524	5,610	6,310	6,150
MY Exports	92	86	120	125	100	115
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	170	260	120	320	250	330
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	5,357	5,100	5,162	5,025	5,670	5,450
Total Dom. Cons.	5,527	5,360	5,282	5,345	5,920	5,780
Ending Stocks	70	130	122	140	290	255
Total Distribution	5,689	5,576	5,524	5,610	6,310	6,150
1000 MT, PERCENT						

Oil, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,180	6,150	6,150	6,160	6,760	6,800
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	517	517	442	448	205	283
Production	2,591	2,575	2,578	2,580	2,834	2,850
MY Imports	936	936	800	780	1,530	1,000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,044	4,028	3,820	3,808	4,569	4,133
MY Exports	150	150	160	155	130	140
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	300	300	250	220	250	270
Food Use Dom. Cons.	3,150	3,100	3,202	3,120	3,888	3,300
Feed Waste Dom. Cons.	2	30	3	30	3	30
Total Dom. Cons.	3,452	3,430	3,455	3,370	4,141	3,600
Ending Stocks	442	448	205	283	298	393
Total Distribution	4,044	4,028	3,820	3,808	4,569	4,133
1000 MT, PERCENT						

MY 2011/12

Good weather conditions positively influenced sunflower crop development and resulted in excellent yields. Weather was not the only factor. Harvested area expanded in major producing countries, notably Romania, Spain, France and Bulgaria. Production is expected to reach a record 7.95 MMT, with significantly higher volumes being reported in France, Romania, Hungary, and Spain. However, in Bulgaria, uneven yields resulted in a lower than previously forecast production levels.

High availability of sunflower seed and good crush margins compared to other oilseeds will stimulate the industry

to process more at the expense of rapeseed. Crushing volume at the EU-27 level is forecast to increase 10 percent compared to the previous MY, most notably in Hungary, Spain, France Romania and Germany.

The plentiful global sunflower seed supply is reflected in higher EU-27 sunflower seed import volumes compared to MY 2010/11. Ukraine, Moldova and United States are forecast to remain the major suppliers. Considering its crushing needs, Turkey is expected to be the main market for EU-27 sunflower seeds exports, in addition to South Africa and Serbia. By the end of MY 2011/12, high availability of sunflower seeds is likely to have improved EU-27 stocks levels.

Large crush volumes will result in a higher meal production compared to the previous MY, especially in Hungary, Spain, France and Romania. Considering its higher availability and price competitiveness, feed demand may be met using a larger proportion of sunflower meal. The highest increases in feed use are reported in France, Spain, Benelux, Hungary and Denmark. Sunflower meal imports are forecast to rise in MY 2011/12, based on the assumption that Ukraine, Russia, and Argentina will continue to have exportable supplies at competitive prices. Given the strong competition from the Black Sea region this year, EU-27 exports are forecast to slightly decline.

Sunflower oil output is estimated to climb to a record 2.85 MMT. Compared to previous estimates, food use figures were adjusted up to reflect an expected higher incorporation rate of sunflower oil. The Benelux countries, Germany, Sweden, the United Kingdom, and Romania have all revised up estimates for food use. The same trend is anticipated in Spain, where food consumption is driven by increased hotel, restaurant, and institutional demand. Biofuels and industrial use are forecast to increase slightly compared to MY 2010/11. Higher sunflower oil availability will also increase ending stocks.

MY 2010/11

Minor adjustments were made to production and crush data for sunflower seeds. Trade data was marginally revised based on 11-month GTA figures. Import figures for sunflower meal were adjusted higher, with Ukraine and Argentina satisfying feed demand to a larger extent than previously anticipated. Taking into account the currently available trade data for sunflower oil, it is likely that imports will not reach the predicted level, thus the estimate was adjusted lower, while export figures were revised up.

Palm Oil

Coordinator: Bob Flach / FAS The Hague

Oil, Palm EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	462	462	534	307	234	207
Production	0	0	0	0	0	0
MY Imports	5,422	5,426	5,000	5,500	5,300	5,500
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5,884	5,888	5,534	5,807	5,534	5,707
MY Exports	140	141	150	150	120	150
MY Exp. to EU	0		0	0	0	0
Industrial Dom. Cons.	2,183	2,400	2,200	2,400	2,310	2,400
Food Use Dom. Cons.	2,750	2,750	2,700	2,750	2,600	2,750
Feed Waste Dom. Cons.	277	290	250	300	270	300
Total Dom. Cons.	5,210	5,440	5,150	5,450	5,180	5,450
Ending Stocks	534	307	234	207	234	107
Total Distribution	5,884	5,888	5,534	5,807	5,534	5,707

1000 HA, 1000 TREES, 1000 MT						

Olive Oil

Coordinator: Marta Guerrero / FAS Madrid

Oil, Olive EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0		0		0	
Area Harvested	0		0		0	
Trees	6,750		6,750		6,750	
Beginning Stocks	515	515	419	551	254	560
Production	2,390	2,280	2,290	2,275	2,350	2,260
MY Imports	79	77	95	80	75	80
MY Imp. from U.S.	0		0		0	
MY Imp. from EU	0		0		0	
Total Supply	2,984	2,872	2,804	2,906	2,679	2,900
MY Exports	495	441	500	450	410	460
MY Exp. to EU	0		0		0	
Industrial Dom. Cons.	50	50	50	50	50	50
Food Use Dom. Cons.	2,020	1,830	2,000	1,846	2,000	1,846
Feed Waste Dom. Cons.	0		0		0	
Total Dom. Cons.	2,070	1,880	2,050	1,896	2,050	1,896
Ending Stocks	419	551	254	560	219	544
Total Distribution	2,984	2,872	2,804	2,906	2,679	2,900
1000 HA, 1000 TREES, 1000 MT						

MY 2011/12

The EU-27 is the world's leading producer of olive oil. Spain, Italy, Greece, Portugal and France are the main member-state producers.

In MY2011/12 olive oil production in Spain is expected to remain flat compared to last year. Fears over reduced final yields due to dry weather conditions during ripening have been eased by recent rainfall. Hot temperatures and drought over the summer negatively affected olive ripening, triggering a decline in yields, especially in central regions of Italy. This resulted in lower production expectations in MY 2011/12. On the bright side, the dry weather did not foster the spread of pathogens (e.g., olive fruit fly) and quality is expected to be quite good. According to official estimates, MY 2011/12 Greek olive oil production is forecast at 310,000 MT, up from the previous year.

Overall EU olive oil output will depend on climate conditions throughout the extended harvest season, which runs from October to January. However, according to official estimates, a slight decline in total olive oil production in the EU-27 is anticipated, driven by Italy's reduced crop. While consumption is expected to remain fairly stable within the EU, exports are expected to continue their upward trend.

MY 2010/11

High olive oil ending stocks in MY 2010/11, mostly in Spain, caused a fall in prices below the Private Storage Aid (PSA) trigger level of 1.77 Euro/kg. In response to falling prices, Spain requested activation of the PSA program. The EU Management Committee authorized 1.3 Euros per ton per day in storage aid for about 44,000 MT of

virgin olive oil over a 180 day period. This amounts to a payment of 234 Euro/MT.

While not impacting consumption directly, PSA may help to improve prices for producers through greater marketing flexibility. However, the exclusion of lower quality oils from the PSA has been criticized by some of the actors in the olive oil sector.

Related EU-27 and Country Reports:

Oilseeds Reports

Report Title	Date Released
 Oilseeds Update Slovakia Oilseeds and Products, Agriculture in the News Prague Slovakia 10/31/2011 Slovakia oilseeds production increased in 2011 for all major crops with rapeseed up 10 percent, sunflower seed up 46 percent and soybeans up 75 percent. Oilseeds Update Slovakia Prague Slovakia 10-26-2011	10-26-2011
 Oilseeds Update Czech Republic – Second Best Harvest of Rapeseed Oilseeds and Products, Agriculture in the News Prague Czech Republic 10/31/2011 The 2011 official crop estimates show production of rapeseed at 1.1 million MT, the second largest crop on record; of sunflower seed, at 73 thousand MT representing a 26 percent increase; and, of soybean at 15 thousand MT representing a slight decline due to smaller planted area and drop in per hectare yield. Oilseeds Update Czech Republic – Second Best Harvest of Rapeseed Prague Czech Republic 10-26-2011	10-26-2011
 Poland's Grain and Oilseeds Harvest Update 2011-12 Grain and Feed, Oilseeds and Products Warsaw Poland 10/18/2011 National Statistic Office estimates grain production at 26.3 million tons and rapeseed production at 1.9 million tons. In comparison to crop year 2010, the 2011 crops are lower by 3.5 percent and 10.1 percent, respectively. Grain quality is reported as poorer due to fungi presence from excessive rainfall prior/during harvest. Poland's Grain and Oilseeds Harvest Update 2011-12 Warsaw Poland 10-12-2011	10-12-2011
 Rapeseed Production Somewhat Better than Expected Oilseeds and Products, Bio-Fuels, Grain and Feed Vienna EU-27 8/11/2011 This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products. Rapeseed Production Somewhat Better than Expected Vienna EU-27 8-5-2011	8-5-2011
 Oilseed, Soybean (Local), Meal, Soybean Rebound of EU-27 Oilseeds Production Oilseeds and Products Berlin EU-27 4/12/2011 The rebound to average yields and an almost flat area leads to expectations of an increased EU-27 oilseeds production of about 1.5 percent in MY 211/12 reaching some 29.4 MMT. Along with the growing production crush of oilseeds is anticipated to rise accordingly. Ample supplies of soybean meal in North and South America are forecast to increase soybean meal imports which will be absorbed by the feed demand of the growing poultry sector. After a decline of total oilseeds oil use for biodiesel ... Oilseeds and Products Annual Berlin EU-27 4-4-2011	04/04/2011
 FAQs on Biofuel Sustainability Certification in Germany Bio-Fuels, Oilseeds and Products, Grain and Feed Berlin Germany 4/8/2011 This report provides answers to some FAQs regarding the sustainability certification in Germany, including costs, participation by German farmers, and impact on U.S. soybean and biofuel exports. FAQs on Biofuel Sustainability Certification in Germany Berlin Germany 04-01-2011	04-01-2011
 Oilseeds - Increased Domestic Soybean and Soybean Meal Production Oilseeds and Products, Bio-Fuels, Grain and Feed Vienna EU-27 12/3/2010 In MY 20010/11, EU-27 production for the three major oilseed crops was higher than our August estimates. Soybean production showed a 12.4 percent increase whereas rapeseed and sunflower production were only revised marginally upward. Price competitiveness and a strong demand from the broiler and swine industries are expected to increase soybean imports and crushing beyond previous estimates. In line with higher soybean meal production, a result of the higher crush volume, the use of soybean m... Oilseeds - Increased Domestic Soybean and Soybean Meal Production Vienna EU-27 11-30-2010	11/30/2010

Green Party Plan To End Soybean Imports Oilseeds and Products Berlin Germany 11/5/2010 The German Green Party has developed a proposal to replace imported soybeans with domestically produced protein crops. The Greens are advancing the proposal using a clear EU parliamentary strategy and ties to sweeping environmental themes but technical challenges remain. If successfully implemented, the 'Protein Strategy for Agriculture' could jeopardize roughly \$500 million in U.S. soybean sales to Germany. Green Party Plan To End Soybean Imports Berlin Germany 11-2-2010	11/02/2010
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Report Title	Date Released
 Crop update - EU grain harvest under way following long awaited rain Grain and Feed London United Kingdom EU-27 8/10/2011 Since the last update in early June, rain has been seen across Europe. While a little late for the likes of Southern France and the barley crop in Germany, it has been particularly welcome and good for grain fill in Northern France, the UK and for the wheat crop in Germany; yield expectations have improved but remain difficult to predict. In these countries, the attention is now turning from yield to quality, the latter reported to be variable. In contrast, in the South East, particularly Bul... Crop update - EU grain harvest under way following long awaited rain London United Kingdom EU-27 8-5-2011	08/05/2011
 Crop update - France and Germany feel the heat Grain and Feed London United Kingdom EU-27 6/8/2011 With significantly less rainfall than normal recorded in the past three months in the key growing areas in France, Germany and the UK, farmers are reported to be increasingly concerned about both grain yield and quality, particularly in north western France. As such, the EU27 grain crop forecast is reduced to 277 MMT. As such, the focus firmly remains on the EU stock number despite a reduction in forecast feed and industrial grain usage and in exports. Crop update - France and Germany feel the heat London United Kingdom EU-27 6-3-2011	06/03/2011
 EU-27 Annual Biofuels Report Bio-Fuels The Hague EU-27 6/29/2011 Despite EU consumption of biofuels steadily increased, and the use of fossil fuels stagnated, the EU did not achieve its Directive 2003/30 indicative target for blending in 2010. During 2006 - 2008, the EU Member States' mandates for blending and the relative high crude oil prices spurred the domestic use and production of biofuels. Since 2007, however, competitive imports of biofuels have been deteriorating domestic producer margins. Despite the effort of the EC to regulate these imports, th... Biofuels Annual The Hague EU-27 6-22-2011	06/22/2011
 Wheat, Barley, Corn, Rye, Sorghum, Oats, Mixed Grain, Select 2011 Grain and Feed London EU-27 4/27/2011 Wet weather in some parts of the EU27 during fall 2010 is reported to have delayed and limited plantings in those countries. That said, favorable conditions elsewhere, generally good over-wintering conditions across the EU27, improved soil moisture and favorable spring planting conditions, indicate the MY2011/12 EU27 planted grain area is forecast slightly up and production is currently forecast to rise. While rain is currently needed in the west, particularly in France and the UK but also in ... Grain and Feed Annual London EU-27 4-21-2011	04/21/2011
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 Poultry, Meat, Broiler After a Buoyant 2010 Year, EU-27 Poultry Sector Growth Slowing in 2011 Poultry and Products Paris EU-27 3/4/2011 After a significant surge in 2010 (almost 4 percent) fueled by extremely strong export demand in Russia and Hong Kong, EU-27 broiler production is expected to grow moderately in 2011 by 1 percent as new import regulations in Russia are likely to hit exports. EU-27 chicken meat imports decreased in 2010 due to lower imports from Brazil and no rebound is expected for 2011. Poultry meat, which is the cheapest source of protein, was less affected by the European economic recession than other meats; ... Poultry and Products Semi-annual Paris EU-27 3-1-2011	03/01/2011
 Transposition of the RED into National Legislation Bio-Fuels Brussels USEU EU-27 	02/15/2011

<p>2/18/2011</p> <p>According to EU legislation, the Renewable Energy Directive must be transposed into their national legislation by December 5, 2010. Almost all of the EU Member States will not meet the deadline. It remains unclear how the Commission, and the Member States, will deal with the delays.</p> <p>Transposition of the RED into National Legislation Brussels USEU EU-27 2011-02-15</p>	
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<p> Status of Biomass Sustainability Certification in Germany Bio-Fuels, Trade Policy Monitoring Berlin Germany 3/15/2010</p> <p>As of July 1, 2010, biofuels will need a "proof of sustainability" certificate from an approved sustainability system in order to be eligible for tax incentives or mandates in Germany. In order to be able to certify production, U.S. industry can work with an existing German certification system or develop its own system and have it approved in Germany. Information on requirements for approval of certification systems can be obtained from the German Federal Agency for Agriculture and Nutrition ...</p> <p>Status of Biomass Sustainability Certification in Germany Berlin Germany 3-11-2010</p>	03/11/2010
<p> Commission Communications on Sustainability and Voluntary Schemes Bio-Fuels Brussels USEU EU-27 7/15/2010</p> <p>In June 2010, the Commission published two Communications to encourage industry, governments and NGO's to set up certification schemes. One Communication concerns the practical implementation of the Sustainability Scheme, and the other concerning Voluntary Schemes and default values. In the Communications the Commission explicitly rules out that forests can be converted into palm oil plantations. Reactions from stakeholders in Brussels on the Communications have been generally positive.</p> <p>Commission Communications on Sustainability and Voluntary Schemes Brussels USEU EU-27 6-23-2010</p>	06/23/2010