

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Russian Federation

**Post:** Moscow

### Sunflowerseed Sown Area Reaches Record Level

**Report Categories:**

Oilseeds and Products

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**Report Highlights:**

Russian farmers this year increased sunflowerseed plantings to a record level and Russia's total area planted with sunflowerseeds is estimated at 7.2-7.3 million hectares. This increase was largely due to early spring dryness which prevented sowing of spring wheat, as well as continued high profitability from sunflowerseed. Assuming normal weather conditions, FAS Moscow forecasts total sunflowerseed production at 7.9 MMT, a record for Russia.

**Production:**

Sunflowerseeds

**Planted Area**

According to the Russian State Statistical Service (Rosstat), as of June 20<sup>th</sup> Russian farmers planted 7.2 million hectares with sunflowerseed, 10 percent more than 2010, and 6 percent more than the Ministry of Agriculture had recommended for sunflowerseed area. Farmers in the Volga Valley Federal District increased sunflowerseed area by 33 percent to 3.0 million hectares, and became the leaders in planting sunflowerseed in Russia. The expansion was due to decreased winter and spring grain sowing in Volga Valley, and the high profitability and stable returns that farmers have been receiving in the last 5 years from sunflowerseed.

**Yields**

Assuming normal weather conditions, the average sunflowerseed yield is expected at 1.1 MT per planted hectare, close to the 6 year average (2005 – 2010). However, there is very high variability in yields from farm to farm depending on soil conditions, seeds used, agronomy practices, and weather conditions. Industry experts estimate that areas that are planted with foreign hybrid seeds, and are applied with proper chemicals and fertilizer, can have yields that may exceed 2.0 – 2.5 MT per hectare. A large portion of the sunflowerseed crop, however, is from non-hybrid seeds which are saved from previous years. With these seeds, even in favorable weather the yields may be below 1 MT per hectare. In addition to seed quality, lack of financial resources often mean that farmers cannot afford chemicals, fertilizer, special seeders, or employ proper crop rotation which could boost yields and prevent the spread of diseases such as *Phomopsis*.

**Production**

Despite low yields, given the increased sown area FAS Moscow forecasts the sunflowerseed crop at 7.9 MMT, a record in Russia. Russia's crushing capacity already exceeds 10 MMT, and oil companies have continued expanding and modernizing crushing facilities. As a result, even with the huge sunflowerseed crop industry analysts do not expect a shortage of crushing capacity (especially since the volumes of other oilseeds usually do not exceed 2.0 MMT). The bumper crop will, however, likely depress domestic prices and might decrease farmers' returns.

**Policy:**

Russian agricultural officials, especially at the local level, discourage the expansion of sunflowerseed area in Russia because of its depleting effects on the soil and the spread of fungal diseases when it is planted too often. Despite this, financial returns still largely dictate farmers' decisions and area has expanded.

The government has maintained an export duty on sunflowerseed exports of 20 percent (but not less than 30/Euro per MT), to encourage local processing. The lobby of crushing companies, which are

interested in cheap supplies of sunflowerseed, remains strong and very influential. As a result, most of the exports from the oilseed complex are of sunflower oil, which are also expected to rise due to the large crop.

### Production, Supply and Demand Data Statistics :

Table 1. PSD, Sunflowerseed, 1,000 Metric Tons, 1,000 Hectares

Oilseed, Sunflowerseed Russia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Sep 2009		Market Year Begin: Sep 2010		Market Year Begin: Sep. 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	5,600	5,600	5,550	5,560	7,100	6,500
Beginning Stocks	575	575	283	283	128	163
Production	6,425	6,425	5,350	5,340	8,100	7,900
MY Imports	23	23	40	30	10	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,023	7,023	5,673	5,653	8,238	8,073
MY Exports	20	20	10	10	20	30
MY Exp. to EU	0	0	0	5	0	5
Crush	6,065	6,065	5,045	4,850	6,900	7,000
Food Use Dom. Cons.	220	220	200	200	230	220
Feed Waste Dom. Cons.	435	435	290	430	450	400
Total Dom. Cons.	6,720	6,720	5,535	5,480	7,580	7,620
Ending Stocks	283	283	128	163	638	423
Total Distribution	7,023	7,023	5,673	5,653	8,238	8,073

1000 HA, 1000 MT

Table 2. PSD, Sunflowerseed Oil, 1,000 Metric Tons

Oil, Sunflowerseed Russia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Sep 2009		Market Year Begin: Sep 2010		Market Year Begin: Sep. 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,065	6,065	5,045	4,850	6,900	7,000
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	59	59	99	99	160	119
Production	2,505	2,505	2,082	2,000	2,850	2,900
MY Imports	55	55	150	160	70	100
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,619	2,619	2,331	2,259	3,080	3,119
MY Exports	504	504	140	130	850	800
MY Exp. to EU	91	240	50	70	500	150
Industrial Dom. Cons.	320	320	320	300	320	400
Food Use Dom. Cons.	1,666	1,666	1,681	1,680	1,710	1,700
Feed Waste Dom. Cons.	30	30	30	30	30	30
Total Dom. Cons.	2,016	2,016	2,031	2,010	2,060	2,130
Ending Stocks	99	99	160	119	170	189
Total Distribution	2,619	2,619	2,331	2,259	3,080	3,119

1000 MT, PERCENT