Cereals, Oilseeds and Protein Crops

Market Situation

CROPS Market Observatory

30 September 2019

European Commission
Agriculture and Rural Development

Agro-weather conditions

European Commission

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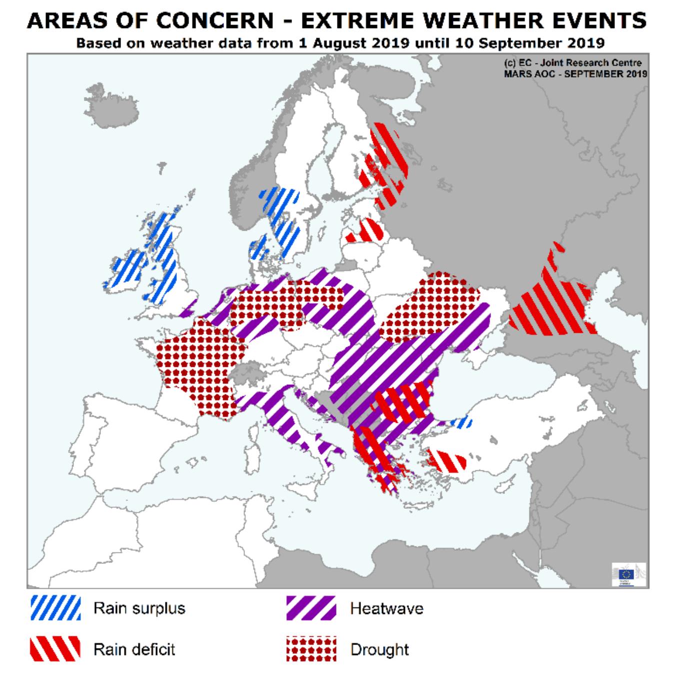
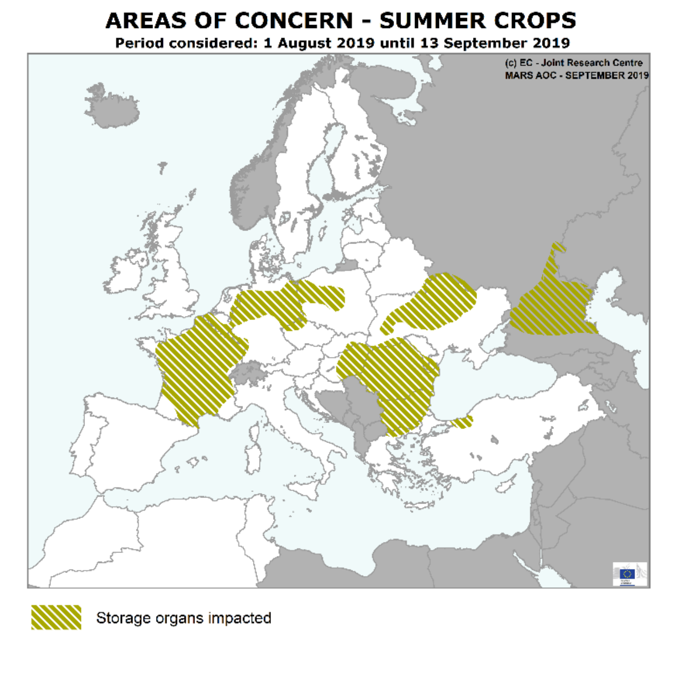
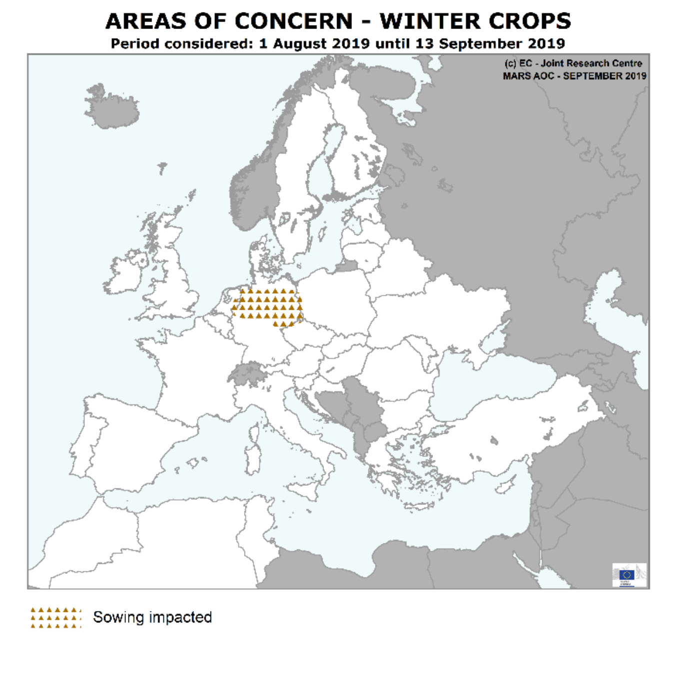
Areas of Concern



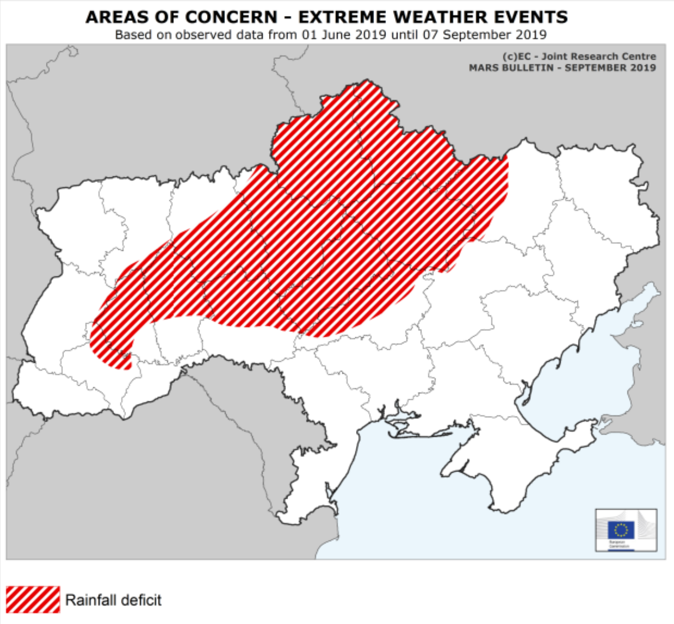
- **Heatwave**
  - Large parts of Europe affected (FR, BE, LU, NL, south-eastern UK, nothern DE, PL, IT, eastern HU, RO, BG)
  - + **rain deficit** in south-eastern Europe (= summer crops impacted)
- **Drought**
  - central and nothern FR, northern DE, western PL, north-western CZ
- **Rain surplus**
  - IE, parts of UK, DK, south-eastern SE

Areas of Concern – impacts on crops





Ukraine



- **Rain deficit**
  - Central and western Ukraine
  - Slightly impacted maize, lesser extent soybean
  - May affect winter crops sowings and emergence
- **Winter and spring cereals**
  - 2018/19 - Favourable season; very high yields, production +11% (wheat) and +14% (barley) y/y
  - 2019/20 – difficult sowing conditions
- **Summer crops**
  - 2018/19 - yields close to records; production well above 5-year av. (though slightly below last year)

EU market situation

- Cereals
- Oilseeds

European Commission

Cereals

EU Cereals Production: 2019/20 forecast

EVOLUTION OF THE EU CEREALS USABLE PRODUCTION				
Million tonnes	2017/2018	2018/2019	2019/2020 Sept fcst	% change 2018/2019
Total Cereals	**305.3**	**290.3**	**312.3**	7.6
Soft wheat	142.0	128.8	145.0	12.6
Durum wheat	8.7	8.7	7.8	-10.3
Barley	58.3	56.0	61.4	9.6
Maize	64.8	69.0	66.5	-3.6
Rye	7.2	6.1	8.2	34.4
Oats	8.1	7.6	7.7	1.3

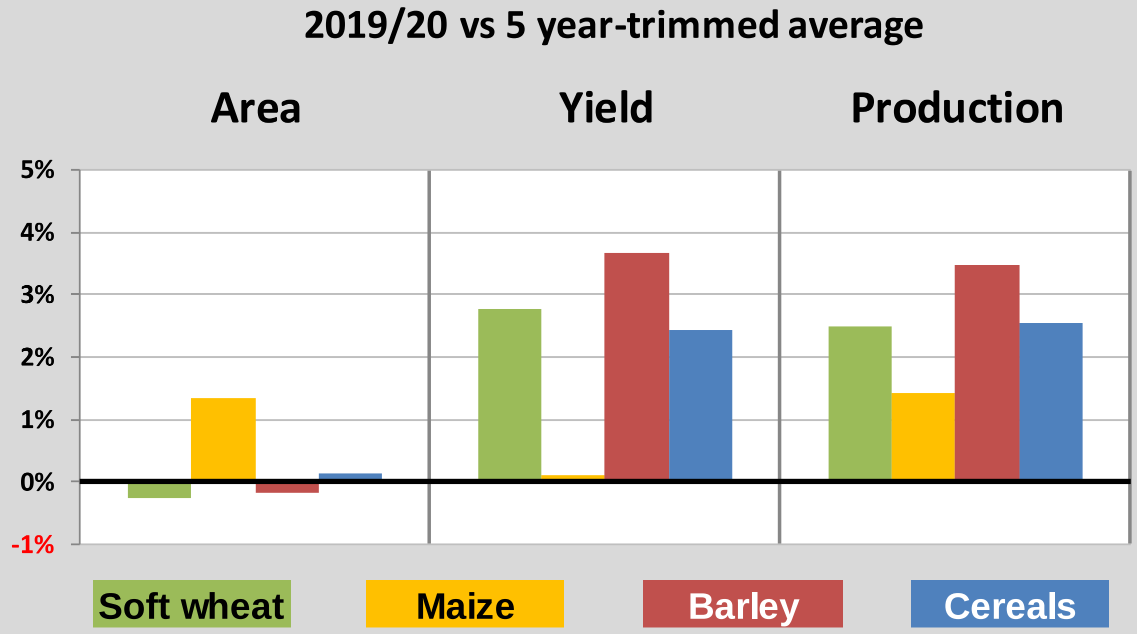
Sources : DG AGRI - G4

EU Usable Production:2019/2020 Forecast

Million tonnes	EC DG AGRI 26-Sep	Stratégie Grain 19-Sep	COCERAL 19-Sep	ADM 30-Aug
Total Cereals	**312.3**	**305.7**	**304.9**	**305.3**
Soft Wheat	145.0	144.5	143.3	142.8
Durum Wheat	7.8	7.6	8.0	7.7
Barley	61.4	61.0	60.8	60.5
Maize	66.5	63.8	61.6	64.4
Rye	8.2	7.5	7.8	8.2

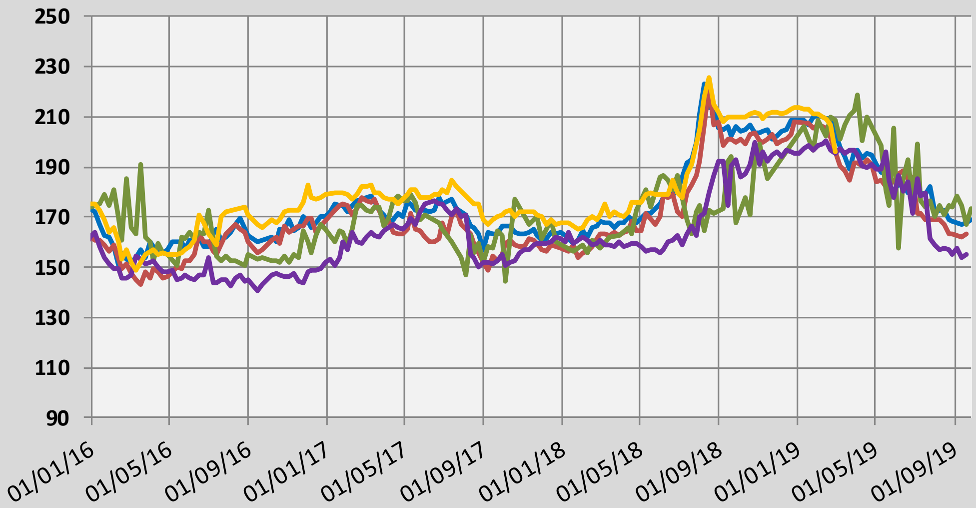
EU cereals production

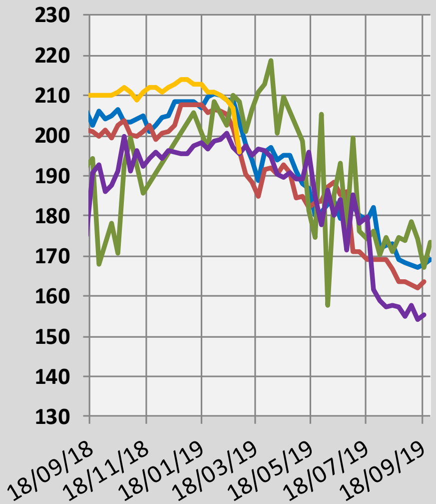
2019/20 forecast: 312 million tonnes



- Lower area for soft wheat and barley
- higher yields
- higher production

EU market prices for milling wheat (€/t)





Germany (Hamburg)	France (Rouen)	Romania (Constanta)	Poland (Zachodni)	Belgium (Antwerpen)

Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

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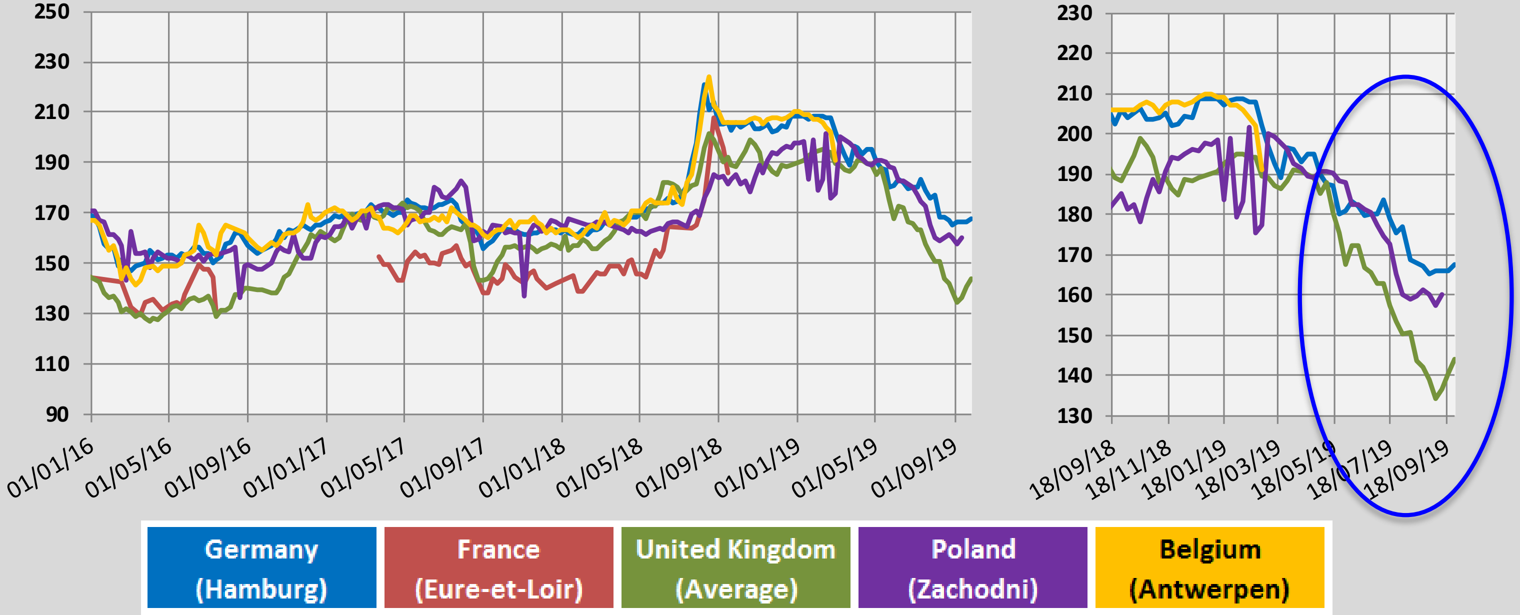
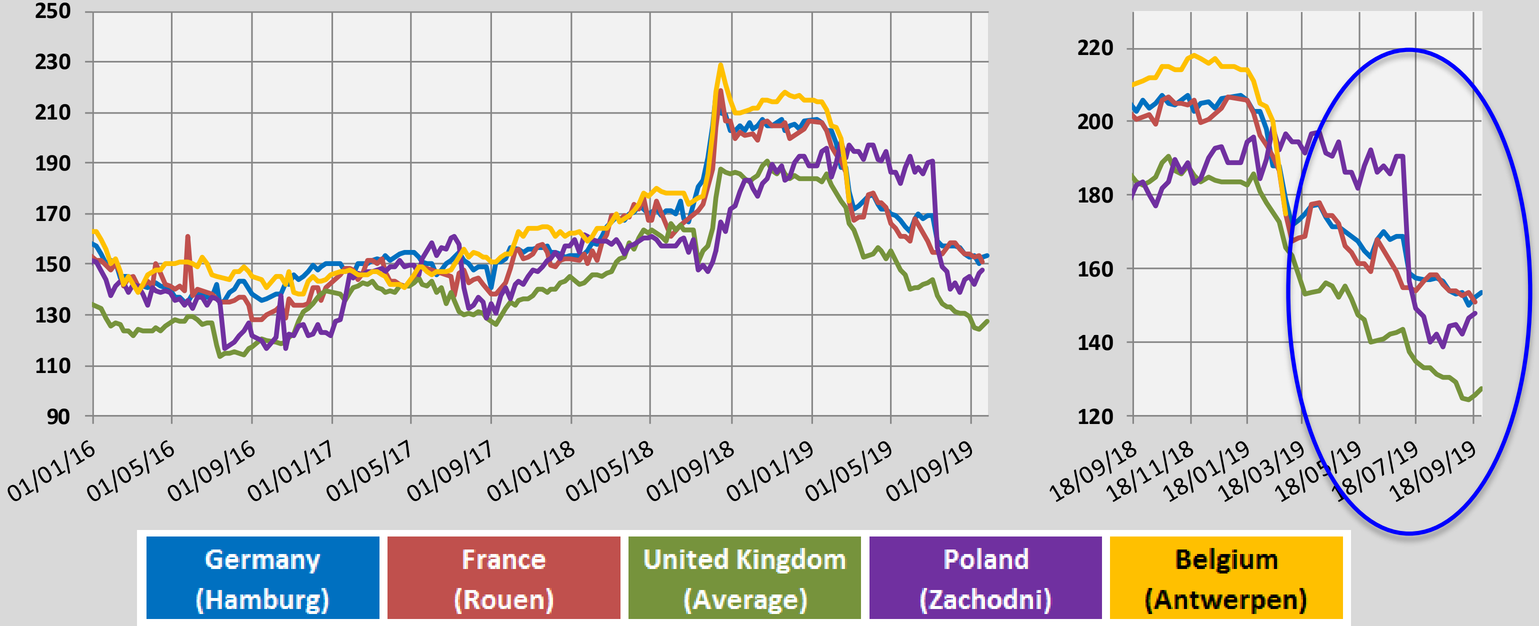
EU market prices for feed wheat (€/t)



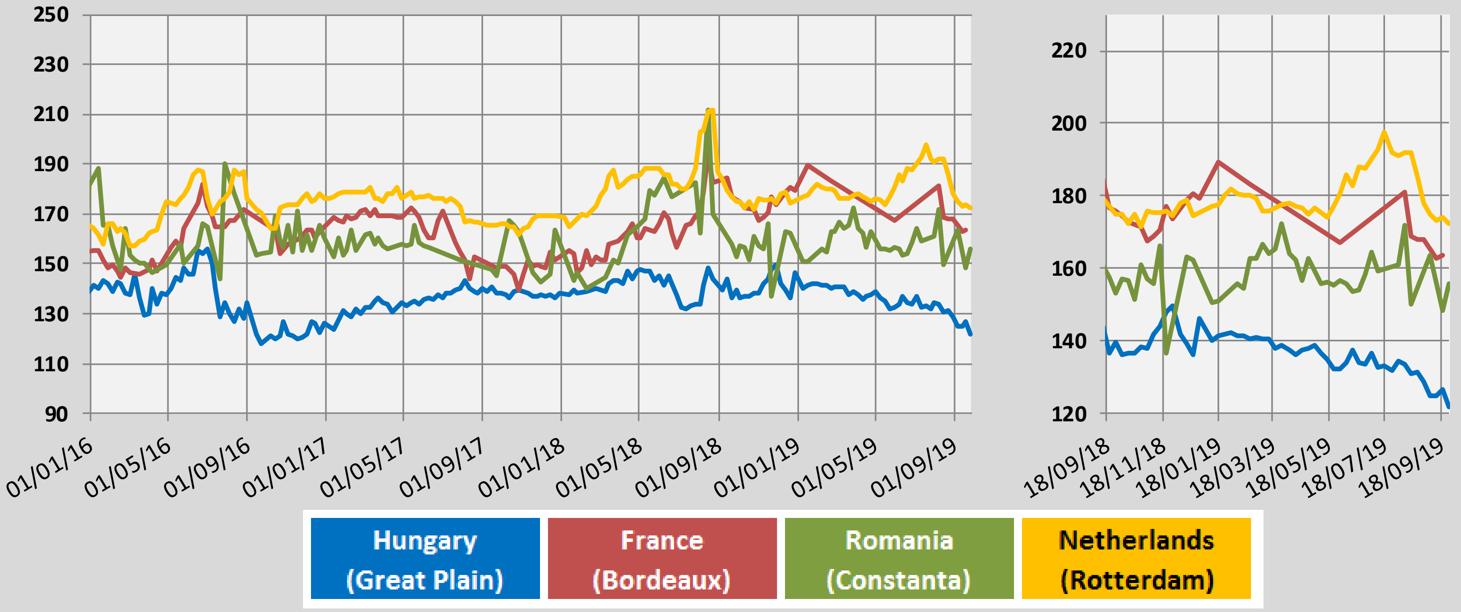
Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

EU market prices for feed barley (€/t)



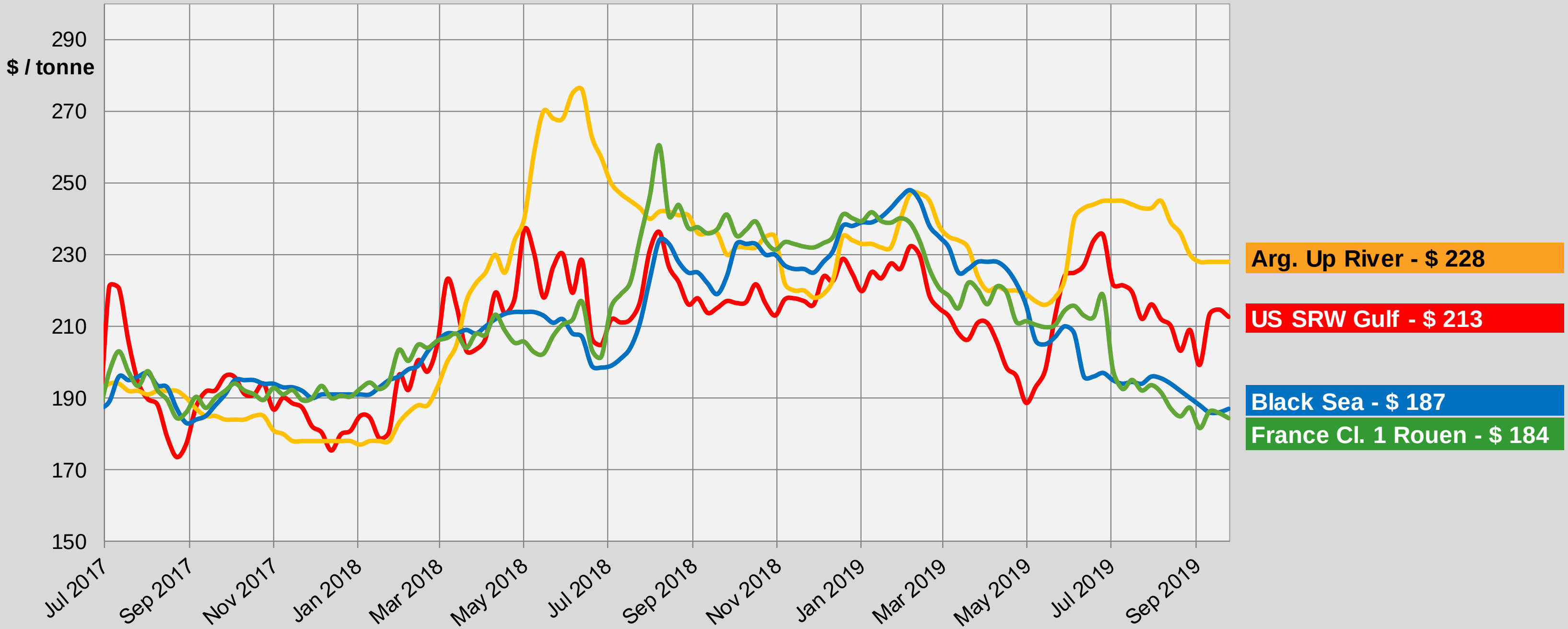
Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

EU market prices for maize (€/t)



Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

Milling Soft Wheat FOB export prices



Source: IGC

EU total cereals balance sheet

LAST UPDATED: 26/09/2019	EU 28 total cereals balance sheet (thousand tonnes)				
	2015/16	2016/17	2017/18	2018/19 est	2019/20 fc
Beginning stocks	**46 387**	**43 789**	**37 359**	**47 575**	**46 931**
Usable production	311 699	296 699	305 259	290 358	312 327
Area (thousand ha)	*57 279*	*56 778*	*55 195*	*55 115*	*56 490*
Yield (tonnes/ha)	*5.4*	*5.2*	*5.5*	*5.3*	*5.5*
Imports (from third countries)	20 829	19 309	24 544	30 997	23 376
Total supply	**378 914**	**359 798**	**367 163**	**368 930**	**382 633**
Total domestic use	284 279	284 212	285 950	287 837	289 979
Human consumption	65 231	65 444	65 605	65 679	65 913
Seed	9 466	9 466	9 317	9 274	9 683
Industrial uses	33 971	34 212	34 751	34 784	35 423
of which bioethanol/biofuel	*11 989*	*12 197*	*12 613*	*12 659*	*13 295*
Animal feed	173 400	172 880	174 068	175 890	176 750
Losses	2 210	2 210	2 210	2 210	2 210
Exports (to third countries)	50 846	38 226	33 637	34 162	38 699
Total use	**335 125**	**322 438**	**319 588**	**321 999**	**328 678**
Ending stocks	**43 789**	**37 359**	**47 575**	**46 931**	**53 955**
Change in stocks	-2 597	-6 430	10 216	-644	7 024

EU cereals balance sheet

Thousand metric tonnes

LAST UPDATED: 26/09/2019	2019/20 (forecast)									
	Common wheat	Barley	Durum wheat	Maize	Rye	Sorghum	Oats	Triticale	Others	TOTAL CEREALS
Beginning stocks	**12 198**	**5 240**	**2 287**	**24 924**	**205**	**654**	**158**	**1 216**	**50**	**46 931**
Usable production	145 003	61 396	7 820	66 460	8 233	934	7 750	10 810	3 920	312 327
Area (thousand ha)	*23 923*	*12 246*	*2 325*	*8 824*	*2 210*	*188*	*2 654*	*2 740*	*1 379*	*56 490*
Yield (tonnes/ha)	*6.1*	*5.0*	*3.4*	*7.5*	*3.7*	*5.0*	*2.9*	*3.9*	*2.8*	*5.5*
Imports (from third countries)	3 379	500	2 000	17 000	80	259	4		154	23 376
Total supply	**160 579**	**67 135**	**12 107**	**108 384**	**8 518**	**1 847**	**7 912**	**12 027**	**4 124**	**382 633**
Total domestic use	118 144	50 287	9 438	83 417	6 904	746	7 469	9 930	3 644	289 979
Human consumption	48 147	363	8 071	4 881	3 069	156	1 152	52	23	65 913
Seed	4 897	2 167	432	429	455	40	445	539	279	9 683
Industrial uses	11 600	9 156	95	12 507	1 311		103	449	202	35 423
of which bioethanol/biofuel	*5 000*	*437*		*6 800*	*700*			*344*	*14*	*13 295*
Animal feed	52 600	38 200	800	65 000	2 000	550	5 700	8 800	3 100	176 750
Losses	900	400	40	600	70		70	90	40	2 210
Exports (to third countries)	25 534	8 824	900	3 085	154	4	187	2	8	38 699
Total use	**143 678**	**59 111**	**10 338**	**86 502**	**7 059**	**750**	**7 656**	**9 932**	**3 653**	**328 678**
Ending stocks**	**16 901**	**8 024**	**1 769**	**21 882**	**1 460**	**1 097**	**256**	**2 095**	**472**	**53 955**
Change in stocks**	4 704	2 785	-518	-3 041	1 255	443	98	879	422	7 024

* Marketing year: from July to June

** At the end of the marketing year

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EU Cereals Market

- Focus on feed: competitiveness of different cereals (wheat – barley – maize)

EU cereals trade first two months of MY

Customs Surveillance (tonnes)	28 Member States 01/07/2019 - 31/08/2019				28 Member States 01/07/2018 - 31/08/2018		28 Member States 01/07/2017 - 31/08/2017	
	Export	Y/Y variation	Import	Y/Y variation	Export	Import	Export	Import
Common wheat	4 569 956	+35%	651 685	-4%	3 372 687	676 284	3 743 289	471 058
Common wheat flour (grain equivalent)	90 270	+0%	4 711	-14%	90 012	5 488	162 063	6 273
Durum wheat	113 589	+69%	226 295	+334%	67 226	52 153	81 659	158 526
Barley	1 557 085	+23%	364 074	+567%	1 269 053	54 602	894 680	257 129
Malt (grain equivalent)	421 737	-7%	2 182	+161%	452 443	837	478 509	3 303
Maize	125 764	+95%	3 717 516	+59%	64 365	2 344 944	78 092	2 958 845

EU Cereals Trade

- How the higher freight rates can help the EU exports or rather put in a more disadvantageous position vs Black Sea?

Oilseeds

European Commission

EU Oilseeds

EU OILSEEDS AREA

Million ha	AVG 5 yrs trimmed	2018/19	**2019/20 September**	change year on year	change on 5yrs AVG
Rapeseed	6.67	6.93	**5.61**	-19.0%	-15.8%
Sunflower	4.20	4.12	**4.35**	5.5%	3.6%
Soya Beans	0.89	0.96	**1.00**	4.2%	11.4%
TOTAL	**11.76**	**12.01**	**10.96**	**-9%**	**-7%**

EU OILSEEDS PRODUCTION

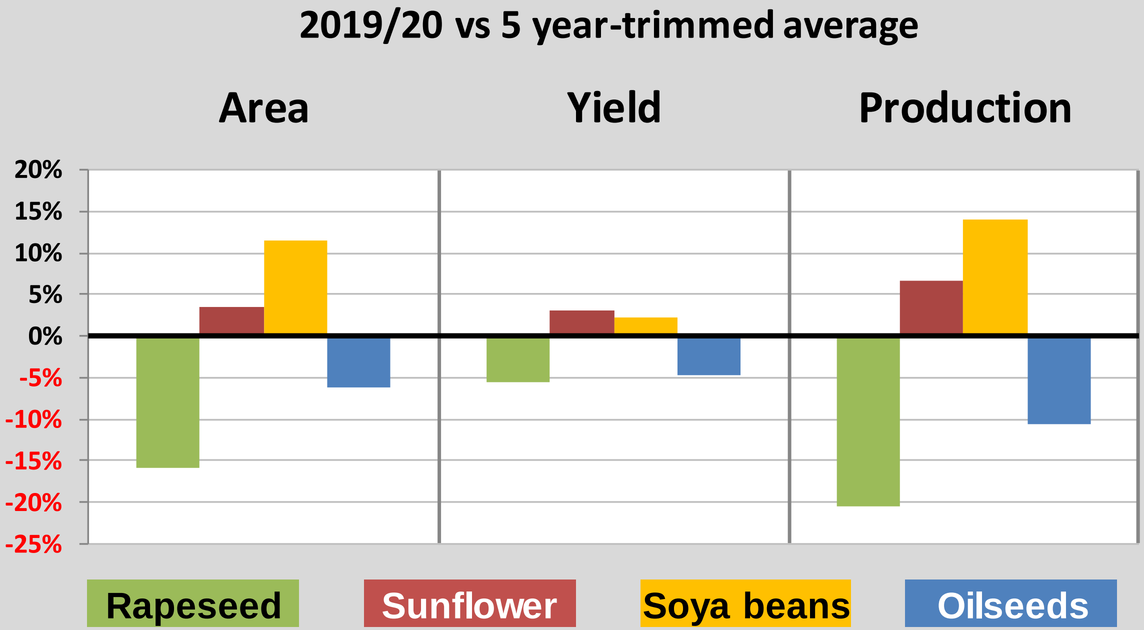
Million tonnes	AVG 5 yrs trimmed	2018/19	**2019/20 September**	change 2018/19	change AVG 5yrs
Rapeseed	21.31	20.04	**16.93**	-15.6%	-20.6%
Sunflower	9.33	9.96	**9.95**	-0.2%	6.7%
Soya Beans	2.51	2.83	**2.86**	1.1%	14.0%
TOTAL	**32.88**	**32.83**	**29.73**	**-9.4%**	**-10.3%**

Sources : EC - DG AGRI

Agriculture and Rural Development

EU oilseeds production

2019/20 forecast: 29.7 million tonnes



lower area, yields and ultimately production for rapeseed

EU Rapeseed: MS

Production Million tonnes	AVG 5 yrs trimmed	2018/19	**2019/20 September**	change year on year	%change 5yrs trimmed
TOTAL EU	**21.31**	**20.04**	**16.93**	**-15.6%**	**-20.6%**
France	5.21	4.95	**3.54**	-28%	-32%
Germany	4.62	3.68	**2.87**	-22%	-38%
Poland	2.54	2.18	**2.39**	10%	-6%
UK	2.23	2.07	**1.71**	-18%	-24%
Czech Republic	1.34	1.41	**1.19**	-15%	-11%
Romania	1.32	1.61	**0.69**	-57%	-48%
Others	4.04	4.14	**4.54**	10%	12%

Sources : DG AGRI G.4

European Commission

EU Oilseeds Balance Sheet

Thousand metric tonnes

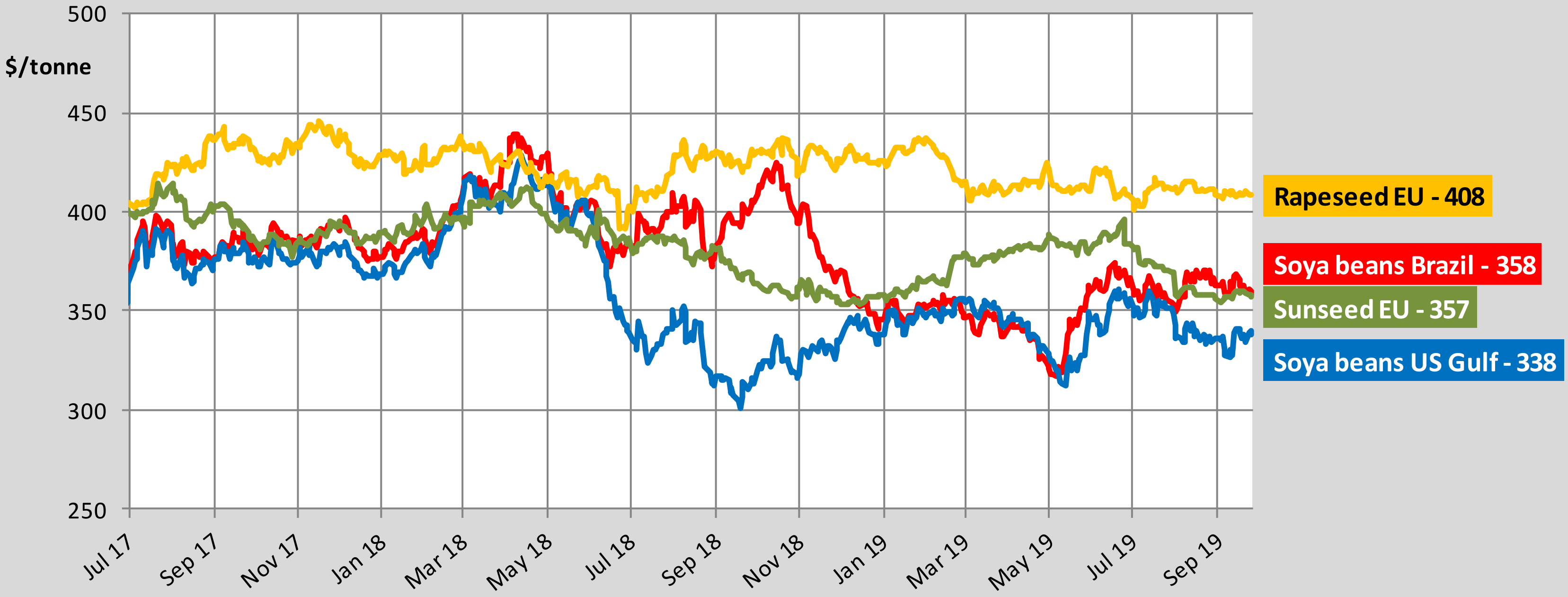
OILSEED	2018/19 est				2019/20 fc			
LAST UPDATED: 26/09/2019	Rapeseed	Soybean	Sunflower	TOTAL	Rapeseed	Soybean	Sunflower	TOTAL
Beginning stocks	**2 287**	**2 296**	**937**	**5 520**	**1 520**	**2 140**	**891**	**4 551**
Usable production	20 043	2 827	9 964	32 833	16 926	2 858	9 948	29 732
Area (thousand ha)	*6 928*	*955*	*4 124*	*12 008*	*5 612*	*996*	*4 351*	*10 959*
Yield (tonnes/ha)	*2.9*	*3.0*	*2.4*	*2.7*	*3.0*	*2.9*	*2.3*	*2.7*
Imports (from third countries)	4 232	15 076	521	19 830	5 500	15 100	513	21 113
Total supply	**26 562**	**20 199**	**11 422**	**58 183**	**23 946**	**20 098**	**11 352**	**55 396**
Domestic use	24 952	17 901	10 006	52 859	22 846	18 831	10 025	51 701
of which crushing	*24 057*	*15 837*	*8 899*	*48 794*	*22 018*	*16 529*	*8 950*	*47 496*
Exports (to third countries)	89	158	526	772	100	167	503	770
Total use	**25 042**	**18 059**	**10 531**	**53 632**	**22 946**	**18 998**	**10 527**	**52 471**
Ending stocks	**1 520**	**2 140**	**891**	**4 551**	**1 000**	**1 100**	**825**	**2 925**
Change in stocks	-767	-156	-46	-969	-520	-1 040	-66	-1 626

EU Oilseed meal Balance Sheet

Thousand metric tonnes

OILSEED MEAL	2018/19 est				2019/20 fc			
LAST UPDATED: 26/09/2019	Rapeseed	Soybean	Sunflower	TOTAL	Rapeseed	Soybean	Sunflower	TOTAL
Beginning stocks	**50**	**344**	**100**	**494**	**50**	**343**	**100**	**493**
Usable production	13 713	12 511	4 894	31 119	12 550	13 058	4 923	30 530
Imports (from third countries)	521	18 022	3 468	22 011	368	18 700	3 452	22 520
Total supply	**14 284**	**30 878**	**8 463**	**53 624**	**12 968**	**32 100**	**8 474**	**53 543**
Domestic use	13 787	30 219	8 011	52 018	12 518	31 446	8 076	52 040
Exports (to third countries)	447	316	351	1 114	400	314	298	1 013
Total use	**14 234**	**30 535**	**8 363**	**53 131**	**12 918**	**31 760**	**8 374**	**53 052**
Ending stocks	**50**	**343**	**100**	**493**	**50**	**340**	**100**	**490**
Change in stocks	-	-2	-	-2	-	-2	-	-2

Oilseeds FOB export prices

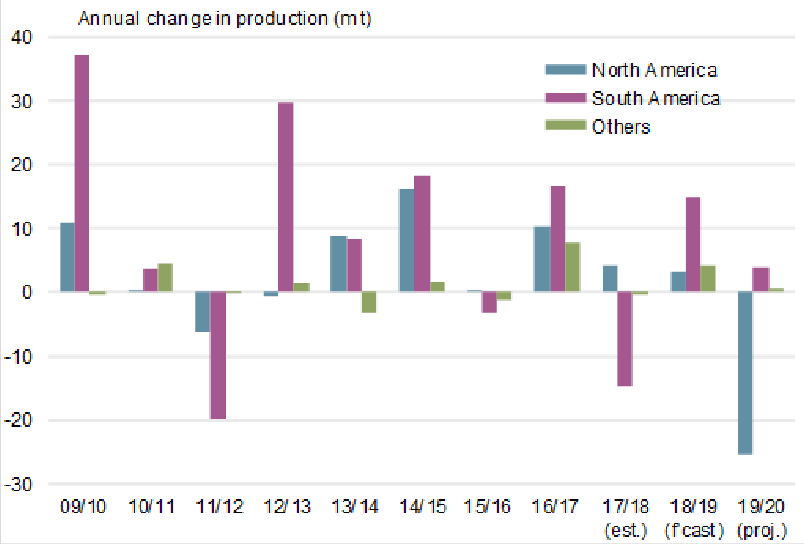


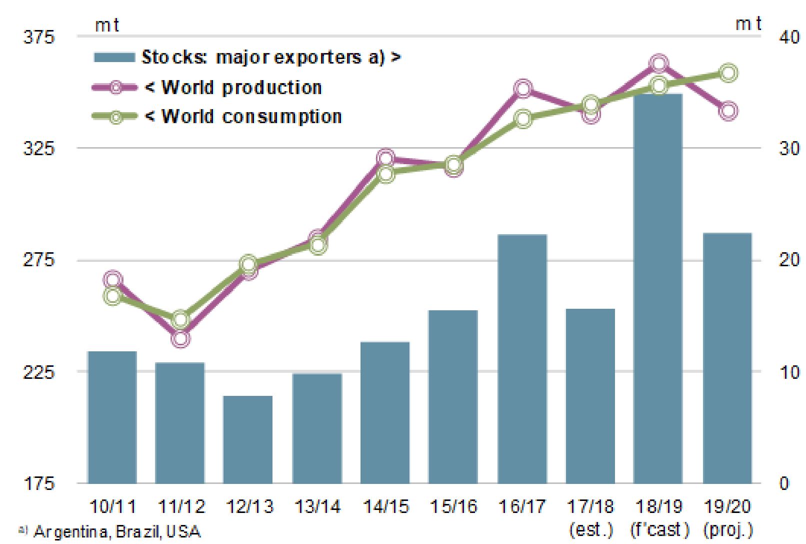
Source: IGC

EU oilseeds trade first two months of MY

Customs Surveillance (tonnes)	28 Member States 01/07/2019 - 31/08/2019				28 Member States 01/07/2018 - 31/08/2018		28 Member States 01/07/2017 - 31/08/2017	
	Export	Y/Y	Import	Y/Y	Export	Import	Export	Import
Soyabeans	19 528	+1019%	2 429 732	-8%	1 746	2 649 850	7 534	2 280 721
Rapeseed	7 925	-79%	1 254 909	+106%	38 061	608 972	100 377	507 583
Sunflowerseed	46 779	-6%	20 286	-7%	49 665	21 714	12 259	55 828
Soyameal	62 808	-8%	3 581 740	+19%	67 908	3 013 688	86 172	3 577 154
Rapeseed meal	68 080	-1%	65 263	+29%	68 543	50 478	78 667	21 418
Sunflowerseed meal	44 273	-2%	507 036	+36%	45 107	373 488	46 437	558 270

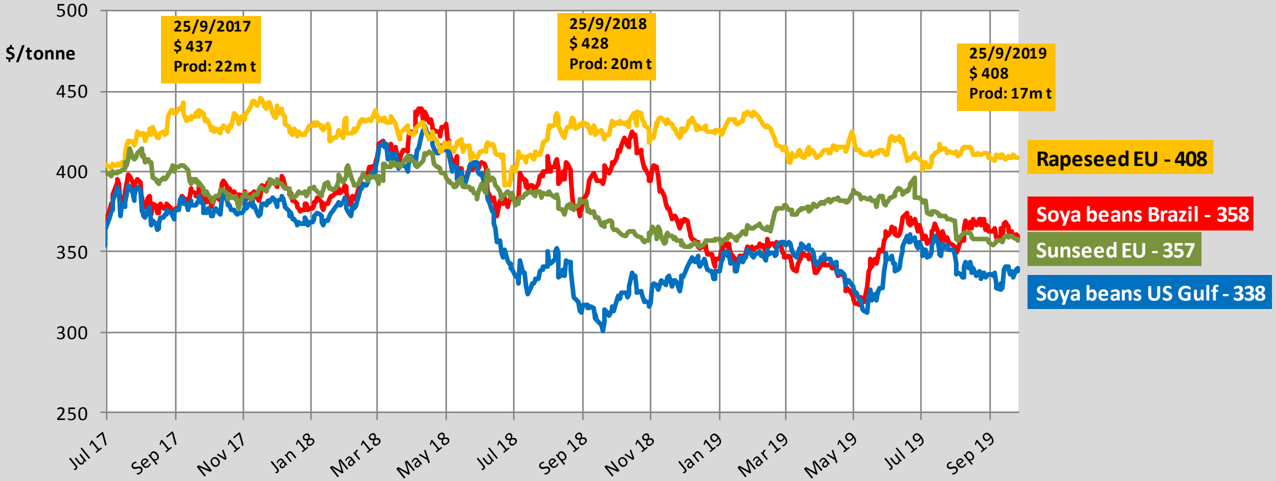
How is the drop in US soya production and the uncertainty about Chinese needs influencing the market?





Source: IGC

Why are EU rapeseed prices not reflecting the current supply situation on the market? Has this influenced the sowing?



Source: IGC

Thank you for your attention!

Market data for cereals, oilseeds and protein crops are available at the
EU Crops Market Observatory
https://ec.europa.eu/agriculture/market-observatory/crops

European Commission

Agriculture and Rural Development