

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Romania

Post: Bucharest

Dry Fall Follows Record 2018 Corn Crop

Report Categories:

Grain and Feed

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Report Highlights:

Drought conditions during late-summer and fall 2018 are negatively affecting the development of the winter crops across Romania. Winter rapeseed area planted is expected to decline by half, as many farmers are likely to switch to corn and sunflower production in marketing year (MY) 2019/20. July 2018 rains boosted the corn crop and provided Romanian growers export opportunities within the European Union (EU), particularly to northern and severely drought-affected EU markets.

General Information:

MY 2019/20 Winter Crops Perspectives

A prolonged dry period late last summer and throughout the fall led many farmers to adjust cropping patterns. As some regions did not see rain from July through November (60-90 days in general), many farmers struggled with winter crop planting and tillage. The situation improved somewhat with snow in late November (converted to water it was about 15-30 liters/square meter), which provided enough moisture to allow farmers to complete winter crop planting and tillage.

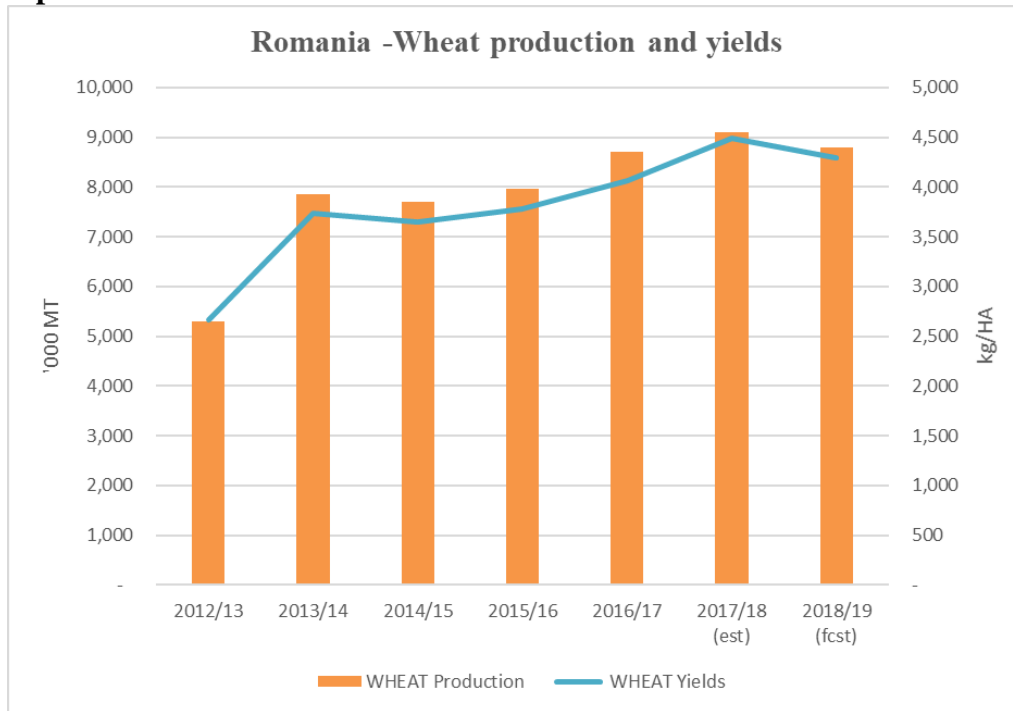
Rapeseed is typically the first winter crop planted in Romania. Post estimates that 550,000 hectares (HA) were planted in the fall of 2018 (a 23-percent decrease from the previous year). However, market sources indicate that an area from 250,000 to 350,000 HA was, or will be, replanted as poor due to low levels of germination. Some rapeseed acres were replanted with winter wheat and also some barley, although most will be planted with corn or sunflower in the spring. In the areas where rapeseeds emerged late, farmers are concerned about plant vulnerability over the winter. In areas where rapeseed emerged on time, farmers faced insect problems, which were exacerbated by the dry and warm weather. Romania faced a similar drop in the rapeseed area in MY 2012/13 when the crop was negatively affected by harsh winter conditions, with almost three quarters of the acreage replanted in the spring. That time total rapeseed acreage plunged from 360,000 HA planted in the fall to less than 100,000 HA by the spring.

Similar to rapeseed, planting conditions for wheat and barley were also difficult because of the drought. Rains in late November helped wheat emerge, although farmers remain concerned about future yield losses. The wheat area is expected to increase in MY 2019/20 over the previous year due, as farmers are converting rapeseeds acres into wheat acres. Productivity hinges on weather and growing conditions over the remaining winter and spring months.

Wheat—Large Stocks, Variable Quality

The MY 2018/19 wheat harvest started somewhat later than usual because of stormy weather and late maturity. Heavy and persistent precipitation prior to and during harvest reduced quality, particularly protein and test weight. Post estimates wheat production at 8.8 MMT, slightly lower from last year due to the 2018 spring drought and harvesting delays (Graph 1). Exports during the first three months of the MY 2018/19 (July-September) to other EU markets were higher than in most years, including to countries which are not traditional markets for Romanian wheat, such as Belgium and Germany, as well as to more traditional customers, such as Spain and Italy. Egypt maintains its position as the top non-EU customer with 630,000 MT of imports during the first three months of MY 2018/19, a slight increase over the previous year. Oman and the Philippines were notable new Romanian wheat markets. See Appendix for more information.

Graph 1: Wheat Production and Yields



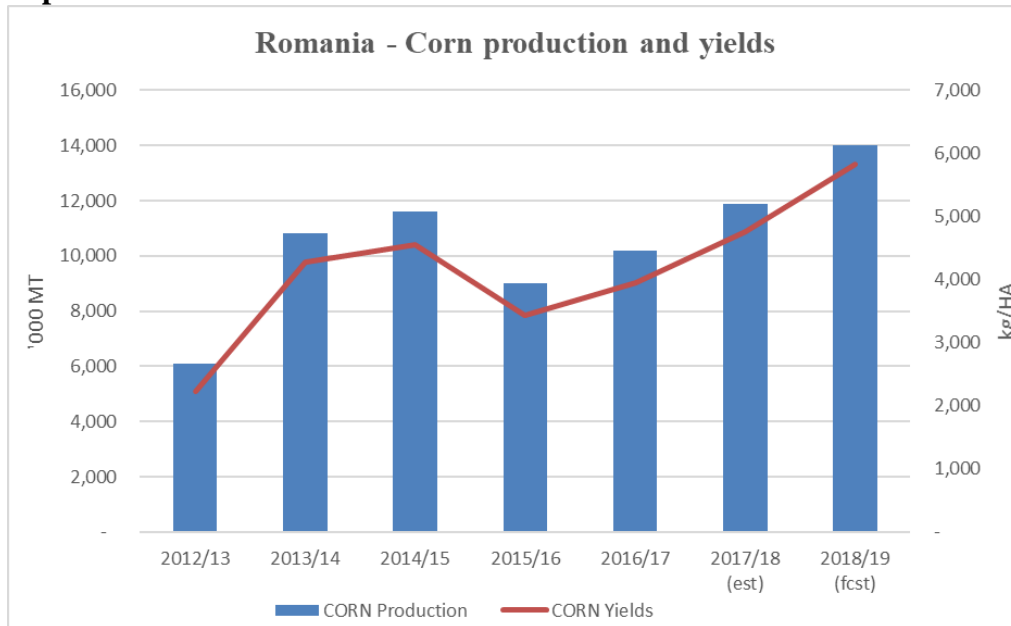
Source: National Institute of Statistics; FAS estimates

Corn—Slow Start Leads to Record Crop

After a dry spring, June and July brought ample rainfall throughout Romania. This rain, coupled with moderate summer temperatures, created excellent growing conditions for corn. Consequently, Romanian corn grower across the country saw higher yields over last year’s crop, which was also above average. The largest year-on-year increases occurred in western Romania where the previous year’s corn reduced due to drought. Post estimates the total corn output at 14 MMT, an 18-percent increase over last year’s record (see Graph 2).

While Romanian grain yields have increased over the last five years, corn has seen the most dramatic yield growth. This year’s average corn yield was 39 percent higher than the five-year average. Wheat yields increased by nine percent, and barley yields increased by six percent. With these yields, the gaps between the local and the EU yield averages have narrowed significantly. Farmers’ access to high-quality hybrids, fertilizers, and chemicals, irrigation, subsidies, and better quality agricultural machinery are all contributing factors to this productivity boost.

Graph 2: Corn Production and Yields



Source: National Institute of Statistics; FAS estimates

In terms of domestic use, the outbreak of African swine fever will hamper prospects in the short-term. Surplus stocks are likely to be largely absorbed by other EU markets, particularly those in northern Europe that face feed-grains deficits due to the summer 2018 drought.

During MY 2017/18 corn exports grew year-on-year by 38 percent, from 3.3 MMT to 4.6 MMT, of which 72 percent was shipped to other EU countries. EU markets are expected to maintain the same level of demand and market share for Romanian corn in MY 2018/19. Similar to wheat, Spain is Romania's major corn buyer (over 1.1 MMT), followed by Italy (645,000 MT), United Kingdom, the Netherlands and Greece. Major non-EU buyers were Turkey (456,000 MT), Lebanon (273,000 MT), and Iran (234,000 MT). See Appendix for a list of Romanian corn export markets.

Appendix

Table 1: Wheat Exports by Country

Romania Export Statistics								
Commodity: 1001, Wheat And Meslin								
Year Ending June: 2014 - 2018, Year To Date: 07/17 - 09/17 & 07/18 - 09/18								
Quantity								
Partner Country	Unit	Years				Year To Date		
		2015	2016	2017	2018	07/17 - 09/17	07/18 - 09/18	%Change
World, of which	T	4,875,842	4,719,757	6,727,421	5,616,057	2,664,594	2,906,329	9.07
Egypt	T	1,489,812	1,258,183	1,109,509	1,062,384	625,790	630,000	0.67
Spain	T	337,787	391,225	273,350	932,713	496,945	486,225	-2.16
Jordan	T	654,708	771,969	627,426	761,976	203,813	249,332	22.33
Italy	T	202,384	166,948	299,173	371,441	88,523	234,335	164.72
Libya	T	247,605	258,852	324,826	343,193	41,777	52,579	25.86
Sudan	T	195,750	157,083	266,835	290,594	145,025	141,797	-2.23
Ethiopia	T	98,163	433,081	163,143	278,583	158,338	162,463	2.61
Israel	T	163,027	152,387	195,212	217,169	64,660	-	-100
South Africa	T	-	-	21,030	204,530	152,667	-	-100
Vietnam	T	105,488	62,613	838,201	127,762	127,762	56,485	-55.79
Yemen	T	-	56,365	57,536	123,900	41,401	108,061	161.01
Greece	T	87,943	110,148	119,793	118,111	55,674	60,816	9.24
Djibouti	T	181,841	198,306	223,769	88,068	88,068	-	-100
Syria	T	27,500	57,934	-	55,000	55,000	-	-100
Lebanon	T	54,264	-	33,643	54,614	25,503	-	-100
France	T	28,602	46,413	103,429	45,915	18,442	19,016	3.11
Philippines	T	103,387	11,000	-	-	-	64,750	n/a
United Kingdom	T	22,089	44,904	19,181	45,133	18,684	69,534	272.16
Germany	T	23,501	14,350	29,564	44,733	12,147	274,356	2158.59
Netherlands	T	55,302	39,316	92,650	-	-	72,270	n/a
Belgium	T	1	7,741	26	5	1	65,255	∞
Oman	T	-	18,093	-	-	-	34,700	n/a

Source: Global Trade Atlas

Table 2: Corn Exports by Country

Romania Export Statistics						
Commodity: 1005, Corn (Maize)						
Year Ending Series: September, 2013 - 2018						
		2014	2015	2016	2017	2018
World, of which	T	3,484,258	6,099,517	3,074,542	3,312,746	4,584,741
Spain	T	229,364	1,047,956	580,245	357,043	1,116,733
Italy	T	398,848	410,963	337,633	269,324	645,603
Turkey	T	209,644	652,975	202,072	359,612	456,208
Lebanon	T	128,226	158,540	206,815	246,247	273,713
United Kingdom	T	121,105	88,265	29,246	24,539	268,120
Netherlands	T	555,242	784,519	307,620	99,391	239,113
Iran	T	43,932	251,072	-	50,668	232,756
Greece	T	89,918	146,266	96,381	85,864	194,735
Portugal	T	126,771	271,668	88,503	193,033	190,146
Austria	T	51,750	15,697	65,694	45,321	170,118
Germany	T	71,757	66,863	43,132	13,273	124,840
Libya	T	66,352	143,177	56,918	52,259	101,548
Ireland	T	34,718	131,632	99,609	156,069	93,474
Cyprus	T	36,535	69,758	73,630	57,027	80,589
Hungary	T	131,303	69,248	19,981	18,927	70,118
New Zealand	T	-	-	-	33,770	68,851
Sri Lanka	T	-	-	12,931	5,926	45,704
Egypt	T	311,834	466,160	172,874	325,850	-
France	T	36,971	35,579	21,602	269,090	43,783
Syria	T	88,742	95,947	25,278	103,682	10,455
Belgium	T	47,250	129,595	132,998	120,056	42

Source: Global Trade Atlas