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**Date:** 4/1/2016

**GAIN Report Number:**

## Lithuania

**Post:** Warsaw

### Grain and Feed Annual - Lithuania 2016

**Report Categories:**

Grain and Feed

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**Report Highlights:**

Lithuanian farmers expect a good harvest for MY2016/17. After a record grain crop in MY2015/16 sowing acreage is forecast lower than for last year but still higher than the average for the past few years. Planting area for grains is expected to reach 1.3 million HA. It is estimated that in MY2015/16 the total grain crop reached 6.0 million metric tons (MMT), 18.5 percent higher than in the previous year. Record 2015/16 crop was attributed to ample production of soft wheat. Good export opportunities to countries outside the EU countries were the main driver for increased wheat plantings for MY2015/16. Increased acreage and very good yields attributed to the 2015/16 grain production success. Only the corn crop is estimated 50 percent lower than in MY2014/15 due to summer drought.

Please Note: This report is to be read in conjunction with the Annual EU28 Consolidated Grain and Feed Report ([Grain and Feed Annual London EU-28 4-1-2016](#)) and provides further information on Lithuanian market of grain and feed.

## Area and production of grains

### **MY 2016/17**

For MY2016/17 the grain crop forecast for Lithuania is good, however lower than last year record due to the yield's forecast of closer to average weather conditions. Winter grain growth is reported well except local winterkill. After long period of very mild winter, a sudden drop of temperatures to minus 25 degrees Celsius was seen at the end of December 2015, beginning January 2016. Such a sudden change of temperatures in a short time did not allow plants to adjust to strong winter conditions like frost wind on fields uncovered by snow. The area of winterkills was estimated rather small at the end of February 2016. It is not expected that winter grain losses would strongly affect the total grain crop. The losses should be offset by spring grain plantings. Losses in winter grains are expected to be replaced by spring wheat mostly. Lithuanian farmers can expect another year of good crops. Most of this year's wintertime was much warmer than in previous years, but a sudden attack of winter can still change the situation. Sudden great temperature volatility can be a threat to plants.

### **MY 2015/16**

Lithuania's MY2015/16 grain production is estimated at 6.0 million metric tons, 18.5 percent higher than the previous year. A record 2015/16 crop was attributed to ample production of wheat, rye and mixed grains. Production of corn, barley and oats diminished in comparison with the 2014/15 crop. Corn especially suffered from very dry weather in summer 2015. The higher grain harvest was the result of very good wheat yields and higher wheat acreage. Wheat is the main grain planted in Lithuania. In 2015/16 share of wheat acreage in total grain plantings amounted to 65 percent and the share of wheat production in total grain output reached 73 percent.

In MY2015/16 the total grain planting area increased by over 3 percent in comparison with the previous year and amounted to 1.3 million HA. The total grain acreage increased in favor of wheat instead of rapeseed. Good prices for wheat and much higher production profitability made some farmers switch from rapeseed to wheat. The winter grain crop increased over 70 percent while spring varieties crop fall down by 24 percent.

Planted area in Lithuania in the years 2013 – 2016, (000) HA

<b>Lithuania</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>	<b>Structure of sowings in 2015 (%)</b>	<b>Structure of sowings in 2016 (%)</b>
Wheat	667	708	836	760	64.7	59.7
Rye	49	38	39	43	3.0	3.4
Mixed grains and triticale	165	143	139	140	10.8	11.0
Barley	202	267	202	240	15.6	18.9
Corn	17	19	12	20	0.9	1.6
Oats	74	76	64	70	5.0	5.5
<b>Total</b>	<b>1,174</b>	<b>1,251</b>	<b>1,292</b>	<b>1,273</b>	<b>100.0</b>	<b>100.0</b>

Source: Lithuanian Statistical Office

\* FAS/Warsaw estimation and forecast

Production of grains in Lithuania in the years 2013 – 2016, (000) Metric Tons

<b>Lithuania</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>	<b>Structure of production in 2015 (%)</b>	<b>Structure of production in 2016 (%)</b>
Wheat	2,869	3,231	4,380	3,550	72.6	66.8
Rye	97	85	108	110	1.8	2.1
Mixed grains and triticale	500	453	511	480	8.5	9.0
Barley	661	1019	812	880	13.5	16.6
Corn	127	115	56	128	0.9	2.4
Oats	165	184	163	168	2.7	3.2
<b>Total</b>	<b>4,419</b>	<b>5,087</b>	<b>6,030</b>	<b>5,316</b>	<b>100.0</b>	<b>100.0</b>

Source: Lithuanian Statistical Office

\* FAS/Warsaw estimation and forecast

### **Trade**

In the last few years Lithuania appeared as an important wheat exporter on the global market. Total grain export from Lithuania has shown a growing tendency in the last five years, with an 85 percent share of wheat in MY20115/16. Lithuania's export of barley is very unstable and strongly depends on the local market situation.

In MY 2015/16 total grain export is estimated at 3.6 million MT, 24 percent higher than in previous year. Exports will be driven by growing demand from Arabic and North African countries. In MY 2015/16 grain imports increased significantly. It is estimated that imports of grain will amount to 0.34 million MT, 25 percent more than in 2014/15. The higher import of grains in 2015/16 is attributed to demand for corn. After very bad corn harvest it is necessary to import for feed industry.

#### Grain Exports from Lithuania, (000) MT

<b>Lithuania</b>	<b>MY 2013/14</b>	<b>MY 2014/15</b>	<b>MY 2015/16*</b>
	<b>Total exports</b>	<b>Total exports</b>	<b>Total exports</b>
Wheat*	2,053	2,252	3,050
Rye	19	15	15
Corn	73	53	20
Barley	211	412	340
Mixed grains & triticale	174	97	90
Oats	29	45	60
<b>Total</b>	<b>2,559</b>	<b>2,874</b>	<b>3,575</b>

Source: Global Trade Atlas Eurostat

\*Including wheat products

#### Grain Import by Lithuania, (000) MT

<b>Lithuania</b>	<b>MY 2013/14</b>	<b>MY 2014/15</b>	<b>MY 2015/16*</b>
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	Total imports	Total imports	Total imports
Wheat*	116	161	150
Rye	17	8	16
Corn	170	85	143
Barley	63	16	30
Mixed grains & triticale	5	0	0
Oats	1	2	2
<b>Total</b>	<b>372</b>	<b>272</b>	<b>341</b>

Source: Global Trade Atlas Eurostat

\*Including wheat products

### **Wheat**

It is estimated that wheat planting area increased by 18 percent in MY 2015/16 in Lithuania and amounted to 0.83 million HA. Good 2014/15 wheat prices and strong export demand were the main drivers for increasing wheat acreage in the MY2015/16. Some farmers switched production from less profitable rapeseed to wheat.

In MY 2016/17 wheat acreage is expected lower due to low wheat prices, high wheat stocks and export prospects not as good as the previous year. Production forecast is lower than in 2015/16, and is due to the result of lower acreage and yields forecast closer to the average during previous years.

In MY 2015/16 ending year stocks were much higher than average in the past years. After record harvest Lithuania's farmers did not want to sell grain at the beginning of the marketing season waiting for higher prices. Despite very good export results there is still a great amount of storage wheat. In the past years Lithuania's storage private capacities increased both on farms and in processing industry. Storage facilities investments made farmers less dependent on their cooperators and prices volatility.

### **Wheat Production, Trade, Consumption**

<b>Lithuania</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16*</b>	
<b>Marketing Year Begin</b>	<b>July, 2013</b>	<b>July, 2014</b>	<b>July, 2015</b>	
Area	667	708	836	(000) HA
Production	2,869	3,231	4,380	(000) MT
MY Imports	116	161	150	(000) MT
MY Exports	2,053	2,252	3,050	(000) MT
Total Consumption	1,137	1,207	1,339	(000) MT

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

\*FAS/Warsaw estimation and forecast

Lithuania's exports of wheat are estimated at 3.0 million MT for MY2015/16. Exports are estimated higher than in 2014/15 by 35 percent. Over 75 percent of wheat shipments are sold to the destinations out of the EU. Main export destinations for MY2014/15 were Iran (36 percent in total wheat exports), Saudi Arabia (11 percent), Turkey (9 percent). Other out of the EU destinations in MY 2015/16 were South Korea, Kenya, Egypt, Tanzania, South Africa, Bahrain, Libya, Nigeria and Mozambique.

### **Wheat Exports from Lithuania, (000) MT**

<b>Partner country</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
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				(July-November 2015)
<b>World</b>	<b>2,118</b>	<b>2,015</b>	<b>2,215</b>	1,598
EU28	453	347	546	388
Iran	1,172	691	803	131
Saudi Arabia	372	450	247	601
Turkey	0	32	210	66
Latvia	154	180	204	165
Spain	0	61	193	104
Korea South	0	0	63	0
Kenya	0	0	56	113
Egypt	0	158	55	0
Tanzania	0	1	49	40

Source: Global Trade Atlas Eurostat

It is estimated that imports of wheat for MY 2015/16 will be smaller than in the previous year by 7 percent and will amount to 150,000 MT. Imports are estimated to be lower due to the record domestic production. In MY 2014/15 imports originated from the EU countries as usual. The main sources of wheat were Latvia and Denmark (74 percent of total imports). The main out of the EU supplier was Ukraine.

#### Wheat Imports by Lithuania, (000) MT

<b>Partner country</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 (July-November)</b>
<b>World</b>	<b>61</b>	<b>121</b>	<b>67</b>	37
EU28	56	97	58	29
Latvia	53	39	39	27
Denmark	0	25	11	0
Ukraine	0	24	9	7

Source: Global Trade Atlas Eurostat

## **Barley**

#### Barley Production, Trade, Consumption

<b>Lithuania</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16*</b>	
<b>Marketing Year Begin</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	
Area	202	267	202	(000) HA
Production	661	1019	812	(000) MT
MY Imports	63	16	30	(000) MT
MY Exports	211	412	340	(000) MT

Total Consumption	594	606	570	(000) MT
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Source: FAS/Warsaw, Global Trade Atlas, Estonian Statistical Office

\*FAS/Warsaw estimation and forecast

It is forecast that in MY2016/17 will increase to 240,000 HA. Local winterkills in winter wheat will be replaced by barley. Barley acreage is unstable and changes year by year. It has been replaced by more profitable wheat plantings. During the past two years feed use of barley decreasing due to diminishing pig production caused by both African swine fever and the Russian embargo.

Exports of feed barley have increased in last few years mostly due to lower domestic consumption and increasing foreign demand mostly from Iran (50 percent of total barley exports), Saudi Arabia (30 percent) and Arab Emirates (5 percent).

### Mixed Grains

Mixed grains Production, Trade, Consumption

<b>Lithuania</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16*</b>	
<b>Marketing Year Begin</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	
Area	165	143	139	(000) HA
Production	500	453	511	(000) MT
MY Imports	5	0	0	(000) MT
MY Exports	174	97	90	(000) MT
Total Consumption	321	376	406	(000) MT

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

\*FAS/Warsaw estimation and forecast

Mixed grains acreage shows a slightly diminishing tendency for the past few years. It is forecast that in MY 2016/17 it will stay in line with last year and will amount to 140,000 HA. In mixed grains plantings triticale dominates triticale. Feed consumption of mixed grains diminishes in favor of industrial use year by year. It is estimated that in MY 2015/16 mixed grains production increased and amounted to 511,000 MT. The ample harvest increased total mixed grains consumption. Foreign trade in mixed grains is small. There are no imports. It is estimated that exports were no larger than 18 percent of total mixed grains production.

### Corn

Corn Production, Trade, Consumption

<b>Lithuania</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16*</b>	
<b>Marketing Year Begin</b>	<b>October 2013</b>	<b>October 2014</b>	<b>October 2015</b>	
Area	17	19	12	(000) HA
Production	127	115	56	(000) MT
MY Imports	170	85	143	(000) MT
MY Exports	73	53	20	(000) MT
Total Consumption	174	175	170	(000) MT

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

\*FAS/Warsaw estimation and forecast

For MY 2016/17 it is forecast that corn acreage will increase by 67 percent in comparison with last year and amounts to 20,000 HA. Higher profitability than last year's corn production should increase farmers' interest in corn production.

MY 2015/16 was extremely unfavorable for corn producers. A heavy drought in the summer destroyed the majority of plantings. Production for MY 2015/16 diminished by 51 percent in relation to 2014/15 and amounted to 56,000 MT.

It is estimated that corn imports increased to 140,000 MT in order to meet domestic demand, mostly for feed use, for MY 2015/16. Exports are estimated to decrease to 20,000 MT. Corn exports from Lithuania were usually destined to Estonia, Latvia, Denmark and Germany.

## **Oats**

### Oats Production, Trade, Consumption

<b>Lithuania</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16*</b>	
<b>Marketing Year Begin</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	
Area	74	76	64	(000) HA
Production	165	184	163	(000) MT
MY Imports	1	2	2	(000) MT
MY Exports	29	45	60	(000) MT
<b>Total Consumption</b>	<b>132</b>	<b>133</b>	<b>128</b>	<b>(000) MT</b>

Source: FAS/Warsaw, Global Trade Atlas, Lithuanian Statistical Office

\*FAS/Warsaw estimation and forecast

Oats acreage has been slightly diminishing for the past few years due to lower feed consumption. This is a typical grain used for on farm feed consumption. Due to diminishing pig production farmers are not interested in developing this grain. Oats are grown mostly on sandy, low class soils for on farm purposes. Small amounts of surplus in oat production used to be exported to Germany, Latvia and Poland. In 2014/15 exports of oats amounted to 44,000 MT. It is estimated that due to smaller domestic consumption for MY2015/16 exports will increase to 60,000 MT.

MY= Latvian local marketing year of July to June except for corn which follows on October to September calendar.

End of Report.