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Oilseeds Update

Report Categories:
Oilseeds and Products
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Report Highlights:
Unusually rainy weather along with cooler temperatures this year made the season challenging for the farmers. It resulted in very good yields for oilseeds crops but in lower quality (sunflower) and higher cost (rapeseeds). Planting of rapeseeds is almost completed, the crop is in excellent shape, but the planted area is projected to decrease. After record high oilseeds exports in MY2013/2014, sunflower exports in MY2014/2015 have been slower and sluggish to date due to reluctant farm sales, while Bulgaria has already exported its rapeseed surplus.

General Information:
Weather

Summer/fall weather in Bulgaria was unusual with much higher rainfall, cooler temperatures and frequent hail storms and floods in select locations in June - July. This made field works challenging for farmers. The effect on the crops was in a reduction of harvested area and lower quality but better average yields. Sunflower enjoyed favorable climate conditions and higher yields but frequent rains in the fall delayed maturation and harvest works. Sunflower suffered from weak pollination. Overall, the weather resulted in higher cost for farmers due to more treatments against fungi diseases.

More than ever, the crop picture was mixed by region, with select farmers reporting historic record yields and others with total losses. This year farmers in Southern Bulgaria, who traditionally have lower yields compared to the North, enjoyed yields exceeding those in the North. The most severely affected region by rains and floods was North West.

September/October rains made planting of rapeseed challenging but promised a good start for the new crop (see graphs at the end of the report).

Production and Supply

The mixed crop picture and the unusual weather caused a wide range of industry estimates. The table below summaries current official, industry and FAS/Sofia estimates. At present, the MinAg has tentative data for MY2014/2015 production which is reported by the MinAg Grain and Feed Agency (GFA) through its monthly bulletins.

Table 1. Major 2014 Oilseed Crop Estimates as of October 2014

Crop Years MY 2014/15 vs. MY 2013/14	**Harvested Areas (000 HA)**		**Production (000 MT)**	
	MY2014/15 (est.)	MY2013/14 (final official)	MY2014/15 (est.)	MY2013/14 (final official)
Rapeseed	170 (FAS) 180-190 planted 170 harvested	132	500 (FAS) 466-534 (industry est) 489 (GFA)	330
Sunflower	760 (FAS) 750-820 (industry est)	861	1,850 (FAS) 1,793-2,050 (industry est) (1,491 collected before Sep 30, GFA)	1,939
Note: MY2013/2014 are final official MinAg data per the Statistical Office Bulletin #269/June 2014; MY2014/2015 estimates are based on MinAg/Grain and Feed Agency (GFA) monthly reports with				

references to the MinAg not-final data.

Sunflower

MY2014/2015
The sunflower crop performed very well this year, however, harvested areas declined due to floods and hail storms. Planted area also decreased compared to the previous season due to lack of re-seeding of rapeseed. Despite the initial expectations that record yields from the last season cannot be repeated, farm reports indicate that yields may exceed 2.25 MT/HA reached in MY2013/2014 and be closer to 2.3-2.4 MT/HA. The FAS/Sofia field trip found a significant variation in status of sunflower fields. In addition, due to rains during pollination, seeds are often not well filled and are lighter, and sometimes there is an issue with oil content. Sunflower is currently harvested at over 90% and it may be completed before early November. Total production is currently estimated at 1.85 MMT. The delayed harvest strengthened domestic prices and local purchases were more active than in the past. It is expected that domestic crush use this year will be higher.

MY2015/2016
This year sunflower was more profitable than the winter grains but less profitable than corn. Currently, farmers plan to expand sunflower area in the spring of 2015 (to 790-800,000 HA) but will put their emphasis on corn first. There are indications that some leading farmers may start growing more specialized types of sunflower such as high oleic and confectionary sunflower which enjoy higher prices and demand.

Rapeseed

MY2014/2015
Lucrative prices and favorable demand for rapeseeds, along with good weather, led to higher planted area in the fall of 2013. Harvested area declined due to floods and some dryness in late fall, however, unusually mild winter resulted in almost no need for re-seeding in the spring. Average yields were higher at 2.8 MT/HA than last year (2.5 MT/HA).

MY2015/2016
According to industry sources, farmers reduce significantly the planted areas this fall for several reasons: rainy September weather which did not allow field works; lower prices and the prospect of weaker demand due to softening of EU biodiesel mandates; and the requirement for 5% ecological areas. Reportedly, the acreage set free from the reduced rapeseeds area will go mainly under expanded spring crops (corn and sunflower) due to their higher profitability, and some will go under the ecological zones. Some farm sources estimate reduction in area at 5% to 20% compared to the last year. Early area estimates show planted rapeseed at 150-160,000 HA (up to 172,000 HA as per industry sources). Currently rapeseed fields are in an excellent shape and promise a very good start for the crop.

Exports, Domestic Consumption and Stocks

Sunflower

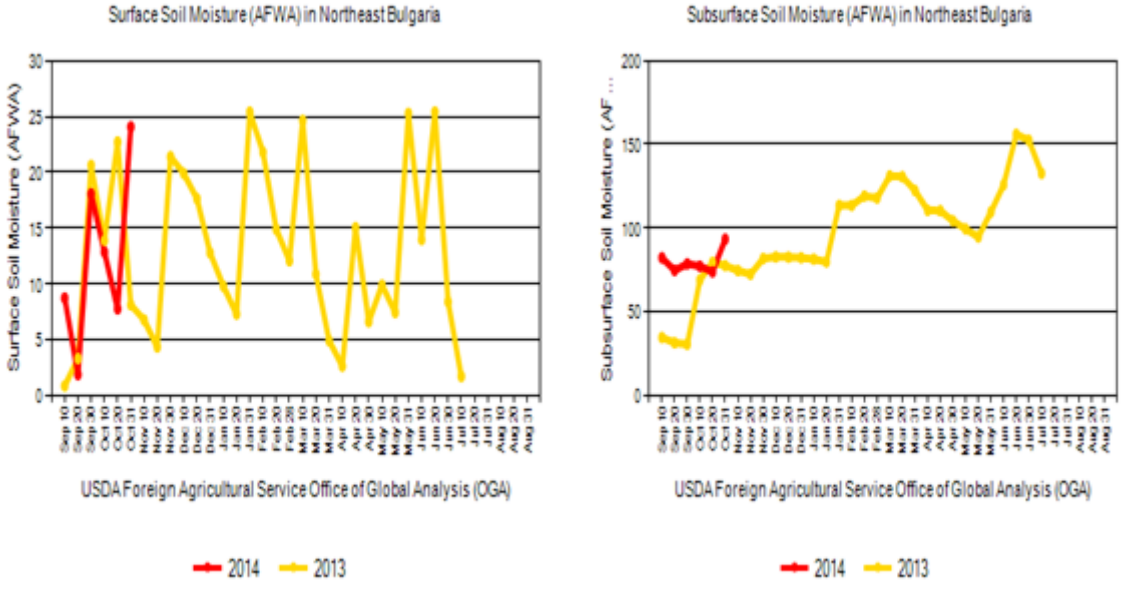
MY2014/2015
According to the GFA, exports from the new crop for the month of September were 82,000 MT. Unlike in the previous years, harvest was delayed due to unfavorable weather. Higher exports are likely later in the year. Domestic consumption in September was at 70,000 MT which indicates higher local use.

MY2013/2014: According to WTA, from October 1, 2013 to July 30, 2014 exports were 829,000 MT. The main export markets were the Netherlands, France, Turkey and Portugal.
This export data differs from local authorities' data due to use of marketing years from September 1.
The GFA reports imports for the marketing year at 39,000 MT and exports at 1,204,000 MT (984,000 for the EU); and local use for crush and seeds at 656,000 MT.
Ending stocks were reported at 125,000 MT (end-August).

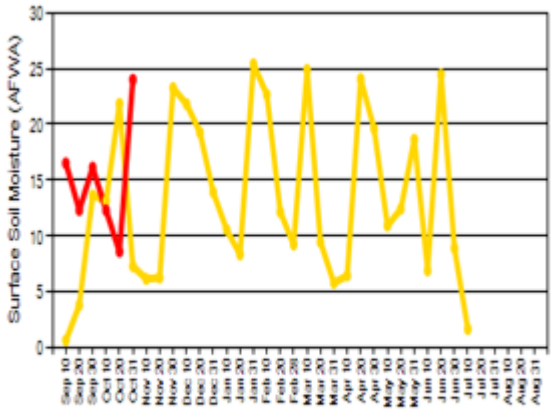
Rapeseed

MY2014/2015: According to the GFA, exports between July 1, 2014 and September 30, 2014 totaled 446,000 MT of which 404,000 MT went to the EU and 42,000 MT went to non-EU destinations. It is believed that Bulgaria has already exported its surplus for the year.
MY2013/2014: According to WTA, exports grew by 10% and reached 274,000 MT. About 40% of exports were destined for France, and the remaining was exported to Belgium and Romania. No ending stocks were reported by the authorities.

Graphs: Surface and Sub-surface moisture as of October 31 in the 3 major production regions: Northeast, Northwest and Southern Bulgaria (source: USDA/Crop Explorer)



Surface Soil Moisture (AFWA) in Northwest Bulgaria



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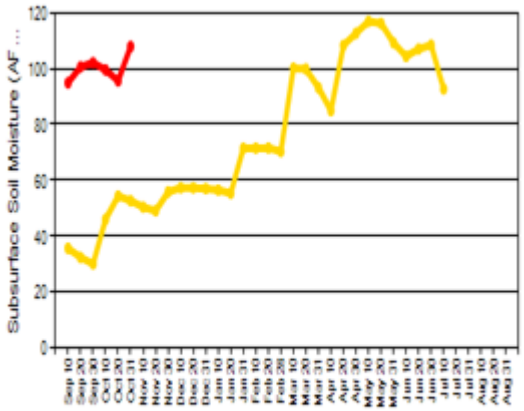
Subsurface Soil Moisture (AFWA) in Northwest Bulgaria



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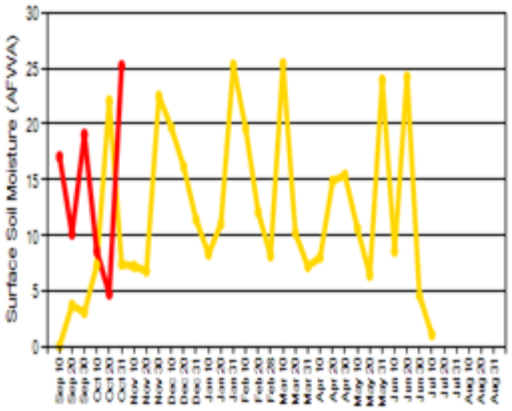
Surface Soil Moisture (AFWA) in Southern Bulgaria



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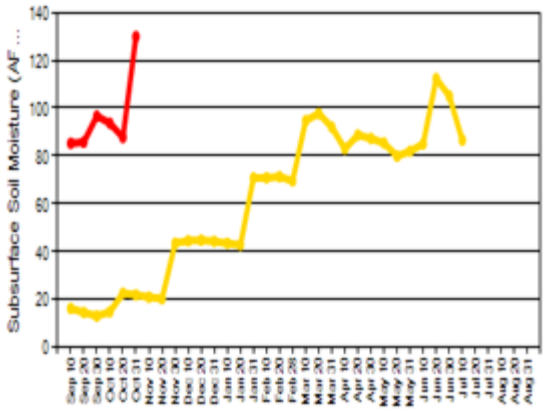
Subsurface Soil Moisture (AFWA) in Southern Bulgaria



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2014 2013