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Russian Federation

Oilseeds and Products Annual

2019 Oilseeds and Products: The Season of New Records

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Report Highlights:

FAS/Moscow forecasts that in MY 2019/20 the production of three major oilseed crops in Russia will total 18.87 MMT and thus remain at the MY 2018/19 level, with soybeans and rapeseeds likely to set new records. Exports of oilseeds in MY 2019/20 will reach an historic maximum – 1.72 MMT, 7.3 percent above the MY 2018/19 indicator, driven by exports of rapeseeds and soybeans to China. Due to the higher crop, Post expects to see an increase in oilseeds processing: the production of meals will grow by 5.7 percent, and vegetable oils - by 4.9 percent year-on-year. Given the surplus volumes of vegetable oils in MY 2019/20, FAS/Moscow expects new records in exports of all vegetable oils – up to a total of 4.20 MMT, or 11.1 percent above the MY 2018/19 indicator.

General Information

NOTE: USDA unofficial data excludes Crimean production and exports. However, as of June 2014, Russian official statistics (ROSSTAT) began incorporating Crimean production and trade data into their official estimates. Where possible, data reported by FAS Moscow is exclusive of information attributable to Crimea.

Executive Summary:

Oilseeds

FAS/Moscow forecasts that in MY 2019/20 the production of three major oilseed crops (sunflowerseed, soybeans and rapeseed) in Russia will total 18.87 MMT and thus will actually remain at the MY 2018/19 level. The gross output of sunflowerseeds is expected to reach 12.30 MMT – just slightly below the record of the previous marketing year. The decrease is due to a small reduction of area planted (down to 8.10 million HA) while yields will remain at actually the same level as in 2018 (1.59 MT/HA). The output of soybeans will beat the record of MY 2018/19 and amount to 4.30 MMT buoyed by the increase of area planted (up to 3.10 million HA) and yield (up to 1.48 MT/HA). Further expansion of area planted for rapeseed (up to 1.69 million HA) coupled with higher yields (1.38 MT/HA) gives grounds to expect new maximums of gross output – 2.27 MMT.

In MY 2019/20, 18.45 MMT of oilseeds will be processed into oil, which is 5.4 percent above the MY 2018/19 indicator. For sunflowerseeds, the volumes processed can grow by 3.7 percent (up to 12.18 MMT), for soybeans – by 8.1 percent (up to 4.86 MMT), for rapeseeds – by 11.5 percent (up to 1.41 MMT).

Exports of oilseeds in MY 2019/20 will reach historic maximums – 1.72 MMT, which is 7.3 percent above the MY 2018/19 indicator. The major drivers of this growth will be exports of rapeseeds and soybeans to China and an active supply of rapeseeds to Belarus that started in MY 2018/2019 after the opening of a new plant for processing soybeans and rapeseed in this country by the company “Sodruzhestvo”. In MY 2019/20, Russian exports of rapeseeds could grow up to 660 TMT, exports of soybeans – up to 900 TMT. Exports of sunflowerseeds will remain at the same level as in the previous season – 160 TMT.

Meals

According to FAS/Moscow forecast, the output of meals will rise in line with growing oilseeds processing – in MY 2019/20 it will increase by 5.7 percent up to 10.07 MMT including 5.20 MMT of sunflowerseed meal, 3.83 MMT of soybean meal and 841 TMT of rapeseed meal. The demand for meals is expanding due to the increase in exports and growth in the market for compound feeds (although likely to slow down in the future).

The consumption of meals for domestic livestock production in MY 2019/20 is estimated at 7.69 MMT, which is 4.4 percent above the respective indicator for MY 2018/19.

In MY 2019/20, meal exports are expected to grow by 13.7 percent – up to 2.59 MMT. Export supplies of all kinds of meal will increase: those of sunflowerseed meal – up to 1.70 MMT, of soybean meal – up

to 490 TMT, of rapeseed meal – up to 310 TMT. Higher exports can be attributed to, first, higher demand from EU countries and, second, the opening of the Chinese market after an agreement was signed between Russia and China in June 2019.

Oils

FAS/Moscow forecasts that in MY 2019/20 the total output of vegetable oils in Russia will be around 6.79 MMT, which is 4.9 percent above the MY 2018/19 level. The production of rapeseed and soybean oils is expected to grow (by 11.5 percent and 8.1 percent, respectively) owing to higher gross outputs of rapeseeds and soybeans in MY 2019/20. The increase of production of sunflowerseed oil (by 3.4 percent) will be due to high carryover stocks of the previous marketing year that will mitigate the forecasted decline of sunflowerseed crop.

In MY 2019/20, new records can be expected in exports of vegetable oils. Export sales of their major types can total 4.20 MMT, which is 11.1 percent above the volumes exported in the previous marketing year. The supplies of sunflowerseed oil to foreign markets are expected to reach 2.95 MMT (+12.8 percent), those of soybean oil will grow up to 620 TMT (+6.0 percent) and of rapeseed oil – up to 600 TMT (+9.0 percent).

OILSEEDS

Commodities:

- Sunflowerseed
- Soybeans
- Rapeseed
- Peanuts

NOTE: From 2016, the Russian State Statistical Service (Rosstat) began publishing data on production of oilseeds in clean weight. Before 2015, Rosstat did not calculate clean weight for oilseeds. In 2017, all Rosstat data for oilseeds are in clean weight, Rosstat also re-calculated previous crops from bunker to clean weight for the last eight years. Thus, all oilseed production data in this report are in clean weight.

Total oilseeds

Production

FAS/Moscow forecasts that in MY 2019/20 the production of three major oilseed crops (sunflowerseed, soybeans and rapeseed) in Russia will total 18.87 MMT and thus will remain at the MY 2018/19 level (18.77 MMT). The gross output of sunflowerseeds is expected to reach approximately 12.3 MMT, which is only 3.6 percent below the record of the previous marketing year. According to forecasts, the soybean and rapeseed crops will exceed the MY 2018/19 record by 6.8 percent and 14.1 percent respectively and be as high as 4.30 MMT and 2.27 MMT.

In recent years, the acreage under oilseed crops has been constantly growing owing to the relatively high profitability of their production. Beginning from 2000, the respective area planted increased 2.5 fold.

According to Rosstat, then oilseeds accounted for 6.5 percent (5.5 million HA) of the total area planted, in 2018 their share had already reached 17.5 percent (13.9 million HA).

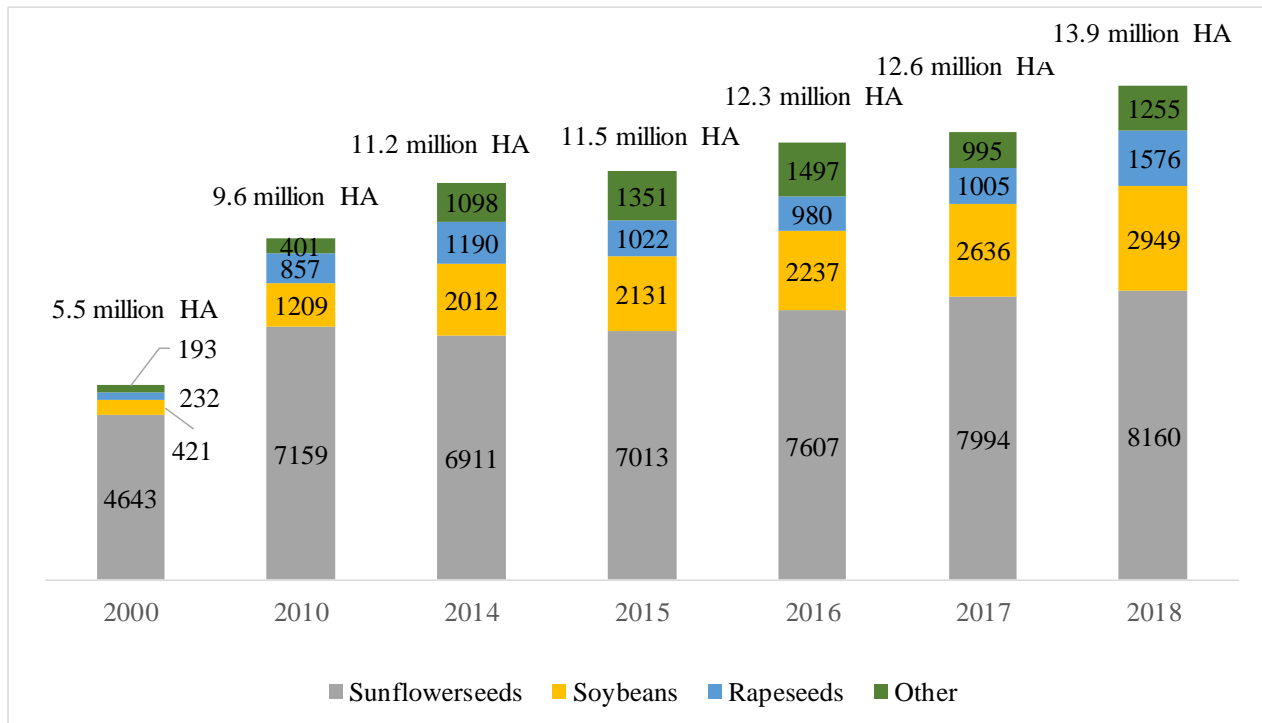
Table 1. Consolidated PSD Forecast for Major Oilseeds for MY 2019/20, Thousand Metric Tons (TMT), 1,000 HA

Post MY 2019/20	Sunflowerseed	Soybeans	Rapeseed	Peanuts	TOTAL
Area Planted	8,100	3,100	1,685	0	12,885
Area Harvested	7,736	2,900	1,546	0	12,182
Beginning Stocks	623	114	154	18	909
Production	12,300	4,300	2,270	0	18,870
MY Imports	60	2,400	50	150	2,660
MY Imp. from U.S.	10	0	0	0	10
MY Imp. from EU	10	65	2	2	79
Total Supply	12,983	6,814	2,474	168	22,439
MY Exports	160	900	660	8	1,728
MY Exp. to EU	3		15	0	18
Crush	12,180	4,857	1,414	0	18,451
Food Use Dom. Cons.	200	100	0	142	442
Feed Waste Dom. Cons.	159	778	227	0	1,164
Total Dom. Cons.	12,539	5,735	1,641	142	20,057
Ending Stocks	284	179	173	18	654
Total Distribution	12,983	6,814	2,474	168	22,439

Note: The above table is composed of PSD forecasts for each crop, despite differing marketing years. The marketing year for sunflowerseed and soybeans is September – August. The marketing year for rapeseed is July – June.

The structure of area planted for oilseeds has also undergone major changes. The key drivers of growth were soybeans and rapeseed. Over the period the share of soybeans in the total acreage under oilseeds increased from eight to 21 percent (from 0.2 to 2.9 million HA). It was not only area planted but also the production zone of this crop that expanded. While in 2000, nearly 80 percent of the total soybean acreage was located in the Far East, at present the share of this district dropped down to 50 percent, with about 30 percent of all soybeans grown in the central regions of the country.

Chart 1. Planted area for oilseeds in Russia, 2000-2018 (thousand HA)



Source: Rosstat

Over the same period (from 2000 to 2018) the share of rapeseeds in the total area planted for oilseeds has also increased – from four to 11 percent (from 0.3 to 1.6 million HA). The major production areas are located in Siberia (about 40% of the total acreage) and in the Central Federal District (a little over 20 percent).

Meanwhile, the share of area planted for the traditional Russian oilseed crop – sunflowerseed – has dropped from 85 to 59 percent in favor of soybeans and rapeseed. Still, the acreage under sunflowerseeds has also increased – from 4.6 million HA in 2000 to 8.1 million HA in 2018. This increase was accompanied by the shift of production area from the southern regions of Russia to the Volga region. 44 percent of the total area planted for this oilseed crop is currently concentrated in the Volga Federal District and nearly one third (28.2 percent) – in the Southern and North Caucasian Federal Districts. Sunflowerseed remains the crop that brings the highest profits which affects planting decisions. In some areas of the southern and Volga regions, the share of sunflowerseed has reached or already exceeded the permissible levels in crop rotation (25 percent and more) aggravating the risks of high environmental pressure.

The markets of niche oilseed crops display differing dynamics. Beginning from 2000, area planted for flaxseeds has shrunk more than two fold – down from 107.6 thousand HA to 44.7 thousand HA. Meanwhile, the Camelina acreage set a new record in 2018 – 334.11 thousand HA.

According to plans of the RF Ministry of Agriculture embodied in the Federal project “Export of agrifood products”, from 2017 to 2024 the output of oilseeds should more than double in order to achieve the projected indicators for exports of oilseed products (their volume is to increase from 3.2 to

8.6 MMT). The Russian Union of Oils and Fats expects that the production will primarily increase due to the cultivation of idle land, melioration and land use optimization. The latter suggests the replacement of grains by oilseed crops. As a result, the area of arable land can grow by 8 percent over this period. The area planted for oilseeds can reach 19.4 million HA (12.6 million HA in 2017) while the wheat acreage is expected to fall down to 24.4 million HA (27.9 million HA in 2017). Analysts expect that further acreage growth will be located further north, considering that acreage in the Volga and some southern regions is limited by the rules of crop rotation so gains in production would likely be achieved via higher yields. Production in more northern regions could be less competitive on export markets because of the additional cost of railroad delivery to the southern ports of Russia.

In addition, intensification of production could be a key factor to enhance Russian competitiveness on the world market. Despite the observed upward trend, the yields of major oilseed crops remain volatile and dependent on weather conditions. They are still lower than in other exporting countries. For instance, in recent years the average yield of sunflowerseeds in Russia was 1.5 MT/HA while in Ukraine – Russia’s main competitor in sunflowerseed oil export markets – it reached 2.0-2.2 MT/HA.

Currently, the relatively high profitability of oilseed crops motivates Russian agribusiness companies to make investments in the intensification of their production: the use of expensive seeds of resistant hybrids and the increased application of fertilizers. In order to meet quality and consistency needs, most planting seeds for the oilseed sector are imported. According to the All-Russian Research Institute for Oilseed Crops, in 2017 59 percent of sunflowerseed, 43 percent of rapeseed, and 29 percent of soybean seeds were imported. Yields are affected by the use of non-certified seeds that accounted for 11 percent of planting sunflowerseeds, 22 percent of planting rapeseeds and 18 percent of planting soybeans.

The application of fertilizers has grown in recent years. The Rosstat data show that in 2018 corporate farms applied 34 kg of mineral fertilizers per hectare when growing sunflowerseed (26 kg/HA in 2013). The application of organic fertilizers for the production of this crop increased from 0.6 MT/HA in 2013 to 1.0 MT/HA in 2018.

Beginning from 2019, the focus of state support to farm sector has shifted from ensuring food safety to the enhancing of exports of agricultural and food products and to the increase of employment in small and medium-sized agrifood businesses. In this regard, the RF Government has adopted an updated State program for agricultural development, the term of which was extended up to 2025.

In 2019, federal budget allocations to the support of agriculture are set to reach 303.6 billion rubles – well above 254.1 billion rubles spent on the implementation of the State program for agricultural development in 2018. The Ministry of Agriculture has also revised the system of subsidizing. In particular, it changed the approach to granting a “single” subsidy. Beginning from 2020, MinAg plans to sum up the “single” subsidy, unbound hectare-based support and grants for raising productivity in dairy farming, and then to divide this sum into two parts – the compensating and stimulating ones. The first part will partially compensate production expenditures (per hectare, per head, per ton) in order to support the achieved results in the sector. The second part is intended to encourage the increase of production of certain priority commodities and thus foster regional development. By means of state support, regions will *inter alia* be able to motivate the growing of soybeans or rapeseed.

The updated State program has also adjusted the approach to granting subsidies for the compensation of direct capital expenditures (CAPEX). This kind of support will be available only in the domains that are deemed less attractive to investors or are quite specific (e.g. the construction of selection and seed centers for crop breeding). The rate of reimbursement provided for such expenditures amounts to 20 or 25 percent depending on their direction.

There were also introduced some innovations in the mechanism for providing insurance with state support. Beginning from 2019, a separate limit for insurance support – 1,490 million rubles – was set within the “single” subsidy funds. The protection of subsidies for agricultural insurance will help to avoid the situation when these funds are re-allocated to other purposes. In addition, those farmers who have insured their crops are eligible for higher unbound support. 1,377 million rubles are envisaged for this purpose. However, unbound support will be provided only to the farmers who use certified seeds of regionally-adapted varieties. As mentioned earlier, many oilseed producers use imported planting seeds included in the State register but not always adapted to regional conditions. Those producers might therefore be deprived of hectare-based support for oilseed crops if the variety they plant is not included in the register of a particular oblast where their fields are planted.

The most demanded support measure among farm producers is soft credit. Beginning from 2019, changes were introduced in the list of their targeted use. In particular, soft investment credits became available for supporting exports (e.g. the building, reconstruction and modernization of facilities for refining and processing of vegetable oils, their storage and handling in ports of the Russian Federation). The total amount of subsidies for short-term soft credits increased from 15.9 billion rubles in 2018 to 29.56 billion rubles in 2019, the total amount of subsidies for investment credits – from 16.6 billion rubles to 43.58 billion rubles.

In 2019 expenditures under the Federal Project “Export of agrifood products” significantly increased – from 1.5 billion rubles in 2018 to 38.8 billion rubles in 2019 (for more details please see the section “Policy”).

In addition, new directions were added to the updated agricultural development program: federal projects “Creation of the system for supporting farmers and development of rural cooperation” and “Digital agriculture”. The latter is currently at the development stage.

In 2018, the RF Central Bank’s key rate fell from 7.5 percent in February to 7.25 percent in June and was raised only at the end of the year. From December 2018 until mid-June 2019 it equaled 7.75 percent per annum. Beginning from June 17, 2019 the rate was lowered down to 7.50 percent and in case the situation develops in line with the basic projections, the Bank of Russia finds possible its further reduction at one of the nearest meeting of the Board of Directors.

In 2018, consumer price inflation accelerated up to 4.3 percent (December 2018 to December 2017) after being as low as 2.5 percent a year earlier. This acceleration was primarily due to the fast growth of prices for food products (+4.7 percent as compared with the previous +1.1 percent (“December to December” indicator)). The major drivers of consumer price inflation in 2018 were the weakening of ruble, the expected rise of VAT up to 20 percent, the growth of excises on fuels and the ceasing of surplus supply on the domestic market of farm products.

In March 2019, the annual inflation rate demonstrated a local peak (the annual growth rate of consumer prices amounting to 5.3 percent) and in April started to slow down. The process of incorporating higher VAT into prices is nearly complete. Beginning from February, the season-adjusted monthly increase of consumer prices (on a year-to-year basis) fluctuates around 4 percent. In June, the Bank of Russia revised downwards its annual inflation estimate by the end of 2019: from 4.7-5.2 percent to 4.2-4.7 percent with the expected further lowering down to 4 percent.

The exchange rate dynamics supported exports of oilseeds and products.

Chart 2. The ruble exchange rate from January 1, 2017 through June 21, 2019 (Rbl/USD)



Source: The Central Bank of the Russian Federation

Consumption

The domestic consumption of oilseeds will continue on an upward trend. FAS/Moscow forecasts that in MY 2019/20 the domestic consumption of oilseed crops (sunflowerseed, soybeans, rapeseed and peanuts) will set a record of 20.06 MMT, which is 5.0 percent more than in MY 2018/19 when it amounted to 19.10 MMT.

Most of the crop will be processed into oil for further export. In MY 2019/20, 18.45 MMT of raw oilseeds is forecast to be used for crushing (up 5.4 percent as compared with the previous season). Food use domestic consumption of oilseeds (directly for cooking or in bakery and confectionary sectors) will remain stable and comparable with previous years. In MY 2019/20, it will amount to 442 TMT.

The item “Feed Waste Domestic Consumption” includes the consumption of oilseeds for feeding animals, the use of seeds for planting and waste at all stages of the production chain. FAS/Moscow forecasts a minor growth of this item in MY 2018/19 of 1.9 percent (up to 1.16 MMT).

According to data of the Russian Union of Oils and Fats, the domestic capacity for processing oilseeds currently is 23.5 MMT per year. Out of this total, the annual capacity of plants for crushing

sunflowerseeds and rapeseeds amounts to 19.1 MMT with the rest intended for the processing of soybeans. The rate of capacity utilization in the country at large does not exceed 70 percent. In addition, there is a serious imbalance between the location of the processing facilities and the raw materials. For instance, facilities in the south of Russia are running at not more than 50-60 percent due to an acute deficit of available raw oilseeds for processing.

Post has raised its estimates of oil extraction rate in accordance with the data of producer associations and market experts: for sunflowerseed oil – up to the average of 0.44, for rapeseed oil – up to 0.41. This is due to the modernization of old plants and the opening of new enterprises in recent years that led to higher efficiency in the sector as a whole. Now, pressing enterprises account for only about 30 percent of the total number of oilseed processing plants. All other enterprises are applying technology that allows greater extraction from the oilseeds. Moreover, in recent years the extraction rate at some enterprises grew from 40-42 percent to 48 percent owing to the use of varieties with high oil content. The rate of oil extraction out of raw seeds has also increased due to the improvement of farming methods.

In order to achieve the projected volumes of vegetable oils exports (as planned by the RF Ministry of Agriculture and envisaged in the Federal Project “Export of agrifood products”), their domestic production should nearly double by 2024. This would require the respective increase of capacities for processing oilseed crops. Taking into account the goal to expand exports of vegetable oils, the Russian Union of Oils and Fats estimates the need for additional capacities for processing sunflowerseed and rapeseed at 7.6 MMT per year, for processing soybeans – at over 3.0 MMT per year.

Trade

The Federal Project “Export of agrifood products” envisages the development of exports of oilseed products. Exports of raw oilseeds could also increase if China increases imports of Russian rapeseeds and soybeans.

Until recently, the supply of soybeans and rapeseed to China from some regions of the Russian Federation was not allowed under the Protocol of Rosselkhoz nadzor (the Federal Service for Veterinary and Phytosanitary Surveillance) of December 17, 2015 that stipulates the requirements to corn, rice, soybeans and rapeseed exported to PRC. In June 2019 respective amendments were made in the Protocol that canceled this regionalization as regards soybeans and allowed their supplies from all over the territory of Russia.

Rapeseeds are exported from the Siberian and Far East federal districts. Meanwhile, flax oil can be supplied from all over Russia, which helped this crop to become one of the most actively imported Russian commodities to the Chinese market.

FAS/Moscow forecasts growth of total oilseed exports in MY 2019/20 of 7.3 percent – up to 1.72 MMT. The major drivers of this growth will be exports of rapeseeds and soybeans to China and an active supply of rapeseeds to Belarus that started in MY 2018/2019. Due to the opening of a new plant for processing soybeans and rapeseed in Belarus by the company “Sodruzhestvo”, Russian exports of rapeseeds to Belarus have grown and after processing into rapeseed oil that product is being exported back to Russia. In MY 2019/20 Russian exports of rapeseeds could grow up to 660 TMT (570 TMT in

MY 2018/19), exports of soybeans – up to 900 TMT (875 TMT in MY 2018/19). Exports of sunflowerseeds and peanuts will remain at the same level as in the previous season – 160 TMT and 8 TMT, respectively.

According to information from the Russian Union of Oils and Fats, Russia will be gradually reducing exports of soybeans to China while expanding supplies of soybean meal and oil. This is a result of the agreement signed between Russia and China in June 2019 that lifts the ban on exports of soybean, rapeseed and sunflowerseed meals and cakes to China.

FAS/Moscow forecasts that imports of oilseeds in MY 2019/20 could amount to 2.66 MMT, which is 9.7 percent above the MY 2018/19 indicators. Russia imports small volumes of sunflowerseeds and rapeseeds. In MY 2019/20, their supplies from abroad will remain at approximately the same level as in the previous marketing year – 60 TMT of sunflowerseeds and 50 TMT of rapeseeds. Imports of peanuts will also be stable – around 150 TMT. At the same time, imports of soybeans can grow from 2.17 to 2.40 MMT. Despite the expanding domestic production, Russia continues to be a major importer of soybeans that are primarily used for making meal for livestock feeding. The major suppliers of soybeans to Russia in MY 2018/19 were Brazil and Paraguay.

Stocks

FAS/Moscow expects that in MY 2019/20 ending stocks will return to the average level of previous years and total 654 TMT including 284 TMT of sunflowerseeds, 179 TMT of soybeans, 173 TMT of rapeseeds and 18 TMT of peanuts. The high level of aggregate stocks in MY 2018/19 (909 TMT) was due to large ending stocks of sunflowerseeds conditioned by moderate growth rates in processing and weak exports.

Sunflowerseed

FAS/Moscow forecasts the gross output of sunflowerseeds in MY 2019/20 at 12.30 MMT, which is only 3.57 percent below the record crop of the previous marketing year (12.76 MMT). This slight reduction is due to a small decrease of area planted – from 8.16 million HA in MY 2018/19 to 8.10 million HA in MY 2019/20. The yields will remain at approximately the same level – 1.59 MT/HA against 1.60 MT/HA in MY 2018/19.

Table 2. Production, supply and distribution of sunflowerseeds, Thousand Metric Tons (TMT), 1,000 HA

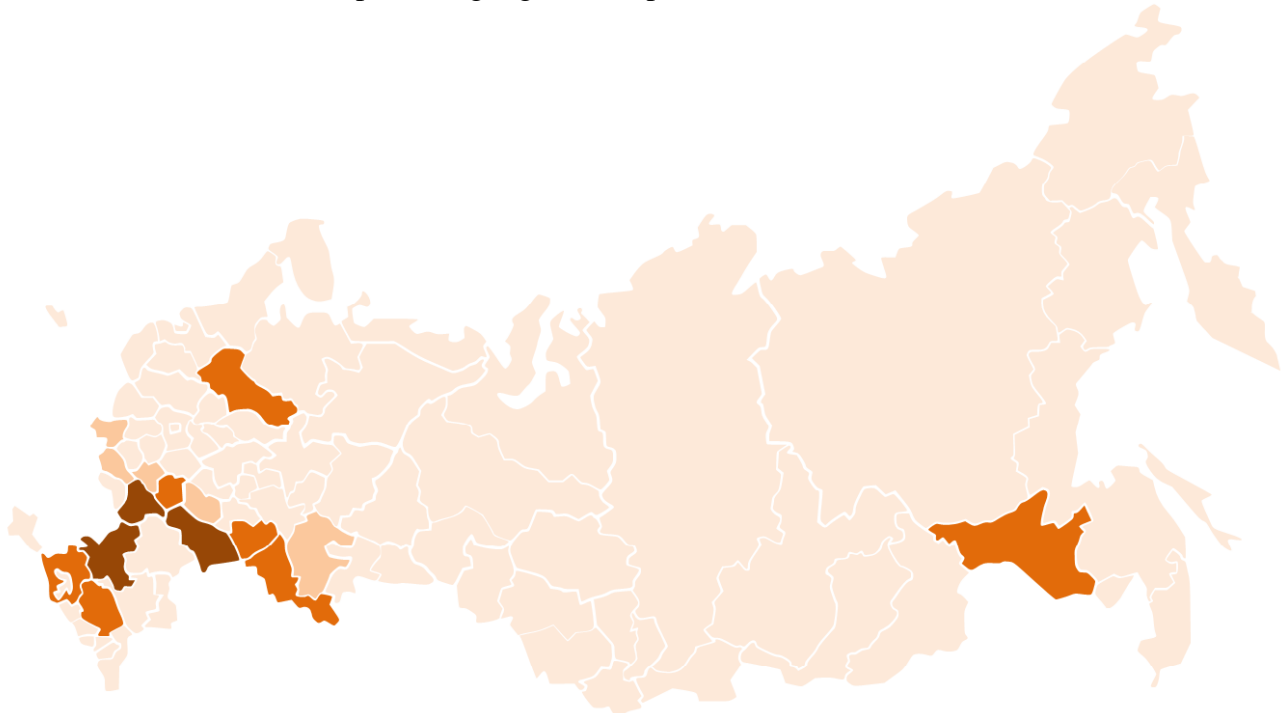
	2017/2018		2018/2019		2019/2020	
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	7,994	0	8,160	0	8,100
Area Harvested	7,146	7,228	7,944	7,972	7,850	7,736
Beginning Stocks	324	324	180	148	620	623
Production	10,362	10,481	12,710	12,756	12,500	12,300

MY Imports	47	47	50	50	55	60
MY Imp. From U.S.	10	9	10	10	0	10
MY Imp. From EU	5	11	5	10	0	10
Total Supply	10,733	10,852	12,940	12,953	13,175	12,983
MY Exports	97	98	150	160	200	160
MY Exports to EU	10	2	10	3	0	3
Crush	10,150	10,300	11,750	11,750	12,400	12,180
Food Use Dom. Cons.	180	180	200	200	200	200
Feed Waste Dom. Cons.	126	126	220	220	150	159
Total Dom. Cons.	10,456	10,606	12,170	12,170	12,750	12,539
Ending Stocks	180	148	620	623	225	284
Total Distribution	10,733	10,852	12,940	12,953	13,175	12,983

Post has raised its estimate of sunflowerseed production in MY 2018/19 from 12.71 MMT to 12.76 MMT based on the updated Rosstat data on the gross output of this crop. So, a historical record has been established despite a negative impact of weather conditions in some regions that caused lower yields and outputs therein. As a result, we saw a regional shift in the production of sunflowerseeds. In the south of the country (where the major processing capacities are concentrated), their output fell due to the drought while in the central and Volga regions weather conditions favored higher yields.

The regional leaders by the gross output of sunflowerseeds in 2018 were Saratov oblast (1.6 MMT), Rostov oblast (1.3 MMT) and Voronezh oblast (1.1 MMT).

Chart 3. Main sunflower seed producing regions (90 percent) in Russia in 2018



Dark orange, over 1,000 TMT	Medium orange, over 500 TMT	Light orange, over 295 TMT
Saratov oblast – 1,573.5	Samara oblast – 965.7	Lipetsk oblast – 407.9
Rostov oblast – 1,341.1	Orenburg oblast – 959.7	Belgorod oblast – 403.7
Voronezh oblast – 1,099.7	Volgograd oblast – 943.3	Penza oblast – 389.7
	Krasnodar krai – 941.0	Kursk oblast – 369.5
	Tambov oblast – 770.1	Bashkortostan Republic – 324.4
	Altai krai – 618.6	
	Stavropol krai – 526.3	

Source: Rosstat

In spite of the high gross output of sunflowerseeds in MY 2018/19, their processing into oil in the first half of the marketing year lagged behind the corresponding indicators of the previous season due to the weak price situation on the world market of sunflowerseed oil. However, processing is expected to eliminate this gap by the end of the marketing year. The annual MY 2018/19 volumes of sunflowerseed crushing are going to exceed the previous season indicators by 14.1 percent and reach 11.75 MMT enabling to set a new record in sunflowerseed oil production.

Post has adjusted its estimate under item “Feed Waste Domestic Consumption” that includes the use of sunflowerseeds as seeds for planting and losses at all stages of the production chain. It should be noted that sunflowerseeds are not used for feeding directly but only in the processed form (meals). In MY 2018/19, losses due to the modest rates of processing are going to exceed the previous season indicators. As a result, the year-end estimate under item “Feed Waste Domestic Consumption” will reach 220 TMT.

Exports of sunflowerseeds by the end of MY 2018/19 are estimated at 160 TMT which is 63.3 percent more than in the previous marketing year. Their growth became possible due to the bumper crop of

sunflowerseeds in 2018, moderate rates of their processing into oil and low prices for raw seeds on the domestic market. According to data of “ProZerno”, by the beginning of June 2019 the price for sunflowerseeds in the European part of Russia averaged 20,470 rubles per ton (EXW, incl. VAT 10 percent) while at the same time last year it was as high as 24,000 rubles per ton. In addition, in the second half of the season exports were up due to renewed supplies to Turkey, which adopted a quota on duty-free import (in the first half of the marketing year there were actually no sales of Russian sunflowerseeds to Turkey). Customs data show that in MY 2018/19 exports are growing at accelerated rates. Over the first eight months of this marketing year, Russia exported 141.3 TMT of sunflowerseeds, which is 72.1 percent more than over the same period in MY 2017/18. 29.0 percent of the total exported volume was supplied to Kazakhstan and 35.8 percent to Belarus. After the opening of the Turkish market in April 2019, 20 TMT of sunflowerseeds were exported there in just one month.

Due to the relatively moderate rates of processing sunflowerseeds into oil, their ending stocks in MY 2018/19 are expected to reach a record level of 623 TMT, which is 2-3 times above the average.

Post has raised its estimate of sunflowerseed production and processing into oil in MY 2017/18 based on the official Rosstat statistics of sunflower seed and oil outputs over this period.

Soybeans

According to the forecast of FAS/Moscow, in MY 2019/20 the output of soybeans will beat the record of the current marketing year (4.03 MMT) and reach 4.30 MMT. This will be due to the expansion of area planted up to 3.10 million HA (2.95 million HA in MY 2018/19) and the increase of yields up to 1.48 MT/HA (1.47 MT/HA in MY 2018/19).

Table 3. Production, supply and distribution of soybeans, Thousand Metric Tons (TMT), 1,000 HA

	2017/2018		2018/2019		2019/2020	
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	2,636	0	2,949	0	3,100
Area Harvested	2,568	2,569	2,739	2,739	2,900	2,900
Beginning Stocks	196	196	57	82	114	114
Production	3,621	3,622	4,027	4,027	4,300	4,300
MY Imports	2,237	2,237	2,230	2,170	2,400	2,400
MY Imp. From U.S.	0	0	0	0	0	0
MY Imp. From EU	0	72	0	65	0	65
Total Supply	6,054	6,055	6,314	6,279	6,814	6,814
MY Exports	892	892	875	875	900	900

MY Exports to EU	0	0	0	0	0	
Crush	4,600	4,210	4,800	4,495	5,100	4,857
Food Use Dom. Cons.	105	100	100	100	110	100
Feed Waste Dom. Cons.	400	770	425	695	525	778
Total Dom. Cons.	5,105	5,080	5,325	5,290	5,735	5,735
Ending Stocks	57	82	114	114	179	179
Total Distribution	6,054	6,055	6,314	6,279	6,814	6,814

Post has adjusted its estimate of area planted for soybeans, reflecting the official data of Rosstat – 2.95 million HA in MY 2018/19 and 2.64 million HA in MY 2017/18.

The major volumes of soybeans are grown in the Far East and the Central federal districts that in MY 2018/19 accounted for 41.0 and 42.3 percent of the total domestic output of this crop, respectively. Production increased in the Central and the Siberian federal districts (by 50.5 and 41.2 percent, respectively). On the contrary, in the Southern federal district it dropped due to the drought (by 13.2 percent). Soybean production also declined in the Far East federal district (by 10.1 percent) where it was affected by rainy weather. Amur oblast accounted for over one fourth of the total domestic soybean production (26.3 percent in MY 2018/19). Belgorod oblast and Kursk oblast ranked second and third by this indicator (13.7 percent and 11.5 percent, respectively).

Chart 4. Main soybean producing regions (87 percent) in Russia in 2018



Dark green, over 1,000 TMT	Medium green, over 300 TMT	Light green, over 100 TMT
Amur oblast – 1,055.3	Belgorod oblast – 553.1	Krasnodar krai – 289.4

	Kursk oblast – 462.3 Primorsky krai – 384.4	Tambov oblast – 177.2 Voronezh oblast – 172.8 Oryol oblast – 150.9 Jewish Autonomous oblast – 148.5 Altai krai – 126.6
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Source: Rosstat

In MY 2018/19, exports of soybeans fell slightly (down to 875 TMT) as compared with the previous marketing year (892 TMT) due to the drop of their production in the Far East region that is the major exporter of this item from Russia to the Chinese market. According to federal customs data, from September 2018 to April 2019 Russia exported 550.6 TMT of soybeans, which is 31.3 percent below indicators of the similar period previous year. 93.7 percent of all exported volumes are supplied to China.

The Russian market depends on imported raw soybeans for the purposes of livestock feeding. In MY 2018/19, soybean imports are lagging somewhat behind the respective indicators of the previous season. In September-April of the current marketing year, imports were 6.4 percent smaller than in MY 2017/18. Accordingly, Post has lowered its estimate of soybean imports by the end of MY 2018/19 down to 2.17 MMT (as compared with the USDA official estimate of 2.23 MMT). Due to the restriction on imports of soybean meal containing GE organisms not registered by Rosselkhoznadzor (please see GAIN RS1833 Agricultural Biotechnology Annual), South America is the main supplier. Over the first eight months of MY 2018/19, 50.6 percent of soybeans were supplied by Brazil and 35.0 percent from Paraguay.

Domestic consumption in MY 2018/19 will reach 5.29 MMT (5.08 MMT in MY 2017/18). The majority of available soybeans, 4.49 MMT (4.21 MMT a year earlier), will be processed into oil. Their use for feeding and as planting seeds together with losses will amount to 695 TMT (770 TMT). The carryover stocks will be as high as 114 TMT (82 TMT).

Post's estimates of soybean volumes processed into oil in MY 2017/18 and MY 2018/19 do not include extruded soybeans that are used for feeding animals. That data has been included in "Feed Waste Domestic Consumption" while the utilization of soybeans in livestock production was adjusted upwards.

Rapeseed

In the coming years, the growth of rapeseed production will be supported by higher demand for this crop from processors and by the increase of oil and meal exports, primarily to China. FAS/Moscow forecasts that in MY 2019/20 the gross output of rapeseeds will grow up to 2.27 MMT from 1.99 MMT in MY 2018/19, or by 14.1 percent. Area planted for this crop will continue to expand but at a lower rate than in the previous marketing year, estimated at 6.9 percent, up to 1.69 million HA. Yields are expected to average 1.38 MT/HA, which is above the 2018 indicator but below the record level of 2017.

Table 4. Production, supply and distribution of rapeseeds, Thousand Metric Tons (TMT), 1,000 HA

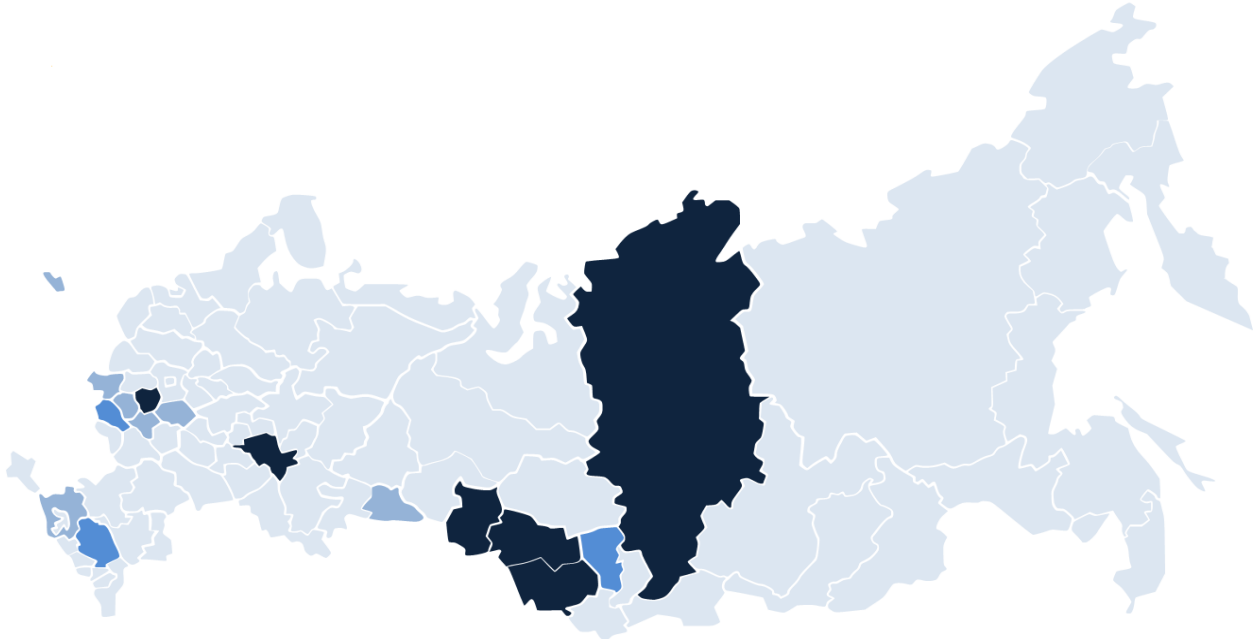
	2017/2018		2018/2019		2019/2020	
Market begin year	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1,000	1,005	1,500	1,576	0	1,685
Area Harvested	947	956	1,495	1,495	1,450	1,546
Beginning Stocks	132	132	62	170	68	154
Production	1,497	1,510	1,989	1,989	2,050	2,270
MY Imports	31	32	67	60	60	50
MY Imp. From U.S.	0	0	0	0	0	0
MY Imp. From EU	4	3	4	2	0	2
Total Supply	1,660	1,675	2,118	2,219	2,178	2,474
MY Exports	323	323	525	570	525	660
MY Exports to EU	25	1	25	17	0	15
Crush	1,200	980	1,400	1,268	1,450	1,414
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	75	202	125	227	150	227
Total Dom. Cons.	1,275	1,182	1,525	1,495	1,600	1,641
Ending Stocks	62	170	68	154	53	173
Total Distribution	1,660	1,675	2,118	2,219	2,178	2,474

In MY 2018/19, the output of rapeseeds in Russia reached 1.99 MMT as compared with 1.51 MMT a year earlier. Higher area planted, up 56.7 percent, which was the highest increase among all oilseed crops. Post has adjusted its estimate of rapeseed acreage up to 1.57 million HA. At the same time yields decreased due to the bad weather conditions – from 1.58 MT/HA in 2017 down to 1.33 MT/HA in 2018.

Most rapeseeds are grown in the Siberian (39.20 percent in MY 2018/19) and the Central (26.63 percent) federal districts. The increase in total production reflects primarily the increase of production in Siberia – up 81.83 percent as compared with the previous year. The leading production regions are currently Altai krai (9.27 percent of the total), Omsk oblast (8.62 percent), Krasnoyarski krai (7.46

percent), Novosibirsk oblast (6.19 percent), the Republic of Tatarstan (5.94 percent) and Tula oblast (5.75 percent).

Chart 5. Main rapeseed producing regions (about 80 percent) in Russia in 2018



Dark blue, over 100 TMT	Medium blue, over 75 TMT	Light blue, over 45 TMT
Altai krai – 184.4	Kursk oblast – 99.7	Kaliningrad oblast – 74.8
Omsk oblast – 171.4	Kemerovo oblast – 95.3	Lipetsk oblast – 72.9
Krasnoyarski krai – 148.4	Stavropol Krai – 83.6	Oryol oblast – 65.9
Novosibirsk oblast – 123.2		Ryazan oblast – 55.3
Republic of Tatarstan – 118.2		Krasnodar Krai – 54.7
Tula oblast – 114.4		Kurgan oblast – 50.5
		Bryansk oblast – 46.6

Source: Rosstat

Post has raised its estimate of rapeseed exports in MY 2018/19. By the end of the marketing year they could reach 570 TMT exceeding the previous season total by 247 TMT, or 76.5 percent. For the first 10 months of MY 2018/19, exports of this crop amounted to 525 TMT, which is almost twice the amount compared to the same period of MY 2017/18. Much of the increase was due to sales to Belarus – within 10 months they reached 286.7 TMT (over half of the total rapeseed exports from Russia) thus exceeding the respective indicators of the previous season 5.5 fold. Russian rapeseeds are supplied to the new processing plant that was recently launched in Belarus by the “Sodruzhestvo” company. Supplies to China also increased (by 50.0 percent) and amounted to 29.2 percent of the total Russian rapeseed exports in July 2018 – April 2019.

The volumes of processing raw rapeseeds into oil are growing due to the development of rapeseed oil exports. Post has adjusted its estimate of crushing in accordance with the Rosstat data on the output of rapeseed oil in MY 2017/18 and the rates of its production in MY 2018/19. In the current season 1.26 MMT of rapeseeds will go to processing, which is 29.4 percent above the previous marketing year indicators.

FAS/Moscow has revised its estimates under item “Feed Waste Domestic Consumption” largely consisting of high losses at different stages of the production chain. In MY 2018/19, the estimate is 227 TMT.

The ending stocks will remain at the average level of recent years – 154 TMT.

Peanuts

There is no commercial production of peanuts in Russia, and market demand for this product is therefore almost completely satisfied by imports. In recent years, peanut production started to develop in Astrakhan oblast but the volumes are still very small.

The structure of Russian imports of peanuts has largely changed in recent years due nuts users having shifted to peanuts. All types of nuts except peanuts (being a legume crop) are included on the Russian Federation’s counter sanctions list of products from certain countries that are banned. These restrictions have resulted in the shifting of demand in favor of peanuts and the increase of their imports versus other nuts. The volume of peanut imports is expected to stabilize in the coming years. FAS/Moscow forecasts that in MY 2019/20 Russia will import 150 TMT of peanuts, which is 5 TMT above the MY 2018/19 indicators. Post estimates peanut imports in MY 2018/19 at 145 TMT, which is below the official USDA estimate.

The major suppliers of peanuts to Russia in recent years were Brazil, India and Argentina.

Table 5. Production, supply and distribution of peanuts, Thousand Metric Tons (TMT), 1,000 HA

	2017/2018		2018/2019		2019/2020	
Market begin year	Oct 2017		Oct 2018		Oct 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	12	18	10	19	14	18
Production	0	0	0	0	0	0
MY Imports	134	134	150	145	150	150
MY Imp. From U.S.	2	0	2	0	0	0
MY Imp. From EU	0	2	0	2	0	2
Total Supply	146	152	160	164	164	168
MY Exports	6	4	6	5	6	8
MY Exports to EU	0	0	0	0	0	0

Crush	0	0	0	0	0	0
Food Use Dom. Cons.	130	129	140	141	145	142
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	130	129	140	141	145	142
Ending Stocks	10	19	14	18	13	18
Total Distribution	146	152	160	164	164	168

Policy

In the next five years, the Russian farm sector will focus on the expansion of agrifood exports. The Decree of RF President No. 204 of May 7, 2018 envisages the growth of exports of agricultural and food products up to 45 billion USD by 2024. In compliance with these guidelines, the government support under the Federal Project “Export of agrifood products” will be increased from 1.5 billion rubles in 2018 to 38.8 billion rubles. The following types of support are envisaged: soft credit to support production of agricultural and food products ; the building of export-oriented logistical infrastructure; the removal of trade barriers in export markets; the creation of an efficient system of product promotion. The basic mechanisms of support provide for the partial compensation of direct expenditures on the construction of facilities in agrifood sector; partial compensation of expenditures of Russian entities on the transportation of agricultural and food products; land improvement; soft credit and measures for promoting domestic agrifood products to foreign markets (analytical support, research and development, creation of a special position of agricultural attaché in missions abroad).

Oils and fats are regarded as priority items in the Ministry of Agriculture’s export expansion goals. Specifically, the aim is to increase exports by 2024 to 8.6 billion USD, or 2.8 fold as compared with 2017. To achieve these projections, three basic tasks were set before the sector.

First, Russia will target specific export markets, particularly China and India. According to Ministry of Agriculture’s goals, by 2024 these countries will account for 31.0 and 37.4 percent of the total exports of oils and fats, respectively. At present, their share does not exceed 10 percent. Second, Russia will focus on the production of raw seeds for processing. The Ministry of Agriculture’s forecast is that by 2024 the output of oilseeds will increase up to 33.5 MMT against about 20 MMT in 2018. Third, the oil and fat companies should improve their production efficiency so that Russian products could be competitive on the world markets by their price and quality.

The development of export infrastructure is a necessary condition for ensuring the projected volumes of supplies. According to data of the Russian Union of Oils and Fats, about 70 percent of all oil and fat products are shipped to foreign markets through seaport infrastructure. The rest is transported by railway and trucks. In this regard, promising opportunities can open through the development of ports on the Azov and Black Seas that serve the routes for the bulk of sea exports of oil and fat product. In particular, it would be rational to create a deep-water terminal for handling agricultural and food products in Taman and build there the necessary access railroads. At present, the terminal in Taman is

the only sea terminal in Russia that is capable of shipping vegetable oils but the existing capacity is not sufficient for the implementation of plans for expanding exports.

MEALS

- Meal, Sunflowerseed
- Meal, Soybean
- Meal, Rapeseed
- Meal, fish

Production

FAS/Moscow forecasts that in MY 2019/20 10.07 MMT of meals will be produced out of the total volume of oilseeds used for processing (19.20 MMT). This is 5.7 percent more than in MY 2018/19. The demand for meals is supported by the increase in exports and the growth in the compound feeds market (although likely to slow down in the future).

Table 6. Consolidated PSD Forecast for Major Meals for MY 2019/20, Thousand Metric Tons (TMT), 1,000 HA

POST MY 2019/20	Sunflower seed	Soybean	Rapeseed	Fish Meal	TOTAL
Crush	12,180	4,857	1,414	750	19,201
Extr. Rate, 999.9999	0.4269	0.7879	0.595	0.264	
Beginning Stocks	249	137	20	4	410
Production	5,200	3,827	841	198	10,066
MY Imports	15	150	45	7	217
MY Imp. from U.S.	0	0	0	0	0
MY Imp. from EU	0	15	0	0	15
Total Supply	5,464	4,114	906	209	10,693
MY Exports	1,705	490	310	90	2,595
MY Exp. to EU	600	300	300	0	1,200
Industrial Dom. Cons.	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0
Feed Waste Dom. Cons.	3,500	3,500	570	115	7,685
Total Dom. Cons.	3,500	3,500	570	115	7,685
Ending Stocks	259	124	26	4	413
Total Distribution	5,464	4,114	906	209	10,693

Note: The above table is composed of PSD forecast for each meal despite differing marketing years.

The production of sunflowerseed meal is expected to grow in line with the increase of sunflowerseed processing into oil: from 5.03 MMT in MY 2018/19 up to 5.20 MMT in MY 2019/20 (+3.4 percent). Post has raised its estimate for rates of oil and meal extraction out of raw seeds. According to expert assessments, at present the rate of meal extraction out of sunflowerseeds averages 0.43 owing to the modernization of processing facilities. The output to sunflowerseed meal in MY 2018/19 and MY 2017/18 was adjusted upwards in accordance with the volumes of raw seeds used for processing.

The output of soybean meal is expected to grow by 8.2 percent – from 3.54 MMT in MY 2018/19 to 3.83 MMT in MY 2019/20. The soybean processing sector is characterized by high production

concentration. The major capacities are located in the European part of Russia, including Kaliningrad oblast. Meantime, large quantities of soybeans produced in the Far East region are exported. All this leads to higher cost of quality soybean meal for the domestic livestock sector. Since Post lowered its estimate of soybeans processed into oil (please see the section “Soybeans” above), the projected output of soybean meal was adjusted accordingly.

Rapeseed meal production is expected to have the largest increase reflecting high rates of rapeseed processing into oil – from 755 TMT in MY 2018/19 up to 841 TMT in MY 2019/20 (+11.4 percent). Post has adjusted downwards the volumes of raw rapeseeds used for processing into oil in MY 2017/18 and MY 2018/19, and following this, the back year MY17/18 and the MY18/19 rapeseed meal production estimates were decreased.

The production of fish meal displayed an upward trend in response to higher demand from China. Producers of this commodity in the Far East orient their business towards Asian markets since exports to Asia are more profitable than supplies to the European part of Russia. The available fish meal production statistics do not reflect the actual situation on the Russian market. FAS/Moscow forecasts that in MY 2019/20 the output of this product will grow by 13.8 percent as compared with the previous season and amount to 198 TMT. Taking into account growing exports of fish meal, Post has raised its output estimate for MY 2018/19 up to 174 TMT as compared with the official USDA estimate of 155 TMT.

In 2018, the Russian compound feed market continued growing although at slightly lower rates. By the end of 2018, their output increased by 1.1 MMT and reached 28.9 MMT. In 2017, the increase was as high as seven percent. Poultry and pig sectors together consume not less than 90 percent of the total output of compound feeds. The output of such feeds for poultry production amounted to 15.9 MMT (in 2017 – 15.3 MMT), that for pig raising – to 10.6 MMT (10 MMT in 2017). In 2018, feeds for poultry accounted for over 55 percent of the total market, feeds for pigs – for about 37 percent, feeds for cattle – for 7.3 percent.

A great share of compound feed output is not reflected in the official statistics as many enterprises produce them not for marketing but for their own needs. Taking into account the shadow sector, experts estimated the total output of compound feeds in 2017 at 42.6 MMT.

In the medium term, the trend for slower growth of the compound feed production will persist due to the relatively stable livestock sector. In the past seven years the key drivers of stable annual growth of compound feeds market were the actively developing poultry and pig sectors. However, in recent years, opportunities for entering foreign markets were limited while domestic demand got more and more saturated. All this produces a constraining effect on the development of compound feed sector. In case Russian exports of meat increase, the sector will get opportunities for further growth.

According to data of the Union of Compound Feed Producers, over the last five years the profitability of this commodity fell from 20 to 5 percent. Large vertically integrated enterprises are in a better position. Big holdings build their business on self-sufficiency patterns, including self-production and self-consumption of compound feeds. Vertical integration reportedly helps to lower expenditures and per-unit costs. The largest producers of compound feeds are “Cherkizovo” (1.8 MMT in 2018), “Miratorg” (1.5 MMT), “Resource” (1.1 MMT) and “Priiskolie” (1.0 MMT). As a result, small- and medium-size

enterprises have become less competitive and have few options for diversifying their commercial activities. It is possible that in the near-to-medium term independent compound feed plants will be gradually ousted from the market. According to data of the Union of Compound Feed Producers, independent enterprises currently account for only 11 percent of the total output.

The Russian compound feeds market has peculiar features that determine its development. For instance, grain ingredients constitute a great part in the composition of domestic feeds: up to 70 percent as compared with 40-45 percent in the European Union. On the contrary, the share of meals and oilcakes is 3-4 times less than in the countries with developed agricultural sector. The high share of grain in the diets of farm animals and poultry makes Russian producers dependent on the annual fluctuations of grain markets. In 2018, the average price for compound feeds grew by 20 percent due to higher production costs based largely on exchange rate factors as most of the component ingredients are imported.

Feed Consumption

According to FAS/Moscow, in MY 2019/20 7.69 MMT of meals will be used in livestock production, which is 4.4 percent above the respective indicator for MY 2018/19 (7.36 MMT). On the domestic market, there is high demand for sunflowerseed and soybean meals, large volumes of which are consumed for feeding animals. In MY 2019/20, 3.50 MMT of sunflowerseed meal and 3.50 MMT of soybean meal will be used as forage. The respective indicator for rapeseed meal is 570 TMT.

In MY 2018/19, 65.0 percent (3.40 MMT) of available sunflowerseed meal and 67.6 percent (553 TMT) of available rapeseed meal were used in livestock sector. Nearly 90 percent of soybean meal is consumed in Russia due to the continuing growth of animal production. In MY 2018/19 3.30 MMT of soybean meal were used for these purposes.

Trade

Imports

As the production of oilseed meals is growing, their imports are falling. FAS/Moscow estimates the total meal imports in MY 2019/20 at 217 TMT, which is 17.5 percent below the MY 2018/19 indicator. Import supplies of all kinds of meal will decrease: those of sunflowerseed meal – down to 15 TMT, of soybean meal – down to 150 TMT, of rapeseed meal – down to 45 TMT, of fish meal – down to 7 TMT. Soybean meal constitutes the major part of total meal imports while the share of other meals remains small. However, beginning from 2016 imports of soybean meal have been gradually falling due to the restriction on the supply of soybean meal produced with the use of GE organisms. Taking into account the actual rates of supply, the estimates for imported volumes by the end of MY 2018/19 have been revised downwards for all kinds of meal including fishmeal.

Exports

FAS/Moscow forecasts the growth of meal exports in MY 2019/20 by 13.7 percent – up to 2.59 MMT. Export supplies of all kinds of meal will increase: those of sunflowerseed meal – up to 1.70 MMT, of soybean meal – up to 490 TMT, of rapeseed meal – up to 310 TMT. Russian oilseed meal exports will

be supported by higher demand from the EU countries and the recent market access agreement with China. The opening of Chinese market could offer the opportunity for the export of sunflowerseed meal. As regards soybean meal, it will be primarily supplied for food use purposes as Russian soybean cannot compete with other suppliers of feed soy and the primary destination is expected to be China, via the Russian Far East.

Post has slightly adjusted its estimate of sunflowerseed meal exports in MY 2018/19 up to 1.58 MMT as compared with the official USDA estimate of 1.35 MMT. Over 8 months of this marketing year 1.09 MMT were exported, which is 11.7 percent above indicators of the respective period in the previous season. Belarus is the largest export market with a share of 8.6 percent in the total volume of exports so far this marketing year (September 2018 – April 2019).

Post has revised upwards its estimate of soybean meal exports in MY 2018/19 – up to 390 TMT as compared with 410 TMT by the official estimate of USDA. According to data of the Federal Customs Service, exports this season remain on par with the previous marketing year when 384 TMT were exported. From September 2018 to April 2019, shipments amounted to 242 TMT, which is comparable with indicators for the respective period of MY 2017/18 (240 TMT). 27.3 percent of the total volume shipped was supplied to the Netherlands, 11.6 percent – to Germany and 10.3 percent – to Norway.

Post has revised downwards the estimate for exports of rapeseed meal to 275 TMT. Over 10 months of MY 2018/19, Russia exported 193 TMT of this product. It is clear that even despite the two months remaining till the end of the marketing year, the total supplies won't exceed 245 TMT. The major volumes are purchased by the EU countries.

Post estimates exports of fishmeal in MY 2018/19 at the level of 70 TMT, which is 16.7 percent above the USDA estimate (60 TMT). The revision upwards is based on the data of customs statistics which show that the current rates of supply exceed those of MY 2017/18. Over the first four months of this season exports have already reached 43 TMT while the previous season total were only 62 TMT. The principal buyer of this product is China which accounted for 67.4 percent of all supplies in January-April 2019. The major suppliers to the Chinese market are fishmeal producers in the Far East region.

Stocks

Based on expert assessments, FAS/Moscow forecasts that the total volume of oilseed meal ending stocks in MY 2019/20 will remain at approximately the same level as in MY 2018/19 – about 41 TMT.

By the opinion of Post, sunflowerseed meal ending stocks should be revised downwards – to 249 TMT in MY 2018/19, based on the assumption that the storage of meal is technically difficult and discourages high stocks. As a rule, meal is strictly tied to demand while the remaining resources are stored in the form of raw inputs, i.e. oilseeds. Soybean meal ending stocks in MY 2018/19 are estimated at 137 TMT, soybean meal – at 2 TMT, fishmeal – at 4 TMT.

PSD Tables for Meal

Meal, Sunflowerseed	2017/2018	2018/2019	2019/2020
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d						
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	10,150	10,300	11,750	11,750	12,400	12,180
Extr. Rate, 999.9999	0.41	0.4308	0.41	0.4281	0.41	0.4269
Beginning Stocks	202	178	156	182	249	249
Production	4,167	4,438	4,823	5,030	5,090	5,200
MY Imports	39	39	20	15	20	15
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,408	4,655	4,999	5,227	5,359	5,464
MY Exports	1,202	1,203	1,350	1,578	1,500	1,705
MY Exp. to EU	550	492	500	550	0	600
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3,050	3,270	3,400	3,400	3,600	3,500
Total Dom. Cons.	3,050	3,270	3,400	3,400	3,600	3,500
Ending Stocks	156	182	249	249	259	259
Total Distribution	4,408	4,655	4,999	5,227	5,359	5,464
(1000 MT), (PERCENT)						

Meal, Soybean	2017/2018		2018/2019		2019/2020	
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	4,600	4,210	4,800	4,495	0	5,100
Extr. Rate, 999.9999	0.79	0.788	0.79	0.788	0.79	0.788

Beginning Stocks	174	110	126	135	164	137
Production	3,625	3,317	3,783	3,542	4,019	3,827
MY Imports	161	161	215	150	215	150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	30	16	0	15	0	15
Total Supply	3,960	3,588	4,124	3,827	4,398	4,114
MY Exports	384	384	410	390	460	490
MY Exp. to EU	225	288	225	290	0	300
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3,450	3,069	3,550	3,300	3,775	3,500
Total Dom. Cons.	3,450	3,069	3,550	3,300	3,775	3,500
Ending Stocks	126	135	164	137	163	124
Total Distribution	3,960	3,588	4,124	3,827	4,398	4,114
(1000 MT), (PERCENT)						

Meal, Rapeseed	2017/2018		2018/2019		2019/2020	
Market begin year	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,200	980	1,400	1,268	1,450	1,414
Extr. Rate, 999.9999	0.60	0.595	0.60	0.595	0.60	0.595
Beginning Stocks	18	18	20	18	23	20

Production	714	583	833	755	863	841
MY Imports	46	47	70	45	75	45
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	778	648	923	818	961	906
MY Exports	168	168	275	245	300	310
MY Exp. to EU	150	159	250	230	0	300
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	590	461	625	553	650	570
Total Dom. Cons.	590	461	625	553	650	570
Ending Stocks	20	18	23	20	11	26
Total Distribution	778	648	923	818	961	906
(1000 MT), (PERCENT)						

Meal, Fish Market begin year	2017/2018		2018/2019		2019/2020	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction	570	570	610	660	630	750
Extr. Rate, 999.9999	0.26	0.2632	0.25	0.2636	0.25	0.264
Beginning Stocks	4	4	4	4	0	4
Production	150	150	155	174	160	198
MY	10	16	15	7	12	7

Imports						
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	164	170	174	185	176	209
MY Exports	70	62	60	70	66	90
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	90	104	110	111	106	115
Total Dom. Cons.	90	104	110	111	106	115
Ending Stocks	4	4	4	4	4	4
Total Distribution	164	170	174	185	176	209
(1000 MT), (PERCENT)						

OILS

- Oil, Sunflowerseed
- Oil, Soybean
- Oil, Rapeseed
- Oil, Palm

Production

The domestic oil-and-fat industry remains to a large extent an export-oriented sector. Vegetable oils constitute one of the key items of Russian agrifood exports. Nearly 50 percent of the total sunflowerseed oil output is supplied to foreign markets. Export sales of soybean and rapeseed oils amount up to 75-85 percent of their production in the country.

In recent years, exports of vegetable oils have been growing at a fast pace: beginning from 2014 their value has increased more than 20 fold. In the near future, the oil-and-fat industry is expected to play a key role in the implementation of the program for agrifood export development (for more details please see Section “Policy” of this report). The priority is given to the export of finished products: vegetable oils, meals, mayonnaise and margarine. This focus will shape the trend for growing production of vegetable oils in the middle term, with the increase almost completely targeted to export markets.

FAS/Moscow forecasts that in MY 2019/20 the total output of vegetable oils in Russia will be around 6.79 MMT, which is 4.9 percent above the MY 2018/19 level. The production of rapeseed and soybean oils is expected to grow (by 11.5 percent and 8.1 percent, respectively) owing to higher gross outputs of rapeseeds and soybeans in MY 2019/20. The increase of production of sunflowerseed oil (by 3.4 percent) despite the forecasted decline of sunflowerseed crop will be supported by high carryover stocks of the previous marketing year.

Table 8. Russia: Consolidated PSD Forecast for Major Vegetable Oils for MY 2019/20, TMT

POST MY 2019/20	Sunflower seed	Soybean	Rapeseed	Palm	TOTAL
Crush	12,180	4,857	1,414	0	18,451
Extr. Rate, 999.9999	0.4384	0.1791	0.4102	0	
Beginning Stocks	309	26	21	125	481
Production	5,340	870	580	0	6,790
MY Imports	20	30	135	1,150	1,335
MY Imp. from U.S.	0	0	1	0	1
MY Imp. from EU	0	0	1	65	66
Total Supply	5,669	926	736	1,275	8,606
MY Exports	2,945	620	600	40	4,205
MY Exp. to EU	10	35	250	0	295
Industrial Dom. Cons.	410	45	20	190	665
Food Use Dom. Cons.	2,035	240	87	915	3,277
Feed Waste Dom. Cons.	40	0	0	0	40
Total Dom. Cons.	2,485	285	107	1,105	3,982
Ending Stocks	239	21	29	130	419
Total Distribution	5,669	926	736	1,275	8,606

Note: The above table is composed of PSD forecast for each oil despite differing marketing years.

FAS/Moscow has increased its estimate of sunflowerseed oil production in MY 2018/19 up to 5.15 MMT, or 300 TMT above the USDA official estimate. The estimate was revised upwards based on the updated Rosstat data on the gross output of sunflowerseeds. In spite of the bumper crop of sunflowerseeds in MY 2018/19, the production of sunflowerseed oil in the first half of the marketing year lagged behind the corresponding previous season indicators. The decrease of production and respectively exports was due to difficulties with supply to oil extraction plants and the lower sunflowerseed crop in the southern regions that in 2018 were affected by dry conditions. As a result, the capacities of processing plants in these regions (that produce over 30 percent of sunflowerseed oil in the country) remained underutilized. In addition, slower rates of processing seeds into oil were due to weak exports due to low prices for sunflowerseed oil on the world market (please see section “Trade” of this report). According to Rosstat, the output of sunflowerseed oil in Russia in September-February 2018/19 amounted to 2.45 MMT versus 2.53 MMT in the previous season. However, processing is expected to eliminate this gap by the end of the marketing year. The MY 2018/19 annual indicators of

sunflowerseed oil production are going to exceed the MY 2017/18 total (4.54 MMT) by 13.4 percent. The production of rapeseed and soybean oils will also show growth – by 29.4 percent (from 402 TMT to 520 TMT) and 6.8 percent (from 754 TMT to 805 TMT), respectively.

Post has revised Feed Waste Domestic Consumption to exclude extruded soybeans that are used for feeding animals. As a result, the following revisions were made: the volumes of processing soybeans into oil and the output of soybean oil were adjusted downwards while the utilization of soybeans in livestock production was adjusted upwards.

The oil-and-fat industry faces limited availability of inputs leading to low profitability of processing enterprises. According to local experts, the profit margin of Russian oil extracting plants from the production of bulk raw sunflowerseed oil does not exceed eight percent. The profit margin in vertically integrated holdings is higher owing to the diversification of production and manufacturing of products with high value added (bottled oil, mayonnaise, special fats and margarines).

Consumption

The consumption of vegetable oils in the Russian Federation grows primarily due to their increasing use in the domestic food industry that in recent years displays a steady upward trend. According to the data of Rosstat, the per capita consumption of vegetable oils increased from 13.4 kg in 2010 to 13.9 kg in 2017.

In compliance with provisions of the regulation¹ enacted in 2018, the contents of trans-fats in margarines and fats to be used for further processing in food industry should not exceed two percent. It is reportedly impossible to meet these requirements in case of producing fats out of liquid vegetable oils (sunflowerseed, rapeseed and soybean oils) whereas palm oil can meet the standard. Accordingly, the consumption of palm oil in the dairy, confectionary and fat-and-oil industries will grow (in particular as a milk fat replacer). Russia does not produce palm oil and thus demand is satisfied exclusively by imports. Taking into account the existing goal to increase exports of confectionary products to foreign markets and the growing share of dairy products containing milk fat replacers, imports of palm oil to Russia will likely expand.

According to FAS/Moscow, in MY 2019/2020 the domestic consumption of vegetable oils in Russia will total 3.98 MMT, or will be 3.3 percent above the level of MY 2018/19. This total includes 2.49 MMT of sunflowerseed oil (2.45 MMT in MY 2018/19), 285 TMT of soybean oil (240 TMT), 107 TMT of rapeseed oil (105 TMT) and 1.10 MMT of palm oil (1.06 MMT).

Trade

According to FAS/Moscow, in MY 2019/20 new records can be expected in exports of vegetable oils owing to higher outputs of oilseed crops and an exportable surplus of oils on the domestic market. Exports of major types of vegetable oils can total 4.20 MMT, which is 11.1 percent above the volumes exported in the previous marketing year (3.79 MMT in MY 2018/19). Sunflowerseed oil exports are

¹ Beginning from January 1, 2018 there came into force a new regulation that limits the contents of trans-fats in oil-and-fat products (Technical Regulation of the Customs Union TP TC 024/2011 “Technical Regulation for oil-and-fat products”) approved by the Decision of Customs Union Commission No.883 of December 12, 2011.

expected to reach 2.95 MMT (+12.8 percent, or 335 TMT above the estimate for MY 2018/19), those of soybean oil will grow up to 620 TMT (+6.0 percent, or 35 TMT) and of rapeseed oil – up to 600 TMT (+9.0 percent, or 50 TMT).

The Federal Project “Export of agrifood products” envisages growth of export sales of vegetable oils. According to plans of the RF Ministry of Agriculture, their volumes should more than triple – up to 9 MMT. China and India are the main target markets. In the last five years, the volumes of vegetable oil supplies to China grew more than 20 fold. The major suppliers to the Chinese market are two companies – “NMGK” and “Efko”. At the end of 2018, the “Rusagro” group signed a memorandum of strategic cooperation and supplies of up to 150 TMT annually of fat-and-oil products to PRC with the Chinese company “Beidahuang Grain Group”. It primarily concerns such items as sunflowerseed and soybean oils.

However, due to the specific consumer preferences the demand for sunflowerseed oil on the Chinese market is still limited, although its consumption is gradually increasing. In addition, the potential for Russian oil exports is currently constrained by the availability of port infrastructure. Most of the exported volumes are currently shipped from the ports on the Baltic and Black Seas. There are plans to increase shipments of vegetable oils through Black Sea ports up to about 5 MMT from the current handling capacity of over 3 MMT. It is also necessary to increase rail access to the deep-water port Taman. Taking into account the infrastructural constraints, the main competitor of Russia on the PRC market is presently Ukraine.

Sunflowerseed oil

Post has raised its estimate of sunflowerseed oil exports for MY 2018/19 up to 2.61 MMT as compared with the official USDA estimate of 2.30 MMT. This is 13.1 percent more than in MY 2017/18. From September 2018 to April 2019, Russia exported 1.46 MMT of sunflowerseed oil, which is 5.9 percent above the level of supplies in the corresponding period of the previous marketing year.

At the beginning of MY 2018/19, exports of sunflowerseed oil were below the last year indicators due to the lag in domestic sunflowerseeds processing into oil. Export dynamics were also affected by the change of trade patterns with Turkey. Due to the reduction of re-exports to Syria and Iraq that launched their own production capacities, the supplies of raw oil to Turkey from Russia and other countries decreased. In addition, exports of sunflowerseed oil were constrained by the low level of export prices on the world market. The drop of world prices was the result of high sunflowerseed ending stocks in MY 2017/18 and of the situation on the biodiesel market: the growing world stocks of petroleum affect prices for biofuel and constrain the global consumption of vegetable oils. One more factor determining price situation on the world market of vegetable oils are low prices for palm oil. According to the data of Oilworld, in the middle term unfavorable trends in the age structure of palm tree plantations and the reduction of acreage under young trees in Malaysia and Indonesia could slow down world production resulting in stronger prices for vegetable oils on the world market.

At the end of 2018, export prices for sunflowerseed oil averaged 625-635 USD per ton (FOB, Black Sea). However, beginning from March 2019 price began strengthening – in May export prices reached 680 USD per ton but still remain below the last year level by about 60 USD per ton. Given that, one can expect faster growth of sunflowerseed processing and exports of sunflowerseed oil in the second

half of MY 2018/19. As a result, export volumes will reach their maximum as compared with the previous years.

The biggest consumers of Russian sunflowerseed oil are Iran, Turkey, Egypt and China. In MY 2018/19, Turkey's share dropped somewhat while exports to Iran and China increased. Of the total volume of Russia's sunflowerseed oil exports from September 2018 to February 2019, Iran accounted for 22.2 percent, Turkey – for 18.2 percent, Egypt – for 9.1 percent, China – for 6.5 percent.

According to “ProZerno”, more than half of the total RF exports of sunflowerseed oil from September 2018 to April 2019 was provided by four companies: “Aston” – 16.7 percent, “Efko” – 14.7 percent, “Yug Rusi” – 14.1 percent and “Cargill” – 7.9 percent.

Soybean oil

In MY 2018/19, exports of soybean oil will also grow by 3.0 percent as compared with the previous marketing year. Post expects an increase of exported volumes up to 585 TMT. From September 2018 to April 2019, Russia exported 378 TMT of soybean oil, which is 9.0 percent above the volumes sold in same period last year.

All through 2018 and in the first months of 2019 the world prices for soybean oil have been falling. The price situation on the global market was affected in part by U.S.-China trade. By the end of 2018 the price for soybean oil in the EU was 726 USD per ton (FOB, Rotterdam), which is 140 USD per ton less than in December 2017 (866 USD per ton).

Despite the weak price situation on the world market, Russia is actively promoting its soybean oil to the markets of China and Algeria. From September 2018 to February 2019, supplies to Algeria accounted for 40.5 percent of the total exports, supplies to China – for 21.5 percent thereof. In China Russia is marketing its oil as a premium product because GE cultivation is banned in Russia. The largest producer and exporter of soybean oil in Russia is the “Sodruzhestvo” company that sells it primarily to the markets of China and Algeria.

FAS/Moscow has raised its estimate of soybean oil imports from 20 to 28 TMT in MY 2018/19. Within six months of the current marketing year, Russia has already imported over 22 TMT of this product. Almost all imports come from Belarus.

Rapeseed oil

Russian exports of rapeseed oil set a record of 342 TMT in MY 2017/18 and continue growing at a fast rate. This growth is favored by higher prices for this commodity in Europe. Customs statistics show that from July 2018 to March 2019 438 TMT were already exported from Russia. Based on this, FAS/Moscow expects that total exports of rapeseed oil in MY 2018/19 will increase up to 550 TMT (+61.3 percent), which is above the official estimate of USDA (525 TMT).

In MY 2018/19, rapeseed oil exports to the EU and Norway grew. The latter is leading by volume of rapeseed oil imports from Russia since there it is also used for such purpose as the production of

biodiesel. In the first nine months of MY 2018/19, supplies to Norway reached 160 TMT, or 36.5 percent of total Russian exports of rapeseed oil during the period. Supplies to the EU amounted to 179 TMT, or 40.9 percent of their total volume. Post estimates that by the end of MY 2018/19, 230 TMT of rapeseed oil will be supplied to the EU from Russia. The major buyers are the Netherlands and Latvia. Rapeseed oil exports to China are also growing. In July-March 2018/19, the respective volume of supplies reached 73 TMT (16.6 percent of the total Russian exports). This figure is already above the total for the previous marketing year (46 TMT).

With respect to import, Russia has increased imports from Belarus. As noted in other section of this report, the company “Sodruzhestvo” has opened a new plant for processing soybeans and rapeseeds in Belarus. In the first nine months of MY 2018/19, 103 TMT of oil were imported (almost all of them from Belarus) and based on that Post has revised upwards the estimate for the marketing year total – from 60 TMT to 135 TMT.

Palm oil

Russia remains a large importer of palm oil. In 2018, a new regulation was introduced that limits the trans-fats contents in food products. It prompted the replacement of liquid vegetable oils (sunflowerseed, rapeseed and soybean) in food production with palm oil. Thus, imports of palm oil increased accordingly: from October 2018 to March 2019, the supplies of palm oil amounted to 592 TMT exceeding the respective level of the previous marketing year by 10.4 percent. Indonesia remains the major supplier of this oil to Russia – it accounts for over 90% of all deliveries. FAS/Moscow estimates that the total imports of palm oil in MY 2018/19 will reach 1,090 TMT, which is above the USDA estimate (1,025 TMT).

Stocks

FAS/Moscow forecasts that by the end of MY 2019/20 vegetable oil stocks will decrease by 13 percent (down to 419 TMT) versus MY 2018/19 (481 TMT) when there were large carryover stocks of sunflowerseed oil and products of its processing.

Given the expected high level of sunflowerseed production and low world prices for sunflowerseed oil that constrain growth of its exports, Post anticipates high ending stocks of this oil in MY 2018/19 – 309 TMT. This is somewhat below the USDA estimate (342 TMT) since there are grounds to believe that the strengthening of export prices by the end of the marketing year will encourage sales and thus alleviate the pressure of carryover stocks. Post has raised its estimate of sunflowerseed oil ending stocks in MY 2017/18 to 201 TMT (up from 79 TMT) based on the average monthly output of this oil.

PSD Tables for Oils

Oil, Sunflowerseed	2017/2018		2018/2019		2019/2020	
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Crush	10,150	10,300	11,750	11,750	12,400	12,180
Extr. Rate, 999.9999	0.41	0.4408	0.41	0.4383	0.41	0.4384
Beginning Stocks	234	234	139	201	342	309
Production	4,192	4,540	4,853	5,150	5,121	5,340
MY Imports	30	22	20	18	20	20
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	1	0	0	0	0
Total Supply	4,456	4,796	5,012	5,369	5,483	5,669
MY Exports	2,307	2,308	2,300	2,610	2,600	2,945
MY Exp. to EU	25	9	25	10	0	10
Industrial Dom. Cons.	370	400	410	410	410	410
Food Use Dom. Cons.	1,600	1,850	1,920	2,000	2,100	2,035
Feed Waste Dom. Cons.	40	38	40	40	45	40
Total Dom. Cons.	2,010	2,288	2,370	2,450	2,555	2,485
Ending Stocks	139	201	342	309	328	239
Total Distribution	4,456	4,796	5,012	5,369	5,483	5,669
(1000 MT), (PERCENT)						

Oil, Soybean	2017/2018		2018/2019		2019/2020	
Market begin year	Sep 2017		Sep 2018		Sep 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	4,600	4,210	4,800	4,495	5,100	4,857
Extr. Rate, 999.9999	0.18	0.1791	0.18	0.1791	0.18	0.1791
Beginning Stocks	11	16	8	18	18	26
Production	824	754	860	805	914	870
MY Imports	26	26	30	28	30	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0

Total Supply	861	796	898	851	962	926
MY Exports	568	568	585	585	600	620
MY Exp. to EU	35	32	35	35	0	35
Industrial Dom. Cons.	30	30	30	40	30	45
Food Use Dom. Cons.	255	180	265	200	295	240
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	285	210	295	240	325	285
Ending Stocks	8	18	18	26	37	21
Total Distribution	861	796	898	851	962	926
(1000 MT), (PERCENT)						

Oil, Rapeseed	2017/2018		2018/2019		2019/2020	
Market begin year	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,200	980	1,400	1,268	1,450	1,414
Extr. Rate, 999.9999	0.39	0.4102	0.39	0.4101	0.39	0.4102
Beginning Stocks	37	37	29	21	43	21
Production	462	402	539	520	558	580
MY Imports	27	27	120	135	120	135
MY Imp. from U.S.	0	0	0	1	0	1
MY Imp. from EU	1	1	1	1	0	1
Total Supply	526	466	688	676	721	736
MY Exports	342	342	525	550	550	600
MY Exp. to EU	190	143	175	230	0	250
Industrial Dom. Cons.	20	20	20	20	20	20
Food Use Dom. Cons.	135	83	100	85	100	87
Feed Waste	0	0	0	0	0	0

Dom. Cons.						
Total Dom. Cons.	155	103	120	105	120	107
Ending Stocks	29	21	43	21	51	29
Total Distribution	526	466	688	676	721	736
(1000 MT), (PERCENT)						

Oil, Palm	2017/2018		2018/2019		2019/2020	
Market begin year	Oct 2017		Oct 2018		Oct 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	116	116	157	135	252	125
Production	0	0	0	0	0	0
MY Imports	1,016	989	1,025	1090	1,050	1,150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	65	0	65	0	65
Total Supply	1,132	1,105	1,182	1,225	1,302	1,275
MY Exports	40	40	50	40	50	40
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	180	180	180	190	180	190
Food Use Dom. Cons.	755	750	700	870	700	915
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	935	930	880	1,060	880	1,105
Ending Stocks	157	135	252	125	372	130
Total Distribution	1,132	1,105	1,182	1,225	1,302	1,275
(1000 MT), (PERCENT						

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