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GAIN Report

Global Agricultural Information Network

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Bulgaria

Post: Sofia

Bulgaria Expects Record Wheat Crop

Report Categories:

Grain and Feed

Oilseeds and Products

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Report Highlights:

Bulgaria finished harvesting a bumper winter wheat crop and also expects strong corn and sunflower harvests. FAS Sofia increases its production estimates for wheat to 5.75 million metric tons (MMT), corn to 2.65 MMT, and sunflower to 2.0 MMT.

Bulgarian wheat exports started earlier this year and to date, have achieved larger export volumes over 2016. Good harvest conditions and a strong euro are pressuring market prices downward. Big wheat yields are also creating logistical challenges, as on-farm, elevator, and port facilities are at full capacity due to abundant stocks. Bulgarian traders forecast record exports of grains and oilseeds this season.

General Information: Overview

As of early August, Bulgarian farmers completed their wheat and barley harvests and achieved higher than anticipated yields. Based on the latest harvest data, FAS Sofia revises its production forecast upward to 5.75 MMT for wheat and 640,000 metric tons (MT) for barley.

Abundant and timely precipitation, as well as favorable temperatures since spring planting, has also created conditions for above-average corn and sunflower yields. Bulgaria's sunflower harvest is expected to begin around the fourth week of August, with the corn harvest following soon thereafter. FAS Sofia increases its production estimates for corn to 2.65 MMT and sunflower to 2.0 MMT.

Bulgarian farmers face difficulties with storage infrastructure, falling market prices, tough competition from the Black Sea region, which is exacerbated by the strong euro and lower exchange rates of major non-EU exporters, and the need to raise capital for the upcoming fall planting season. Bumper crops of sunflower and corn could worsen Bulgaria's current logistical and storage issues.

Note: This report is an update of [GAIN BU1711](#) and [GAIN BU1707](#).

MY2017/18

Grains:

Wheat: Favorable growing conditions and timely rainfall in May and June, as well as hot weather during harvest in July created high-quality and bumper-crop conditions for Bulgarian wheat. Improved genetics and higher use of inputs also contributed. Some farms in northcentral Bulgaria experienced hail losses following storms in early July. To date, 12,000 HA of wheat (and sunflower) have been officially declared as damaged, within varying degrees. Despite isolated hail damage, average national production remains strong, with many farmers and traders reporting record yields (8.0-10.0 MT/HA).

Although yield averages in southern Bulgaria are lower than in northern regions, reports indicate that the quality of southern wheat is better. Overall, the share of milling quality wheat is reported to over 60 percent.

As of July 27 (Source: Ministry of Agriculture/MinAg Weekly Bulletin #31 of August 2), the wheat harvest was 89 percent complete, production was recorded at 5.14 MMT, and average yields were 5.3 MT/HA, 10 percent increase over MY2016/17 (Table 1). Despite a three-percent decline in area planted, record yields will likely compensate for reduced acreage and production will be above last year. Current trade-source production estimates vary widely, from 5.65 MMT (as in MY2016/17) to 6.0 MMT.

FAS Sofia increases its production estimate from 5.3 MMT to 5.75 MMT, based on a 10-percent increase in average yields over last year (5.23 MT/HA vs. 4.75 MT/HA). This translates into a two-percent increase in overall production over last season (Table 3).

Bulgarian wheat export started strong, with industry sources reporting about 1.0 MMT under contract and expected shipments by the end of August. Bulgaria's Ministry of Agriculture (MinAg) reports that 330,000 MT were exported through July 28, of which 280,000 MT were shipped within the EU, and 48,000 MT to other markets. Due to record-high exports in MY2016/17 (4.2 MMT), beginning stocks are low and estimated to be between 120-180,000 MT.

Barley: Reports indicate that Bulgaria's barley crop was good, although not record-breaking. This year's barley yields experienced more regional fluctuation. As of July 27, 2017, Bulgaria's harvest of winter barley was complete, with reported average yields of 4.77 MT/HA, and eight-percent increase over last year. Despite higher yields, total barley production achieved 615,000 MT, an 11-percent decline from the previous year. A 25-percent decrease in area planted accounts for the overall decline in Bulgarian barley production.

FAS Sofia revises its earlier estimate for harvested area from 140,000 HA to 135,000 HA (winter and spring barley), and production from 600,000 MT to 640,000 MT (winter and spring barley), a seven-percent decrease from last year's 690,000 MT.

Bulgarian barley exports in MY2016/17 were sluggish, about 30 percent lower than the previous season. As a result, MY2017/18 beginning stocks were slightly higher (estimated at 22,000 MT) and early export sales were stronger than usual. Traders report that 116,000 MT of barley has already sold within the EU market during this marketing year.

Corn: Earlier projections for decreased MY 2017/18 corn acreage are confirmed, with area planted reported to be 412,000 HA (MinAg Weekly Bulletin #24, date June 6, 2017), compared to 420,000 HA planted by the same period in MY2016/17 (Table 2). The corn crop has developed well due to timely rainfall and temperature conditions during May through July. Current local production forecasts are optimistic, with estimates varying between 2.5 and 3.0 MMT.

FAS Sofia adjusts its estimate for harvested area down to 410,000 HA. Moreover, Post adjusts its production forecast to increase from 2.55 MMT to 2.65 MMT due to higher, weather-related average yields (upwards of 6.4 MT/HA), a 16-percent increase over MY2016/17 yields (5.5 MT/HA).

After two dry years and disappointing corn crops, MY2017/18 production is forecast to increase by 19 percent over last year and be close to the level achieved two years again during the MY2015/16 season (Table 3). MY2016/17 exports are lagging behind the previous year due to lower stocks, regional competition, and firmer domestic prices. This is likely to lead to higher MY2017/18 beginning stocks.

FAS Sofia Grains Production Estimates August 2017		
Crops	Harvested Area, HA	Production, MT
Wheat	1,100,000	5,750,000
Barley (winter and spring)	135,000	640,000

Corn	410,000	2,650,000
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Oilseeds:

Rapeseeds: Bulgaria's rapeseed harvest was reported to be 94 percent complete as of the end of July (Table 1), with average yields of 2.85 MT/HA, a four-percent decrease from last year. Rain during flowering, as well as dry conditions during planting, were the primary drivers of this decrease. In addition, the harvested area was four percent lower, resulting in 433,000 MT of production, a 15 decrease from MY2016/17 (509,000 MT). FAS Sofia adjusts its earlier rapeseed production estimate slightly higher from 430,000 MT to 435,000 MT.

According to MinAg, trade during the new season has been strong, with 73,000 MT of export sales as of July 28, 2017. MY2016/17 exports were higher and led to lower MY2017/18 beginning stocks.

Sunflower: Earlier estimates for more sunflower acreage at the expense of corn acres are confirmed, with the MinAg reporting an eight-percent increase of oil-bearing sunflower on June 8, 2017 (Table 2). FAS Sofia's current estimate for area planted of all types of sunflower (oil-bearing, confectionary, and black and white) is 830,000 HA.

Favorable weather conditions contributed to excellent crop development and yield expectations are optimistic, with most estimates averaging between 2.0 to 2.8 MT/HA. Some farmers say that yields could be over 3.5 MT/HA in some areas. FAS Sofia's production forecast is increased from 1.95 MMT to 2.0 MMT, based on an average yield of about 2.4 MT/HA (a seven-percent increase over last year).

Sunflower production may reach or even exceed MY2014/15 (2.011 MMT) record crop. The harvest is likely to begin about the fourth week of August.

MY2016/17 exports were low and reported to be only 332,000 MT as of July 28. This should result in extra stocks and lower prices in early MY2017/18.

Soybeans: Despite earlier anticipation for recovery in area planted, soybean planting has stagnated (Table 2). Current expectations are for steady or slightly higher production in MY2017/18.

FAS Sofia Oilseeds Production Estimates August 2017		
Crops	Harvested Area, HA	Production, MT
Rapeseeds	162,000	435,000
Sunflower	840,000	2,000,000
Soybeans	11,000	18,000

Table 1. Harvest Progress as of July 27 for Winter Grain and Oilseed Crops MY2017/18

Harvest Progress as of July 27 2017				
	Area to be Harvested, HA	Percentage of Harvested Area	Average Yield, MT/HA	Production, MT

<i>Grains</i>				
Wheat	1,098,125	89%	5.27 (+10.0%)	5,144,806
Winter Barley	130,589	99%	4.77 (+7.7%)	614,635
Spring Barley	4,575	4%	3.91 (+19.9%)	7,533
Rye	6,264	25%	2.4 (+25%)	3,743
Triticale	14,982	59%	3.75 (+12.3%)	32,947
<i>Oilseeds</i>				
Rapeseeds	161,855	94%	2.85 (-3.7%)	432,847

Source: MinAg Weekly Bulletin #31, August 2, 2017

Table 2. Planted Spring Grain and Oilseeds Crops MY2017/18

Planted Spring Grain and Oilseed Crops, MY2017/18, HA			
	June 8, 2017	June 9, 2016	Difference, %
<i>Grains</i>			
Corn	412,034	419,825	-1.9%
Spring barley	4,571	2,952	+55.0%
Oats	10,848	10,084	+7.6%
Rice	9,565	9,328	+2.5%
Sorghum	2,520	2,399	+5.0%
<i>Oilseeds</i>			
Sunflower (Oil-bearing)	813,494	752,517	8.1%
Black & White Sunflower	5,565	7,311	-23.9%
Soybeans	11,496	14,508	-20.8%

Source: MinAg Weekly Bulletin#24, June 14, 2017

Table 3. Final Grain and Oilseeds Data MY2016/17 and MY2015/16

Crop Years MY2016/17	Harvested Area (000 HA)		Production (000 MT)	
	MY2016/17	MY2015/16	MY2016/17	MY2015/16
<i>Grains</i>				
Wheat	1,192	1,106	5,663	5,011
Barley	160	176	690	699
Corn	407	499	2,226	2,697
Rice	12	12	65	68
Oats	15	11	31	22
Triticale	16	13	49	38
Rye	7	6	15	11
Sorghum	3	7	8	17

<i>Oilseeds</i>				
Rapeseeds	171	170	509	422
Sunflower	818	811	1,838	1,699
Soybeans	14	34	18	40

Source: MY2015/16 data - MinAg Statistical Bulletin #316, June 2016; MY2016/17 data -MinAg Statistical Bulletin #328 May 2017

End of Report