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Grain and Feed

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Report Highlights:
EU-25 grain production is set to rebound in MY 04/05 with production rising 41 MMT to 271 MMT (wheat plus coarse grains). The increased domestic availability of grain will likely see exports, feed use and stocks return to trend level, though import requirements are forecast to decline to just 6.8 MMT from 14.6 MMT and 15.4 MMT in 03/04 and 02/03. This is due to good domestic availability as well as TRQs effectively limiting barley and feed quality wheat imports. However, U.S. exports of high quality wheat to the EU are forecast to be 1.3 MMT in 04/05, the same level as in 02/03.

Includes PSD Changes: No
Includes Trade Matrix: No
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Table of Contents

Introduction

This report presents the first grains outlook for Marketing Year (MY) 2004/05 for the European Union. It concentrates on the current production and market outlook for the Marketing Year (MY) 04/05.

On May 1, 2004, ten New Member States (NMS) joined the EU, namely, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. This report gives Production Supply and Demand (PSD) estimates for the EU-25. PSDs for the EU-15 and NMS-10 are reported for wheat, corn and barley.

Please note that all data provided in this report is based on the opinion of FAS analysts based in the EU and is not official FAS data.

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Note: Data in this report is not official USDA data.
HA = Hectares
MT = Metric ton
MY = Marketing Year. The EU local marketing years used in this report are July/June, except for Corn which follows October/September and Rice which is reported on a September/August basis.

Executive Summary

The first estimate of EU-25 grain production in MY 04/05is 271 MMT. This is 41 MMT, or 18.5%, higher than the poor crop in 03/04 which was heavily impacted by drought, heat wave and winterkill. With the increase in domestic availability, total grain exports, stocks and feed use are expected to return towards levels seen in 02/03, while EU-25 import requirements are forecast at the low level of 6.8 MMT, compared to 14.6 MMT in 03/04 and 15.4 MMT in 02/03. This reflects good domestic availability and the Tariff Rate Quotas (TRQs) which would prevent substantial imports of Black Sea region feed grains as occurred in MY 02/03.

Wheat production in the EU-25 is set to rebound in 04/05, from the weather affected 03/04 harvest of 106.7 MMT, rising by over 20 MMT to 127.1 MMT. A 6.2% increase in area planted to wheat is due in part in the EU-15 to reduction's in the set-aside requirements for MY 04/05 as well as excellent planting conditions in several countries and no winter kill during the 2003/04 winter.

The substantial increase in domestic availability is expected to translate into higher feed use of wheat (+3 MMT), decreased imports (-2.2 MMT) and higher exports (+5 MMT), as well as a rebuilding of stocks (+5 MMT). Imports of high quality wheat from U.S. are expected to continue at a pace of around 1.3 MMT, similar to the import level of 2002/03.

EU-25 barley output in 04/05 is forecast to increase by 5.77 MMT to 60.57 MMT. Increased domestic availability is likely to see a further increase in barley use as feed from 39.1 MMT to 40.1 MMT. The addition of the NMS-10 to the EU single market and their consequent adoption of the EU import tariff of €98/MT will lead to the EU-15 supplying more of their barley import needs, reducing extra-EU exports of barley to 3.8 MMT, despite expected high prices of world feed grains. An aggressive EU export subsidy policy for barley is not expected, which would to ensure the availability of reasonably priced feed grains on the EU markets as well as encourage stock levels to be rebuilt.

Corn production is set to rebound to 52.07 MMT in MY 04/05, after the 03/04 crop of just 39.2 MMT. With greater domestic availability, EU imports are expected to decline to just 1.6 MMT. Hungary, with an exportable corn surplus of 1.6 MMT has full access to the EU single market following this May's EU enlargement. The low EU-25 import figure is based on Hungarian corn being competitive in Spanish and Italian markets displacing some of the traditional corn imports from the Americas, particularly in the Autumn.

The new rice regime which enters into force on September 1, 2004, cutting the intervention price for rice in half as well as limiting the quantities that can be put into intervention, is expected to have very little impact on EU rice production. However, the price reduction should help to make EU origin rice much more competitive on the internal market, although this is difficult to assess until the future status of the EU rice import regime is known,

Wheat

PSD Table EU-25, Wheat

Country	EU-25					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	23080	0	21898	0	23246
Beginning Stocks	0	15373	0	16116	0	11718
Production	0	124270	0	106715	0	127088
TOTAL Mkt. Yr. Imports	0	10719	0	6899	0	4640
Jul-Jun Imports	0	10719	0	6899	0	4640
Jul-Jun Import U.S.	0	1330	0	2567	0	1316
TOTAL SUPPLY	0	150362	0	129730	0	143446
TOTAL Mkt. Yr. Exports	0	18658	0	9069	0	14175
Jul-Jun Exports	0	18658	0	9069	0	14175
Feed Dom. Consumption	0	54999	0	49323	0	52122
TOTAL Dom. Consumption	0	115588	0	108943	0	112545
Ending Stocks	0	16116	0	11718	0	16726
TOTAL DISTRIBUTION	0	150362	0	129730	0	143446

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

EU-25 Wheat PSD data by EU-15 and NMS-10 components

1000's MT	2002/2003			2003/2004			2004/2005		
	NMS 10	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**
Area	5364	17716	23080	4965	16933	21898	5452	17794	23246
Beginning Stocks	4096	11277	15373	2879	13237	16116	1581	10137	11718
Production	20590	103680	124270	16083	90632	106715	20125	106963	127088
MY Imports	436	11633	10719	1535	6138	6899	320	5015	4640
Jul-Jun Import U.S.	104	1226	1330	305	2262	2567	5	1311	1316
Total Supply	**25122**	**126590**	**150362**	**20497**	**110007**	**129730**	**22026**	**122115**	**143446**
MY Exports	3449	16559	18658	1050	8793	9069	970	13900	14175
Dom Consumption	18794	96794	115588	17866	91077	108943	18433	94112	112545
o.w. FSI	10330	50259	60586	10136	49490	59626	10373	50050	60423
o.w. Feed	8464	46535	54999	7730	41593	49323	8060	44062	52122
Ending Stocks	2879	13237	16116	1581	10137	11718	2623	14103	16726
Tot Distribution	**25122**	**126590**	**150362**	**20497**	**110007**	**129730**	**22026**	**122115**	**143446**

Note: EU-25 trade, total supply and distribution figures are less than the sum of EU-15 and NMS-10 trade figures, because trade between the two blocks is not counted as extra-EU trade.
Source: FAS EU Posts, not official FAS data.

Production

Wheat Production			
1000 MT	**02/03**	**03/04**	**04/05**
France	38934	30483	37450
Germany	20818	19288	25200
United Kingdom	15973	14288	16180
Italy	7680	6362	7000
Spain	6782	6300	6900
Netherlands	1057	1228	1190
Austria	1404	1165	1260
Belgium-Luxembourg	1765	1775	1830
Denmark	4040	4725	4470
Finland	570	550	670
Greece	1160	1230	1100
Ireland	963	750	1000
Portugal	434	203	313
Sweden	2100	2285	2400
EU15 Total	**103,680**	**90,632**	**106,963**
Cyprus	10	10	10
Czech R.	3867	2600	3700
Estonia	148	157	140
Hungary	3900	2900	4400
Latvia	473	325	400
Lithuania	1218	1191	1100
Malta	5	5	5
Poland	9304	7858	8700
Slovakia	1555	967	1550
Slovenia	110	70	120
NMS 10 total	**20,590**	**16,083**	**20,125**
EU-25 Total	**124,270**	**106,715**	**127,088**

Source: FAS EU Posts.

Wheat production in the EU-25 is set to rebound in 04/05, from the weather affected 03/04 harvest of 106.7 MMT, rising by over 20 MMT to 127.1 MMT. There is probably more potential on the upside for this number than to the downside. A 6.2% increase in area planted to wheat, due in part in the EU-15 to reductions in the set-aside requirements for MY 04/05 as well as excellent planting conditions in several countries and no winter kill during the 2003/04 winter.

French area planted to wheat is set higher for 04/05. In MY 03/04, winterkill had reduced the wheat area harvested. In addition, there is a long term trend of increasing area planted to wheat, as well as on going improvements to wheat seeds and varieties. Production for 04/05 is estimated at 37.4 MMT, though it is still early in the growing season. Some areas, particularly in Eastern France, have poor moisture reserves in the soil which could leave them vulnerable to poor rainfall.

Germany also sees an increase in area planted to wheat, with no winter kill, unlike in 03/04, as well as a small shift from spring to winter grains and also the replacement of some barley with wheat. As a result, output for 04/05 is estimated at 25.2 MMT, up from 19.3 MMT in

2003/04. Preliminary indications are that around 40 to 45% of plantings are of the highest quality wheat varieties.

In the UK, area planted to wheat is also set to rise in 2004/05 due to the set-aside changes as well as in response to this year's high wheat prices. Similarly in both the Netherlands and Belgium, good conditions and the set-aside changes encouraged an increase in area planted to wheat.

Italy also sees a marginal increase in area planted to wheat, though production is set higher due to an expected recovery from the poor weather last year, as well as the good weather conditions during the planting season.

In Spain, a small reduction to the area planted to wheat was due to heavy rains in the planting season last Autumn leading to a switch towards spring barley. However, excellent growing conditions have given a crop that has no reported problems leading to expectations of a high output with record durum wheat production. The durum what harvest is expected to start in early to mid May

In the NMS-10, wheat production is also set to rebound from 16.1 MMT in 03/04 to 20.1 MMT in 04/05, with a 10% increase in wheat area reflecting both a small shift towards wheat from other crops and the near absence of winter kill. Yields are also expected to revert to normal after last year's poor crop. (See GAIN Reports HU 4007 and PL 4011 for more details on Hungary and Poland, links are provided in the Related USEU and European Reports Section towards the end of the report).

Consumption and Trade

With a lower expected price for new crop wheat in 04/05 and much greater domestic availability, feed use of wheat is expected to recover from the low level of 41.6 MMT in 03/04 in the EU-15 to 44.0 MMT in 04/05. In the NMS-10, a corresponding rise from 7.7 MMT to 8.1 MMT is expected.

In 03/04, despite the poor crop, European imports of wheat fell. This was due to high domestic prices encouraging a shift towards greater use of alternative feed sources. The very poor harvests in Russia and the Ukraine also cut off supplies of feed grains that had been imported into the EU in 02/03.

For example, in Germany, despite the smaller wheat crop in MY 03/04, imports also fell due to high domestic prices reducing demand for wheat. Based on the pace of imports to date in 03/04 imports are expected to decline by 400,000 MT.

Italy continues to be the world's largest wheat importer. In MY 03/04 wheat imports rose following the poor domestic durum crop, with over 2 MMT durum imported (including 0.5 to 0.6 MMT of low quality Canadian durum from the 2002 crop). However, soft wheat imports declined marginally due to a slight fall in feed demand. Over 1.1 MMT of US wheat was imported into Italy in MY 03/04, with around 750,000 MT of traditional northern spring wheat, as well as several hundred thousand tons of SRW varieties.

In Spain, during MY 03/04, both imports and exports of wheat declined dramatically. Imports fell following the lack of availability of Black Sea feed wheat, which was partly replaced by wheat imports from Brazil (around 200,000 MT). Exports were reduced by the excellent crops in much of North Africa. Lower exports lead to increased domestic availability which was easily absorbed by increased feed demand. During much of the 03/04 marketing year, high and low quality wheat was priced at the same level in Spanish markets.

In the Netherlands, in MY 03/04, both domestic production and availability were good. During the course of the MY, the high price of wheat led to stocks being run down and some demand for feed wheat replaced with tapioca and feed peas. Imports also declined with import prices being similarly high. In 04/05, wheat supply, imports and feed demand are expected to return to more typical levels.

For 03/04, 9.1 MMT of wheat and wheat products[1] are expected to be exported outside of the EU-25, with a further 1 MMT to 1.2 MMT exports expected between April and the end of the MY in June, primarily from France to North Africa.

German exports also declined, by around 1.3 MMT to 1.4 MMT, again due to the smaller crop and high prices rendering exports generally uncompetitive. In the final two months of the 03/04 MY there may be some demand for German wheat in the New Member States, particularly Poland and the Czech Republic.

Italian pasta exports for 03/04 are set to decline, due to the strong Euro as well as lower exports to Germany.

Prices for the new crop would appear to indicate that there may be some degree of price advantage for French exports on some nearby export markets, particularly if US autumn prices trend upwards.

In MY 04/05, Spanish exports are estimated to be at a stable level of 1.2 MMT, with the primary markets being in North Africa and the Americas, particularly for flour, semolina and pasta exports.

For Italy, in MY 04/05, the level of imports is expected to decline with a larger domestic crop.

In 04/05, an expected increase in German production will likely reduce imports by a further 400,000 MT. Exports would be expected to be higher, at around 6.5 MMT, though the German wheat may not be as competitive as French wheat, in which case some German wheat would likely be put into intervention. Therefore, estimated ending stocks are raised by 2.5 MMT for MY 04/05. This is partly due to the fact that from some regions of Germany, it is costly to ship grains to exporting ports, while there is nearby access to grain intervention centres.

In the UK, in MY 03/04 feed consumption of wheat declined due to a switch to feed barley on price grounds. This trend is set to reverse in 04/05. The UK is a stable market for high quality wheat imports. The division of exports between EU and extra EU destinations will depend on the quality of the 2004 wheat harvest.

Spanish 04/05 import estimates of 1.1 MMT are based on 900,000 MMT imports from the Black Sea region as well as 200,000 MT from the US and some limited Canadian imports. In 04/05, Spanish feed demand for wheat is expected to rise slightly, replacing corn and non-grain feed ingredients (NGFI).

In Poland, 1.1 MMT were exported during MY 02/03, in particular just prior to the end of the season, as most of the government held wheat stocks were liquidated. Unfortunately, the very poor 03/04 harvest led to a significant shortage of feed grains, with imports of wheat for 03/04 estimated to be around 800,000 MT. In 04/05, import estimates of 300,000 MT

[1] The figures for wheat in this report follow the standard FAS definition of wheat to include wheat, durum wheat, wheat flour, semolina and several types of pasta.

are based on the durum and high quality wheat needed for blending in flour and pasta production. Feed demand is set to decline by 200,000 MT due to reduced pig and livestock inventory.

Stocks

Following the poor European harvest, with limited domestic availability of wheat, stocks were run down in 03/04 from 16.1 MMT at the start of the MY to an estimated 11.7 MMT at the end of the MY in June 2004. With a bumper crop expected in 2004, a substantial rebuilding of stocks is expected, with Post estimating stocks to rise to 16.7 MMT at the end of the MY 04/05.

Barley
PSD Table EU-25, Wheat

Country	EU-25					
Commodity	Barley				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	13416	0	13425	0	13668
Beginning Stocks	0	9121	0	7362	0	5474
Production	0	56391	0	54803	0	60571
TOTAL Mkt. Yr. Imports	0	1329	0	815	0	351
Oct-Sep Imports	0	1329	0	815	0	351
Oct-Sep Import U.S.	0	14	0	20	0	50
TOTAL SUPPLY	0	66841	0	62980	0	66396
TOTAL Mkt. Yr. Exports	0	4926	0	2894	0	3817
Oct-Sep Exports	0	5108	0	2894	0	3817
Feed Dom. Consumption	0	38134	0	39126	0	40117
TOTAL Dom. Consumption	0	54553	0	54612	0	55219
Ending Stocks	0	7362	0	5474	0	7360
TOTAL DISTRIBUTION	0	66841	0	62980	0	66396

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

EU-25 Barley PSD data by EU-15 and NMS-10 components

1000's MT	2002/2003			2003/2004			2004/2005		
	NMS 10	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**
Area	2822	10594	13416	2805	10620	13425	2952	10716	13668
Beginning Stocks	870	8251	9121	731	6631	7362	475	4999	5474
Production	8426	47965	56391	7969	46834	54803	8805	51766	60571
MY Imports	636	867	1329	970	350	815	680	321	351
Oct-Sep Imp U.S.	0	14	14	0	20	20	0	50	50
Total Supply	**9932**	**57083**	**66841**	**9670**	**53815**	**62980**	**10070**	**57086**	**66396**
MY Exports	190	4910	4926	430	2969	2894	110	4357	3817
Dom Consumption	9011	45542	54553	8765	45847	54612	8952	46267	55219
o.w. FSI	2087	14332	16419	2127	13359	15486	2172	13540	15712
o.w. Feed	6924	31210	38134	6638	32488	39126	6775	33342	40117
Ending Stocks	731	6631	7362	475	4999	5474	898	6462	7360
Tot Distribution	**9932**	**57083**	**66841**	**9670**	**53815**	**62980**	**10070**	**57086**	**66396**

Source: FAS EU Posts, not official FAS data.

Production

Barley Production			
1000 MT	**02/03**	**03/04**	**04/05**
France	10988	9940	11350
Germany	10928	10637	13000
United Kingdom	6128	6370	6158
Italy	1190	1008	1150
Spain	8333	8700	9500
Netherlands	315	372	400
Austria	850	869	880
Belgium-Luxembourg	396	335	380
Denmark	4078	3760	3794
Finland	1566	1700	1800
Greece	432	430	300
Ireland	963	1162	1184
Portugal	20	9	20
Sweden	1778	1542	1850
EU15 Total	**47,965**	**46,834**	**51,766**
Cyprus	100	100	100
Czech R.	1792	2070	2000
Estonia	249	163	280
Hungary	1100	825	1100
Latvia	215	175	240
Lithuania	871	939	850
Malta	2	2	2
Poland	3369	2831	3300
Slovakia	695	831	900
Slovenia	33	33	33
NMS 10 total	**8,426**	**7,969**	**8,805**
EU-25 Total	**56,391**	**54,803**	**60,571**

Source: FAS EU Posts.

Across the EU-25, the outlook for barley production in 04/05 looks favourable, with the expected output more than bouncing back from last year's drought impacted crop. Year on year an output increase of 5.77 MMT to 60.57 MMT is forecast. Current reports indicate that the crop looks in good condition in the main producers France, Spain and Germany.

In Germany, no winter kill, combined with good soil moisture conditions and growth currently around ten days ahead of normal give expectations of an excellent outlook for barley production, and should growing conditions remain favourable, record yields could be obtained from the 2004 crop. Protein content for malting barley is not expected to be a problem as fields were in excellent condition early in the growing season enabling farmers to prepare their crops in ideal conditions.

In Spain, a good crop in 04/05 is expected with production some 500,000 MT higher than MY 03/04. Part of this increase is due to very wet conditions in the autumn which prevented winter wheat from being sown, instead the area planted to winter barley rose.

In Italy too, autumn planting conditions encouraged a small increase in area planted to winter barley, with a production outlook estimated at 3.3 MMT, a return to more typical output levels after last years heat wave.

In the UK, the set-aside relaxation announced last Fall has lead to a small increase in area planted to winter barley.

Consumption

A new malting plant is being built in the north of the Netherlands, with an expected eventual capacity of 165,000 MT barley per annum. As it is not due to open until 2005, FSI barley consumption is raised by 65,000 MT for 2004/05 to take this into account. In addition, new malting barley capacity is reported in Sweden (100,000 MT extra barley needed in MY 04/05), France (65,000 MT) and Belgium (65,000 MT).

In Spain, the availability of barley in 04/05 is expected to lead to an increase in its use as feed, though Spain will still be a net importer of barley. Ethanol production in Spain now uses up to 300,000 MT of barley per year.

In France, the Netherlands and the UK, minor declines in barley feed use are expected due to wheat becoming slightly more competitive as feed, as well as a return to typical levels in the Netherlands when barley replaced some other feed ingredients.

Trade

During the last two months of MY 03/04, some shipments of barley are expected to be made to the Baltic States (following EU enlargement on May 1, extra-EU imports into the NMS will face EU tariffs, encouraging intra-EU trade, with there being free circulation of goods inside the EU).

The addition of deficit regions of the NMS such as Malta and Cyprus to the EU will likely see the replacement of barley sourced previously from the Black Sea region by EU origin barley due to the €93/MT that imports from the Black Sea would now face post EU enlargement in the NMS.

Overall EU-25 barley imports are estimated to be at 350,000 MT in 04/05, similar to the EU-15 level in 03/04. This figure is mostly the TRQs available for EU barley imports. The NMS-10 will continue to have net imports of barley of around 0.5 MMT, though from 04/05, sourced predominantly from the EU-15. This trade diversion from the EU-15 will also reduce the exportable surplus from the EU-25, despite the high level of domestic availability and expected high world feed grain prices.

Stocks

It is also expected that EU barley stocks will be replaced in 04/05, after seeing a 1.9 MMT run down in stocks in MY 03/04, a comparable amount is expected to be used to rebuild stocks. During MY 04/05 some barley in Germany is expected to be put into intervention as some production areas do not have access to a cheap transport infrastructure.

Corn

Country	EU-25					
Commodity	Corn				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	**10/2002**		**10/2003**		**10/2004**	
Area Harvested	0	6006	0	6036	0	6307
Beginning Stocks	0	4075	0	4901	0	3128
Production	0	48202	0	39158	0	52072
TOTAL Mkt. Yr. Imports	0	2731	0	5048	0	1578
Oct-Sep Imports	0	2731	0	5048	0	1578
Oct-Sep Import U.S.	0	47	0	23	0	19
TOTAL SUPPLY	0	55008	0	49107	0	56778
TOTAL Mkt. Yr. Exports	0	831	0	8	0	936
Oct-Sep Exports	0	831	0	8	0	936
Feed Dom. Consumption	0	38486	0	35210	0	40182
TOTAL Dom. Consumption	0	49276	0	45971	0	51609
Ending Stocks	0	4901	0	3128	0	4233
TOTAL DISTRIBUTION	0	55008	0	49107	0	56778

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

EU-25 Corn PSD data by EU-15 and NMS-10 components

1000's MT	2002/2003			2003/2004			2004/2005		
	NMS 10	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**	**NMS 10**	**EU-15**	**EU-25**
Area	1723	4283	6006	1731	4305	6036	1845	4462	6307
Beginning Stocks	1318	2757	4075	1596	3305	4901	1019	2109	3128
Production	9682	38520	48202	7870	31288	39158	10745	41327	52072
MY Imports	372	3203	2731	836	4820	5048	158	2050	1578
Oct-Sep Imp U.S.	30	17	47	0	23	23	0	19	19
Total Supply	**11372**	**44480**	**55008**	**10302**	**39413**	**49107**	**11922**	**45486**	**56778**
MY Exports	1525	150	831	560	56	8	1253	313	936
Dom Consumption	8251	41025	49276	8723	37248	45971	9201	42408	51609
o.w. FSI	1091	9699	10790	1007	9754	10761	1346	10081	11427
o.w. Feed	7160	31326	38486	7716	27494	35210	7855	32327	40182
Ending Stocks	1596	3305	4901	1019	2109	3128	1468	2765	4233
Tot Distribution	**11372**	**44480**	**55008**	**10302**	**39413**	**49107**	**11922**	**45486**	**56778**

Source: FAS EU Posts, not official FAS data.

Corn Production			
1000 MT	02/03	03/04	04/05
France	16095	11770	16750
Germany	3738	2800	3960
United Kingdom	0	0	0
Italy	10200	8100	11500
Spain	4463	4300	4600
Netherlands	169	155	172
Austria	1658	1427	1650
Belgium-Luxembourg	508	530	525
Denmark	0	0	0
Finland	0	0	0
Greece	840	1300	1330
Ireland	0	0	0
Portugal	849	906	840
Sweden	0	0	0
EU15 Total	**38,520**	**31,288**	**41,327**
Cyprus	0	0	0
Czech R.	616	476	370
Estonia	0	0	0
Hungary	6000	4600	6900
Latvia	0	0	0
Lithuania	0	0	0
Malta	0	0	0
Poland	1962	1884	2400
Slovakia	754	687	750
Slovenia	350	220	325
NMS 10 total	**9,682**	**7,870**	**10,745**
EU-25 Total	**48,202**	**39,158**	**52,072**

Source: FAS EU Posts.

EU-25 corn output is expected to more than bounce back from the poor 03/04 harvest, with production in the EU-15 set to rise by 10 MMT to 41.3 MMT in 04/05, for an EU-25 wide total of 52.07 MMT.

In the EU-15, the lowering of the set-aside requirements from 10% to 5% has helped to increase area planted to corn in some countries such as Italy and Spain. High corn prices have also encouraged a switch to corn particularly at the expense of sunflowerseed in Spain and Italy.

The German area planted to corn is down year on year, as last years corn plantings were boosted by high levels of winter kill being later replanted to corn. The current outlook for the MY 04/05 corn crop is good, though it is not thought to be as good as the banner 2001 crop. The outlook for the French crop also looks good, although it is still only early in the corn production cycle. Polish corn output is expected to resume its trend of gradually rising output

Consumption

EU-25 feed use of corn declined from 38.5 MMT in 02/03, to just 35.2 MMT in 03/04 following the drought ravaged crop in 03/04. With a good harvest expected in 2004, a reversion to a more typical feed use level of 40.2 MMT is predicted. For example, French corn feed use patterns are expected to return to trend.

The poor French corn crop in 03/04 lead to lower feed use of corn in the Netherlands, replaced by rye, barley, tapioca and feed peas. Some imports are still expected from Hungary and Argentina during the remaining months of the 2003/04 MY. However, the feed industry is reporting to prefer to wait for the French new crop and its lower expected prices, so there is a certain reluctance to import during the last couple of months of the 03/04 marketing year.

In the Netherlands, the new biotech traceability and labelling Regulations are not expected to have any impact on the 1.2 MMT of Corn Gluten Feed imported each year.

Non feed corn consumption in Spain is stable. Around 800,000 MT of corn by products are used in the feed industry each year. The EU's recent traceability and labelling Regulations concerning biotech production could impact on this trade from the US if varieties planted in the US are not approved in the EU, though trade sources indicate that they do not think this will be a problem in 2004/05. Spanish feed corn demand is expected to decline a little in 04/05 as wheat and barley are favoured in feed.

Overall Polish feed demand is expected to fall by around 1 MMT in 04/05 due partly to structural problems in the Polish livestock sector, and partly to the downturn in the pig cycle. However, poultry feed demand is expected to rise. With lower feed demand and improved domestic supply of corn, import demand should fall substantially. It should be noted that there is a degree of trade off between rye and corn in Polish feed use, so their relative prices should help to indicate feed use levels over the course of MY 04/05.

Trade

In 03/04, the poor European availability of corn led to imports of 5 MMT from extra-EU sources, including 2.1 MMT to Spain, some paying the full EU import duty and over 700,000 MT of Brazilian corn to Italy.

MY 04/05 extra-EU imports of corn are predicted to decline to just 1.6 MMT due to a good domestic crop. This figure is also based on the Hungarian exportable surplus of 1.55 MMT being competitive on Spanish and Italian markets displacing extra-EU imports, particularly under scenarios with high prices of U.S. and Argentine corn.

In Germany 2003/04, total imports of corn are expected to end at around 1 MMT, with fewer exports than normal. In 04/05, forecasts are based on exports rising and import levels being reduced.

Biotech Corn

There are currently some 18 varieties of biotech corn approved for planting in Spain. The area planted to biotech corn in Spain in MY 03/04 was around 32,000 hectares. This is expected to rise to around 50,000 hectares in 04/05. Farmers growing biotech are reported to be very comfortable and happy with biotech corn.

The entire Spanish biotech corn production is delivered to local feed millers. Wet millers use GM free corn sourced from either France or Brazil.

Rye

Country Commodity	EU-25 Rye				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	2882	0	2569	0	2738
Beginning Stocks	0	6514	0	6125	0	3654
Production	0	9168	0	6920	0	8784
TOTAL Mkt. Yr. Imports	0	491	0	308	0	127
Oct-Sep Imports	0	549	0	25	0	127
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	16173	0	13353	0	12565
TOTAL Mkt. Yr. Exports	0	640	0	421	0	575
Oct-Sep Exports	0	698	0	421	0	575
Feed Dom. Consumption	0	5063	0	5073	0	4714
TOTAL Dom. Consumption	0	9408	0	9278	0	9109
Ending Stocks	0	6125	0	3654	0	2881
TOTAL DISTRIBUTION	0	16173	0	13353	0	12565

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

Rye Production			
1000 MT	**02/03**	**03/04**	**04/05**
Germany	3666	2278	3600
Other EU-15	1074	937	996
Poland	3831	3172	3500
Other NMS-10	597	533	688
EU-25 Total	**9,168**	**6,920**	**8,784**

Source: FAS EU Posts.

In 04/05, a recovery in rye output to 3.6 MMT is expected following the poor yields recorded in 03/04. With little alternative planting options in rye producing areas of Poland and Germany, little impact is expected from the removal of rye from the list of interventionable grains from July 2004. In Germany, reduction in rye area has already occurred over the preceding years, while in Poland, only minor changes to rye area are expected.

Current price expectations for the new crop rye in 04/05 are around €85-95/MT, a discount of around €35/MT to wheat.

The increase in EU-25 FSI consumption of rye from 4.2 MMT in 03/04 to 4.4 MMT is mainly due to rye being used for ethanol production in eastern Germany, as otherwise rye non-feed consumption is stable across all of the EU.

Total EU stocks of rye were reduced by 2.5 MMT during 03/04. The destocking of rye is expected to continue, albeit at a slower rate in 04/05, particularly as new crop rye will no longer be accepted into intervention following last year's CAP Reform.

Sorghum

Country	EU-25					
Commodity	Sorghum				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	113	0	103	0	107
Beginning Stocks	0	24	0	57	0	25
Production	0	706	0	408	0	608
TOTAL Mkt. Yr. Imports	0	34	0	1555	0	125
Oct-Sep Imports	0	34	0	1555	0	125
Oct-Sep Import U.S.	0	143	0	962	0	0
TOTAL SUPPLY	0	764	0	2020	0	758
TOTAL Mkt. Yr. Exports	0	2	0	13	0	5
Oct-Sep Exports	0	5	0	13	0	5
Feed Dom. Consumption	0	690	0	1960	0	687
TOTAL Dom. Consumption	0	705	0	1982	0	702
Ending Stocks	0	57	0	25	0	51
TOTAL DISTRIBUTION	0	764	0	2020	0	758

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

For MY 04/05, current forecasts for US production are for a mediocre output, perhaps coupled with relatively high prices, which would mean a reduction in EU imports to a more typical level after the high level of imports in 2003/04.

Currently, in Spain, sorghum is priced at around €160/MT (€110 FOB US plus circa €40 for freight as well as the €12 import duty), which makes it uncompetitive versus other feed grains, so no further substantial imports are expected during the remaining part of the 03/04 season. Further, in May, Spanish harvesting starts and with expectations of a record durum wheat crop of 2.3 MMT, May/June prices for durum at €160/MT would see some durum wheat used as feed. (In MY 03/04, around 800,000 MT of high quality wheat was used as feed).

Oats

Country	EU-25					
Commodity	Oats				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	2990	0	2903	0	2842
Beginning Stocks	0	886	0	965	0	988
Production	0	9331	0	8666	0	8774
TOTAL Mkt. Yr. Imports	0	7	0	15	0	8
Oct-Sep Imports	0	10	0	25	0	8
Oct-Sep U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	10224	0	9646	0	9770
TOTAL Mkt. Yr. Exports	0	903	0	375	0	566
Oct-Sep Exports	0	908	0	375	0	566
Feed Dom. Consumption	0	6748	0	6726	0	6686
TOTAL Dom. Consumption	0	8356	0	8283	0	8241
Ending Stocks	0	965	0	988	0	963
TOTAL DISTRIBUTION	0	10224	0	9646	0	9770

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

Mixed Grain

Country	EU-25					
Commodity	Mixed Grain				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	**07/2002**		**07/2003**		**07/2004**	
Area Harvested	0	3703	0	3839	0	3734
Beginning Stocks	0	1134	0	818	0	467
Production	0	13435	0	12178	0	13283
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	14569	0	12996	0	13750
TOTAL Mkt. Yr. Exports	0	17	0	0	0	0
Oct-Sep Exports	0	17	0	0	0	0
Feed Dom. Consumption	0	13009	0	11832	0	12093
TOTAL Dom. Consumption	0	13734	0	12529	0	12863
Ending Stocks	0	818	0	467	0	887
TOTAL DISTRIBUTION	0	14569	0	12996	0	13750

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

Poland is the major European producer of mixed grains. In 04/05, the area planted to mixed grains is expected to continue to be stable at 2.4 m ha., of which around 40% is triticale. Polish 04/05 mixed grain production is forecast to be 7 MMT.

French mixed grain production is predominantly triticale. Production has been gradually increasing, from 354,000 hectares planted in 02/03, to an expected 380,000 hectares in 04/05, with production of 1.8 MMT. Triticale is grown in the French corn producing regions.

In Germany, the 04/05 triticale production is expected to rise significantly, from 2.7 MMT in 03/04, to 3.4 MMT in 04/05, due to yield recovery. In the market, it is generally priced around the same level as rye, though as a feed ingredient it is viewed as superior to rye. Some exports of 350,000 MT are expected from Germany to the Netherlands and Denmark, though German triticale could also end up on Polish and Czech markets.

Rice

Country Commodity	EU-25 Rice					(1000 HA)(1000 MT)
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	**09/2002**		**09/2003**		**09/2004**	
Area Harvested	0	401	0	408	0	416
Beginning Stocks	0	685	0	799	0	749
Milled Production	0	1733	0	1664	0	1764
Rough Production	0	2637	0	2666	0	2717
MILLING RATE (.9999)	0	6572	0	6241	0	6493
TOTAL Mkt. Yr. Imports	0	1198	0	1020	0	1039
Jan-Dec Imports	0	950	0	1020	0	1039
Jan-Dec Import U.S.	0	163	0	168	0	193
TOTAL SUPPLY	0	3616	0	3483	0	3552
TOTAL Mkt. Yr. Exports	0	220	0	225	0	249
Jan-Dec Exports	0	220	0	225	0	249
TOTAL Dom. Consumption	0	2597	0	2509	0	2529
Ending Stocks	0	799	0	749	0	774
TOTAL DISTRIBUTION	0	3616	0	3483	0	3552

Note: All values in 1000 MT, except Area Harvested row in 1000 HA.
Source: FAS EU Posts, not official FAS data.

Rice Production			
1000 MT	**02/03**	**03/04**	**04/05**
Italy	870	779	875
Spain	570	598	608
Other EU-25	293	287	281
EU-25 Total	**1,733**	**1,664**	**1,764**

Source: FAS EU Posts.

Production

From the 1st of September 2004, a new rice regime comes into force, the main essence of which is a halving of the intervention price for paddy rice from €298 to €150 and a limit of 75,000 MT imposed on annual intervention. Producers are compensated for the intervention price cut by increased direct payments, based on the historical yields. These direct payments will, from 2006, be partially decoupled from production, with the first 60% being paid regardless of what the farmer produces, the remaining 40% being triggered if the farmer produces rice. In practice, this partial decoupling is not expected to have any impact on production. As the increase in direct payments does not quite fully compensate the price reduction, rice farmer's revenue may decline marginally, though this is offset by being able to sell rice at a much lower price, which should enable markets to be developed or expanded.

Spanish rice production in 04/05 is estimated to be marginally higher year on year, partly due to area overshoot penalties being less severe. Yields continue to improve and farmers generally have access to plenty of water.

In the longer term, the area planted to rice in Spain is unlikely to increase as quotas for rice area are distributed to autonomous regions who are in line with their quotas, except for Extremadura and Andalucia which are over quota area and where growers face subsidy reductions. Without these penalties, area would likely increase substantially.

In Italy, rice area and production in MY 04/05 are expected to return to usual levels following the drought impacted 03/04 crop. Partial decoupling of rice support will not begin until MY 05/06.

Consumption

Spanish rice consumption has over previous years increased, in particular due to increased immigration from South America, whose per capita consumption of rice is some five or six times higher than the Spanish average of 10 kg per person per year. Elsewhere in the EU consumption is seen as stable.

Trade

In the NMS, rice is often consumed by those in lower income groups due to its cheap price. However, from May 1, 2004, rice imports to the NMS from outside the EU-25 now have to pay (high) EU tariffs. There is already some evidence that some of the flows of cheaper Asian origin rice are being displaced by the cheaper Italian milled rice varieties.

Spanish rice exports are stable, though, as lower prices for long grain varieties are expected, in 04/05, there may be the possibility of some extra-EU exports with little or no subsidies. The Italian milling industry see EU enlargement as a new market opportunity, particularly as extra-EU exports in recent years have been more or less limited to food aid shipments.

Currently in Italy near by June to August milled bagged indica is being quoted around €435/MT ex mill, but from September onwards quotes drop to around €345/MT. However, while the price is expected to drop with the September 1 intervention price cut, how far this will fall will depend on the interplay between farmers, millers and wholesalers. With continued uncertainty over what the future EU rice import regime will look like, predictions are difficult to make, though trade sources have indicated that they expect to see milled Italian indica prices stabilize somewhere between €300 to €350/MT.

EU Feed Grain Table

EU-15 Consumption of feed grains, 2002/03 and 2003/04 compared

MMT	Wheat			Corn			Other Coarse Grains			Total		
	02/03	03/04	04/05	02/03	03/04	04/05	02/03	03/04	04/05	02/03	03/04	04/05
France	11.3	9.6	11.0	5.4	3.2	5.7	6.4	6.6	6.5	23.1	19.4	23.2
Germany	9.1	9.2	9.2	2.9	2.4	2.7	12.5	12.3	12.8	24.6	23.9	24.7
UK	6.9	6.4	6.7	0.4	0.4	0.3	3.7	3.8	3.5	10.9	10.6	10.5
Italy	2.1	1.6	1.7	9.4	9.3	10.8	2.2	2.7	2.2	13.7	13.6	14.6
Spain	6.4	4.4	5.1	6.6	6.6	6.5	8.8	10.2	9.8	21.7	21.2	21.3
Other EU15	10.7	9.5	10.3	6.3	5.7	6.4	11.8	12.5	12.2	28.8	27.7	28.8
Total EU15	**46.5**	**40.7**	**43.8**	**30.8**	**27.5**	**32.3**	**45.3**	**48.2**	**46.9**	**122.7**	**116.3**	**123.1**
Poland	4.0	3.8	3.6	1.8	2.4	2.2	13.0	11.3	11.1	18.7	17.5	16.9
Other NMS	4.5	3.9	4.5	5.4	5.3	5.7	5.3	5.3	5.6	15.2	14.5	15.7
Total NMS	8.5	7.7	8.1	7.2	7.7	7.9	18.3	16.6	16.8	33.9	32.0	32.7
Total EU25	**55.0**	**48.4**	**51.9**	**38.0**	**35.2**	**40.2**	**63.6**	**64.7**	**63.7**	**156.6**	**148.3**	**155.8**

Source: FAS Post Estimates

Related USEU and European Reports

May 7 2004 | Portugal
Portugal's 2004 grain harvest will be significantly higher than last year due to improved yields. Wheat production is forecast at 313,000 tons and corn, at 795,000 tons. With improved domestic and European crops, Portugal's imports from the U.S. will likely decline in MY 2004/05: imports of U.S. wheat should return to the "normal" level of around 60,000 tons of high-protein wheat (140,000 tons in 2003/04).
PO4009 | View the Acrobat version | Download the MS Word version

May 11 2004 | Poland | Annual
Highlight: Polish MY 2004/05 grain production is expected to rise 12 percent due to much improved weather conditions compared to MY 2003/04 weather related losses. MY 04/05 imports are expected to decline due to reduced swine production, stocks will be replenished, and exports will be negligible. Poland joined the EU on May 1, 2004. It is undergoing a policy transition period, but farmer incomes are generally expected to rise. Poland is now in an internal EU-25 market. It will implement EU consistent third-country grain trade policy including elimination of weed seed zero tolerance trade constraints.
PL4011 | View the Acrobat version | Download the MS Word version

Apr 29 2004 | EU-25 | EU Grain Intervention Centres in the New Member States
Highlight: The EU has published the list of grain intervention centres for the 10 New Member States who will join the EU on May 1, 2004.
E34001 | View the Acrobat version | Download the MS Word version

Apr 6 2004 | Hungary | Annual
Highlight: Report Highlights: After the very low grain harvest in 2003, Hungary's grain trade is small. The upcoming EU accession will not result in major changes in the growing pattern. Normal weather points to an average crop in 2004. Contracting animal production will result in higher wheat and corn exports in 2004/2005. Hungary strictly follows EU biotechnology regulations, and it is expected that biotech varieties will not be introduced in the next few years.
HU4007 | View the Acrobat version | Download the MS Word version

Mar 15 2004 | EU-15 | EU Commission grain market data available on line
Highlight: Data from the EU grain market management committee of the European Commission is now available on line via http://europa.eu.int/comm/agriculture/markets/crops/index_en.htm. The data, updated weekly, includes coverage of current EU import and export license certificates, export subsidy levels, trade flows with central and eastern Europe and new legislation affecting the EU grains market.
E24049 | View the Acrobat version | Download the MS Word version

Mar 15 2004 | Czech Republic | Czech Government Opens Duty Free Import Quota
Highlight: On February 5, the Ministry of Agriculture issued a restriction on wheat exports until May 1, 2004--the date the Czech Republic joins the EU. The Ministry also plans to release 400,000 MT of wheat from its strategic reserves and has announced a duty-free import quota for 300,000 MT of milling wheat until April 30, 2004 (so far 24,000 MT have been imported). This duty-free access provides an immediate opportunity for U.S. exporters.
EZ4004 | View the Acrobat version | Download the MS Word version

Mar 15 2004 | Spain | Spanish Grain Market

Highlight: U.S. grain exports to Spain in MY 2003/04 are the best seen in several years: total sorghum shipments should reach 500,000 tons and wheat, around 600,000 tons. Spanish feed manufacturers have been highly critical of the EU's calculation of the import duty on sorghum; they say that by understating freight rates, the EU is keeping the duty artificially high and discouraging imports. Looking toward next season, high levels of precipitation in Spain over the past 4 months have established conditions for an above-average grain crop in 2004. However, the size of the mostly non-irrigated crop will depend on crucial rain during the heading period in March, April and May. More winter grain is expected to be planted in the autumn of 2004, due to lower mandatory set-aside area and to current high prices for grains.
SP4005 | View the Acrobat version | Download the MS Word version

Feb 17 2004 | Hungary | Government Issues Wheat Export Levies
Highlight: On January 19, the Government of Hungary (GOH) issued an order to impose export levies on wheat and wheat flour until May 1, 2004, the date Hungary joins the EU. The GOH also plans to release 120,000 MT of wheat from its strategic reserves for flour milling and has opened duty-free import quotas for wheat and rye (400,000 MT each) for the period of January- May 1, 2004. Commercial interest for duty free import quota shares is high, but no purchases have been reported yet.
HU4003 | View the Acrobat version | Download the MS Word version

Feb 11 2004 | Poland | Poland Corn Import Rise
Highlight: Poland corn imports, mostly from Brazil, have risen dramatically due largely to production shortages, rising wheat versus corn prices, and new duty free grain import quotas only valid until Poland's May 1, 2004 EU accession. However, the pace of imports appears to be slowing because of factors related to possible high stock fees, speculations that some current Polish grain needs will be met within an expanded EU, and stabilizing yet high domestic prices.
PL4003 | View the Acrobat version | Download the MS Word version

Jan 15 2004 | Czech Republic | November Grain Situation
Highlight: Wheat production for MY 03/04 amounted to 2.6 million MT, a 32% decrease from the previous year. Barley production amounted to 2 million MT, a 16% increase. Corn production dropped to 435,000 MT due to low yields from dry weather. Increased area and high yields resulted in significantly larger oat production at 240,000 MT. At present, the Ministry of Agriculture is contemplating the use of export restrictions for wheat.
EZ3017 | View the Acrobat version | Download the MS Word version

Jan 12 2004 | EU-15 | EU adapts timing of 2004 US rice TRQs to suit EU accession
Highlight: The European Commission has published a Regulation which adapts the timing of the Tariff Rate Quotas for rice for 2004. The European Commission explain that the changes were made to take into account of EU enlargement in May 2004 and enable operators in the New Member States to be able to participate. The quantities for the different rice TRQs have not been changed, only the timing within the year.
E24005 | View the Acrobat version | Download the MS Word version

Jan 12 2004 | EU-15 | EU restricts Basmati rice varieties eligible for reduced import tariffs
Highlight: The European Commission has published a Regulation which defines the Basmati rice varieties from India and Pakistan which are eligible for a €250 tariff reduction. The new list removes Pakistan's "Super" and India's "Pusa" varieties. The government of Pakistan was strongly opposed to this move which will effectively prevent the only commercially grown Basmati variety in Pakistan from being exported to the EU.
E24004 | View the Acrobat version | Download the MS Word version

Dec 23 2003 | EU-15 | EU Commission defends Basmati rice import policy
Highlight: The UK government used the December Agriculture Council to question the European Commission's recent proposals to restrict Indian and Pakistani Basmati rice exports to the EU. The Commission defended the recent proposals to remove Pakistani's 'Super' variety and India's 'Pusa' variety from the list of varieties eligible for the €250/MT tariff abatement. The amendment to the EU rice import legislation is expected to be formally approved and published before the end of the year, entering into force on January 1, 2004.
E23249 | View the Acrobat version | Download the MS Word version

Dec 17 2003 | EU-15 | Expected impact of the EU set-aside reduction to 5% in 2004/05
Highlight: The Commission has proposed to reduce the compulsory set-aside rate for arable crops from 10% to 5% for 2004/05. This is because of the poor harvest in 2003. The lower set-aside rate is expected to lead to an extra 7 MMT of EU grain production in 2004/05, which will in turn increase consumption by 3 MMT, exports by 2 MMT and stocks by 2 MMT, according to Commission calculations. Higher ending stocks in 2004/05 would then lead to a reduction of 1.5 MMT in production in 2005/06. The extra costs to the EU budget will be around €74 m. spread over 2005 and 2006.
E23240 | View the Acrobat version | Download the MS Word version

Dec 16 2003 | EU-15 | Grain and Feed Semi-Annual
Highlight: A severe drought and heat wave across southern Europe reduced EU-15 grain production from 210 MMT in 2002/03 to 184.8 MMT in 2003/04. This has helped to create a shortage of feed grains in Europe, leading to higher prices and reduced exports. Poor harvests in Central and Eastern Europe as well as the Black Sea region have reduced import availability with imports of wheat expected from the U.S. as well as corn imports from South America. Continued high prices and a tight EU grain balance sheet are expected to continue till the summer of 2004. Should the production outlook for 04/05 look poor, EU markets could react nervously.
E23239 | View the Acrobat version | Download the MS Word version

Dec 10 2003 | Spain | Heavy Rains Delay Spanish Winter Grain Planting
Highlight: Heavy rains are washing out the prospects for a big 2004 winter gain crop. Castilla-Leon, the country's most important production area, has been especially hard hit.
SP3046 | View the Acrobat version | Download the MS Word version

Dec 9 2003 | Hungary | November Grain Situation
Highlight: Wheat prices are nearly double last year, and spring futures indicate a further 25-30 % increase. The wheat export surplus is 400,000 MT at most with half of this volume already shipped to neighbouring countries. The poor corn harvest, at about 4.5 million MT, reduced export surpluses to 500,000 MT. Hungary may increase their rye and feed barley purchases from Europe and overseas. The GOH issued a 100,000 MT duty-free import quota for rye, barley, and oats and plans to issue a new quota of 150,000 MT for 2004.
HU3014 | View the Acrobat version | Download the MS Word version

Dec 9 2003 | Portugal | Tight Supply Situation Draws U.S. Grain into Portugal
Highlight: Faced with poor domestic grain crops and tight supplies throughout Europe, Portuguese grain traders are scrambling to find alternative supplies. One of these is sorghum. Although sorghum has hardly been used in the past by the Portuguese feed industry, traders have purchased U.S. sorghum to mix in feed rations; some 27,000 tons are due to arrive shortly.
PO3025 | View the Acrobat version | Download the MS Word version

Nov 25 2003 | EU-15 | EU Commission adopts regulation allowing US greater access to wheat quotas

Highlight: The European Commission has adopted an amendment to the low and medium wheat import quota system that enables the U.S. and Canada to use part of the quota previously reserved for other third countries. Roughly 1.4 MMT of additional quota for 2003 will now be available for these two countries' exports to the EU. November 24th is the earliest possible date for bidding for quotas.

E23221 | View the Acrobat version | Download the MS Word version