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Germany

Grain and Feed

Annual

2002

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Report Highlights:
German grain production in 2002 is forecast to reach 46.7 mmt, about 2.9 mmt less than in 2001. Total domestic grain consumption is estimated at about 38 mmt. Export are expected at ten mmt. Annual feed consumption is estimated at 24 mmt. Ending stocks are expected to further increase to 11 mmt.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Executive Summary

Planting conditions for winter grains in the fall of 2001 were good. Winter kill was not a big issue. It is however unlikely that last year's record crop will be repeated in 2002. Total German grain crop for 2002 is projected at 46.7 million tons compared to 49.7 million MT in 2001, a decrease of about 5.9 percent.

About half of the German grain crop is wheat, which is usually above the average EU quality. The 2002 wheat harvest is expected to be at about 23 mmt, about 10 mmt of which is comprised of elite or A-quality varieties.
Barley is the second most important grain crop, amounting to 12 mmt in 2002.

The third most important crop is rye, production of which is highly controversial within the EU because 1.5 to 1.9 mmt (35-40 pct of total production) have ended up in EU intervention storage during the most recent four years. Also, customers for rye are hard to find on the world market.

U.S. exports of grains to Germany are limited and amounted to 62,000 MT in MY 2000/2001, of which 30,800 MT were durum wheat, 18,800 MT soft wheat and 12,000 MT corn. The still unsolved GMO issue prevents U.S. yellow corn from being shipped to Germany.

Table 1: Summary-PS+D Grains					
All Grains	98/99	99/00	00/01	01/02	02/03
Area harvested	7,042	6,634	7017	7060	6980
Begin Stocks	11,814	13,730	11403	8806	10893
Production	44,575	44,452	45272	49654	46700
Tot Mkt Yr Imports	2,681	2,764	3151	2246	2217
Oct/Sep Imp	2,847	2,618	3106	2045	2317
Oct/SepImp US	27	52	14	43	0
Tot Supply	59,070	60,946	59826	60706	59810
Tot Mkt Yr Export	7,895	13,076	12841	11280	10345
Oct/Sep Export	8,736	14,434	11709	11087	10235
Feed Dom Consump	22,663	20,724	24334	24850	24410
Tot Dom Consump	37,445	36,466	38179	38533	38291
Ending Stocks	13,730	11,404	8806	10893	11174
Tot Distrib	59,070	60,946	59826	60706	59810

Production

Final figures for German grain production in 2001 will only be released in the second week of March. According to the latest estimates total grain production amounted to 49.8 MMT (million metric tons), which is 4.5 MMT more than in 2000. Production increased for all grains but for different reasons. For corn the increase was the result of an increase in planted area of 10 pct, while yield per hectare decreased by 5.8 pct. For other cereals the planted area remained stable or even decreased while yield per hectare increased on average by 10 percent.

Quality

For wheat the average Hagberg values were higher than in 2000. Only 12.4 pct of the crop had values below 220s and therefore did not meet intervention criteria (2000: 30 pct). Problems with the *Fusarium* ssp. fungus were minor. 43 pct or 9.84 million MT of the wheat crop was from varieties classified as high-quality baking wheats of the class groups E (elite) and A wheat. Group E wheat varieties amounted to 13.9 pct or 3.18 million MT, group A varieties to 29.1 pct or 6.66 million MT.

Bad weather conditions in the latter part of the harvest period led to a small decrease in the proportion of the German rye qualifying as "bread rye" compared to the previous year. Only bread rye is eligible for EU-intervention. In 2001 the necessary Hagberg value of 120 s were reached by 72 percent of the harvested rye crop compared to 78 percent in 2000. However the total amount of bread rye increased from 3.24 million MT in MY 2000/2001 to 3.72 million MT in MY 2001/2002 due to an increase of yield. For rye there are two groups of varieties: the higher yielding hybrid varieties were planted on about 78 percent of the area, while 22 percent of the area was planted with populations varieties which have a lower average yield, but better yield stability.

Barley quality was good .

Outlook for 2002

In 2001 the area for winter wheat was increased by about four percent to 2.977 million ha (2000: decrease by one percent) , while the area for barley was reduced by six percent to 1.384 million ha (2000 increase of three percent); these are variations within the normal range. Triticale and rye are in line with long-term trends. Production area for triticale again expanded by about five percent to a new record of 559,000 ha. For rye, production area decreased by 10 percent to 753,000 ha. Total area for winter grains was decreased by about 1 percent to 5.681 million ha (hectares) .

Planting conditions for winter grains in the fall of 2001 were good. Winter kill was not a big issue. It is however unlikely that last year's record crop will be achieved again in 2002. Total German grain crop for 2002 is projected at 46.7 million tons compared to 49.7 million MT in 2001, a decrease of about 5.9 percent.

Table 2: German Grain Crop Forecast 2001

	2000			2001*			2002**		
	Area	Yield	Production	Area	Yield	Production	Area	Yield	Production
	1000 ha	MT/ha	1,000 MT	1000 ha	MT/ha	1,000 MT	1000 ha	MT/ha	1,000 MT
Winter Wheat	2914	7.32	21325	2854	7.92	22635	2977	7.5	22336
Spring Wheat	47	5.43	253	41	5.6	230	40	5.2	208
Durums	9	5.05	43	5	5.15	24	5	5.16	24
All Wheat	2969	7.28	21622	2900	7.89	22889	3022	7.47	22568
Rye	843	4.93	4154	839	6.15	5158	753	5.48	4127
Winter Barley	1446	6.38	9232	1484	7.09	10517	1384	6.5	9043
Spring Barley	621	4.63	2874	634	4.79	3032	610	4.85	2960
All Barley	2068	5.86	12106	2117	6.4	13549	1994	6.02	12003
Oats	237	4.59	1087	232	4.9	1138	232	4.89	1136
Spring Mixed	29	4.29	125	30	4.5	135	30	4.3	129
Winter Mixed	10	5.38	54	10	5.45	55	10	5.4	54
Triticale	499	5.61	2800	536	6.09	3260	559	6.03	3373
All	539	5.53	2979	575	6	3450	599	5.94	3556
Corn	361	9.21	3324	397	8.74	3469	380	8.71	3310
Grand Total	7016	6.45	45271	7060	7.04	49653	6980	6.69	46700
Rape Seed	1080	3.33	3586	1140	3.66	4168	1262		
Sugar Beet	451	60.58	27333	445	***	***			
Potatoes	304	43.34	13193	280	39	10903			
Silage Corn	1154	44.25	51058	1125	44.1	49545			
*preliminary									
**FAS Berlin Forecast									
*** data not yet available									

Consumption

Total domestic grain use is estimated at about 38 MMT, which is about 11 MMT less than domestic production. Major variations and changes only occur in the feed use of grains. Depending on the price levels more or less grain appears on the market as farmers substitute compound feed for grains.

Due to the detection of BSE infected cattle in Germany, on November 24, 2000, the German government imposed a ban on the use of animal and fish meal products in feed for all animals. This has increased the use of soybeanmeal and grains in feed. While the percentage of grains used in compound feed increased by about one percent annually between 1997 and 2000, the increase from MY 2000/2001 to MY 2001/2002 is forecast at more than 4 percent. In MY 2000/2001 compound feed contained 37.7 percent of grains, for MY 2001/2002 this figure is estimated at 42 percent.

Changes in consumer preferences after the BSE crisis favored poultry and hog over beef production, which could further increase the uses of grains on compound feed as hog and poultry feed is especially rich in grains. Commercial compound feed production is expected to remain relatively stable at about 19.5 MMT in MY 2001/02.

Demand for grains in the food industry is rather stable. Fluctuations are exclusively due to altering export demand.

Table 3: Domestic Grain Use

Grain Use in Compounds Feeds (1,000 MT)					
	1997/98	1998/99	1999/2000	2000/01	2001/02*
Wheat	2553	3075	2955	3337	3500
Barley	1261	1227	1391	1329	1400
Rye	622	704	571	671	770
Oats	66	64	56	43	40
Corn	971	852	1056	1066	1100
Triticale	805	813	734	883	1000
All Grains	6278	6735	6763	7328	7810
grain percentage in compound feed	34.2	35.3	36	37.7	42
Nongrain Feed Use in Compound Feeds (1,000 MT)					
	1997/98	1998/99	1999/2000	2000/01	2001/02*
Pulses	398	528	545	386	300
Oil Cakes	4473	4649	5001	5093	5200

CGF	1304	1225	1125	1125	1000
Milling Byproducts	1530	1503	1552	1448	1350
Tapioca	67	127	196	35	10
Fish/Animal meal	405	471	486	230	6
Citrus Pulp	534	198	394	286	150
Molasses &					
Beet Pulp	1031	1102	1003	924	800
Total	9742	9803	10302	9527	8816
Total + Grains	16020	16538	17065	16855	16626
German Compound Feed Production (1,000 MT)					
	1997/98	1998/99	1999/2000	2000/01	2001/02*
Horses	273	287	283	283	270
Cattle	6984	6831	6924	6648	6400
Calves	347	342	353	340	340
Hogs	6344	6923	7093	7024	7150
Poultry	4156	4310	4568	4909	5060
Other	254	259	271	257	260
Total	18358	18952	19492	19461	19480
Grain Use - General Overview (1,000 MT)					
	1997/98	1998/99	1999/2000	2000/01	2001/02*
Compound Feed	6278	6735	6763	7328	7590
Wheat Milling	6263	6170	6485	6318	6500
Durum milling	320	297	326	354	380
Rye milling	1010	980	949	936	945
Pasta Production	307	257	260	260	260
Wheat Malt	50	51	56	59	65
Barley Malt	2005	1951	2003	2021	2040
Grain Starch	339	311	343	315	315
Oat Flakes	142	153	156	157	160
Coffee Substitute	5	5	4	4	4
*FAS Berlin estimate					

Source: German Federal Ministry of Consumer Protection, Food and Agriculture

Trade

German imports of grains of about 3.1 million MT in 2000/01 are practically all originating from EU sources. Only about 137,000 MT came from outside the EU, of which about 62,000 MT came from the United States. Trade statistics report that 30,800 MT of durum wheat were delivered from the U.S. (versus 36,500 MT in 1999/2000), 18,800 MT of wheat (versus 1,800 in 1999/2000) plus 12,000 MT of corn, mainly popcorn or other specialty corn (versus 7,900 MT in 1999/2000).

The major competitor in the durum market is Canada. Because of the GMO discussion, the yellow corn market for U.S. suppliers to Germany is blocked, since U.S. growers also plant GMO corn varieties yet unapproved in Europe.

German wheats have a reputation for high quality and are able to compete with lower priced French offers.
The most important destinations for German wheat exports are Algeria and the Benelux countries. Italy and Great Britain are chiefly buyers for high-quality blending wheat varieties. In MY 2000/2001 total exports of German wheat amounted to 5.196 million MT versus 4.969 in the previous MY.

German rye exports in MY 2000/2001 decreased by 37 percent and amounted to 1.274 MT. Of this, 429,000 MT were for customers in South Korea and Japan (MY 1999/2000: 700,000 MT). This decrease is due to reduced EU export subsidies for these two destinations.

German barley exports are primarily destined for Arab countries. Total exports in MY 2000/01 were at 4.8 MT and are forecast to drop to 2.3 MT in MY 2001/2002.

Exports of corn are almost entirely destined to EU markets, as it is too expensive and therefor not competitive on the world market. Only marginal amounts are sold to Russia and Slovakia.

Stocks

Takeover into inetvention was reduced in MY 2000/2001. However, in the current MY 2001/2002 the EU commission facilitated imports to the EU market by abolishing special duties on grains from certain east-European countries. At the same time EU exports had to face increased US exports in the Egyptian market, an important market for the EU. This led to higher amounts of grain going into intervention.

Table 4: German Grain Intervention Takeovers in MT					
	Wheat	Rye	Barley	Corn	Total
1993/94	923,067	735,751	1,441,656		3,100,474
1994/95	1,180,661	948,984	1,605,112		3,734,757
1995/96	11,993	952,563	729,508		1,694,064
1996/97	222,979	786,334	548,206		1,557,519
1997/98	317,367	1,937,137	2,939,059	74,499	5,268,062
1998/99	727,055	1,800,435	2,705,990		5,233,480
1999/00	246,093	1,784,874	2,859,025	20,108	4,910,100
2000/01	29,205	1,082,405	1,421,167	3,036	2,535,813
2000/01*	0	959,900	879,982	100	1,844,182
2001/02*	4,200	670,185	616,085	2,181	1,288,451
* as of Jan 15, 2001					
Source: FedMinAgr, BLE					

Policy

The biggest problem on the German Grain market are the large quantities of the German rye production which do not find a market but end up in intervention (see last year's annual report GM1009). The German Federal Ministry for Consumer Protection, Food and Agriculture (BMVEL) therefore is pushing for a reform of the EU intervention scheme and suggests a reduction of the intervention price in two steps, by 10 percent each, and to subsequently abolish rye intervention altogether. The stepwise decrease should supposedly enable the farmers to adjust accordingly. A reform proposal by the EU commission is expected in June 2002.

Marketing

Chances of U.S. grains on the German market are limited, because of the unfavorable US $-Euro exchange rate and because of resistance to GMO varieties. FAS/Berlin is actively working with industry groups to address the GMO issue.

II. Statistical Section

Table 5: PS+D Wheat

PSD Table						
Country	Germany					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	2,969	2,969	2,900	2,900	0	3,022
Beginning Stocks	2,700	2,177	3,600	2,138	2,778	1,300
Production	21,622	21,622	22,800	22,889	0	22,568
TOTAL Mkt. Yr. Imports	2,485	1,402	950	725	0	850
Jul-Jun Imports	2,485	1,402	950	725	0	850
Jul-Jun Import U.S.	0	0	0	36	0	0
TOTAL SUPPLY	26,807	25,201	27,350	25,752	2,778	24,718
TOTAL Mkt. Yr. Exports	6,065	6,015	7,100	7,552	0	6,800
Jul-Jun Exports	6,065	6,015	7,100	7,552	0	6,800
Feed Dom. Consumption	10,100	10,006	10,250	9,800	0	9,700
TOTAL Dom. Consumption	17,142	17,048	17,472	16,900	0	16,800
Ending Stocks	3,600	2,138	2,778	1,300	0	1,118
TOTAL DISTRIBUTION	26,807	25,201	27,350	25,752	0	24,718

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.

Table 6: PS+D Rye

PSD Table						
Country	Germany					
Commodity	Rye				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	843	843	815	839	0	753
Beginning Stocks	4,123	3,644	3,990	3,850	4,805	5,526
Production	4,154	4,154	5,000	5,158	0	4,127
TOTAL Mkt. Yr. Imports	26	14	15	18	0	12
Oct-Sep Imports	25	17	15	15	0	12
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	8,303	7,812	9,005	9,026	4,805	9,665
TOTAL Mkt. Yr. Exports	1,283	1,274	1,100	700	0	700
Oct-Sep Exports	994	984	1,000	700	0	700
Feed Dom. Consumption	1,880	1,400	1,950	1,500	0	1,600
TOTAL Dom. Consumption	3,030	2,688	3,100	2,800	0	2,900
Ending Stocks	3,990	3,850	4,805	5,526	0	6,065
TOTAL DISTRIBUTION	8,303	7,812	9,005	9,026	0	9,665

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.

Table 7 : PS+D Barley

PSD Table						
Country	Germany					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	2,068	2,068	2,100	2,117	0	1,994
Beginning Stocks	5,409	4,463	2,110	1,800	1,810	3,477
Production	12,106	12,106	13,500	13,549	0	12,003
TOTAL Mkt. Yr. Imports	1,100	716	1,000	618	0	400
Oct-Sep Imports	1,100	736	800	400	0	500
Oct-Sep Import U.S.	0	7	0	0	0	0
TOTAL SUPPLY	18,615	17,285	16,610	15,967	1,810	15,880
TOTAL Mkt. Yr. Exports	4,875	4,882	3,200	2,290	0	2,100
Oct-Sep Exports	3,997	3,997	3,200	2,100	0	2,000
Feed Dom. Consumption	8,440	6,700	8,500	6,500	0	6,300
TOTAL Dom. Consumption	11,630	10,603	11,600	10,200	0	10,200
Ending Stocks	2,110	1,800	1,810	3,477	0	3,580
TOTAL DISTRIBUTION	18,615	17,285	16,610	15,967	0	15,880

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.

Table 8 : PS+D Oats

PSD Table						
Country	Germany					
Commodity	Oats				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	237	237	210	232	0	232
Beginning Stocks	270	237	130	167	171	170
Production	1,087	1,087	1,100	1,138	0	1,136
TOTAL Mkt. Yr. Imports	81	107	81	60	0	50
Oct-Sep Imports	125	110	81	50	0	50
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1,438	1,431	1,311	1,365	171	1,356
TOTAL Mkt. Yr. Exports	25	24	30	32	0	35
Oct-Sep Exports	23	23	30	35	0	35
Feed Dom. Consumption	883	878	750	800	0	780
TOTAL Dom. Consumption	1,283	1,240	1,110	1,163	0	1,150
Ending Stocks	130	167	171	170	0	171
TOTAL DISTRIBUTION	1,438	1,431	1,311	1,365	0	1,356

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.

Table 9: PS+D Mixed Grains

PSD Table						
Country	Germany					
Commodity	Mixed Grain				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	539	539	580	575	0	599
Beginning Stocks	0	170	0	181	0	120
Production	2,979	2,979	3,500	3,450	0	3,556
TOTAL Mkt. Yr. Imports	0	2	0	5	0	5
Oct-Sep Imports	0	2	0	5	0	5
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	2,979	3,151	3,500	3,636	0	3,681
TOTAL Mkt. Yr. Exports	0	70	0	146	0	160
Oct-Sep Exports	0	90	0	150	0	160
Feed Dom. Consumption	2,879	2,650	3,500	3,150	0	3,230
TOTAL Dom. Consumption	2,979	2,900	3,500	3,370	0	3,441
Ending Stocks	0	181	0	120	0	80
TOTAL DISTRIBUTION	2,979	3,151	3,500	3,636	0	3,681

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.

Table 10 : PS+D Corn

PSD Table						
Country	Germany					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	361	361	380	397	0	380
Beginning Stocks	586	712	628	670	828	600
Production	3,324	3,324	3,400	3,470	0	3,310
TOTAL Mkt. Yr. Imports	1,049	910	1,000	820	0	900
Oct-Sep Imports	1,059	839	1,000	850	0	900
Oct-Sep Import U.S.	0	7	0	7	0	0
TOTAL SUPPLY	4,959	4,946	5,028	4,960	828	4,810
TOTAL Mkt. Yr. Exports	631	576	400	560	0	550
Oct-Sep Exports	596	600	400	550	0	540
Feed Dom. Consumption	2,700	2,700	2,800	2,800	0	2,700
TOTAL Dom. Consumption	3,700	3,700	3,800	3,800	0	3,700
Ending Stocks	628	670	828	600	0	560
TOTAL DISTRIBUTION	4,959	4,946	5,028	4,960	0	4,810

Source: Federal Office of Statistics, ZMP (Central Market and Price Reporting Agency), Deutscher Raiffeisenverband (German Federation of Farm Cooperatives), FAS/Berlin estimates.