

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain and Feed Market Update

Country: Bulgaria

Post: Sofia

Report Category: Grain and Feed

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Report Highlights:

FAS/Sofia has revised downward its estimate for Bulgaria's MY 2024/25 corn crop to 2.2 million metric tons (MMT), which if realized would be the smallest crop in over a decade. This is due to severe summer heat and drought in July and in early August. MY 2024/25 will be the third consecutive year of significantly below-average corn yields and this may have a longer-term impact on planting intentions going forward. Conversely, based on the latest harvest data the estimate for the barley crop is increased to a record high level of 930,000 MT (compared to about 797,000 MT last year) and the previous wheat estimate remains at 6.9 MMT, similar to last year. Abundant winter grains production, a much higher quality of the crop, and favorable export demand have all led to a strong start to the export season, especially for barley. However, bleak prospects for the corn crop have made farmers more reluctant sellers lately.

Weather Overview

Since the middle of June and up until the middle of August, Bulgaria (along with other countries in southeastern Europe), has been negatively affected by hot and dry weather conditions. The country experienced extremely warm weather, and the month of July was exceptionally hot, with maximum temperatures above 32° C (90° F) during almost the entire month (July 6-24) – with more than 10 consecutive days with maximum temperatures above 35°C (95° F). On the hottest days, the maximum temperatures reached 38–40 °C (100°F - 104° F) (July 10-18). The number of hot days exceeded the long-term average by 15–20, negatively affecting summer crops (corn).

The high temperatures were coupled with a persistent rain deficit which resulted in a low level of soil moisture and a severe impact on the growth and expected yields of summer crops. Rainfall distribution was also uneven in location and duration. In western regions, a few intensive rains (with long breaks in between) occurred during June, but precipitation totals remained below the average. Central and eastern areas experienced a more considerable rainfall deficit of 40–80 percent of the average and hardly any rainfall after the middle of June. Overall, the months of June and July were much hotter than usual, and August is also experiencing above-average temperatures and below-average rainfall. Pollination, flowering, and early grain filling phases of corn were all affected. These conditions lead to a drastic reversal of yield expectations for summer crops to far below well below the 5-year average.

According to the Bulgarian National institute of Meteorology and Hydrology, the damage to the corn crop in the northeastern area has reduced yields by as much as 80-90 percent and most corn will be harvested for silage. Recent data published by the Ministry of Environment and Waters reveals that the major water reservoirs/dams in the country have 20 percent less water compared to July 2023. These dams have 58 percent of the required water amount, a result of three consecutive years of reduced water flows due to dryness.

Winter crops were not impacted by these conditions, as they had already reached the end of their growth cycle. Soil moisture content during the final stage of grain filling was satisfactory. Maturing and the start of harvest were early this year and the harvest progressed well thanks to the dry weather conditions. ([JRC MARS Bulletin July 2024 Vol 32 №7](#) and Maps 1-10 [Crop Explorer](#) and [Bulgaria data](#)).

MY 2024/25 Production Outlook

Wheat: The Ministry of Agriculture's (MinAg) latest weekly [data](#) reports that the wheat harvest was completed as of August 1, with 3.4 percent higher production and 4.2 percent higher average yields compared to MY 2023/24. The harvested production to date is reported at 6.5 MMT from 1,132,000 HA. (**Note:** This tentative weekly data is usually significantly below the final official data which is reported by the national statistics and then Eurostat. For example, in MY 2023/24, the difference between the tentative wheat harvest data and final wheat production was about 600,000 MT (Table 1 and Table 2)). Dry conditions supported timely harvest and improved wheat quality with milling wheat's share reported at above 70 percent (protein content above 12 percent for most wheat) compared to below 50 percent in MY 2023/24.

The MinAg published its statistical observation/[survey](#) done prior to the harvest (June 12-7). The survey estimated the expected wheat area at 1.190 MHA, closer to MY 2023/24 levels of 1.2 MHA (Table 1); average wheat yields at 5.97 MT/HA; and production in the range of 6.5 MMT to 6.9 MMT. The highest yields are observed in northcentral Bulgaria at 6.87 MT/HA. According to the survey, the most popular

wheat varieties are the French Avenue (44 percent), followed by Sofru (8 percent), and Bulgarian Enola (5 percent). The survey reports the average plants/stalks of wheat per square meter of 490, and an average number of kernels per wheat head of 34.

The industry and farmers' interviews confirm higher yields compared to MY 2023/24. EC MARS' latest [bulletin](#) estimates wheat yields at 5.72 MT/HA compared to 5.43 MT/HA in 2023, or 5.3 percent higher, and 11.0 percent above the 5-year average (5.14 MT/HA). The most respected private industry crop tour ([Agricore](#)) – carried out at the end of May – estimated wheat harvest at 6.9 MMT, with average yields of 5.8 MT/HA.

Based on the above data and most industry estimates, FAS/Sofia increased estimated wheat area to 1.190 MHA and confirms its earlier wheat estimate of 6.9 MMT (Table 3) with average yields of 5.8 MT/HA. Further adjustments in this estimate are possible depending on the final official harvest data. If this production estimate is confirmed, wheat production will be about one percent above the MY 2023/24 level (6.855 MMT, Table 1)

Barley: The MinAg's weekly [data](#) reports barley harvest completed as of August 1, with 40.3 percent higher production and 3.2 percent higher average yields compared to MY 2023/24. The harvested production to date is reported at 887,000 MT (Table 2). The considerable growth in production is due to a 36-percent increase in area from MY 2023/24 to 161,000 HA. Similar to wheat, this tentative data is usually below the final official data which is reported by the national statistics and Eurostat. For instance, in MY 2023/24, the difference between the tentative barley harvest data and final barley production was about 165,000 MT (Table 1 and Table 2). Dry conditions supported timely harvest and improved barley quality.

The MinAg's statistical [survey](#) estimated the expected barley area at 185,000 HA, 24 percent above MY 2023/24 level (Table 1), average barley yields at 5.71 MT/HA, and production in the range of 880,000 MT to 1.02 MMT. The highest yields are observed in northcentral Bulgaria at 7.09 MT/HA. According to the survey, the most popular barley varieties are the French LG Zebra (28 percent), followed by German Wendy (9 percent), and French Jup (7 percent). The survey reports an average plants/stalks of barley per square meter of 471, and an average number of kernels per barley head of 33.

The industry and farmers also report higher yields compared to MY 2023/24. EC MARS' latest [bulletin](#) estimates barley yields at 5.53 MT/HA compared to 5.18 MT/HA in 2023, or 6.7 percent higher, and 12.0 percent above the 5-year average (4.93 MT/HA). The [Agricore](#) crop tour estimated barley harvest at 935,000 MT from 168,000 HA.

Based on the above data, FAS/Sofia increases barley area to 185,000 HA and the production estimate to 930,000 MT (Table 3), with average yields of 5.03 MT/HA. Further revisions of this estimate are possible depending on the final official harvest data. If this production estimate is confirmed, barley production will be 17 percent above that in MY 2023/24 (797,000 MT, Table 1)

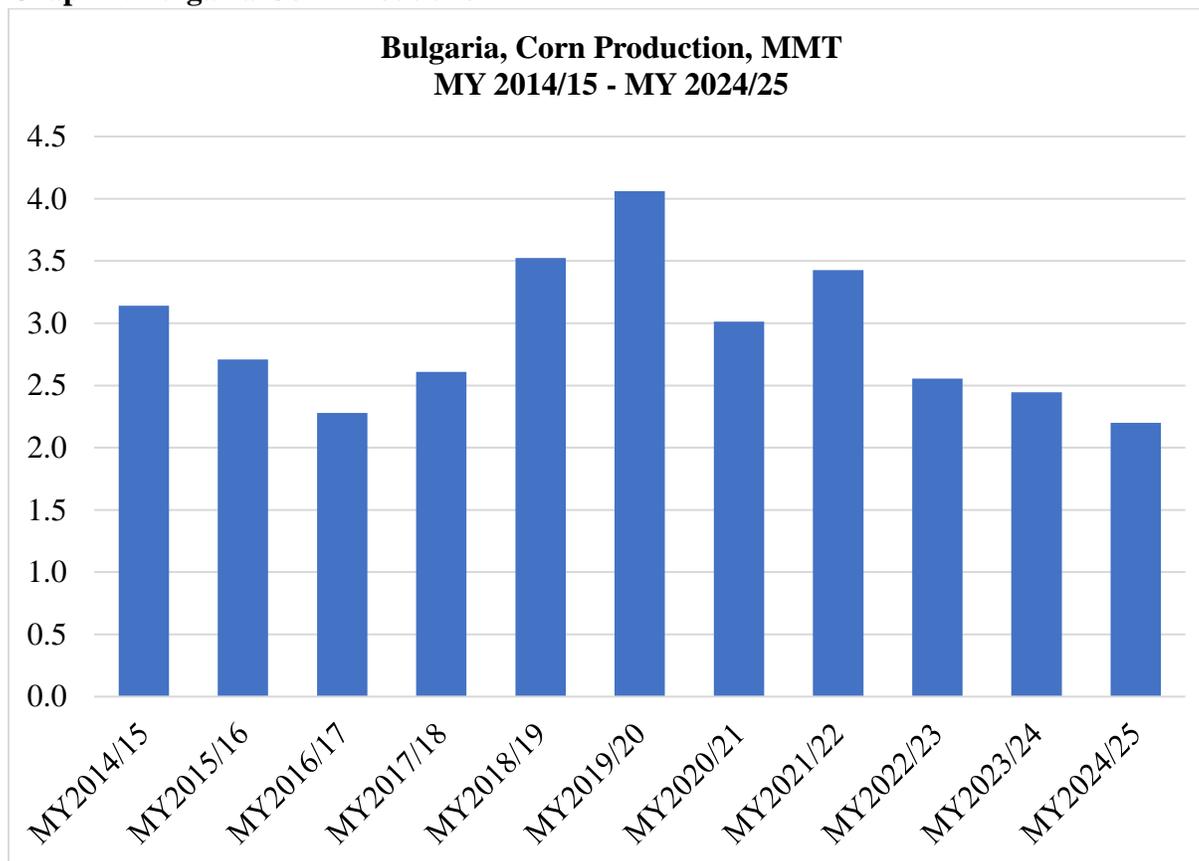
Corn: Devastating summer weather in July/August has led to a drastic reduction in production estimates for corn. MY 2024/25 will be the third consecutive year of repeated heat and drought weather with corn yields far below average. In combination with low prices and negative margins, this has a significant

negative impact on farmers' intentions for future development. More than 90 percent of corn in the country is non-irrigated and new investments are slow and burdensome.

The MinAg's weekly [reports](#) show area under corn at 484,000 HA, 3.8 percent less than in MY 2023/24, while private industry and farmers continue to indicate lower acreage. The [Agricore](#) summer crop tour estimated corn area at 480,000 HA. Currently, EC MARS' bulletin estimates the average corn yields sharply down from 6.61 MT/HA in May to 5.37 MT/HA in July, although still 20 percent more than in 2023, and only two percent below the 5-year average (5.5 MT/HA). Most private estimates for corn production in MY 2024/25 go from 1.95 MMT to as high as 2.4 MMT, compared to 2.45 MMT in MY 2023/24.

FAS/Sofia has adjusted MY 2024/25 corn area lower to 490,000 HA based on official data and has revised the corn production estimate sharply downward to 2.2 MMT (Table 3) or below that in MY 2023/24, 2.445 MT (Table 1), based on the above information. If realized this would be the smallest crop in over a decade (Graph 1). This estimate is subject to revision depending on the harvest progress.

Graph 1. Bulgaria Corn Production



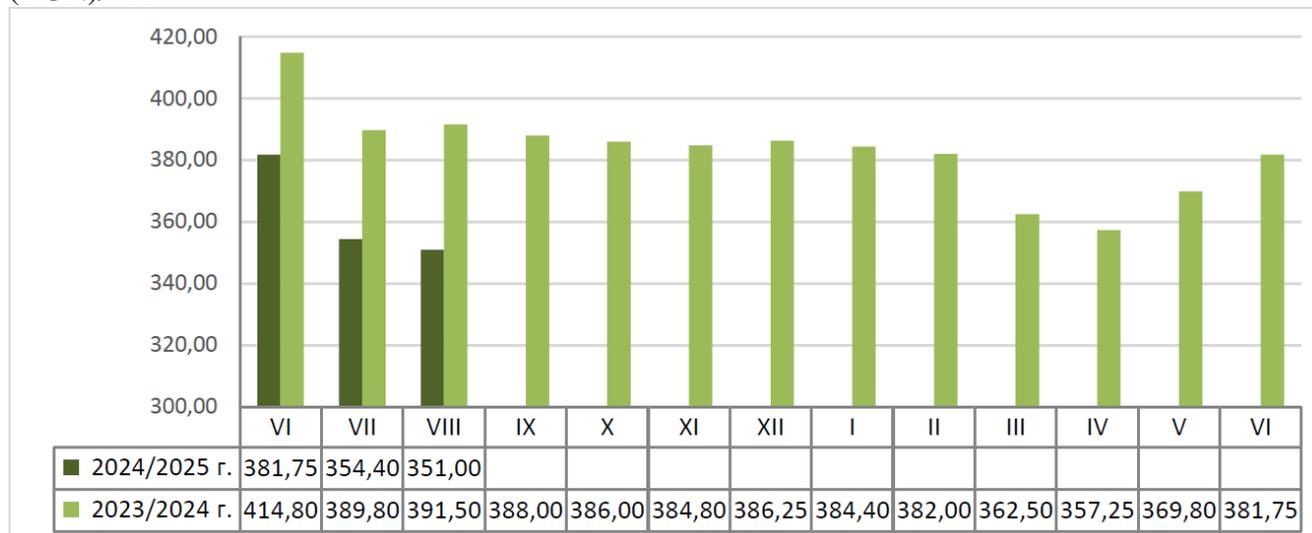
Source: Eurostat for MY 2014/15- MY 2023/24, FAS/Sofia estimate for MY 2024/25

MY 2024/25, Trade

Wheat: The marketing year started with larger beginning stocks [reported](#) by the MinAg at 1.243 MMT, above the beginning stocks in MY 2023/24 (1.03 MMT). Coupled with the good crop, this made farmers more eager sellers early in the season. The export demand was favorable from the beginning of the harvest campaign, and it triggered growing export sales. Wheat prices (Graph 2) provided a positive margin to producers due to higher yields although the price level was below that in MY 2023/24. As of August, wheat prices were about 90 percent of the prices a year ago. The gap between the local ex-farm prices and the EU prices has been stable (Graph 3).

As of August 9, wheat exports reached 1.12 MMT, of which 933,000 MT were exported to non-EU countries (Table 4, MinAg's Weekly Monitoring of Commodity Markets [bulletin](#)). This is 10 percent below the wheat exports a year ago (1.238 MMT) (Graph 3). Despite the initial exports, growth in post-harvest time in June, the negative weather impact on the summer crops in July (corn and sunflower) made farmers more reluctant sellers in late July/August. It is believed that the record crop and its very good quality will lead to high wheat exports in MY 2024/25, currently estimated by FAS/Sofia at 5.5 MMT, above 5.2 MMT exported in MY 2023/24.

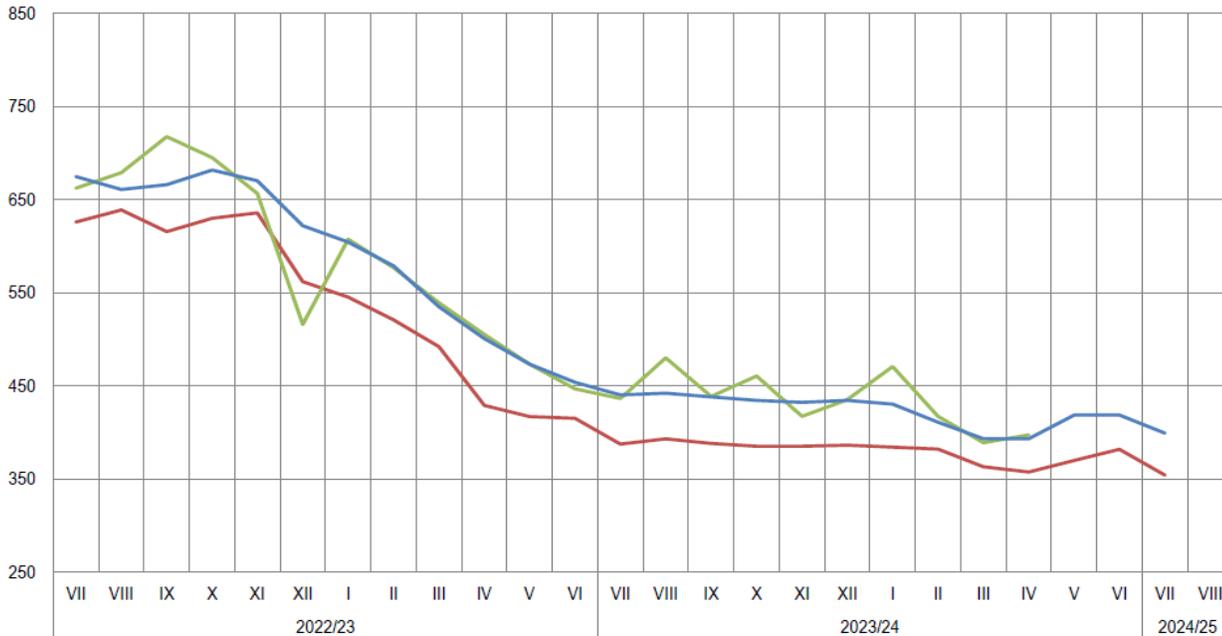
Graph 2. Wheat Monthly Market Prices, MY 2024/25 vs MY 2023/24 in Bulgarian Leva (BGN)/MT



*The chart shows prices for the MY, which begins in July, with MY 2024/25 in dark green and MY 2023/24 in light green.

Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Graph 3. Wheat Monthly Prices, MY 2021/22 – MY 2024/25 (July), BGN/MT



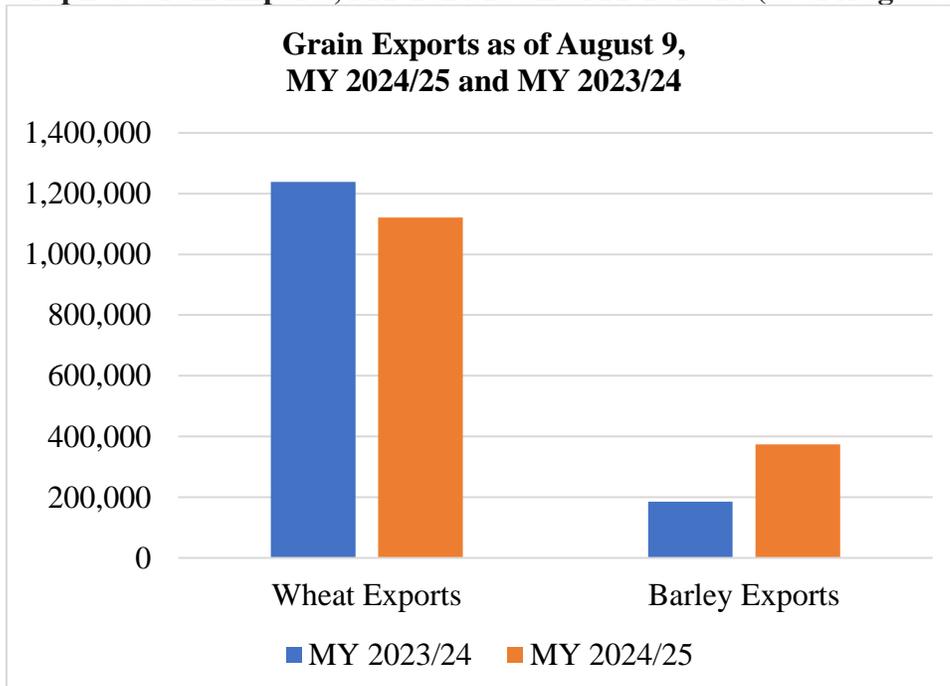
Red line- Bulgarian ex-farm prices, milling wheat, in Bulgarian leva (BGN) per MT

Blue line – EU market price, milling wheat, BGN/MT

Green line – Bulgarian FOB export price, milling and feed wheat, BGN/MT

Source: Bulgarian MinAg [Dashboard](#) Grains and Oilseeds, August 12, 2024

Graph 4. Grain Exports, MY 2024/25 and MY 2023/24 (as of August 9)

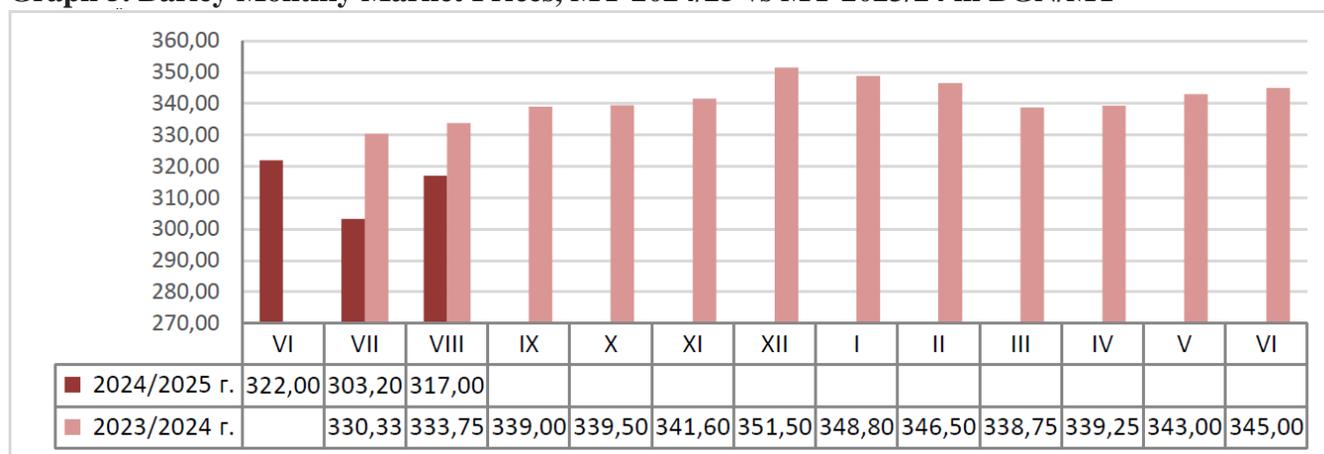


Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Barley: The marketing year started with lower beginning stocks [reported](#) by the MinAg at 127,000 MT, below the beginning stocks in MY 2023/24 (144,000 MT). However, farmers were eager to sell, mainly due to the unusually big crop. In addition, barley prices (Graph 5) were gradually increasing although still below those in MY 2023/24. As of August, barley prices were about 95 percent of the prices a year ago.

As of August 9, barley exports reached 374,000 MT of which 130,000 MT were exported to non-EU countries (Table 4, MinAg Weekly Monitoring of Commodity Markets [bulletin](#)). This is more than double the barley exports at this time a year ago (185,000 MT) (Graph 4). It is believed that the record crop will result in record exports of barley in MY 2024/25, currently estimated by FAS Sofia at 570,000 MT compared to 460,000 MT exported in MY 2023/24

Graph 5. Barley Monthly Market Prices, MY 2024/25 vs MY 2023/24 in BGN/MT



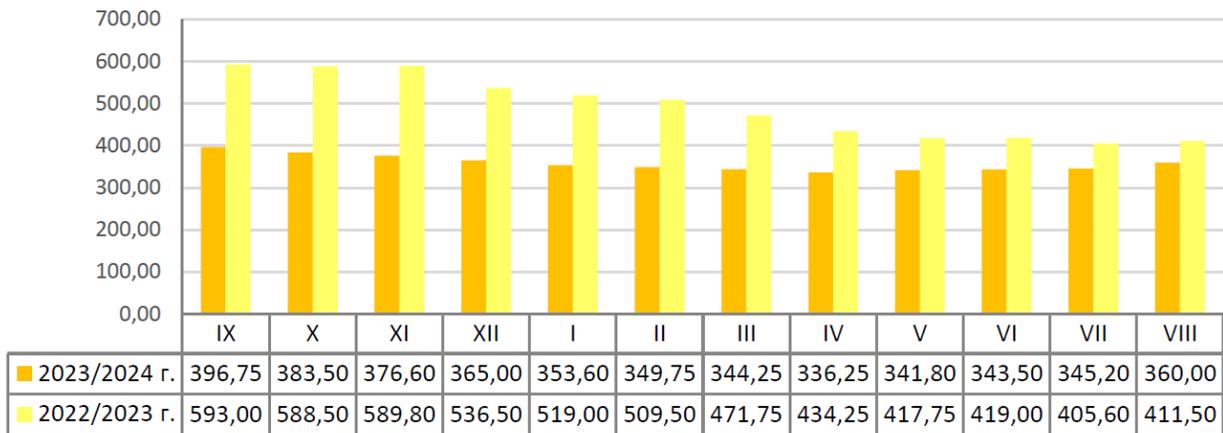
*The chart shows prices for the MY, which begins in July, with MY 2024/25 in dark red and MY 2023/24 in light red.

Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Corn: Corn prices in MY 2023/24 have been increasing since June 2024. As of August, the corn price was 88 percent of the price a year ago (Graph 6). The gap between Bulgarian ex-farm corn price and the EU price has widened in April-August (Graph 7).

The smaller crop in MY 2023/24 and tight beginning stocks were the main reasons for declining corn exports. The bleak prospects for MY 2024/25 crop forced farmers to practically halt sales in July. As of August 9, MY 2023/24 corn exports were reported at 693,000 MT, mainly to non-EU countries, compared to 950,000 MT a year ago, or 28 percent lower. Currently, FAS/Sofia's estimate for MY 2023/24 exports is revised downwards to 700,000 MT compared to 1.375 MMT exported in MY 2022/23

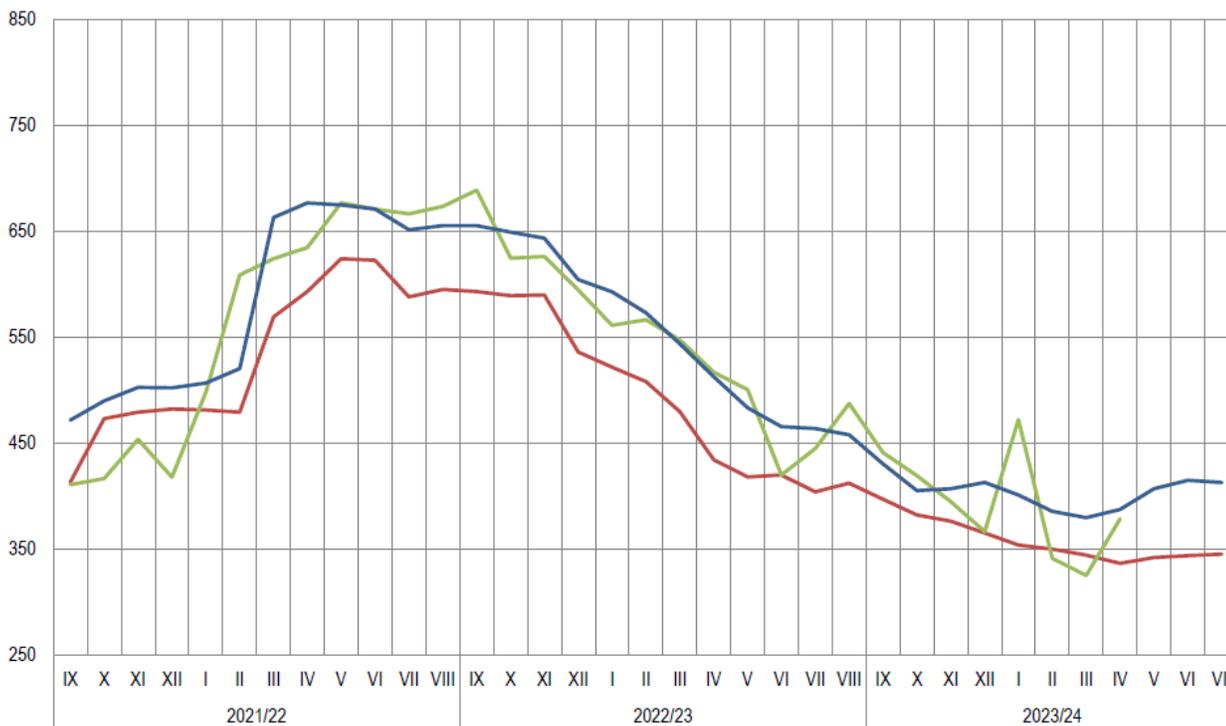
Graph 6. Corn Monthly Market Prices, MY 2022/23 – MY 2023/24 (August), BGN/MT



*The chart shows prices for the MY, which begins in September, with MY 2023/24 in dark yellow and MY 2022/23 in light yellow.

Source: Bulgarian Ministry of Agriculture Monitoring of Commodity Markets Weekly Bulletins

Graph 7. Corn Monthly Prices, MY 2021/22 – MY 2023/24 (July), BGN/MT



Red line- Bulgarian ex-farm prices, corn, in Bulgarian leva (BGN) per MT

Blue line – EU market price, corn, BGN/MT

Green line – Bulgarian FOB export price, corn, BGN/MT

Source: Bulgarian MinAg [Dashboard](#) Grains and Oilseeds, August 12, 2024

Table 1. Grain Crops Production Data MY 2023/24 and MY 2022/23, August 2024

| Crops | Area Harvested (000 HA) | | Production (000 MT) | |
|-----------|-------------------------|------------|---------------------|------------|
| | MY 2023/24 | MY 2022/23 | MY 2023/24 | MY 2022/23 |
| Wheat | 1,221 | 1,206 | 6,855 | 6,448 |
| Barley | 149 | 122 | 797 | 625 |
| Corn | 533 | 520 | 2,445 | 2,554 |
| Rice | 11 | 11 | 65 | 64 |
| Oats | 13 | 11 | 32 | 26 |
| Triticale | 35 | 14 | 118 | 43 |
| Rye | 8 | 8 | 15 | 17 |
| Sorghum | 3 | 2 | 8 | 6 |
| Total | 1,973 | 1,894 | 10,335 | 9,783 |

Source: Eurostat data based on EU standard moisture content - updated as of June 2024

Table 2. Winter Grains Production as of August 1, 2024, MY 2024/25, in MT

| | August 1, 2023 | August 1, 2024 | Change, Percent |
|----------------------------|----------------|----------------|-----------------|
| Wheat | 6,234,772 | 6,445,180 | 3.4% |
| Barley (Winter and Spring) | 632,670 | 887,544 | 40.3% |
| Rye | 10,503 | 9,900 | -5.7% |
| Triticale | 35,258 | 49,058 | 39.1% |

Source: Bulgarian MinAg Weekly Bulletin #30, August 7, 2024

Table 3. FAS/Sofia Grain Production Forecast MY 2024/25, August 2024

| Crops | Area Harvested, HA | Production, MT |
|----------------------------|--------------------|----------------|
| Wheat | 1.190 million | 6.9 million |
| Barley (winter and spring) | 185,000 | 930,000 |
| Corn | 490,000 | 2.2 million |
| Total | 1,800,000 | 10,150,000 |

Source: FAS/Sofia

Table 4: MY 2024/25 Trade in Major Grain Crops, as of August 9, 2024

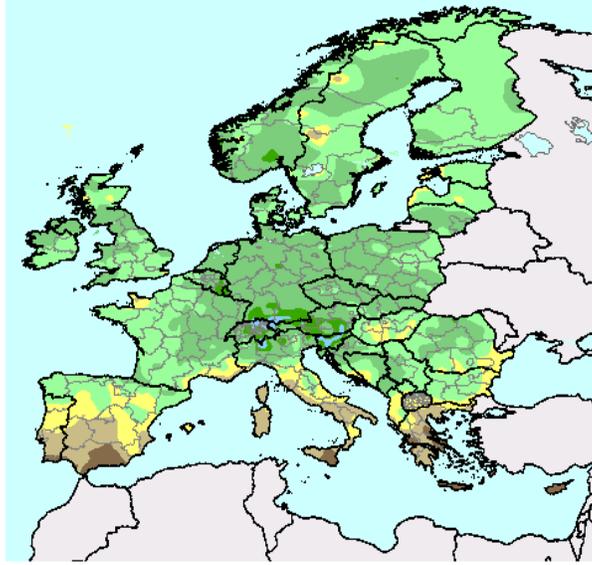
| Types of Grains | Imports, MT | Exports, MT |
|-----------------|-------------|--|
| Wheat | 0 | 1,120,923 (including 933,505 MT to non-EU markets); |
| Barley | 0 | 374,260 MT (including 130,848 MT to non-EU markets); |
| Corn* | 10,053 MT | 692,833 MT (including 495,798 MT to non-EU countries) |

Source: MinAg Weekly Grain Market Bulletins 2024.

*Note: The Bulgarian MinAg uses September 1-August 31 as a MY for corn. Trade data refers to 2023 corn crop traded since September 1, 2023

Map 1: USDA [Crop Explorer](#), Europe (including Bulgaria), Precipitation and Percent of Normal Precipitation, May 11 – August 10, 2024.

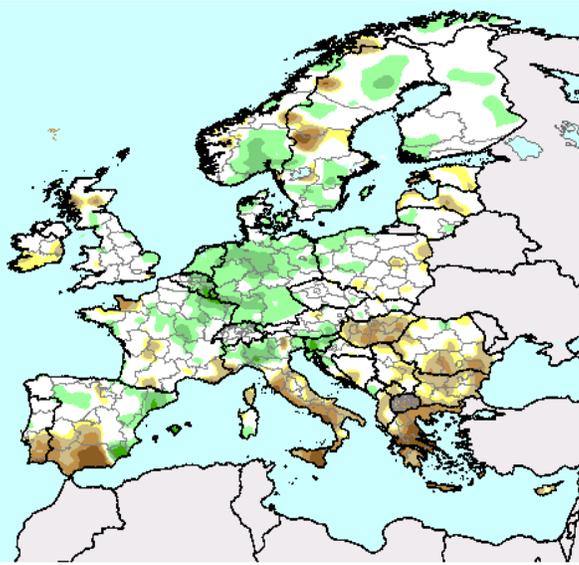
Precipitation 3-Month (CPC)
May.11 - Aug.10, 2024



0 (mm) 10 50 100 200 400 500 750 (mm)

Source: NOAA/CPC

Percent of Normal Precipitation 3-Month (CPC)
May.11 - Aug.10, 2024

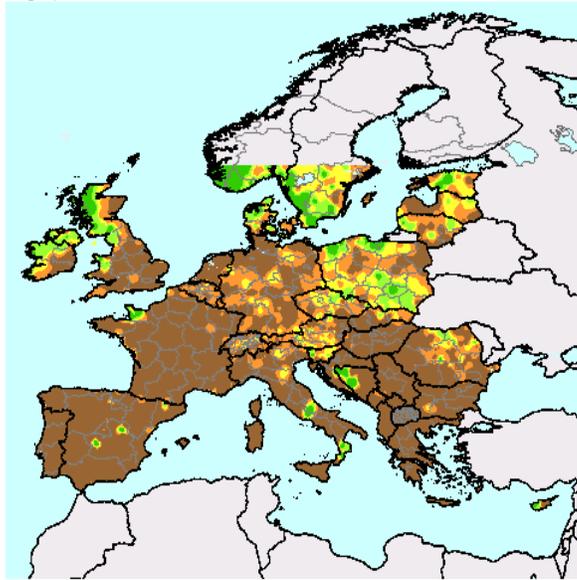


0% 5 25 50 70 80 120 150 200 400 600%

Source: NOAA/CPC

Map 2: USDA [Crop Explorer](#), Europe (including Bulgaria), Surface and Subsurface Soil Moisture as of August 11, 2024

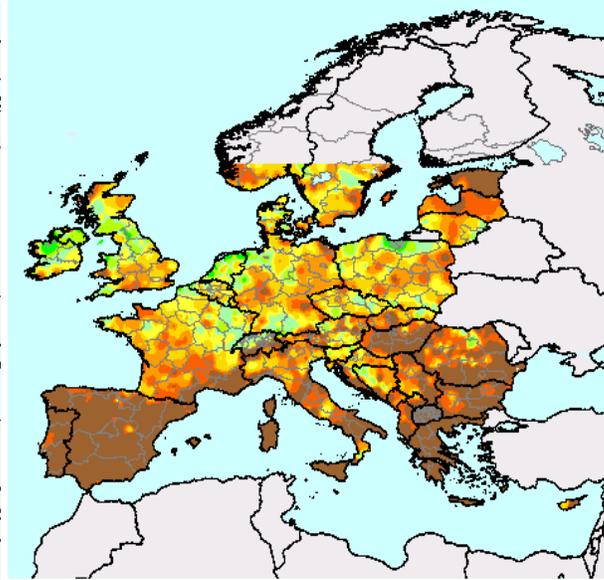
Surface Soil Moisture (WMO)
Aug.11, 2024



0 (mm) 5 10 15 20 25.4 (mm)

Source: World Meteorological Organization

Subsurface Soil Moisture (WMO)
Aug.11, 2024



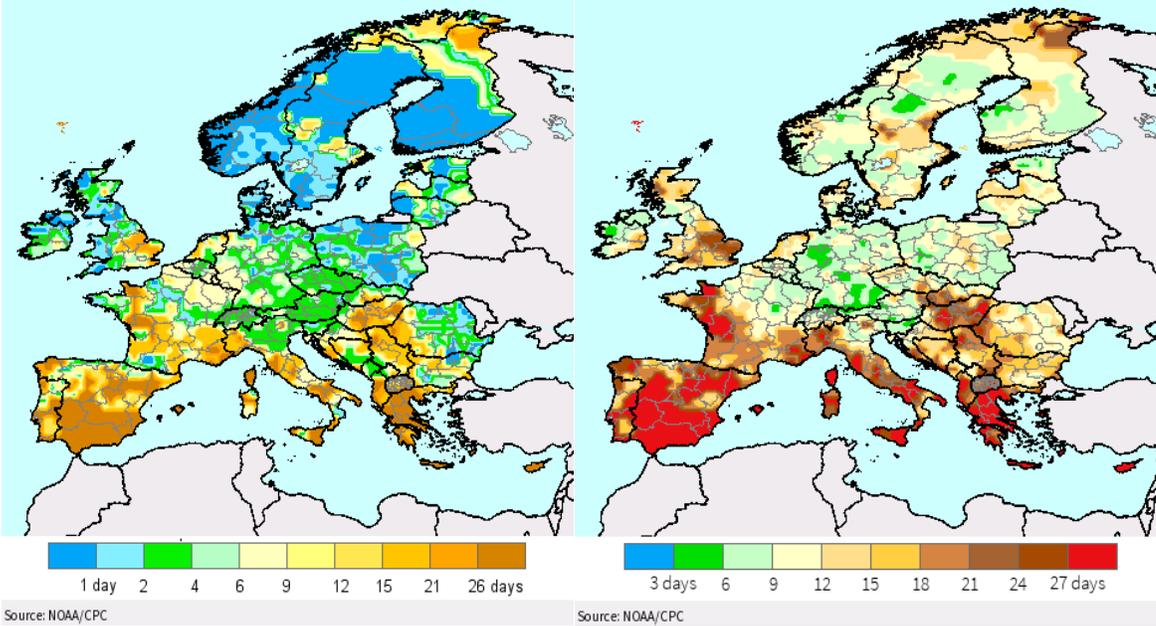
0 (mm) 25 50 75 100 125 150 175 200 (mm)

Source: World Meteorological Organization

Map 3: USDA Crop Explorer, Europe (including Bulgaria), Number of Days Since a Rain Day in Past 30 days and Maximum Consecutive Dry Days in past 30 days, July 12 – August 10, 2024

Number of Days Since a Rain Day in past 30 days (CPC)
Jul. 12 - Aug. 10, 2024

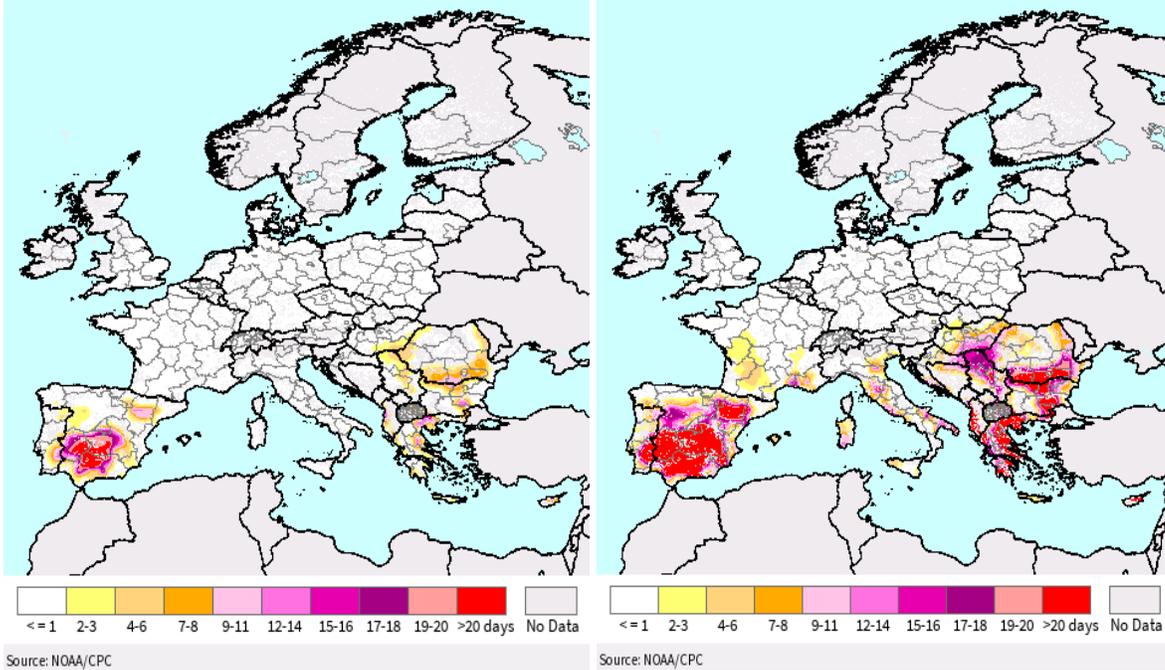
Maximum Consecutive Dry Days in past 30 days (CPC)
Jul. 12 - Aug. 10, 2024



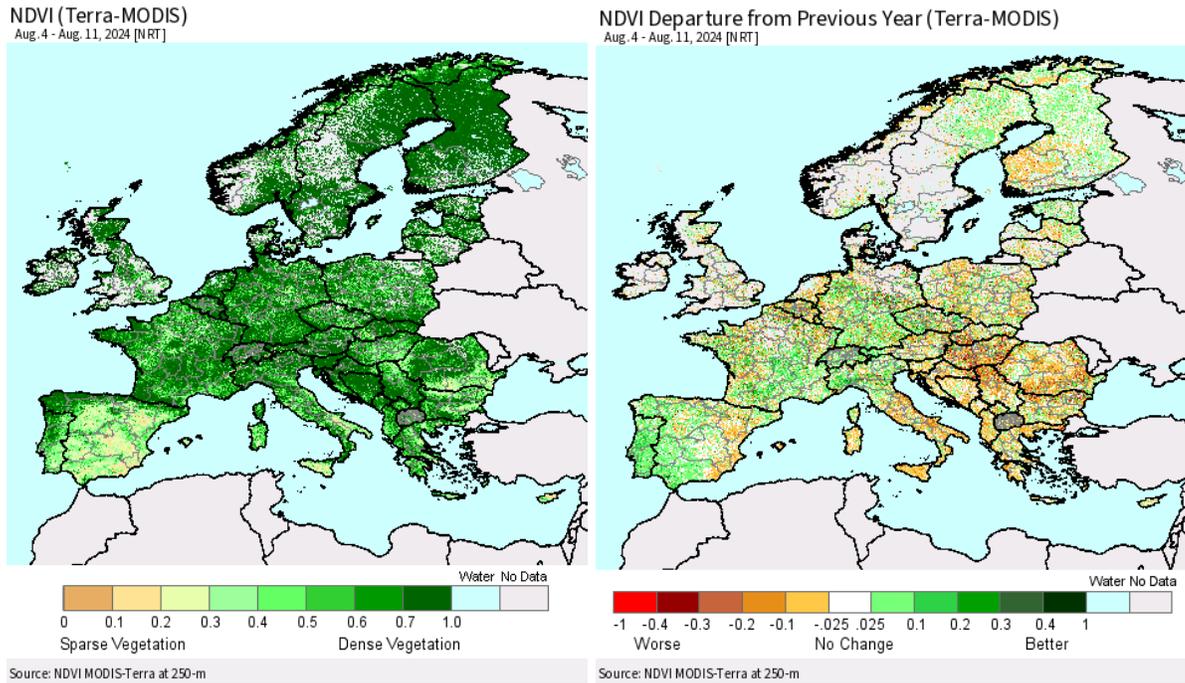
Map 4: USDA Crop Explorer, Europe (including Bulgaria), 3-Month Seasonal Heat Damage Stress, March 1- August 10, 2024, Croplands above 38°C and above 35°C

Seasonal Heat Damage Days (Croplands) $\geq 38^{\circ}\text{C}/100^{\circ}\text{F}$ (CPC)
Mar. 1 - Aug. 10, 2024

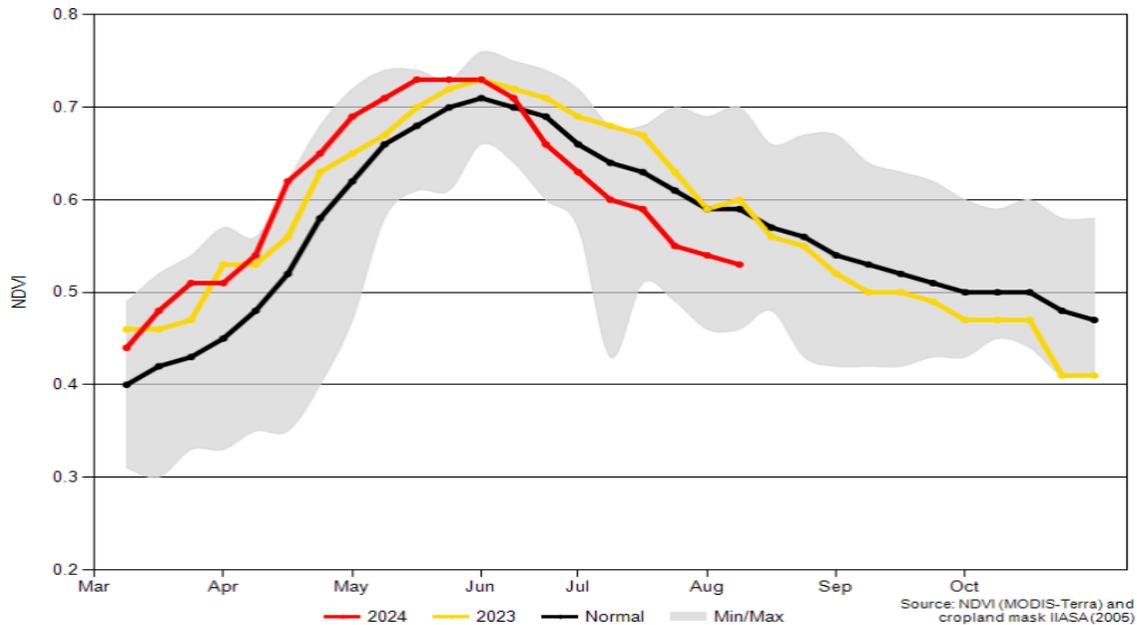
Seasonal Heat Stress Days (Croplands) $\geq 35^{\circ}\text{C}/95^{\circ}\text{F}$ (CPC)
Mar. 1 - Aug. 10, 2024



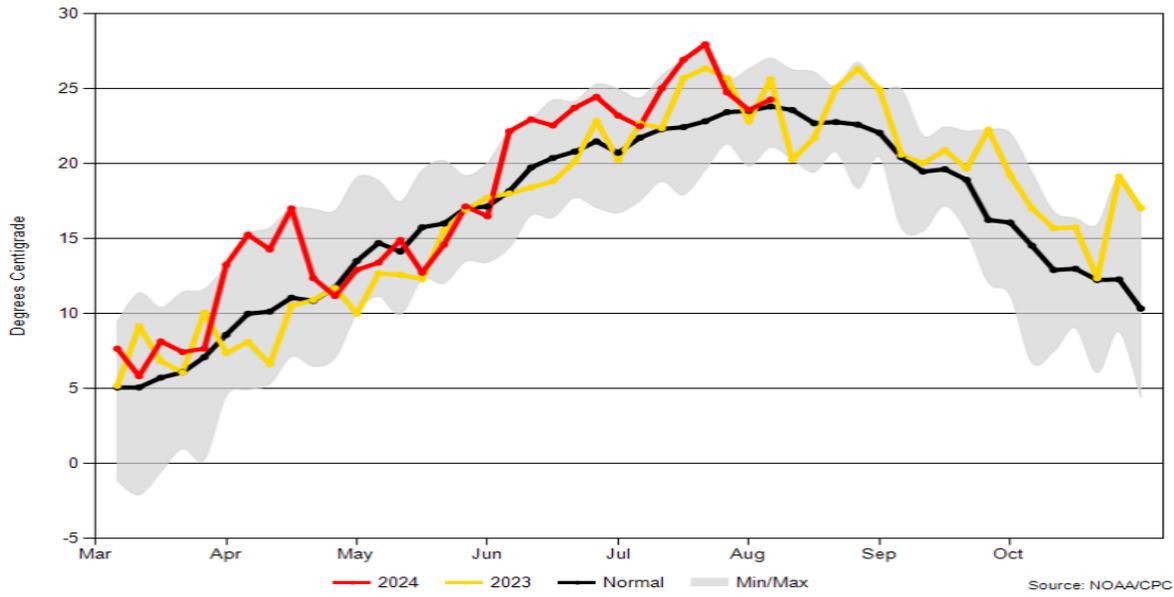
Map 5. USDA Crop Explorer, Europe (including Bulgaria), NDVI (Vegetation Index) for August 4-11, 2024 and NDVI Departure from the Previous Year for August 4-11, 2024



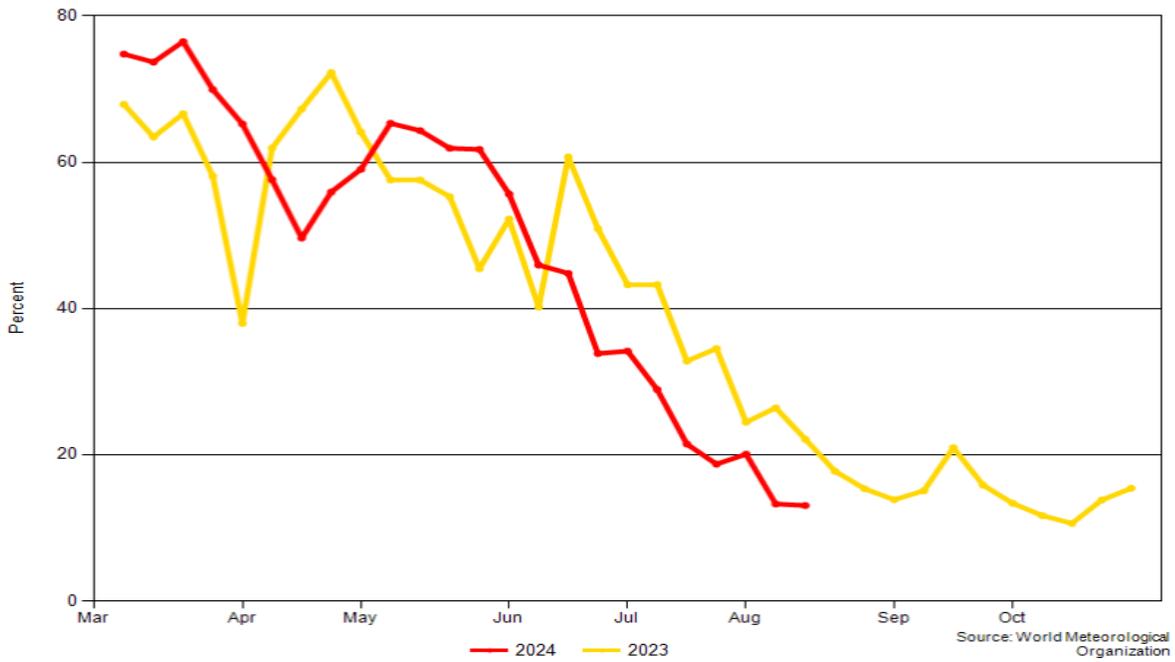
Graph 6. USDA [Crop Explorer](#), Bulgaria, Vegetation Index (NDVI), Average Temperature, Percent of Soil Moisture, Surface and Subsurface Soil Moisture, as of August 2024
NDVI (MODIS) for Bulgaria



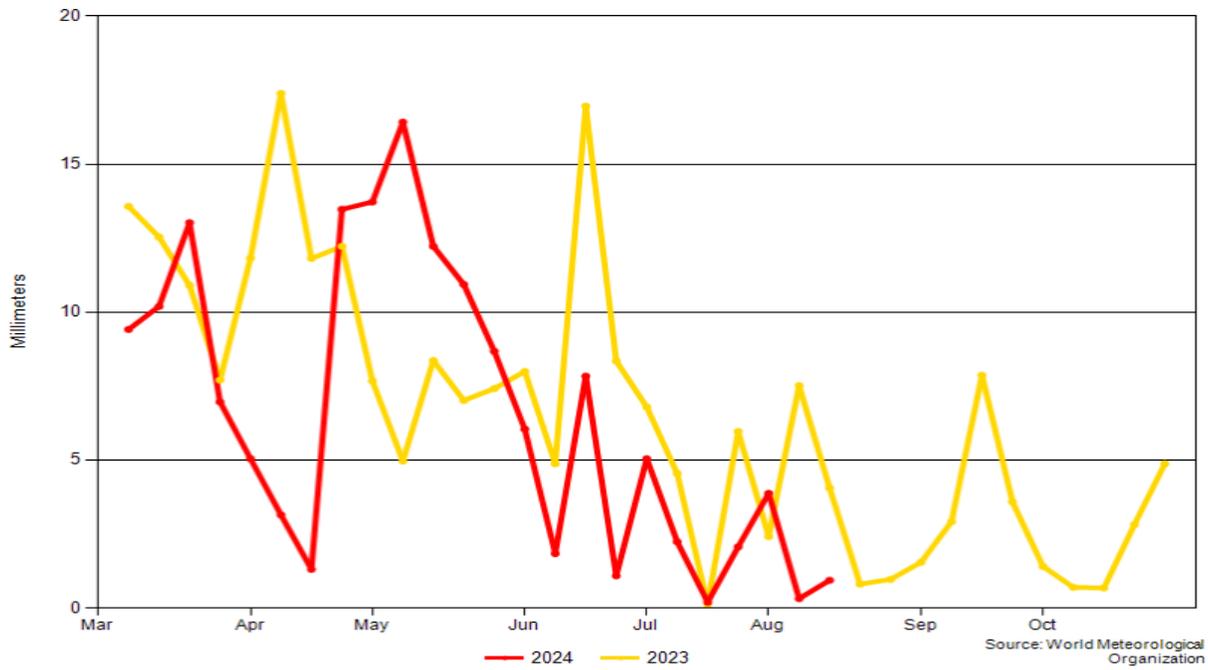
Average Temperature (CPC) for Bulgaria



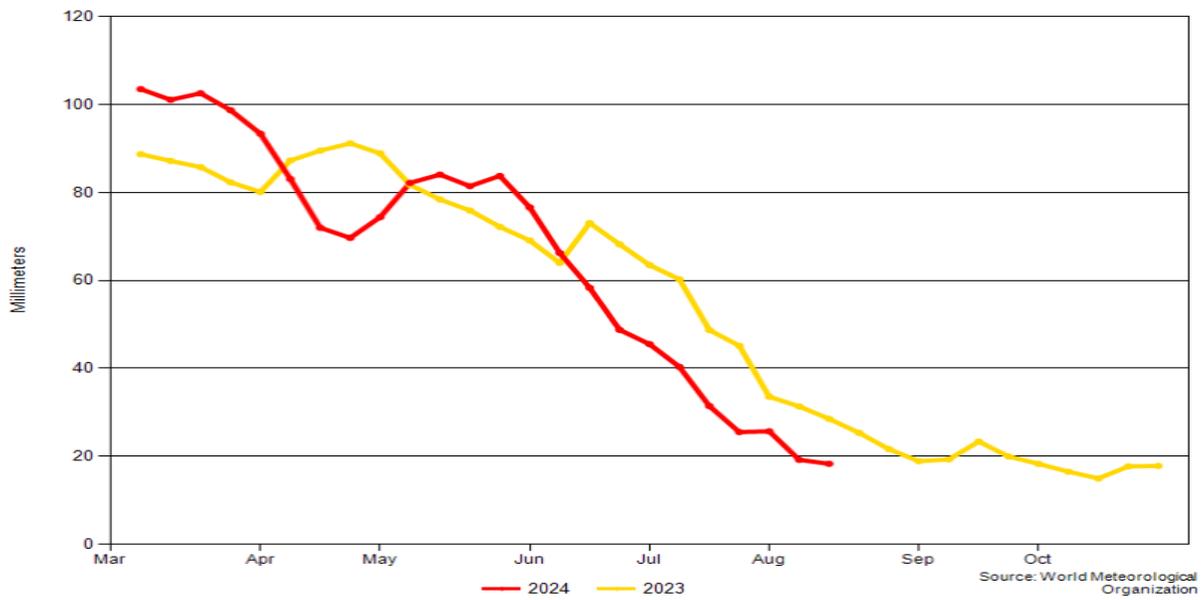
Percent Soil Moisture (WMO) for Bulgaria



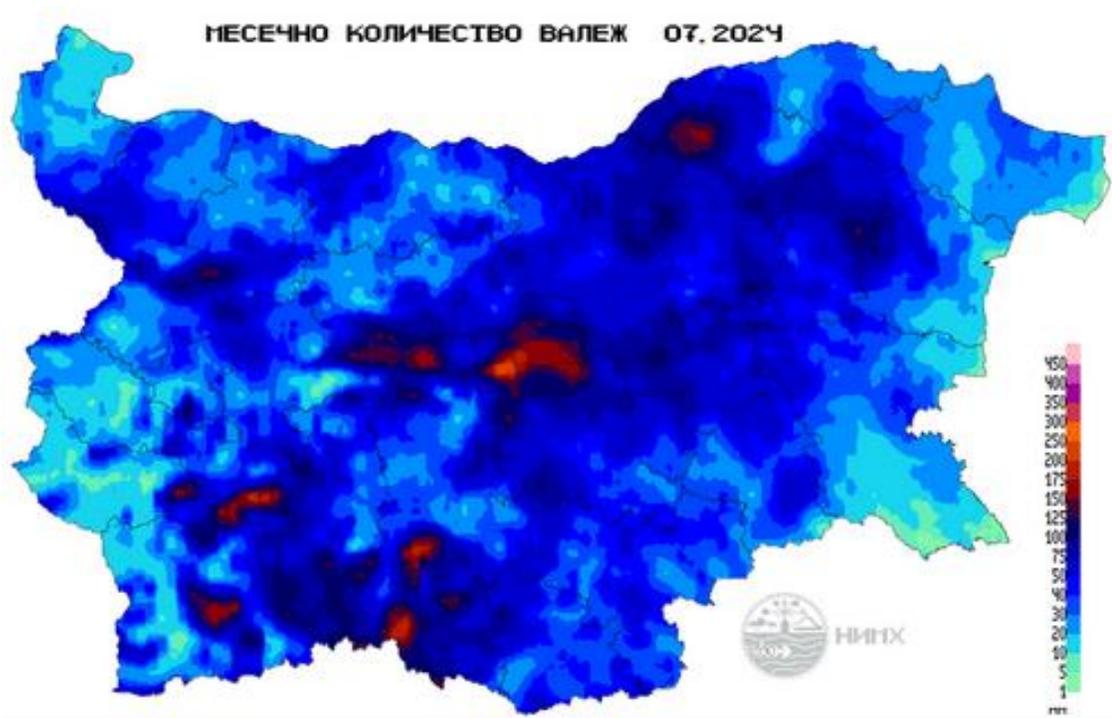
Surface Soil Moisture (WMO) for Bulgaria



Subsurface Soil Moisture (WMO) for Bulgaria

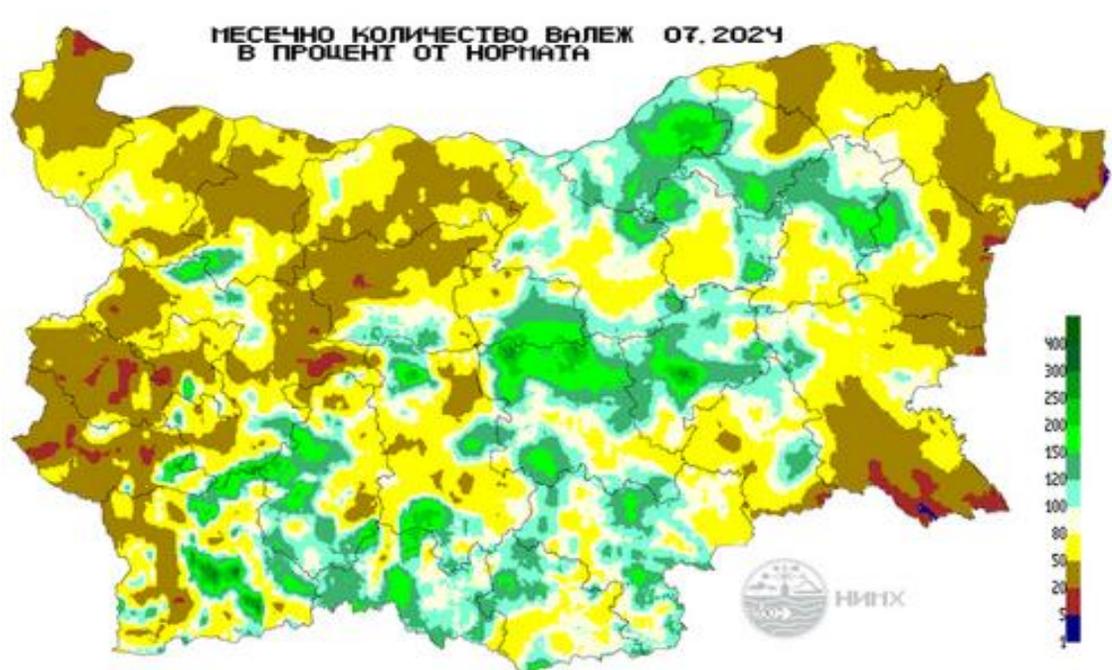


Map 7. July Rainfall 2024



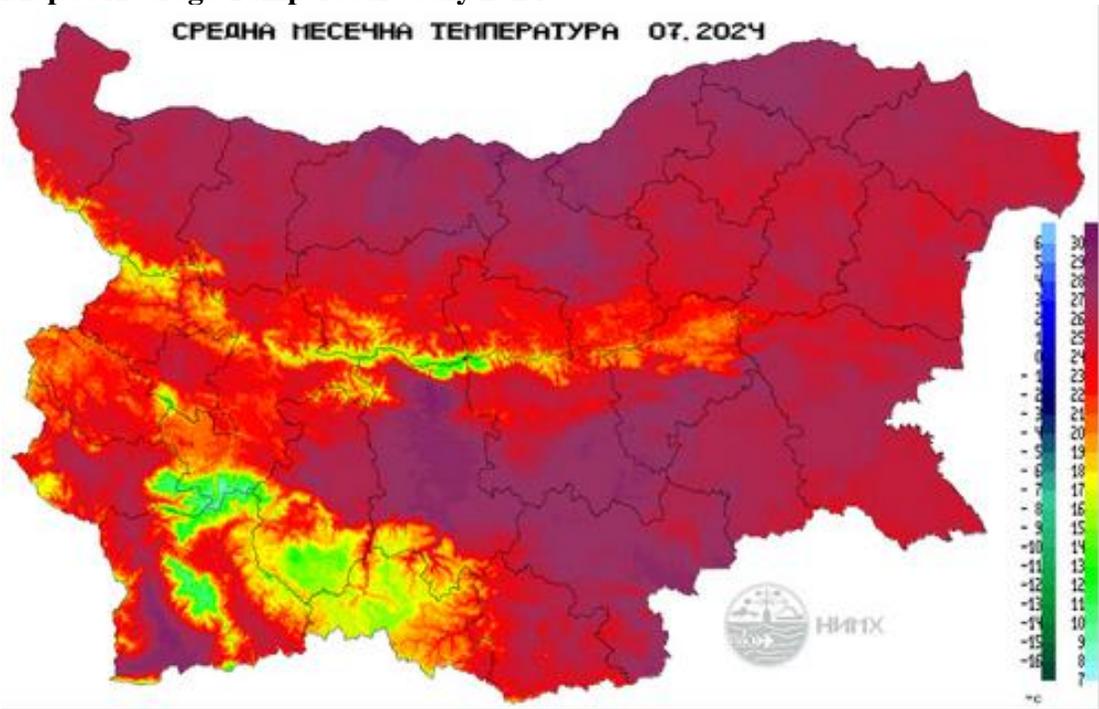
Source: [Bulgarian National Institute of Meteorology and Hydrology](#)

Map 8. July Rainfall 2024 as a percent of Monthly Norm



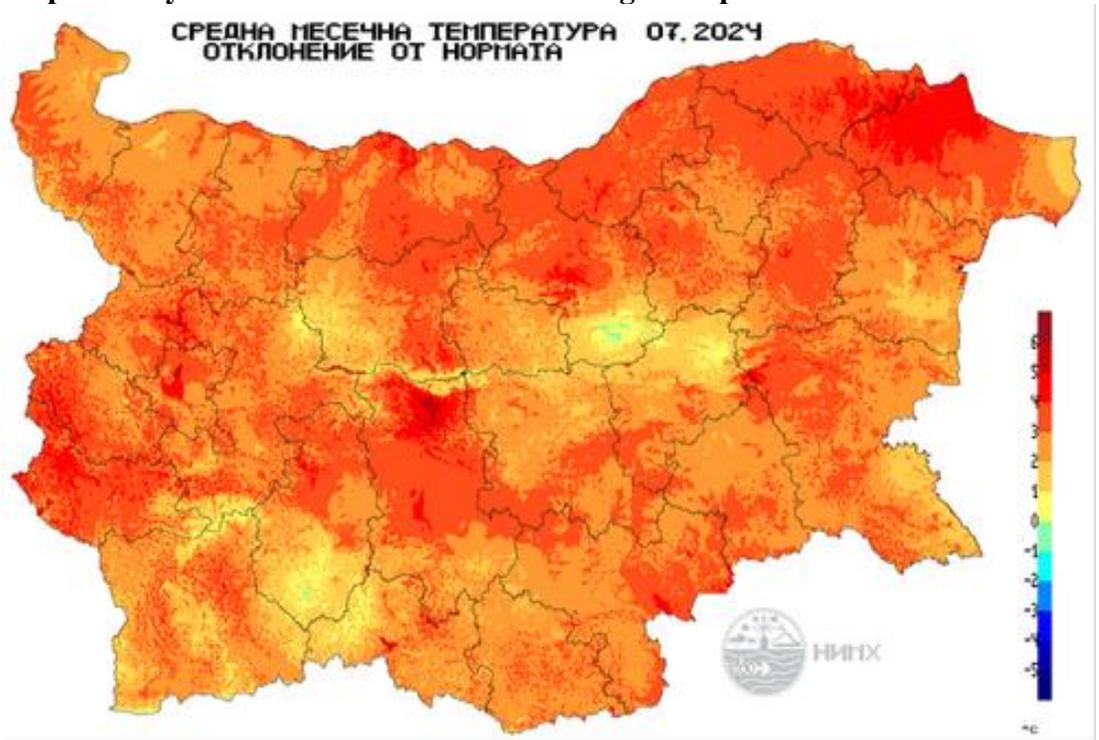
Source: [Bulgarian National Institute of Meteorology and Hydrology](#)

Map 9. Average Temperature July 2024



Source: [Bulgarian National Institute of Meteorology and Hydrology](https://www.bgh.bg/)

Map 10: July 2024: Deviation from the Average Temperature Norm



Source: [Bulgarian National Institute of Meteorology and Hydrology](https://www.bgh.bg/)

Attachments:

No Attachments.