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The EU oilseeds sector: annual report 1999

1999

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Report Highlights:
Rapeseed acreage for MY 1999/2000 increased for a third consecutive year in the European Union. Consequently, the EU oilseeds area under the Blair House agreement may be overshot for the third year in a row. With regard to future production policy in the oilseeds sector, the Council Regulation on Agenda 2000 reform was published in May 1999.

Includes PSD changes: Yes
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Executive Summary

Rapeseed acreage for MY 1999/2000 increased for a third consecutive year in the European Union. At the time of planting, prices had not yet started the downward movement recorded as of January 1999. The 1999 rapeseed harvest is forecast to exceed even the record output of 9.6 MMT in the previous year. The increase in rapeseed production is mainly due to additional planting of rapeseed for industrial purposes. Given that the arable crop set aside rate was doubled to 10 percent in 1999/2000, industrial rapeseed planting on set aside land went up accordingly.

Attractive prices resulting from abundant worldwide supplies both in soybeans and in rapeseed, have led to increased incorporation of oilmeals in animal feed rations during 1998/99. The use of soybeanmeal in particular has surged, a development which may slow down in 1999/2000 resulting from an expected reduction in EU livestock output.

For the second year in a row, the EU oilseeds area under the Blair House agreement was overshot in 1998/99. For 7 EU member states, this resulted in the calculation of penalties for exceeding their adjusted Maximum Guaranteed Areas. Moreover, these 1998/99 penalties were cumulated with the penalties applicable in 1997/98. Although final data on 1999/2000 oilseed area are not yet available, a third consecutive overshoot is expected.

The regulation on the implementation of Agenda 2000 reform was published in May 1999. Oilseed compensatory payments will go down for the first time in marketing year 2000/01,

in order to reach EUR 63/MT as a base amount in 2002/03. Critical voices can be heard from various sides in the EU oilseeds sector. On the other hand, hopes are high that compensatory measures will be taken in the future when proof will have been delivered of the serious deterioration in EU oilseeds production resulting from Agenda 2000.

In the olive oil sector, the 1998/99 marketing year (November-October) is coming to its end. Production of olive oil decreased considerably from 1997/98 on account of lower yields in Spain and Italy. 1998/99 was the first year of a 3-year transition period in terms of policy reform. A structural reform of the EU olive oil sector has been postponed to marketing year 2001/02.

I. OILSEEDS (excl. olives)

While, in the U.S., soybeans are the major oilseed variety, in the EU, soybeans account for less than 10 percent of total oilseed production. Rapeseed, sunflowerseed, and soybeans together represent about 93 percent of total oilseeds production in the EU, with the remainder consisting of cottonseed (0.7 MMT in 1997/98), linseed (0.27 MMT in 1997/98), and groundnuts (about 0.003 MMT annually). The supply-demand analysis in this report will focus on rapeseed, sunflowerseed, and soybeans. Total trade data for the other oilseeds are also included.

PRODUCTION-Oilseeds

The EU 1998/99 oilseed crop represented the largest oilseed output of the nineties. Increases of rapeseed of 9 percent accounted almost entirely for this record. Although the obligatory set-aside rate for arable crops in the EU was left unchanged at 5 percent in MY 1998/99, both rapeseed and soybean plantings went up. The EU sunflower area continued its downward trend. Lower yields for sunflower, especially when compared to rapeseed, have stimulated this development.

Even when oilseed prices in MY 99/00 deteriorated, the rapeseed area in the EU increased further. At the time of planting, rapeseed prices had not yet fallen to the low levels recorded in January 1999. In the fall of 1998, the returns from rapeseed planting seemed more attractive than those of grains. Because of price, soybean and sunflower areas were reduced. More importantly, the rapeseed area increased primarily because of a growth in industrial rapeseed plantings linked with the doubling of the obligatory set-aside rate for arable crops to 10 percent in MY 1999/2000. The area increase, rather than yield improvements, is expected to result in a 1999/2000 oilseed output of 14.65 MMT, equal to the record crop of 1998/99. Rapeseed production is expected to increase by 9 percent, while soybean and sunflower output are expected to decrease by 22 percent and 16 percent, respectively.

Oilseed area for industrial use on set aside peaked in 1995 and has fallen over the years concurrently with subsequent reductions in the compulsory set aside rate for arable crops. See Table 1. Following the doubling of the obligatory set-aside rate for arable crops to 10 percent in MY 1999/2000, industrial oilseeds area is expected to have more than doubled from 410,000 HA in 1998/99 to 890,000 HA in 1999/2000. Although the European Commission has retained the right to change the set aside rate from year to year, the Agenda 2000 reform sets the reference rate for compulsory set aside at 10 percent from the 2000/01 marketing year up to the 2006/2007 marketing year.

Table 1: EU Planted Oilseed Area on Set Aside for Industrial Use
1,000 Hectares

	1995/96	1996/97	1997/98	1998/99	1999/2000
Rapeseed	800	542	320	350	830
Sunflowerseed	152	101	80	60	60
Total	952	643	400	410	890

CONSUMPTION-Oilseeds

Although raw material costs for oilseed crushers went down considerably in 1998/99, crushing did go up by less than 1 percent. Soybeanmeal prices plummeted, partly because of large exportable supplies of soybeanmeal in the U.S. and South America, but also because of the devaluation of the Brazilian currency. This had a negative impact on crushing margins. Also, the lowering in vegetable oil prices, instigated by plentiful palm oil availabilities in the world, pushed crushing margins further down. Preliminary estimates on crushing volumes for 1998/99 are as follows: soybeans 16 MMT (-1%), rapeseed 8.0 MMT (+1%), and sunflowerseed 5.5 MMT (+6%).

Generally, market analysts remain bearish about a possible price improvement for vegetable oils and oilmeals in marketing year 1999/2000. Abundant supplies and a forecast reduction in oilmeal demand by the livestock sector will keep oilmeal prices low. In the vegetable oil sector, it is expected that ongoing large supplies of palm oil will continue to set the lower price tone. Due to restricted sunflowerseed supplies, sunflower oil may, however, generate better prices than soybean oil or rapeseed oil. Going out from the assumption that plentiful domestic rapeseed supplies will result in low raw material costs for EU crushers, rapeseed crushing will probably increase during 1999/2000. Soybean crushing is forecast to remain constant, while sunflowerseed crushing may go down by 2 percent.

CONSUMPTION - Oilmeals

Soybeanmeal, rapeseed meal and sunflowermeal together represent about 70 percent of annual total oilmeals consumed in the EU. Other oilmeals used in the EU, are, in decreasing order of importance: corn gluten feed, palmkernel meal, fish meal, corn germ meal, cotton meal, copra meal, linseed meal, and groundnut meal.

In both years 1997/98 and 1998/99, oilmeal demand in the EU has surged. The increase was highest for soybeanmeal, the principal oilmeal used by the animal feed sector. In 1998/99 the increased use of soybeanmeal was sourced partly from domestic crushing, but the majority has been on account of a growth in soybeanmeal imports.

Attractive prices resulting from a worldwide supply abundancy both in soybeans and rapeseed, have led to increased incorporation of oilmeals in animal feed rations. But in absolute terms also, oilmeal use has gone up in concurrence with a growth in livestock output. The abolishment of the EU calf processing schemes at the end of 1998 has driven up beef production in 1998/99. Poultry meat production is still on the rise, while pork production has remained stable. In 1999/2000, EU oilmeal demand may slow down a little, resulting from an expected reduction in overall meat production.

CONSUMPTION - Oils

Oils derived from soybeans, rapeseed and sunflower together represent about 40 percent of oils and fat use in the EU annually. Other oils and fats used in the EU, are (in decreasing order of importance): palm oil, olive oil, butter, tallow and grease, lard, coconut oil, fish oil, corn oil, groundnut oil, cotton oil, linseed oil, and castor oil.

Vegetable oil consumption in the EU is still growing at a slow steady pace. Price variations of the various vegetable oils have a large impact on the oil varieties consumed each year. In 1997/98, demand for both soybean oil and rapeseed oil rose due to relatively low prices. Sunflower oil lost market share due to its higher average price level. It is expected that demand for all three vegetable oils increased in 1998/99.

TRADE - Oilseeds

During 1998/99, EU exports of rapeseed to China have increased because of the decision in China to increase the crushing of imported raw materials rather than importing finished products. The large rapeseed purchases from China have helped support prices, even though the real trend was one of diminishing prices. Also, demand for EU rapeseed from Bangladesh, Mexico, and Japan has been strong in 1998/99. Given that 1999/2000 worldwide rapeseed supplies are forecast to be abundant, the pressure on prices will continue throughout the marketing year. Export demand from China, Bangladesh, and Mexico is expected to increase again. EU rapeseed suppliers will, however, meet with fierce competition from Poland, Canada, and Australia. EU rapeseed imports from Australia, equalling 100,000 MT in 1997/98, have increased to between 300,000 and 400,000 MT in 1998/99. Reportedly, Australian rapeseed contains no genetically modified organisms, which has played an important role in increased interest by EU crushers to import from Australia.

Lower EU sunflowerseed supplies have resulted from a heatwave in Southern Europe. Therefore, following the increase in EU sunflowerseed imports recorded in 1998/99, imports may continue to rise in 1999/2000. Russia, Eastern Europe, and Argentina will be the main suppliers. Ukranian imports may come to a standstill given the prohibitive 30-percent export tax set by the Ukranian government.

Soybean imports into the EU have decreased by an estimated 3 percent during 1998/99. The U.S. suffered the largest loss of imports. Between September 1, 1998 and August 31, 1999, U.S. soybean exports to the EU amounted to 6.25 MMT, down from 8.6 MMT during the same period of 1997/98. On the other hand, Argentina, Brazil, Paraguay, and Canada are expected to have increased their exports to the EU.

TRADE - Oilmeals

Imports of soybeanmeal in the EU are estimated to have risen to around 16 MMT in October-September 1998/99, an increase of more than 4 MMT from 1997/98. Attractive prices stimulated a further increase in the soymeal share of feeds, at the expense partly of other oilmeals and partly of grains and other feed ingredients. The increase in the use of soybeanmeal in 1998/99 has for a large part been sourced from South America. Imports from Brazil in particular grew as a result of the devaluation in the Brazilian currency. U.S. exports of soybeanmeal to the EU have plunged dramatically. Between October 1, 1998 and August 12, 1999, U.S. exports of soybeanmeal to the EU equalled 400,000 MT, down from 1.75 MMT exported during the same period of the year before.

In 1999/2000, imports of soybeanmeal may go down due to the expected slow-down in livestock output in the EU.

Exports of oilmeals by the EU are relatively small and consist of soybeanmeal, primarily

shipped to East Europe, and fish meal. No major changes are expected for the marketing year 1999/2000.

TRADE - Oils

Imports of oils and fats from outside the EU represent only about 25 percent of domestic demand. Imports of palm oil, coconut oil, and palmkernel oil make up about two thirds of total oil imports. Imports of these vegetable oil varieties may increase in 1999 and 2000 because of the recovery in Asian palm plantation output.

Contrary to oilmeals, where EU exports represent only about 5 percent of production, EU exports of oils and fats are more important. During 1997/98, the three main export destinations for EU soybean oil, rapeseed oil, and sunflower oil were as follows:

Soybean oil: Hong Kong, Tunisia, Turkey
Rapeseed oil: China, Russia, Hong Kong
Sunflower oil: Algeria, Russia, Morocco.

EU exports to third countries have risen for soybean oil (from 530,000 MT in CY 1996 to 857,000 MT in CY 1997, and to 1,115,000 MT in CY 1998) and for rapeseed oil (from 601,000 MT in CY 1996 to 664,000 MT in CY 1997, and to 836,000 MT in CY 1998). Exports of sunflower oil increased from 248,000 MT in CY 1996 to 500,000 MT in CY 1997, but fell back again in CY 1998 (275,000 MT). Large sunflower oil exports in CY 1997 were primarily due to increased production linked to a large EU sunflower crop in 1996/97 and cheap raw material supplies from Russia and the Ukraine.

POLICY - Production Policy

Oilseeds -Present Production policy

Since the CAP reform in 1992, oilseeds have been part of the EU's arable crop regime contained in Commission Regulation 1765/92. It covers the production of grains, oilseeds (soybeans, non-confectionary sunflower seed, and rapeseed), pulses/protein crops, linseed with high oil content, as well as establishes compulsory set aside. The oilseeds portion of the arable crop regime is set out in Commission Regulations 3766/91 and 2294/92.

Under the arable crop regime, income support is paid to producers through a system of direct compensatory payments which are calculated on a per hectare basis and based on the commodity type, historical yields, and prices. If a producer opts for the main scheme, there is a compulsory compensated set aside which can be adjusted annually by the European Commission. The area for which a producer can apply for direct compensatory payments under the simplified scheme is limited. Under the main scheme, the oilseed compensatory payments producers receive are adjusted for changes in world oilseed prices.

Oilseed producers in the main scheme can face two different penalties if overplanting occurs: penalties at the regional level for exceeding the arable crops regime maximum guaranteed area; and penalties at the member state level for exceeding the Blair House maximum guaranteed area for oilseeds.

First, under the arable crops regime, a penalty is applied to all compensatory payments in

regions where the maximum guaranteed area is exceeded. This penalty is applied through a reduction in the compensatory payment by an amount equal to the overshoot. This penalty applies to all crops under the arable crops regime.

Second, under the Blair House Agreement, if the total EU oilseeds maximum guaranteed area is exceeded, penalties are applied to compensatory payments for producers of rapeseed, sunflowerseed, and soybeans in those member states that exceed their oilseed adjusted maximum guaranteed area. The adjusted maximum guaranteed area for oilseeds is calculated by deducting the arable crop regime set-aside rate or 10 percent, whichever is larger, from the oilseeds maximum guaranteed area. See Table 2 for member state maximum guaranteed areas for oilseeds. (Note - This area excludes oilseeds grown on set aside land for industrial purposes.) This penalty is applied by reducing the final oilseeds compensatory payment by an amount equal to the percentage of the area overshoot. If the adjusted oilseeds maximum guaranteed area is exceeded in successive years, the penalty is carried forward cumulatively. This penalty is only applied when the total EU adjusted oilseeds maximum guaranteed area is exceeded.

Table 2: 1998/99 EU oilseeds maximum guaranteed area and adjusted oilseeds maximum guaranteed area by Member State
1,000 Hectares

Country	Oilseeds maximum guaranteed area	Oilseeds adjusted maximum guaranteed area
Belgium	6	5.4
Denmark	236	212.4
Germany	929	836.1
Greece	26	23.4
France	1,730	1,557.0
Ireland	5	4.5
Italy	542	487.8
Luxembourg	2	1.8
Netherlands	7	6.3
United Kingdom	385	346.5
Spain	1,168	1,051.2
Portugal	93	83.7
Austria	147	132.3
Finland	70	63.0
Sweden	137	123.3
Total EU-15	5,482	4,933.8

Oilseed compensatory payments are adjusted to take account of changes in oilseed prices. Each year, a projected reference price (PRP) is estimated which is used to calculate initial compensatory payments, or the "reference amount". The PRP is a weighted average of world prices of rapeseed, sunflower seed and soybeans. A payment of 50 percent of the reference amount is made to producers normally in October after planting.

In April, the Commission calculates an observed reference price based on actual world prices during the previous July-January period. If the observed reference price differs by more than 8 percent from the PRP, adjustments, either upward or downward, are made to the "reference amount".
The balance, the difference between the adjusted "reference amount", reduced by any arable crop scheme penalty and Blair House oilseeds penalty, and the early 50% payment, is then paid. Actual payment dates can vary due to EU budget considerations.

In 1998/99, final compensatory payments for oilseeds were reduced by 7 percent in order to account for the observed reference price (EUR 226.816/MT) exceeding the PRP by 15 percent. Furthermore, Blair House penalties were again imposed in 1998/99 because planted area for oilseeds exceeded the adjusted maximum guaranteed area by 8.35 percent. Seven EU Member States exceeded their national adjusted MGA, i.e., Greece, France, Ireland, Italy, the U.K, Luxembourg, and Germany. Penalties for each of these countries were calculated relative to the extent they contributed towards the combined area overshoot in these countries. Moreover, given that the EU Blair House oilseed area was exceeded during the 2 consecutive years 1997/98 and 1998/99, penalties were cumulated. See Tables 3 and 4 for details.

For 1999/2000 the final calculation of oilseed compensatory payments under the Blair House Agreement will not be made until January 2000. Based on preliminary area estimates, it is expected that the EU oilseed area will be overshot for the third time in a row. Even when the increase in total oilseed area in 1999/2000 will be due to increases in industrial oilseeds, (which are exempt from the Blair House area restrictions), a small overshoot of between 1 and 3 percent may again be recorded. If this occurs, penalties in 1999/2000 will again be cumulated with those calculated for 1997/98 and 1998/99.

The European Commission’s penalty calculation method does not take into account the oilseeds acreage of farmers applying for compensatory payments under the simplified arable crop scheme. The Blair House Agreement refers to crop-specific payments. However, the U.S. and the EU disagree over the definition of crop-specific. Based on its interpretation of the term "crop-specific", the U.S. view is that simplified-scheme oilseed producers (hereafter called "small producers") should be considered in the penalty calculations. In MY 1998/99, the oilseed acreage of small producers was 109,000 HA. If "small producers" were taken into account, the EU average penalty on compensatory payments would have been 10% instead of 8%. Similarly, in MY 1997/98, the EU average penalty on compensatory payments would have been 5% instead of 3%. Consequently, the cumulative penalty for 1997/98 and 1998/99 combined would have been 14.5% rather than 10.76%.

Table 3: EU oilseed plantings under the main scheme of the arable crop regime

	Main scheme plantings 1/		
Member State	1996/97 (1996 harvest)	1997/98 (1997 harvest)	1998/99 (1998 harvest)
Belgium	3.961	4.398	5.186

Denmark	81.333	92.589	105.360
Germany	660.768	828.709	876.380
Greece	19.456	23.824	32.750
Spain	1,126.931	1,003.760	996.772
France	1,600.818	1,714.148	1,798.557
Ireland	2.639	5.036	6.325
Italy	537.687	722.690	765.839
Luxembourg	1.588	1.763	2.342
Netherlands	0.557	0.394	0.718
Portugal	80.178	55.397	53.848
U.K.	358.616	438.787	503.816
Austria	80.978	80.292	85.263
Finland	58.470	58.066	62.009
Sweden	59.625	59.716	50.732
TOTAL EU-15 (a)	4,673.605	5,089.569	5,345.897
Adj. Oilseeds max. guaranteed area (b)	4,933.800	4,933.800	4,933.800
Overshoot (c) = (a)-(b)	none	155.769	412.097
Overshoot (c) as a % of (b)		3.16%	8.35%

1/ Excludes both plantings under the simplified scheme, and plantings on set aside for industrial use

Table 4: Oilseed area overshoot and penalties applied to compensatory payments by EU member state, MY 1998/99

EU member state	Oilseed area overshoot 1998/99 (1,000 HA) 1/	Reduction on compens. payments for 1998/99 overshoot	Reduction on compens. payments applied in 1997/98	Cumulative penalty applied in 1998/99
Belgium	-0.214	-	-	-
Denmark	-107.040	-	-	-
Germany	40.280	2.70%	-	2.70%
Greece	9.350	16.75%	0.56%	17.22%
Spain	-54.428	-	-	-

France	241.557	7.88%	2.89%	10.54%
Ireland	1.825	16.93%	3.35%	19.71%
Italy	278.039	21.30%	10.23%	29.35%
Luxembourg	0.542	13.58%	-	13.58%
Netherlands	-5.582	-	-	-
Portugal	-28.852	-	-	-
U.K.	157.316	18.32%	6.62%	23.73%
Austria	-47.037	-	-	-
Finland	-0.991	-	-	-
Sweden	-72.568	-	-	-
TOTAL EU-15	412.097	8.00%	3.00%	10.76%

1/ Equals oilseed area for which crop-specific compensatory payments have been requested (see Table 2) minus oilseeds adjusted maximum guaranteed area (see Table 1).
Source: Commission Regulation (EC) No 380/1999 of February 19, 1999, L 46 of February 20, 1999.

Industrial uses of oilseeds

The Blair House Agreement of 1992 restricts the production of oilseeds on set-aside land to industrial (non-food and non-feed) purposes. Production is limited to 1 MMT soybeanmeal equivalent annually. In order to produce oilseeds for industrial use on set aside area and be eligible for the arable crop regime set-aside payments, growers must fulfill specific conditions including having a contract with a processor. Oilseed producers' submissions of contract data give the European Commission a means of monitoring the likely industrial oilseed output. To date, the 1 MMT-limit has not been breached by the EU.

Oilseeds -Production policy from 2000/01 onwards

Finalization of the Council Regulation on the EU arable crop regime reform, better known as Agenda 2000, has taken until May 1999. The decisions taken during the Berlin summit of March 1999 differ in a number of aspects from the original Agenda 2000 proposals.

First, it was decided to cut the EU intervention price for cereals by 15 rather than 20 percent. The corresponding increase in cereal compensatory payments was consequently reduced, setting the rate at EUR 63/MT by 2001/02 rather than EUR 66/MT. Oilseed growers, scheduled to receive the same compensatory payment as cereal farmers, will see their support payments reduced to EUR 63/MT by the marketing year 2002/2003. The amount of EUR 63/MT may be increased from the marketing year 2002/03 onwards in case the cereal intervention price is undergoing a further cut.

Secondly, the basic rate of compulsory set aside for arable crops was fixed at 10 percent, rather than zero percent, from the marketing year 2000/01 up to 2006/07. However, the

European Commission maintains the right to increase or decrease the set aside rate annually. Like under the current production policy, the land set aside may be used for the manufacture of products not primarily intended for human or animal consumption.

For the 2000/01 and 2001/02 marketing years, the base amounts for calculating the oilseeds area payments were set at EUR 81.74/MT and EUR 72.37/MT, respectively. Per region, these amounts will be multiplied by the average cereals yield determined in the regionalization plan in the region concerned. Member states will continue to have the possibility to fix the oilseeds payments on the basis of historical regional oilseeds yield, in which case the yield will be multiplied by 1.95.

Through the equalization of cereals and oilseeds compensatory payments, crop specific payments for oilseeds will be abolished by marketing year 2002/03. The European Commission considers this sufficient reason to do away with the Blair House restrictions on crop specific payments. For marketing years 2000/01 and 2001/02, Blair House calculations will continue to be done in the same manner as in the present. A maximum guaranteed area (MGA) of 5.482 million hectares will apply, reduced by the rate of compulsory set aside applicable for the marketing years in question, or by 10 percent, whichever is largest. A special provision is, however, inserted in Council Regulation 1251/1999, stating that the penalties derived from the Blair House calculation cannot lead to oilseed compensatory payments less than EUR 58.67/MT and EUR 63/MT for the marketing years 2000/01 and 2001/02, respectively. In effect, this caps applicable Blair House penalties despite the level of overshoot.

The lowering in compensatory payments for oilseeds, as specified in Agenda 2000, has encountered a lot of criticism from various sides in the EU oilseeds sector. It will undoubtedly have an impact on oilseed farmers' crop planting decisions. In comparing total proceeds from planting oilseeds versus cereals, a number of factors will, however, play a role. Yield levels, and scientific developments will lead the way, but expectations about market prices and developments in world supply and demand will also have a major influence on future EU oilseed production. Some industry sources estimate that rapeseed output could go down by 10-15 percent by the year 2002, while sunflower production could decrease as much as 35 percent. The outlook for sunflower is more negative because prospects for yield improvements are reportedly much smaller. The oilseed crushing industry is pessimistic about the rise in import dependency for raw materials which will result from lower oilseed plantings in the EU. They are, however, positive about the 10-percent obligatory set aside rate, which safeguards more or less the industrial oilseeds production. Also, hopes are high that compensatory measures may be taken in case the EU oilseeds production potential deteriorates seriously as a result of the Agenda 2000 reform. The European Commission bound itselves to submit a report to the Council on the development of the oilseeds market within two years following the application of the Agenda 2000 reforms.

POLICY - Trade Policy

The EC-6 bound import duties for oilseeds at zero and at levels generally lower than 10 percent for oils and meals during the 1960's when oilseed production in Europe was minimal. Therefore, EU internal oilseed prices fluctuate with the world market.

The WTO schedule of the European Communities includes subsidy quantity and outlay commitment levels for rapeseed exports. See Table 5. However, since the implementation of the Uruguay Round, the EU has not used export subsidies for rapeseed given high world prices.

Table 5: WTO annual and final outlay and quantity commitment levels of the European Communities for rapeseed, 1995/96-2000/01 (July/June basis)

	Maximum outlay commitment levels Million EURO	Maximum quantity commitment levels 1,000 MT rapeseed
1995/96	40.7	126.8
1996/97	38.1	122.2
1997/98	35.5	117.6
1998/99	32.9	113.0
1999/00	30.3	108.4
2000/01	27.7	103.8

Source: Schedule CXL: European Communities, Part IV-Agricultural Products: Commitments limiting subsidization

II. OLIVE OIL

PRODUCTION - Olive oil

Olive oil production in the EU represents about 75 percent of world production. The total number of olive trees in the EU is estimated at 460 million, and olives are grown on about 2 million farms. Small olive oil producers (producing maximally 500 kg of olive oil per year) account for over 60 percent of producers and for about 20 percent of production.

Over the years, large subsidies have encouraged increased olive tree plantings in the EU. Although demand for olive oil is strong, both in the export market and in the domestic market, several sources perceive current EU supplies as too large to be absorbed by the market.

The development of EU olive oil production over the last 5 years is shown in Table 6. The large increases in production during marketing years 1996/97 and 1997/98 have mainly been on account of Spain. The resulting overshoot of the EU Maximum Guaranteed Quantity of 1.35 MMT for olive oil production aid has, until 1998/99, led to a reduction in aid in all olive-growing EU Member States. The policy amendments applicable in marketing years 1998/99, 1999/2000 and 2000/2001 will, however, lead to a change in the calculation of aid penalties. See POLICY section.

Table 6: EU production of olive oil, and corresponding unit amounts of production aids

Marketing year	Production eligible for production aid (MT)	Unit amount of production aid (EUR/100 kg)
1994/95	1,463,228	Spain+Portugal 98.57 others 108.65
1995/96	1,481,450	129.57
1996/97	1,930,278	99.44
1997/98	2,394,291	80.17
1998/99 (estimate)	1,620,000	n.a.

Source: Commission Regulations 1463/96, 1478/97, 1483/98 and 1542/99.

The International Olive Oil Council estimates that world olive oil production has fallen from 2.57 MMT in 1997/98 to 2.2 MMT in the 1998/99 season. Production in the EU, representing the lion’s share of world olive oil output, is expected to have decreased to 1.62 MMT in 1998/99. The fall in production has primarily been on account of lower yields in Spain and Italy. Lower supplies have led to surging olive oil prices in the Mediterranean, to the extent that sunflower oil prices were becoming increasingly competitive.

CONSUMPTION - Olive oil

Traditionally, the majority of olive oil produced around the world is consumed in the countries where it is produced. In the EU, per capita levels of olive oil consumption are highest in producer countries such as Greece (18 kg/year), Spain (10 kg/year), and Italy (10 kg/year), while in Northern European countries average consumption levels remain below 1 kg/year. Total EU consumption of olive oil is estimated to remain constant at 1.7 MMT in 1998/99.

In recent years olive oil consumption in the U.S., Australia, and Japan has risen concurrently with the rise in per capita income in those countries. In the Middle East also, olive oil has become popular. Given its price premium vis-a-vis other vegetable oils, and its image of healthy, highly nutritional product, olive oil is, to a large extent, perceived as a luxury product.

In terms of volume, the growth in total EU demand for olive oil is mainly on account of Northern European countries. The EU has budgeted EUR 45 million for a three-year-promotion campaign starting at the beginning of 1999. About EUR 5 million of this will be spent on promotion measures for the international market, the remainder will be used to promote olive oil in the EU. Given that, in the recent past, the domestic market has been characterized by an oversupply of olive oil, the promotion campaign will contribute towards balancing the market. The messages to be conveyed are the nutritional values of olive oil, its unique taste and the different qualities available. Emphasis will be put on the use of olive oil in cooking, whereby the messages will be adapted to the situation in terms of attitudes, knowledge and the present use of the product in each EU member state.

TRADE - Olive oil

During 1997/98, EU imports from third countries decreased by 20 percent compared to 1996/97. This decrease in imports is partly attributed to large domestic supplies. The EU is self-sufficient in olive oil, and given the variable import levy mechanism, imports from third countries remain relatively small compared to domestic production and consumption. Preferential regimes with reduction of duties are in place for some Mediterranean basin countries (see Trade Policy section).

During 1997/98, EU olive oil imports from third countries amounted to 117,000 MT (146,000 MT in 1996/97). The main countries of origin were Tunisia (98,000 MT in 1997/98, 94,000 MT in 1996/97), Turkey (16,000 MT in 1997/98, 22,000 MT in 1996/97), and Morocco (2,000 MT in 1997/98, 27,000 MT in 1996/97).

Total olive oil exports to third countries in 1997/98 equalled 224,000 MT, a 4-percent-increase from 1996/97. Exports to the U.S. (96,000 MT) represented 43 percent of total EU exports, the remainder was shipped to Japan (30,000 MT), Brazil (20,000 MT), Australia (16,000 MT), Canada (14,000 MT), and other countries (28,000 MT).

Despite a reduction in 1998/99 production, exports are expected to follow their increasing trend. The gradual elimination of tariff barriers in countries where olive oil consumption is growing also constitutes a supporting factor.

POLICY - Production Policy

Production policy - Olive oil

The main objectives of the EU olive oil regime are the prevention of large price fluctuations, and providing income security to farmers in the poorer regions of the EU where olives are mainly grown.

Since the implementation of the Uruguay Round on July 1, 1995, the support system in the olive oil sector has been based on a number of institutional prices. For a detailed description of this system, see the annual Oilseeds Report of the U.S. Mission to the EU, dated June 1998.

In 1997, the European Commission communicated to the European Council and the European Parliament the necessity to reform the common market organization of the olive sector. In working out reform proposals for the production-based subsidy system in place, the European Commission was mainly thinking about a system linking subsidies to the number of productive trees. Agreement on this reform has not been obtained to date. Several EU olive growing countries argue that linking subsidies to the number of olive trees would reduce growers' incentive for production and quality. They prefer to scrap the special aid for small producers but keep the production-based subsidy system. This would solve the problem with fraud which, reportedly, is particularly large with regard to aid for small producers.

Opinions of the various EU institutions concur on the need for reform. A structural reform of the EU olive oil regime is, however, postponed until marketing year 2001/02 (marketing years run between November 1 and October 31). In order to determine the best approach for the future, the European Commission wants to obtain more reliable information, particularly with regard to the number of olive trees, planted area and yields. During the period 1998/99-2000/01, a Geographic Information System (GIS) will be created using the data from the olive cultivation register. Given that analyis of these data will take time, the European Commission has undertaken to present a proposal for a reform in the course of the year 2000 for application from the 2001/02 marketing year.

Current production policy in the olive oil sector

For the interim period, covering the 3 marketing years 1998/99, 1999/2000, and 2001/02, the European Commission made some adjustments to the system which was in place until the end of 1997/98. Council Regulation 1638/98 of July 20, 1998 sets out the details.

The EU maximum guaranteed quantity (MGQ), for which olive growers can receive production aids, is set at 1,777,261 MT of olive oil per marketing year (compared to the EU-wide limit of 1.35 MMT until the end of 1997/98). The total is apportioned among the olive-producing EU Member States as follows: Spain (760,027 MT), France (3,297 MT), Greece (419,529 MT), Italy (543,164 MT), and Portugal (51,244 MT). Compared to the original council regulation proposal, the total EU MGQ was raised by 215,000 MT, an increase taken up primarily by Spain. During the formulation of the new legislation, Spanish officials had expressed dissatisfaction with the NGQ suggested for Spain. They argued that the Spanish NGQ was far too low in comparison with actual production of more than 1 MMT in 1997/98.

Production aid is granted to olive growers on the basis of the quantity of olive oil they actually produce. The former provisions relating specifically to aid for small producers

were deleted.

EU member states may allocate part of their national guaranteed quantities (NGQ) and of their olive oil production aids to support for table olives. If actual production of a member state is lower than its NGQ in any marketing year, 20 percent of the shortfall will be distributed among the member states that exceeded their NGQs during the same period. The remainder of the shortfall will be added to the NGQ of the following year. Member states that exceeded their NGQs will see their production aid levels lowered by the application of a reduction coefficient. The coefficient is arrived at by dividing the NGQ, plus any increase resulting from the redistribution of other EU member states' shortfall, by the actual production of olive oil.

While the production target price was kept unchanged from the 1997/98 level of EUR 3837.7/MT, the production aid level was lowered from EUR 1422/MT to EUR 1322.5/MT.

The system of public buying-in (intervention) was discontinued and replaced by a system of private storage contracts. All references to the intervention price were accordingly deleted or replaced. Consumption aid was abolished.

Production refunds exist in order to facilitate the sale of olive oil for the manufacture of preserved foods. For example, for the months of September and October 1999 the amount of the production refund was set at EUR 44/100 kg.

POLICY- Trade Policy

Trade Policy - Imports of olive oil

With the implementation of the GATT Uruguay Round Agreement, olive oil imports into the EU are subject to a fixed tariff/duty system, reduced by 20 percent over the six-year period of July 1, 1995-June 30, 2001. The Common Customs Tariff (CCT) applicable during the first and second half of 1999 is listed in Table 7.

Imports from the Overseas Countries and Territories, Andorra, San Marino are duty-free. The Cooperation Agreements between the European Community, and Morocco, Lebanon, Algeria, Turkey, and Tunisia, provide for a flat-rate deduction of EUR 0.7245/100 kg from the applicable levy. The applicable rate of customs duty can be further reduced by an amount equal to a special charge imposed by those countries on exports of olive oil to the European Union. The maximum amounts of this special charge vary among the countries concerned. For Tunisia, Algeria, and Morocco, the maximum amount equals ECU 14.60/100 kg, while for Turkey, and Lebanon, the maximum amounts are set at ECU 13.14/100 kg and ECU 5.796/100 kg, respectively.

Also, the Euro-Mediterranean Association Agreement between the EU and Tunisia provides a special regime for olive oil originating in Tunisia. This regime provides for the application of a reduced customs duty of ECU 7.81/100 kg for untreated olive oil originating in Tunisia, during the period January 1, 1996-December 31, 1999, and within the limit of 46,000 MT per year.

Table 7: Common Customs Tariff on imports of olive oil into the EU

Product	Import duty (EUR/100 kg net)

	January 1-June 30, 1999	July 1 - Dec. 31, 1999
1509 10 10 (Lampante Virgin)	132.8	127.7
1509 10 90 (Other Virgin)	134.9	129.7
1509 90 00 (Other olive oil)	145.8	140.2
1510 00 10 (Other crude oil from olives)	119.4	114.8
1510 00 90 (all other oil from olives)	173.7	167.0

Source: EU Tariff Schedule 1999, Official Journal of the European Communities, L 292 of October 30, 1998.

Trade Policy - Exports of olive oil

When olive oil prices within the EU are higher than world market prices, the difference may be covered by an export refund. Export licenses may be applied for through the Common Right system or via a tendering system. The European Commission decides on the level of the export refunds and the number of licenses to award. When EU prices are close to world market prices, the European Commission may opt for not setting any refunds and/or rejecting the bid from exporters.

The gradual reduction in subsidized exports agreed on in the GATT Uruguay Round (see Table 8) will force EU suppliers to become more competitive without refund aid.

Table 8: Olive oil - GATT ceiling on subsidized exports

	Value (Million EURO)	Volume (1,000 MT)
1995	79.8	140.5
1996	74.7	135.4
1997	69.6	130.3
1998	64.5	125.2
1999	59.4	120.1
2000	54.3	115.0

Source: Schedule CXL: European Communities, Part IV - Agricultural Products: Commitments limiting subsidization.

During 1996/97, subsidized exports of olive oil totalled ECU 39 million and 140,400 MT.

Total exports (subsidized plus unsubsidized) of olive oil amounted to 216,000 MT during 1996/97.

In terms of budgetary outlay, actual subsidized exports of olive oil during 1996/97 accounted for 52 percent of the permitted ceiling established under the GATT Uruguay Round Agreement (78 percent in 1995/96). However, subsidized volumes of olive oil exceeded the 1996/97 ceiling by 5,000 MT. Data on subsidized exports of olive oil during 1997/98 as notified to the WTO are not yet available.

PRODUCTION-SUPPLY-DEMAND TABLES

TOTAL OILSEEDS (rapeseed, soybeans , sunflower)

	Revised 1997 10/97		Prelim 1998 10/98		Forec. 1999 10/99	
	Old	New	Old	New	Old	New
Area planted	5570	5580	5770	5860	0	5950
Area harvested	5570	5580	5770	5860	0	5950
Beginning stocks	570	570	1020	818	0	1543
Production	14200	14320	14750	14650	0	14650
MY imports (extra-EU)	17000	17372	17100	18000	0	18600
MY Imports from U.S.	8000	7907	8400	6855	0	7300
Tot.MY imp (intra + extra)	20875	22190	20975	22900	0	23500
TOTAL SUPPLY	**35645**	**37080**	**36745**	**38368**	**0**	**39693**
MY Exports (extra-EU)	675	844	775	1025	0	1225
Tot. MY exp (intra + extra)	4550	5662	4650	5925	0	6125
Crushing domest. consumpt.	28700	29300	29400	29500	0	29700
Food use dom. consumption	1275	1200	1350	1300	0	1350
Feed, Seed, Waste Dom. cons.	100	100	100	100	0	100
TOTAL domestic consumption	30075	30600	30850	30900	0	31150
Ending stocks	1020	818	1245	1543	0	2418
TOTAL DISTRIBUTION	**35645**	**37080**	**36745**	**38368**	**0**	**39693**
Calendar Year Imports (extra-EU)	15886	15886	17200	17517	0	18150
Calendar Yr Imp. U.S.	7861	7861	8300	7012	0	7150
Calendar Year exports(extra-EU)	559	559	700	783	0	1025
Calendar yr exports to U.S.	0	0	0	0	0	0

TOTAL OILMEALS (rapeseed, soybeans , sunflower)

	Revised 1997 10/97		Prelim 1998 10/98		Forecast 1999 10/99	

	Old	New	Old	New	Old	New
Crushing	28700	29300	29400	29500	0	29700
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning stocks	59	59	69	114	0	259
Production	19750	20150	20150	20225	0	20300
MY imports	12520	14333	12800	18450	0	16780
MY Imports from U.S.	870	1851	920	615	0	1015
Tot.MY imp (intra + extra)	18120	20807	18400	24750	0	23080
TOTAL SUPPLY	**37929**	**41016**	**38619**	**45089**	**0**	**43639**
MY Exports (extra-EU)	835	1353	835	1230	0	1230
Tot. MY exp (intra + extra)	6435	7827	6435	7530	0	7530
Industrial domest. consumption	31425	33075	31900	37300	0	35850
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	31425	33075	31900	37300	0	35850
Ending stocks	69	114	284	259	0	259
TOTAL DISTRIBUTION	**37929**	**41016**	**38619**	**45089**	**0**	**43639**
Calendar Year Imports (extra-EU)	12459	12459	12780	15443	0	17300
Calendar Yr Imp. U.S.	1009	1009	1020	1710	0	815
Calendar Year exports(extra-EU)	1013	1013	1030	1406	0	1330
Calendar yr exports to U.S.	2	2	0	0	0	0

TOTAL OILS (rapeseed, soybeans , sunflower)

	Revised 1997 10/97		Prelim 1998 10/98		Forecast 1999 10/99	
	Old	New	Old	New	Old	New
Crushing	28700	29300	29400	29500	0	29700
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning stocks	400	400	335	618	0	438
Production	8250	8450	8500	8575	0	8725
MY imports	80	193	80	220	0	270
MY Imports from U.S.	5	13	5	10	0	10
Tot.MY imp (intra + extra)	2410	2603	2410	2570	0	2620
TOTAL SUPPLY	**11060**	**11453**	**11245**	**11763**	**0**	**11783**
MY Exports (extra-EU)	2250	2125	2420	2425	0	2600
Tot. MY exp (intra + extra)	4625	4535	4795	4775	0	4950
Industrial domest. consumption	6100	6300	6100	6550	0	6500
Food use dom. consumption	0	0	0	0	0	0

Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	6100	6300	6100	6550	0	6500
Ending stocks	335	618	350	438	0	333
TOTAL DISTRIBUTION	**11060**	**11453**	**11245**	**11763**	**0**	**11783**
Calendar Year Imports (extra-EU)	77	77	80	201	0	240
Calendar Yr Imp. U.S.	0	0	0	11	0	10
Calendar Year exports(extra-EU)	2021	2021	2295	2226	0	2470
Calendar yr exports to U.S.	0	0	0	1	0	0

Product: Rapeseed

PSD Table						
Country:	European Union					
Commodity:	Rapeseed					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	2770	2770	3000	3080	0	3420
Area Harvested	2770	2770	3000	3080	0	3420
Beginning Stocks	240	240	540	142	690	842
Production	8700	8800	9300	9600	0	10500
MY Imports	300	396	200	800	0	600
MY Imp. from U.S.	0	0	0	155	0	100
MY Imp. from the EC	2200	2038	2200	2500	0	2500
TOTAL SUPPLY	9240	9436	10040	10542	690	11942
MY Exports	600	694	700	900	0	1100
MY Exp. to the EC	2200	2629	2200	2500	0	2500
Crush Dom. Consumption	7300	7900	7800	8000	0	8300
Food Use Dom. Consump.	800	700	850	800	0	850
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	8100	8600	8650	8800	0	9150
Ending Stocks	540	142	690	842	0	1692
TOTAL DISTRIBUTION	9240	9436	10040	10542	0	11942
Calendar Year Imports	277	277	300	617	0	650
Calendar Yr Imp. U.S.	0	0	0	155	0	100
Calendar Year Exports	382	382	600	678	0	900
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Rapeseed meal

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	7300	7900	7800	8000	0	8300
Extr. Rate	0.5753425	0.5759494	0.5769231	0.578125	ERR	0.5722892
Beginning Stocks	19	19	29	71	69	36
Production	4200	4550	4500	4625	0	4750
MY Imports	720	663	500	600	0	500
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	1300	1612	1300	1900	0	1900
TOTAL SUPPLY	4939	5232	5029	5296	69	5286
MY Exports	10	11	10	10	0	10
MY Exp. to the EC	1300	2168	1310	1900	0	1900
Industrial Dom. Consum	4900	5150	4950	5250	0	5200
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	4900	5150	4950	5250	0	5200
Ending Stocks	29	71	69	36	0	76
TOTAL DISTRIBUTION	4939	5232	5029	5296	0	5286
Calendar Year Imports	868	868	700	630	0	550
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	15	15	10	8	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Rapeseed oil

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	7300	7900	7800	8000	0	8300
Extr. Rate	0.4109589	0.4113924	0.4038462	0.40625	ERR	0.4156627
Beginning Stocks	140	140	150	243	210	153

Production	3000	3250	3150	3250	0	3450
MY Imports	10	10	10	10	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	1000	1032	1000	1000	0	1000
TOTAL SUPPLY	3150	3400	3310	3503	210	3613
MY Exports	700	757	800	850	0	950
MY Exp. to the EC	1000	1039	1000	1000	0	1000
Industrial Dom. Consum	2300	2400	2300	2500	0	2500
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	2300	2400	2300	2500	0	2500
Ending Stocks	150	243	210	153	0	163
TOTAL DISTRIBUTION	3150	3400	3310	3503	0	3613
Calendar Year Imports	15	15	10	4	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	664	664	720	836	0	900
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Soybeans

PSD Table						
Country:	European Union					
Commodity:	Soybean					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	450	460	470	520	0	410
Area Harvested	450	460	470	520	0	410
Beginning Stocks	155	155	180	265	255	215
Production	1450	1450	1500	1600	0	1250
MY Imports	14700	15009	14700	14500	0	15000
MY Imp. from U.S.	7900	7721	8300	6500	0	7000
MY Imp. from the EC	775	1337	775	1500	0	1500
TOTAL SUPPLY	16305	16614	16380	16365	255	16465
MY Exports	25	49	25	50	0	50
MY Exp. to the EC	775	1809	775	1500	0	1500
Crush Dom. Consumption	16000	16200	16000	16000	0	16000
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	100	100	100	100	0	100

Total Dom. Consumption	16100	16300	16100	16100	0	16100
Ending Stocks	180	265	255	215	0	315
TOTAL DISTRIBUTION	16305	16614	16380	16365	0	16465
Calendar Year Imports	13657	13657	14800	14728	0	14900
Calendar Yr Imp. U.S.	7793	7793	8200	6666	0	6850
Calendar Year Exports	47	47	30	29	0	50
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Soybeanmeal

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	16000	16200	16000	16000	0	16000
Extr. Rate	0.790625	0.7901235	0.790625	0.790625	ERR	0.790625
Beginning Stocks	36	36	36	27	86	177
Production	12650	12800	12650	12650	0	12650
MY Imports	10000	11814	10500	16000	0	14500
MY Imp. from U.S.	850	1839	900	600	0	1000
MY Imp. from the EC	3500	3675	3500	3800	0	3800
TOTAL SUPPLY	22686	24650	23186	28677	86	27327
MY Exports	800	1323	800	1200	0	1200
MY Exp. to the EC	3500	4118	3500	3800	0	3800
Industrial Dom. Consum	21850	23300	22300	27300	0	26000
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	21850	23300	22300	27300	0	26000
Ending Stocks	36	27	86	177	0	127
TOTAL DISTRIBUTION	22686	24650	23186	28677	0	27327
Calendar Year Imports	9829	9829	10300	13094	0	15000
Calendar Yr Imp. U.S.	994	994	1000	1699	0	800
Calendar Year Exports	967	967	1000	1379	0	1300
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Soybean oil

PSD Table						
Country:						

Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	16000	16200	16000	16000	0	16000
Extr. Rate	0.18125	0.1820988	0.18125	0.1828125	ERR	0.1828125
Beginning Stocks	117	117	137	166	87	126
Production	2900	2950	2900	2925	0	2925
MY Imports	20	5	20	10	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	575	648	575	650	0	650
TOTAL SUPPLY	3037	3072	3057	3101	87	3061
MY Exports	900	1056	920	1075	0	1100
MY Exp. to the EC	575	667	575	650	0	650
Industrial Dom. Consum	2000	1850	2050	1900	0	1950
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	2000	1850	2050	1900	0	1950
Ending Stocks	137	166	87	126	0	11
TOTAL DISTRIBUTION	3037	3072	3057	3101	0	3061
Calendar Year Imports	22	22	20	5	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	857	857	875	1115	0	1120
Calndr Yr Exp. to U.S.	0	0	0	1	0	0

Product: Sunflowerseed

PSD Table						
Country:	European Union					
Commodity:	Sunflowerseed					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	2350	2350	2300	2260	0	2120
Area Harvested	2350	2350	2300	2260	0	2120
Beginning Stocks	175	175	300	411	300	486
Production	4050	4070	3950	3450	0	2900
MY Imports	2000	1967	2200	2700	0	3000
MY Imp. from U.S.	100	186	100	200	0	200

MY Imp. from the EC	900	814	900	900	0	900
TOTAL SUPPLY	6225	6212	6450	6561	300	6386
MY Exports	50	101	50	75	0	75
MY Exp. to the EC	900	1008	900	900	0	900
Crush Dom. Consumption	5400	5200	5600	5500	0	5400
Food Use Dom. Consump.	475	500	500	500	0	500
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	5875	5700	6100	6000	0	5900
Ending Stocks	300	411	300	486	0	411
TOTAL DISTRIBUTION	6225	6212	6450	6561	0	6386
Calendar Year Imports	1952	1952	2100	2172	0	2600
Calendar Yr Imp. U.S.	68	68	100	191	0	200
Calendar Year Exports	130	130	70	76	0	75
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Product: Sunflower meal

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	5400	5200	5600	5500	0	5400
Extr. Rate	0.537037	0.5384615	0.5357143	0.5363636	ERR	0.537037
Beginning Stocks	4	4	4	16	129	46
Production	2900	2800	3000	2950	0	2900
MY Imports	1800	1856	1800	1850	0	1780
MY Imp. from U.S.	20	12	20	15	0	15
MY Imp. from the EC	800	666	800	600	0	600
TOTAL SUPPLY	4704	4660	4804	4816	129	4726
MY Exports	25	19	25	20	0	20
MY Exp. to the EC	800	710	800	600	0	600
Industrial Dom. Consum	4675	4625	4650	4750	0	4650
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	4675	4625	4650	4750	0	4650
Ending Stocks	4	16	129	46	0	56
TOTAL DISTRIBUTION	4704	4660	4804	4816	0	4726

Calendar Year Imports	1762	1762	1780	1719	0	1750
Calendar Yr Imp. U.S.	15	15	20	11	0	15
Calendar Year Exports	31	31	20	19	0	20
Calndr Yr Exp. to U.S.	2	2	0	0	0	0

Product: Sunflower oil

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	5400	5200	5600	5500	0	5400
Extr. Rate	0.4351852	0.4326923	0.4375	0.4363636	ERR	0.4351852
Beginning Stocks	143	143	48	209	53	159
Production	2350	2250	2450	2400	0	2350
MY Imports	50	178	50	200	0	250
MY Imp. from U.S.	5	13	5	10	0	10
MY Imp. from the EC	740	709	755	700	0	700
TOTAL SUPPLY	2543	2571	2548	2809	53	2759
MY Exports	695	312	745	500	0	550
MY Exp. to the EC	800	722	800	700	0	700
Industrial Dom. Consum	1800	2050	1750	2150	0	2050
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	1800	2050	1750	2150	0	2050
Ending Stocks	48	209	53	159	0	159
TOTAL DISTRIBUTION	2543	2571	2548	2809	0	2759
Calendar Year Imports	40	40	50	192	0	220
Calendar Yr Imp. U.S.	0	0	0	11	0	10
Calendar Year Exports	500	500	700	275	0	450
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

TRADE STATISTICS

Rapeseed
Oct97-Sept98

EU imports from:

	1000 MT
US	0
Australia	100
Czech Republic	69
Brazil	51
Russia	45
Hungary	45
Slovakia	39
Lithuania	17
Poland	12
Estonia	6
Ukraine	5
Other	7
Total	396

EU exports to:

	1000 MT
US	0
China	361
Mexico	93
Bangladesh	78
Japan	55
Canada	53
Poland	29
Norway	12
Nepal	6
Israel	5
Other	2
Total	694

Rapeseed meal
Oct97-Sept98

EU imports from:

	1000 MT
US	0
India	231
Poland	164
Czech Republic	160
Slovakia	46
Canada	39
Hungary	15
Lithuania	3
Singapore	2
Other	3
Total	663

EU exports to:

	1000 MT
US	0
Israel	6
Sierra Leone	2
Norway	1
Other	2
Total	11

Rapeseed oil

Oct97-Sept98

EU imports from:

	1000 MT
US	0
China	4
Hungary	1
Other	5
Total	10

EU exports to:

	1000 MT
US	0
China	151
Russia	145
Hong Kong	124
India	55
Morocco	28
Lithuania	26
Latvia	25
Algeria	21
Estonia	20
Poland	11
Other	151
Total	757

Soybeans
Oct97-Sept98

EU imports from:

	1000 MT
US	7721
Brazil	4886
Argentina	977
Paraguay	885
Canada	484
Bolivia	7
Uruguay	6
Ecuador	5
Nigeria	5
Ukraine	4
Hungary	1
Other	28
Total	15009

EU exports to:

	1000 MT
US	0
Thailand	14
Czech Republic	10
Switzerland	9
Poland	5
Cyprus	3
Hungary	2
Norway	1
Slovakia	1
Other	4
Total	49

Soybean meal
Oct97-Sept98

EU imports from:

EU exports to:

	1000 MT		1000 MT
US	1839	US	
Brazil	5324	Poland	573
Argentina	4352	Czech Republic	251
Canada	151	Slovakia	148
Norway	114	Hungary	81
India	20	Switzerland	73
Cyprus	4	Cyprus	27
Trinidad & Tobago	3	Malta	23
Uruguay	2	Lithuania	20
		Romania	19
		Libya	16
Other	5	Other	92
Total	11814	Total	1323

Soybean oil
Oct97-Sept98

EU imports from: EU exports to:

	1000 MT		1000 MT
US	0	US	0
Morocco	2	Hong Kong	153
Norway	1	Tunisia	135
		Turkey	108
		Poland	104
		Russia	89
		Senegal	70
		Algeria	64
		China	30
		Lebanon	27
		Czech Republic	23
Other	2	Other	253
Total	5	Total	1056

Sunflowerseed
Oct97-Sept98

EU imports from: EU exports to:

	1000 MT		1000 MT
US	186	US	0

Ukraine	649	Morocco	27
Russia	475	Hungary	26
Argentina	404	Mexico	23
Hungary	71	Switzerland	8
Bulgaria	48	Jordan	6
Canada	25	Turkey	5
Romania	24	Norway	3
Uruguay	21		
Modova	18		
Bahamas	11		
Other	35	Other	3
Total	1967	Total	101

Sunflowerseed meal
Oct97-Sept98

EU imports from:		EU exports to:	
	1000 MT		1000 MT
US	12	US	0
Argentina	1641	Cyprus	11
Ukraine	91	Malta	3
India	24	Morocco	1
Romania	22	Russia	1
Russia	18		
Slovakia	15		
Czech Republic	10		
Hungary	8		
Bulgaria	5		
Brazil	3		
Other	7	Other	3
Total	1856	Total	19

Sunflowerseed oil
Oct97-Sept98

EU imports from:		EU exports to:	
	1000 MT		1000 MT
US	13	US	0
Argentina	150	Algeria	51
Hungary	5	Russia	46
Ukraine	3	Morocco	25

Slovenia	2	Slovenia	23
Russia	2	Switzerland	20
Turkey	1	Turkey	18
		Uzbekistan	18
		Egypt	15
		Macedonia	8
		Latvia	7
Other	2	Other	81
Total	178	Total	312

Olive oil
Nov97-Oct98

EU imports from:

	1000 MT
US	0
Tunisia	98
Turkey	16
Morocco	2
Other	1
Total	117

EU exports to:

	1000 MT
US	96
Japan	30
Brazil	20
Australia	16
Canada	14
Switzerland	6
Taiwan	4
Argentina	3
Mexico	3
Saudi Arabia	3
Andorra	2
Other	7
Total	224

Oct97-Sept98
1000 MT
Total Extra-EU trade

	EU imports	EU exports
Shelled peanuts	417	43
Peanut meal	170	32
Peanut oil	131	10
Fish meal	701	273
Fish oil	120	30
Palm oil	1756	73

Oilseeds, oilmeals and oils: EU trade with third countries
(1,000 MT) - CY 1998

	Imports		Exports	
	Extra-EU	U.S.	Extra-EU	U.S.
Soybeans	14728	6666	29	0
Soybean meal	13094	1699	1379	0
Soybean oil	5	0	1115	1
Shelled peanuts	419	95	40	0
Peanut meal	206	13	0	0
Peanut oil	129	0	10	0
Olive oil	117	0	222	98
Fish meal	699	17	278	1
Fish oil	103	14	35	2
Palm oil	1205	0	89	14
Sunflowerseed	2172	191	76	0
Sunflowerseed meal	1719	11	19	0
Sunflowerseed oil	192	11	275	0
Rapeseed	617	155	678	0
Rapeseed meal	630	0	8	0
Rapeseed oil	4	0	836	0