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Oilseeds and Products

The EU oilseeds market in 2000

2000

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Report Highlights:

Although the 1999/2000 marketing year set a record for EU oilseeds production, the Blair House limits were not exceeded, hence no penalties were applied. In 2000/01, the first implementation year of Agenda 2000, the EU oilseeds crop is expected to fall by 1.2 MMT, a reduction largely accounted for by a decrease in rapeseed area.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary	1
<u>I. OILSEEDS (excl. olives)</u>	2
Production	2
Consumption	3
Consumption - Oilseeds	3
Consumption - Oilmeals	3
Consumption - Oils	4
Trade	4
Trade - Oilseeds	4
Trade - Oilmeals	5
Trade - Oils	5
Policy	6
Policy - Production policy	6
Policy - Trade Policy	10
<u>II. Olive oil</u>	12
Production - Olive oil	12
Consumption - Olive oil	13
Trade - Olive oil	13
Policy - Olive oil	14
Policy - Olive oil production policy	14
Policy - Olive oil trade policy	15
<u>PRODUCTION-SUPPLY-DEMAND TABLES</u>	18
<u>TRADE STATISTICS</u>	26

Executive Summary

With a total of 15.7 MMT of rapeseed, sunflowerseed and soybeans harvested, marketing year 1999/2000 set a record for EU oilseeds production. Because the increase in output was rather attributed to the more than doubling of industrial oilseed area, the Blair House limit on oilseeds was not exceeded. Hence, following two consecutive applications of Blair House penalties in 1997/98 and 1998/99, penalties were not applied in 1999/2000.

While the increases in industrial planting brought the EU close to the Blair House industrial oilseed limit of 1-MMT soybean meal equivalent, ultimately it was concluded that the ceiling was not reached. Given that the 1-MMT limit was neared, the European Commission adopted new legislation enabling the monitoring of the output of by-products from industrial oilseeds, and defining corrective action.

In marketing year 2000/01, EU oilseed production is expected to fall by 1.2 MMT, primarily the result of a 10-percent decrease in rapeseed area. As Agenda 2000 reforms set in and oilseeds compensatory payments are cut, oilseed growers have reduced oilseed area in favor of grains, particularly wheat. Given that the arable crop set aside rate remains unchanged at 10 percent, and demand for industrial oilseeds is expected to remain strong in 2000/01, it is forecast that the drop in rapeseed area will occur in the area of rapeseed for food rather than industrial rapeseed.

Demand for oilmeals resulting from oilseeds crushing is expected to fall from 1999/2000 levels, because feed grains, wheat particularly, are forecast to be more attractive in price. Soybean meal imports are also expected to decrease in 2000/01.

EU consumption of vegetable oils, rapeseed oil in particular, has increased during 1999/2000 owing to low prices. As most market sources remain bearish about vegetable oil prices in the near term, internal demand will remain strong in 2000/01. Exports are, however, expected to fall in view of strong competition from cheap-priced palm oil on the international market and increased import duties on vegetable oils set by India.

EU olive oil production in 1999/2000 is forecast to decrease by almost 2 percent from the 1998/99 level of 1.876 MMT. 1999/2000 is the second year of a 3-year transition period in terms of policy reform. A structural reform of the 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 (0.8 MMT in 1998/99), linseed (0.34 MMT in 1998/99), 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

EU rapeseed production is expected to fall by 12 percent in MY 2000/01, a drop almost entirely due to a 10-percent decrease in planted area, and reinforced by a 2-percent reduction in yields. Low prices, following huge supplies in MY 1999/2000, combined with decreased compensatory payments under Agenda 2000 reforms, have caused this development. Yield reductions are forecast to be largest in Germany, where northern and eastern regions suffered from severe drought conditions during a large part of the growing season.

Because of reductions in planted area, EU sunflowerseed production has gradually decreased in recent years. However, in 2000/01, it is forecast to increase by 5 percent due to the recovery in sunflowerseed output in Spain.

Notwithstanding the drop in soybean plantings, primarily in the Southwest of France, EU soybean production is expected to increase by 4 percent in 2000/01 due to increased yields.

Commercial plantings of genetically modified rapeseed are illegal in the EU. In May 2000, the issue suddenly received a lot of attention when it was discovered that Canadian-origin rapeseed containing genetically modified material was unwittingly planted in the EU. The EU member states concerned were France, Germany, Sweden, the U.K. and Luxembourg. In member states such as France, Sweden and the U.K., where governments ordered the crops to be destroyed, growers obtained guarantees from the EU Commission that EU hectare payments would be paid.

Furthermore, the marketing company that had distributed the seeds committed itself to compensate the commercial value of lost sales.

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 increased from 408,000 HA in 1998/99 to 967,000 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 2006/07 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	347	854
Sunflowerseed	152	101	80	61	113
Total	952	643	400	408	967

Consumption

Consumption - Oilseeds

The bumper EU rapeseed crop of 1999/2000 has boosted supplies to the domestic crushing industry, which, attracted by the low raw material prices, has largely increased rapeseed crushings. Also, higher than expected domestic rapeseed oil demand has been a contributing factor. In 2000/01, rapeseed crushings may be lower, due to both lower internal supplies and worse prospects with regard to sales of rapeseed oil.

Lower sunflowerseed imports in 2000/01 may be offset by a small increase in domestic crop output and hence crushings of sunflowerseed may stagnate.

Soybean crushings may rise in 2000/01 in order to compensate for reduced crushings of soft seed. By consequence, total crushings of the 3 oilseeds combined may remain unchanged in 2000/01.

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.

Oilmeal consumption dropped in 1999/2000 due to an overall meat production decrease, resulting in a lower compound feed output. Both EU beef and poultry production estimates for 2001 show an increasing trend, while pork production should stay more or less stable. Overall, compound feed output in 2000/01 is expected to rise slightly from the previous year. However, based on expected soybean meal/wheat price ratios, it is highly likely that wheat use will rise based on its price competitiveness versus soybean meal. As a result, soybean meal use in the EU is forecast to drop by 1.35 MMT in 2000/01.

Consumption - Oils

During 1999/2000, vegetable oil prices both in the EU and on the world market, continued the decline seen in 1998/99. By consequence, EU rapeseed oil demand has risen in 4 different market segments. In the food area, demand went up both for rapeseed oil as a cooking oil and by the food processing sector. In the industrial area, the applications of rapeseed oil in the oleochemicals sector and the bio-diesel production sector grew considerably. The biodiesel industry has experienced a boost in demand because of the rise in mineral oil prices. The industrial sectors mentioned derive their rapeseed supplies from growers who concluded contracts with processors for the cultivation of rapeseed on set aside land.

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.

Trade

Trade - Oilseeds

Given the negligible volume of soybeans grown in the EU, imports remain a necessity in order to provide raw material to EU soybean crushing companies. In 1998/99, soybean imports decreased by more than 2 MMT from all major origin countries except Brazil. EU soybean imports from the U.S. fell by 2 MMT during 1998/99. Part of these lost sales are expected to be regained in 1999/2000. Between September 1, 1999 and June 22, 2000, sales of U.S. soybeans to the EU amounted to 7.1 MMT, up from 6.2 MMT during the same period of 1998/99.

Sunflowerseed imports into the EU originate primarily in Argentina, Russia, Ukraine, and other East European countries, while imports from the U.S. represented 8 percent of the total in 1998/99. In 2000/01, imports of sunflowerseed are expected to decline, because of lower sunseed supplies in drought-stricken Central Europe and Ukraine.

For rapeseed, Australia has become the principal third country supplier, having shipped 304,000 MT of rapeseed to the EU in 1998/99 (100,000 MT in 1997/98). The fact that Australia can provide GMO-free rapeseed has played a role in this development. The U.S. exported 131,000 MT of rapeseed to the EU in 1998/99 (zero in 1997/98).

The EU Commission has submitted a proposal to put a 7-percent import duty on imports of sunflowerseed and rapeseed from Russia, in retaliation for Russia's EU egg ban. Russia is an important supplier of sunflowerseed to the EU, in 1998/99 representing 17 percent of third country sunflowerseed imports. With the EU being in deficit with regard to sunflowerseed supplies, the soft seed crushing industry is dependent upon imports. Not surprisingly, the EU crushing industry has uttered severe opposition against the proposal.

Exports of EU rapeseed nearly doubled in 1998/99 (1.32 MMT), the majority of additional exports destined to China. Plentiful rapeseed supplies resulting from the bumper EU crop in 1999 have, in addition to increased crushing, resulted in increased exports of up to 2 MMT during MY 1999/2000. This development may be reversed again in 2000/01 when EU production will be much lower. Demand from China is an important variable in the development of EU rapeseed exports. Canada, with large canola stocks carried over from 1999/2000 will be the EU's main competitor in sales to China. In recent years, China has shown a great preference for importing oilseeds to be crushed in the local economy, rather than importing vegetable oils. Given that the Chinese accession to the WTO is conditional upon opening up the Chinese market to vegetable oils from third countries, this situation may change as early as 2001.

Given low domestic supplies of sunflowerseed and soybeans, exports of these oilseeds are negligible.

Trade - Oilmeals

Imports of soybean meal into the EU are expected to decrease slightly in 1999/2000. The strength of the U.S. dollar versus the EURO has played a major role in this development. EU imports of soybean meal from the U.S. between September 1, 1999 and June 22, 2000 equalled 170,000 MT, down from 400,000 MT during the same period of 1998/99.

In 2000/01, imports of soybean meal into the EU are forecast to reduce more drastically, owing to its relative high expense versus feed grains, particularly wheat.

Exports of oilmeals are relatively small and consist of soybean meal, primarily shipped to Eastern Europe, and fish meal. No major changes are expected for the marketing year 2000/01.

Trade - Oils

The expansion of palm oil production in Indonesia and Malaysia has led to record low palm oil prices, dragging other vegetable oil prices along in this downward trend. Although lower than in CY 1998, imports of palm oil into the EU have stayed at a high level in CY 1999. From the 1.7 MMT of palm oil imported during 1999, 40 percent originated in Malaysia, while imports from Indonesia and Papua New Guinea accounted for 39 percent and 13 percent, respectively. The record low prices of palm oil in MY1999/2000 are expected to lead to increased imports of palm oil into the EU. Higher palm oil use may displace part of (the more expensive) soybean oil demand.

India, in 1998/99 the largest destination market for EU rapeseed oil, raised import tariffs on vegetable oils in June 2000 in order to strengthen domestic oil prices and provide better margins to local crushers and refiners. The consequence of the Indian government move may be a further decline in world prices of palm oil and other vegetable oils.

EU rapeseed oil exports are expected to decrease by over 20 percent in 2000/01, a consequence of its being priced higher than palm oil and soybean oil.

Contrary to oilmeals, where EU exports represent only about 5 percent of production, EU exports of oils and fats are more important. During 1998/99, the three main export destinations for EU soybean oil, rapeseed oil, and sunflower oil were as follows:

Soybean oil: Russia, Turkey, Morocco

Rapeseed oil: India, Russia, China

Sunflower oil: Algeria, Switzerland, India

EU exports to third countries decreased for soybean oil, rapeseed oil, and sunflower oil. While the decrease for soybean oil was small (from 1,115,000 MT in CY 1998 to 1,060,000 MT in CY 1999), the reduction was more sizeable for rapeseed oil (from 836,000 MT in CY 1998 to 706,000 MT in 1999) and sunflower oil (from 275,000 MT in CY 1998 to 206,000 MT in CY 1999).

Policy

Policy - Production policy

Production policy valid through MY 1999/2000

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 sunflowerseed, and rapeseed), pulses/protein crops, linseed with high oil content, as well as establishes compulsory set aside.

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. Member states can choose to base the oilseed compensatory payment levels on average cereal or average oilseed yields.

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 payments by an amount

equal to the percent 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.

Table 2: 1999/2000 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
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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, sunflowerseed and soybeans. A payment of 50 percent of the reference amount is made to producers normally in October after planting.

At the end of January, 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.

Following two consecutive applications of Blair House penalties in 1997/98 and 1998/99 (see Annual Report of September 1999, report number E29095), penalties were removed in 1999/2000. The EU oilseeds area eligible for crop-specific payments did not exceed the adjusted maximum guaranteed area in 1999/2000. 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 the simplified scheme oilseed producers should be considered in the penalty calculations. In 1999/2000, the addition of oilseeds area under the simplified scheme (about 90,000 HA) would, however, still not lead to an overshoot of the Blair House area limitations for oilseeds. See Table 3 for details.

Unlike in previous years, the observed reference price for oilseeds in 1999/2000 was assessed at a level (EUR 188.188/MT) which deviated by less than 8 percent from the PRP. Hence, no adjustments to regional reference amounts were made.

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

Member State	Main scheme plantings 1/		
	1997/98 (1997 harvest)	1998/99 (1998 harvest)	1999/2000 (1999 harvest)
Belgium	4.398	5.186	6.039
Denmark	92.589	105.360	112.515
Germany	828.709	876.380	853.691
Greece	23.824	32.750	29.749

Spain	1,003.760	996.772	819.003
France	1,714.148	1,798.557	1,820.875
Ireland	5.036	6.325	2.366
Italy	722.690	765.839	479.654
Luxembourg	1.763	2.342	3.025
Netherlands	0.394	0.718	1.214
Portugal	55.397	53.848	47.751
U.K.	438.787	503.816	397.562
Austria	80.292	85.263	90.956
Finland	58.066	62.009	59.992
Sweden	59.716	50.732	71.165
TOTAL EU-15 (a)	5,089.569	5,345.897	4,795.557
Adj. Oilseeds max. guaranteed area (b)	4,933.800	4,933.800	4,933.800
Overshoot (c) = (a)-(b)	155.769	412.097	none
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

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 of by-products is limited to 1 MMT soybean meal equivalent annually. In order to produce oilseeds for industrial use on set aside land and be eligible for the arable crop set aside payments, growers must fulfil specific conditions including submitting proof of a written contract with a processor. Oilseed producers' submissions of contract data give the EU Commission a means of monitoring the likely industrial oilseed output. To date, the 1 MMT-limit has not been breached by the EU. In 1999/2000, however, industrial oilseeds output increased considerably, triggering debate within the EU institutions about the "corrective action" to be taken in case the 1 MMT-level would be exceeded. "Corrective action" was referenced in the Blair House Agreement but never concretely defined. Although an overshoot was widely expected for 1999/2000, final figures presented by the EU Commission showed an output of oilseeds by-products of 978,000 MT of soybean meal equivalent, i.e. below the 1 MMT-limit. Consultations in January 2000 between the U.S. and the EU led to discussion on the coefficients to use when converting rapeseed meal and sunflowerseed meal into soybean meal equivalent. Also, a regulation was adopted (Commission Regulation 827/2000 of April 25, 2000), setting out rules for an ex ante calculation of total output of by-products from industrial oilseeds in the EU. Reference is also made to corrective measures in case the 1 MMT-limit is

expected to be exceeded. The articles pertaining to the ex ante calculation and the corrective measures will apply to contracts concluded in 2001/02 and subsequent marketing years.

Total EU rapeseed area is expected to decrease by 10 percent in 2000/01. Given that the arable crop set aside rate remains unchanged at 10 percent, and demand for industrial oilseeds is expected to remain strong in 2000/01, it is forecast that the drop in rapeseed area will occur in the area of rapeseed for food rather than industrial rapeseed.

Oilseeds - Production policy from 2000/01 onwards

The Agenda 2000 reform entails a cut in EU oilseeds area payments over three years, reaching EUR 63/MT from the 2002 harvest onwards. 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 or grain yield.

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.

Policy - Trade Policy

Oilseeds and oilmeals can be imported duty-free into the EU, while import duties for vegetable oils are at levels generally lower than 10 percent. EU internal prices for oilseeds fluctuate with the world market.

The WTO schedule of the European Communities includes subsidy quantity and outlay commitment levels for rapeseed exports. See Table 4. However, since the implementation of the Uruguay Round, the EU has not used export subsidies for rapeseed.

Table 4: 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 trees are grown on about 2 million farms throughout the EU. Small olive oil producers (producing maximally 500 kg of olive oil annually) account for over 60 percent of producers and for about 20 percent of production.

Generally, EU olive oil production represents about 75 percent of world production. During marketing year 1997/98, the EU's share amounted to 86 percent, a consequence of both a record-high EU output and below average production levels in Syria, Turkey and Tunisia. Marketing year 1998/99 saw a 22-percent decrease in EU olive oil production. The sharp decrease in the EU was, however, offset by a considerable rise in output in countries outside the EU.

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 5. 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. Preliminary calculations show that in 1998/99 overruns of the National Guaranteed Quantities occurred in Spain and Greece. By consequence, producers in these countries will suffer curtailments to production aid levels. See POLICY section.

EU olive oil production in 1999/2000 is forecast to decrease by almost 2 percent, whereby the drop in production in Spain and Greece will be partially offset by rising production in Italy. On a world level, production is forecast to fall by around 10 percent due to substantial decreases in Turkey, Syria, and smaller drops in North Africa.

Table 5: 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	1,876,000	
1999/2000 (estimate)	1,850,000	

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

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. Over the last five years, olive oil consumption in the EU has slowly increased at an annual growth rate of 1-2 percent, an increase mainly on account of Northern European countries. Total EU consumption of olive oil is estimated to equal about 1.7 MMT in 1999/00. Consumption growth in the near future is expected to slow down from the previous years owing to saturated demand in olive-growing countries, and reduced effectiveness of promotional activities aimed at increasing olive oil use in Northern Europe.

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.

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. The EU is the largest contributor to the Promotion Fund of the International Olive Oil Council (IOOC), which aims at increasing consumption of olive oil and table olives in non-member countries. Over the years, the activities launched by the IOOC in the areas of education, research, and information have led to increased consumption in the countries focused on. Promotional activity began in the U.S. in 1983/84 and was subsequently followed by activities in Australia, Japan, Canada, Argentina, Thailand, Taiwan, and Brazil. The 2000/01 IOOC program for the first time includes China in the promotional activities. The EU financial contribution to the 2000/01 program amounts to EUR 5.499 million of the total budget proposed by the IOOC of EUR 5.659 million.

Trade - Olive oil

During 1998/99, EU olive oil imports from third countries amounted to 213,000 MT (117,000 MT in 1997/98). The main countries of origin were Tunisia (145,000 MT in 1998/99, 98,000 MT in 1997/98), Turkey (56,000 MT in

1998/99, 16,000 MT in 1997/98), and Morocco (11,000 MT in 1998/99, 2,000 MT in 1997/98). Given the 22-percent decrease in EU olive oil output in 1998/99, additional imports were necessary to fulfil demand from the domestic market. Since the EU is self-sufficient in olive oil, imports represent only a small part of domestic consumption. Preferential regimes with reduction of duties are in place for some Mediterranean basin countries (see Trade Policy section).

Total olive oil exports to third countries in 1998/99 equalled 186,000 MT, a 17-percent decrease from 1997/98 (224,000 MT). Exports to the U.S. (86,000 MT) represented 46 percent of total EU exports, the remainder was shipped to Japan (22,000 MT), Australia (17,000 MT), Brazil (13,000 MT), Canada (11,000 MT), and other countries (37,000 MT).

EU olive oil exports are expected to increase in 1999/2000. The gradual elimination of tariff barriers in countries where olive oil consumption is growing constitutes a supporting factor.

Policy - Olive oil

Policy - Olive oil production policy

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 forego 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 analysis of these data will take time, the European Commission has undertaken to present a proposal for a reform by the end 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 2000/01, 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 aid, 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).

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. 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 EUR 1322.5/MT aid level is a fixed subsidy applicable during marketing years 1998/99, 1999/2000 and 2000/01. Production aids make up the bulk of the total EU budget for olive oil. In its 2001 budget exercise, the European Commission estimates expenditures on production aids to equal EUR 2.349 billion, i.e. 98.5 percent of the total budget.

EU member states may allocate part of their olive oil national guaranteed quantities (NGQ) 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 member state's 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.

The system of public buying-in (intervention) was discontinued in 1998/99 and replaced by a system of private storage contracts. The conclusion of private storage contracts is authorized when the average market price falls below 95 percent of the 1997/98 intervention price of EUR 1805.8/MT. In its 2001 budget exercise, the European Commission estimates expenditures on private storage aid to equal EUR 13 million. 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 July and August 2000 the amount of the production refund was set at EUR 44/100 kg. In its 2001 budget exercise, the European Commission estimates expenditures on production refunds to amount to EUR 24 million, i.e. 54,000 MT at an average aid of EUR 440/MT.

Policy - Olive oil 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 2000 is listed in Table 6.

Imports from the Overseas Countries and Territories, Andorra, San Marino are duty-free. The Cooperation Agreements between the European Community, and Lebanon and Algeria, 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 amount of this special charge equals EUR 14.60/100 kg for Algeria and EUR 5.796/100 kg for Lebanon.

Both Turkey and Morocco benefit from a 10-percent duty reduction on imports into the EU. Also, the Euro-Mediterranean Association Agreement between the EU and Tunisia provides a special regime for olive oil originating in Tunisia. A reduced customs duty of EUR 7.81/100 kg is applicable for untreated olive oil originating in Tunisia, within the limit of 46,000 MT per marketing year. No duty reductions apply outside of the quota.

Table 6: Common Customs Tariff on imports of olive oil into the EU

Product	Import duty (EUR/100 kg net)	
	January 1-June 30, 2000	July 1 - Dec. 31, 2000
1509 10 10 (Lampante Virgin)	127.7	122.6
1509 10 90 (Other Virgin)	129.7	124.5
1509 90 00 (Other olive oil)	140.2	134.6
1510 00 10 (Other crude oil from olives)	114.8	110.2
1510 00 90 (all other oil from olives)	167.0	160.3

Source: EU Tariff Schedule 2000, Official Journal of the European Communities, L 278 of October 28, 1999.

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.

Exports during marketing year 1998/99 took place without making use of export subsidies. It is expected that no export subsidies will be awarded in 1999/00. EU commitments with regard to subsidized exports of olive oil, as well as actual levels of subsidies notified to the WTO during 1995/96-1998/99, are listed in Table 7.

Table 7: GATT ceilings on subsidized exports of olive oil versus actual notifications

Year (November-October)	Annual commitment levels		Actual subsidized exports	
	Outlays (Million EURO)	Quantity (1,000 MT)	Outlays (Million EURO)	Quantity (1,000 MT)
1995/96	79.8	140.5	62.1	135.5
1996/97	74.7	135.4	39.0	140.4
1997/98	69.6	130.3	7.8	94.6
1998/99	64.5	125.2	0.0	0.0
1999/2000	59.4	120.1	not yet available	not yet available
2000/01	54.3	115.0	not yet available	not yet available

Sources: 1) Schedule CXL: European Communities, Part IV - Agricultural Products: Commitments limiting subsidization, 2) Notifications by the European Communities to the WTO

PRODUCTION-SUPPLY-DEMAND TABLES**TOTAL OILSEEDS****(rapeseed, soyb. , sunflower)**

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Area planted	5860	5850	5950	6035	0	5570
Area harvested	5860	5850	5950	6035	0	5570
Beginning stocks	818	1753	1543	936	0	931
Production	14650	14650	14650	15650	0	14450
MY imports (extra-EU)	18000	16373	18600	17500	0	17800
MY Imports from U.S.	6855	6040	7300	7050	0	7300
Tot.MY imp (intra+extra)	22900	21792	23500	22800	0	23100
TOTAL SUPPLY	38368	38195	39693	39386	0	38481
MY Exports (extra-EU)	1025	1377	1225	2055	0	1255
Tot. MY exp (intra+extra)	5925	6559	6125	7355	0	6555
Crushing domest. consumpt.	29500	29300	29700	29700	0	29700
Food use dom. consumption	1300	1300	1350	1300	0	1350
Feed, Seed, Waste Dom. cons.	100	100	100	100	0	100
TOTAL domestic consumption	30900	30700	31150	31100	0	31150
Ending stocks	1543	936	2418	931	0	776
TOTAL DISTRIBUTION	38368	38195	39693	39386	0	38481
Calendar Year Imports (extra-EU)	17517	17517	18150	15413	0	17800
Calendar Yr Imp. U.S.	7012	7012	7150	5693	0	7300
Calendar Year exports(extra-EU)	783	783	1025	1797	0	1955
Calendar yr exports to U.S.	0	0	0	0	0	0

TOTAL OILMEALS

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	29500	29300	29700	29700	0	29700
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning stocks	114	114	259	295	0	435
Production	20225	20000	20300	20170	0	20320

MY imports	18450	16068	16780	15950	0	14050
MY Imports from U.S.	615	509	1015	275	0	375
Tot.MY imp (intra+extra)	24750	23264	23080	22700	0	20800
TOTAL SUPPLY	45089	43378	43639	43165	0	41555
MY Exports (extra-EU)	1230	1510	1230	1480	0	1480
Tot. MY exp (intra+extra)	7530	7883	7530	8230	0	8230
Industrial domest. consumption	37300	35200	35850	34500	0	32950
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	37300	35200	35850	34500	0	32950
Ending stocks	259	295	259	435	0	375
TOTAL DISTRIBUTION	45089	43378	43639	43165	0	41555
Calendar Year Imports (extra-EU)	15443	15443	17300	15740	0	15950
Calendar Yr Imp. U.S.	1710	1710	815	484	0	225
Calendar Year exports(extra-EU)	1406	1406	1330	1493	0	1480
Calendar yr exports to U.S.	0	0	0	0	0	0

TOTAL OILS

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	29500	29300	29700	29700	0	29700
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning stocks	618	618	438	825	0	580
Production	8575	8725	8725	8870	0	8700
MY imports	220	213	270	285	0	285
MY Imports from U.S.	10	1	10	3	0	5
Tot.MY imp (intra+extra)	2570	3299	2620	3085	0	3085
TOTAL SUPPLY	11763	12642	11783	12780	0	12365
MY Exports (extra-EU)	2425	2100	2600	1900	0	1700
Tot. MY exp (intra+extra)	4775	4667	4950	4700	0	4500
Industrial domest. consumption	6550	7150	6500	7500	0	7350
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	6550	7150	6500	7500	0	7350
Ending stocks	438	825	333	580	0	515
TOTAL DISTRIBUTION	11763	12642	11783	12780	0	12365
Calendar Year Imports (extra-EU)	201	201	240	243	0	310

Calendar Yr Imp. U.S.	11	11	10	2	0	3
Calendar Year exports(extra-EU)	2226	2226	2470	1972	0	1850
Calendar yr exports to U.S.	1	1	0	2	0	2

RAPESEED

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Area planted	3080	3090	3420	3575	0	3200
Area harvested	3080	3090	3420	3575	0	3200
Beginning stocks	142	142	842	346	0	346
Production	9600	9600	10500	11400	0	10000
MY imports (extra-EU)	800	1023	600	700	0	800
MY Imports from U.S.	155	131	100	100	0	100
Tot. MY Imports (intra+extra)	3300	3898	3100	3500	0	3600
TOTAL SUPPLY	13042	13640	14442	15246	0	13946
MY Exports (extra-EU)	900	1320	1100	2000	0	1200
Tot. MY exp (intra+extra)	3400	3994	3600	4800	0	4000
Crushing domest. consumpt.	8000	8500	8300	9300	0	9000
Food use dom. consumption	800	800	850	800	0	850
Feed, Seed, Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	8800	9300	9150	10100	0	9850
Ending stocks	842	346	1692	346	0	96
TOTAL DISTRIBUTION	13042	13640	14442	15246	0	13946
Calendar Year Imports (extra-EU)	617	617	650	983	0	700
Calendar Yr Imp. U.S.	155	155	100	1	0	100
Calendar Year exports(extra-EU)	678	678	900	1741	0	1900
Calendar yr exports to U.S.	0	0	0	0	0	0

RAPESEED MEAL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	8000	8500	8300	9300	0	9000
Extr. Rate, 999.9999	5781	5765	5723	5699	0	5778
Beginning stocks	71	71	36	143	0	128
Production	4625	4900	4750	5300	0	5200
MY imports (extra-EU)	600	594	500	500	0	300
MY Imports from U.S.	0	7	0	0	0	0

Tot. MY Imports (intra+extra)	2500	2945	2400	2500	0	2300
TOTAL SUPPLY	7196	7916	7186	7943	0	7628
MY Exports (extra-EU)	10	14	10	15	0	15
Tot. MY exp (intra+extra)	1910	1673	1910	2015	0	2015
Industrial domest. consumption	5250	6100	5200	5800	0	5500
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	5250	6100	5200	5800	0	5500
Ending stocks	36	143	76	128	0	113
TOTAL DISTRIBUTION	7196	7916	7186	7943	0	7628
Calendar Year Imports (extra-EU)	630	630	550	598	0	500
Calendar Yr Imp. U.S.	0	0	0	7	0	0
Calendar Year exports(extra-EU)	8	8	10	13	0	15
Calendar yr exports to U.S.	0	0	0	0	0	0

RAPSEED OIL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	8000	8500	8300	9300	0	9000
Extr. Rate, 999.9999	4063	4118	4157	4140	0	4056
Beginning stocks	243	243	153	410	0	365
Production	3250	3500	3450	3850	0	3650
MY imports (extra-EU)	10	5	10	5	0	5
MY Imports from U.S.	0	0	0	0	0	0
Tot. MY Imports (intra+extra)	1010	1404	1010	1305	0	1305
TOTAL SUPPLY	4503	5147	4613	5565	0	5320
MY Exports (extra-EU)	850	740	950	700	0	550
Tot. MY exp (intra+extra)	1850	1937	1950	2000	0	1850
Industrial domest. consumption	2500	2800	2500	3200	0	3100
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	2500	2800	2500	3200	0	3100
Ending stocks	153	410	163	365	0	370
TOTAL DISTRIBUTION	4503	5147	4613	5565	0	5320
Calendar Year Imports (extra-EU)	4	4	10	7	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year exports(extra-EU)	836	836	900	706	0	650
Calendar yr exports to U.S.	0	0	0	0	0	0

SOYBEANS

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Area planted	520	500	410	360	0	340
Area harvested	520	500	410	360	0	340
Beginning stocks	265	1200	215	92	0	217
Production	1600	1600	1250	1150	0	1200
MY imports (extra-EU)	14500	12828	15000	14600	0	15000
MY Imports from U.S.	6500	5695	7000	6750	0	7000
MY Imports(intra+extra)	16000	14577	16500	16350	0	16750
TOTAL SUPPLY	17865	17377	17965	17592	0	18167
MY Exports (extra-EU)	50	24	50	25	0	25
MY Exports (intra+extra)	1550	1785	1550	1775	0	1775
Crushing domest. consumpt.	16000	15400	16000	15500	0	15800
Food use dom. consumption	0	0	0	0	0	0
Feed, Seed, Waste Dom. cons.	100	100	100	100	0	100
TOTAL domestic consumption	16100	15500	16100	15600	0	15900
Ending stocks	215	92	315	217	0	492
TOTAL DISTRIBUTION	17865	17377	17965	17592	0	18167
Calendar Year Imports (extra-EU)	14728	14728	14900	11904	0	15000
Calendar Yr Imp. U.S.	6666	6666	6850	5473	0	7000
Calendar Year exports(extra-EU)	29	29	50	24	0	25
Calendar yr exports to U.S.	0	0	0	0	0	0

SOYBEAN MEAL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	16000	15400	16000	15500	0	15800
Extr. Rate, 999.9999	7906	7922	7906	7903	0	7911
Beginning stocks	27	27	177	143	0	293
Production	12650	12200	12650	12250	0	12500
MY imports (extra-EU)	16000	13794	14500	13700	0	11900
MY Imports from U.S.	600	469	1000	250	0	350

MY Imports(intra+extra)	19800	17941	18300	17700	0	15900
TOTAL SUPPLY	32477	30168	31127	30093	0	28693
MY Exports (extra-EU)	1200	1484	1200	1450	0	1450
MY Exports (intra+extra)	5000	5425	5000	5450	0	5450
Industrial domest. consumption	27300	24600	26000	24350	0	23000
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	27300	24600	26000	24350	0	23000
Ending stocks	177	143	127	293	0	243
TOTAL DISTRIBUTION	32477	30168	31127	30093	0	28693
Calendar Year Imports (extra-EU)	13094	13094	15000	13353	0	13700
Calendar Yr Imp. U.S.	1699	1699	800	441	0	200
Calendar Year exports(extra-EU)	1379	1379	1300	1472	0	1450
Calendar yr exports to U.S.	0	0	0	0	0	0

SOYBEAN OIL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	16000	15400	16000	15500	0	15800
Extr. Rate, 999.9999	1828	1851	1828	1852	0	1835
Beginning stocks	166	166	126	235	0	110
Production	2925	2850	2925	2870	0	2900
MY imports (extra-EU)	10	4	10	5	0	5
MY Imports from U.S.	0	0	0	0	0	0
MY Imports(intra+extra)	660	931	660	755	0	755
TOTAL SUPPLY	3751	3947	3711	3860	0	3765
MY Exports (extra-EU)	1075	1114	1100	1000	0	950
MY Exports (intra+extra)	1725	1712	1750	1750	0	1700
Industrial domest. consumption	1900	2000	1950	2000	0	2000
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	1900	2000	1950	2000	0	2000
Ending stocks	126	235	11	110	0	65
TOTAL DISTRIBUTION	3751	3947	3711	3860	0	3765
Calendar Year Imports (extra-EU)	5	5	10	3	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year exports(extra-EU)	1115	1115	1120	1060	0	1000
Calendar yr exports to U.S.	1	1	0	2	0	2

SUNFLOWERSEED

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Area planted	2260	2260	2120	2100	0	2030
Area harvested	2260	2260	2120	2100	0	2030
Beginning stocks	411	411	486	498	0	368
Production	3450	3450	2900	3100	0	3250
MY imports (extra-EU)	2700	2522	3000	2200	0	2000
MY Imports from U.S.	200	214	200	200	0	200
Tot.MY imp (intra+extra)	3600	3317	3900	2950	0	2750
TOTAL SUPPLY	7461	7178	7286	6548	0	6368
MY Exports (extra-EU)	75	33	75	30	0	30
Tot. MY exp (intra+extra)	975	780	975	780	0	780
Crushing domest. consumpt.	5500	5400	5400	4900	0	4900
Food use dom. consumption	500	500	500	500	0	500
Feed, Seed, Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	6000	5900	5900	5400	0	5400
Ending stocks	486	498	411	368	0	188
TOTAL DISTRIBUTION	7461	7178	7286	6548	0	6368
Calendar Year Imports (extra-EU)	2172	2172	2600	2526	0	2100
Calendar Yr Imp. U.S.	191	191	200	219	0	200
Calendar Year exports(extra-EU)	76	76	75	32	0	30
Calendar yr exports to U.S.	0	0	0	0	0	0

SUNFLOWERSEED MEAL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	5500	5400	5400	4900	0	4900
Extr. Rate, 999.9999	5364	5370	5370	5347	0	5347
Beginning stocks	16	16	46	9	0	14
Production	2950	2900	2900	2620	0	2620
MY imports (extra-EU)	1850	1680	1780	1750	0	1850
MY Imports from U.S.	15	33	15	25	0	25

Tot.MY imp (intra+extra)	2450	2378	2380	2500	0	2600
TOTAL SUPPLY	5416	5294	5326	5129	0	5234
MY Exports (extra-EU)	20	12	20	15	0	15
Tot. MY exp (intra+extra)	620	785	620	765	0	765
Industrial domest. consumption	4750	4500	4650	4350	0	4450
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	4750	4500	4650	4350	0	4450
Ending stocks	46	9	56	14	0	19
TOTAL DISTRIBUTION	5416	5294	5326	5129	0	5234
Calendar Year Imports (extra-EU)	1719	1719	1750	1789	0	1750
Calendar Yr Imp. U.S.	11	11	15	36	0	25
Calendar Year exports(extra-EU)	19	19	20	8	0	15
Calendar yr exports to U.S.	0	0	0	0	0	0

SUNFLOWER OIL

	Revised		Prelim		Forecast	
	1998		1999		2000	
	10/98		10/99		10/00	
	Old	New	Old	New	Old	New
Crushing	5500	5400	5400	4900	0	4900
Extr. Rate, 999.9999	4364	4398	4352	4388	0	4388
Beginning stocks	209	209	159	180	0	105
Production	2400	2375	2350	2150	0	2150
MY imports (extra-EU)	200	204	250	275	0	275
MY Imports from U.S.	10	1	10	3	0	5
Tot.MY imp (intra+extra)	900	964	950	1025	0	1025
TOTAL SUPPLY	3509	3548	3459	3355	0	3280
MY Exports (extra-EU)	500	246	550	200	0	200
Tot. MY exp (intra+extra)	1200	1018	1250	950	0	950
Industrial domest. consumption	2150	2350	2050	2300	0	2250
Food use dom. consumption	0	0	0	0	0	0
Feed Waste Dom. cons.	0	0	0	0	0	0
TOTAL domestic consumption	2150	2350	2050	2300	0	2250
Ending stocks	159	180	159	105	0	80
TOTAL DISTRIBUTION	3509	3548	3459	3355	0	3280
Calendar Year Imports (extra-EU)	192	192	220	233	0	300
Calendar Yr Imp. U.S.	11	11	10	2	0	3
Calendar Year exports(extra-EU)	275	275	450	206	0	200

Calendar yr exports to U.S. | 0 0 0 0 0 0

TRADE STATISTICS

Product: Rapeseed, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	131	U.S.	0
Australia	304	China	889
Czech Republic	210	Pakistan	114
Poland	81	Bangladesh	103
Hungary	81	Mexico	99
Russia	72	India	56
Lithuania	54	Japan	24
Slovakia	30	Norway	14
Romania	19	Israel	9
Other	41	Other	12
TOTAL	1,023	TOTAL	1,320

Product: Rapeseed meal, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	7	U.S.	0
Poland	245	Israel	8
Czech Republic	145	Slovenia	2
Canada	54	Switzerland	1
India	51	Cyprus	1
Slovakia	34		
Hungary	26		
China	12		
Romania	5		

Other	15	Other	2
TOTAL	594	TOTAL	14

Product: Rapeseed oil, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	0	U.S.	0
Poland	4	India	166
		Russia	133
		China	55
		Algeria	48
		Hong Kong	31
		Lithuania	24
		Malaysia	21
		Tunisia	21
Other	1	Other	241
TOTAL	5	TOTAL	740

Product: Soybeans, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	5,695	U.S.	0
Brazil	5,324	Czech Republic	6
Paraguay	736	Switzerland	6
Argentina	661	Norway	4
Canada	357	Slovakia	2
Romania	23	Poland	2

Uruguay	18	Ukraine	1
Hungary	3	Hungary	1
Ukraine	3	Croatia	1
Other	8	Other	1
TOTAL	12,828	TOTAL	24

Product: Soybean meal, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	469	U.S.	0
Argentina	7,312	Poland	611
Brazil	5,796	Czech Republic	323
Norway	127	Slovakia	132
India	30	Switzerland	68
Canada	13	Algeria	53
Falkland Islands	12	Cyprus	42
Liberia	10	Romania	31
Uruguay	9	Hungary	31
Other	16	Other	193
TOTAL	13,794	TOTAL	1,484

Product: Soybean oil, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	0	U.S.	0
Morocco	2	Russia	217
Norway	1	Turkey	147

Switzerland	1	Morocco	113
		Tunisia	104
		Senegal	76
		Poland	47
		Hong Kong	37
		Lebanon	34
Other	0	Other	339
TOTAL	4	TOTAL	1,114

Product: Sunflowerseed, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	214	U.S.	0
Argentina	843	Morocco	19
Ukraine	604	Switzerland	9
Russia	422	Norway	2
Hungary	131	Albania	1
Romania	67		
Bulgaria	54		
Uruguay	48		
Moldova	42		
Other	97	Other	2
TOTAL	2,522	TOTAL	33

Product: Sunflowerseed meal, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT

U.S.	33	U.S.	0
Argentina	1,473	Slovenia	5
Ukraine	68	Malta	3
Romania	27	Former Rep.Yugoslav.	2
Hungary	25	Czech Republic	1
Slovakia	20		
Czech Republic	18		
Malaysia	4		
Latvia	3		
Other	9	Other	1
TOTAL	1,680	TOTAL	12

Product: Sunflowerseed oil, Period: October 1998- September 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	1	U.S.	0
Argentina	186	Algeria	79
Romania	11	Switzerland	25
Turkey	3	India	11
Ukraine	1	Czech Republic	11
Malaysia	1	Cuba	9
		Uzbekistan	9
		Slovenia	8
		Former Rep.Yugoslav.	8
Other	1	Other	86
TOTAL	204	TOTAL	246

Product: Olive oil, Period: November 1998- October 1999

EU imports from:	1,000 MT	EU exports to:	1,000 MT
U.S.	0	U.S.	86
Tunisia	145	Japan	22
Turkey	56	Australia	17
Morocco	11	Brazil	13
		Canada	11
		Switzerland	5
		Taiwan	4
		Saudi Arabia	3
		Mexico	2
Other	1	Other	23
TOTAL	213	TOTAL	186

Total extra-EU trade, Period: October 1998-September 1999 (1,000 MT)

	Imports into the EU	Exports from the EU
Shelled peanuts	373	30
Peanut meal	174	0
Peanut oil	151	6
Fish meal	778	262
Fish oil	141	46
Palm oil	1,894	61

EU trade with third countries, Period: Calendar year 1999 (1,000 MT)

Note : EUROSTAT data are not complete for all EU member states. Missing data are: for November 1999: Italy, for December 1999: Italy, Greece, and Spain.

	Imports from third countries	Imports from the U.S.	Exports to third countries	Exports to the U.S.
Soybeans	11,904	5,473	24	0
Soybean meal	13,353	441	1,472	0
Soybean oil	3	0	1,060	2
Shelled peanuts	357	79	29	0
Peanut meal	147	1	0	0
Peanut oil	141	0	9	0
Olive oil	207	0	174	76
Fish meal	718	13	286	1
Fish oil	150	26	43	0
Palm oil	1,704	15	73	0
Sunflowerseed	2,526	219	32	0
Sunflowerseed meal	1,789	36	8	0
Sunflowerseed oil	233	2	206	0
Rapeseed	983	1	1,741	0
Rapeseed meal	598	7	13	0
Rapeseed oil	7	0	706	0