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Oilseeds and Products

Annual

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Report Highlights:

Higher prices caused an expansion of the rapeseed area planted in summer 2000. 2001 rapeseed and soybean areas are expected to rise somewhat. Soybean meal imports dropped considerably in 1999/00 but a slight increase is expected in 2000/01.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Vienna[AU1], AU

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Executive Summary

Due to low prices, 2000 rapeseed area decreased significantly compared to 1999. A price recovery resulted in an expansion of the area to be harvested in 2001. The small soybean area is also expected to increase in 2001. Average yields of all oilseed types decreased in 2000 which together with the area decline caused a considerable output drop. So far, conditions for a good rapeseed yield are indicated. 1999/00 soybean meal imports declined in 11% compared to 1998/99. Soybean meal imports are expected to rise slightly in 2000/01 due to a ban on meat and bone meal in animal feed. End summary.

Production

Area

Because of low rapeseed prices, rapeseed area dropped by 21% in 2000.

Higher price expectations caused an increase in 2001 rapeseed area by probably 7%. Nearly all is winter rapeseed. Although the ban on meat and bone meal will step up demand for oilseed meals, it is not expected that spring sowing of rapeseed will rise compared to previous years. This assumption is based on seed sales reported to Agricultural Market Austria (AMA).

Soybeans are mainly produced under contract since there is considerable demand for non-GM beans by food processors and organic livestock producers. The latter are not permitted to use GM-beans. Usually contracts are made between farmers and warehouses and warehouses and processors.

Due to unfavorable weather conditions, a large share of 2000 beans were of unsatisfactory quality and resulted in lower producer price. Low profits were the main reason for an area decline of 16% in 2000.

The decline in soybean production has been interrupted by the ban on feeding meat and bone meal ban. It is expected that Austria's small soybean production will rise by 10 - 15% in 2001.

Yields

The 2000 rapeseed harvest was not very good. Insufficient rains in eastern areas resulted in low yields and unsatisfactory quality. However, in the more humid western rapeseed areas, output was higher and quality better. The average Austrian wide yield of winter rapeseed was 2.43 MT/ha, down 18% from 1999. The share of summer rapeseed is less than 1% of total rapeseed output.

Winter rapeseed planted in summer 2000 developed normally due to sufficient precipitation in most areas. The 2000/2001 winter has been in general very mild. Thus, although there was never a snow cover in the western areas, no winter kill occurred. At the beginning of March, winter rape like winter grains is standing well. Due to lack of winter precipitation, soil moisture was very low in these areas but urgently needed rains came in mid-March.

As with rapeseed, soybean growth varied considerably in 2000. In the dry, most eastern province of Burgenland, average yield was only 1.5 MT/ha whereas in Upper Austria the average yield of 2.8 MT/ha was very satisfactory. Due to the drought in Burgenland, where the soybean area accounted for 7,000 ha, the Austrian average yield was only 2.1 MT/ha.

Planting of the 2000 soybean crop will take place in May. At present, soil conditions are satisfactory.

Consumption

Rapeseed and sunflowerseed are crushed in domestic plants but there are no soybean crushing facilities. Soybeans intended for feed are extruded or hydrothermally processed and the product is used as fullfat oilmeal. There are no plans to construct a soybean crushing plant among processors.

Probably more than half of domestic soybean production is used for food and food additives for organic products which may not contain GMOs. There are two larger mills (Company Strobl close to Linz and company Bamberger in Printersdorf) and two smaller mills which produce soybean meal from non-GM beans.

The food processing industry has already learned to live with a sharply reduced volume of soybean food additives. As the larger food chains banned non-GM products from their shelves, many food processors substituted soybean protein with wheat gluten.

In 1999/00, soybean meal consumption dropped 11% from an already high level. The reason for this distinct drop was the large domestic rapeseed meal production and the smaller hog production.

In 2000/01, soybean meal consumption will probably rise somewhat because of the meat and bone meal ban. However, the actual volume required to replace part of meat and bone meal is relatively low. Meat and bone meal in cattle feeds has already been banned for ten years and part of the meat and bone meal will be substituted by increased domestic production of soybeans and protein crops. In addition, it is expected that in the future some of the protein requirement will be met by alfalfa and clover produced on set-aside areas. However, this has still to be approved by Brussels.

Trade

Trade in soybeans and rapeseed has been small. As in recent years, 1999/00 soybean imports came mainly from other EU countries, particularly Germany. The bulk of rapeseed came from eastern central European countries, mainly Hungary and Slovakia.

Rapeseed meal imports are insignificant. However, each year, large quantities of soybean meal are required. In 1999/2000, around 450,000 MT were imported which is around 10% below the 1998/99 volume. The predominant share came from soybean crushing facilities in Germany and Netherlands. Relatively large quantities came from Brazil. It is estimated by the trade that nearly two thirds of the beans crushed in Germany and the Netherlands are of U.S. origin.

In 2000/01, import volume is expected to rise because meat and bone meal has to be replaced by other protein sources. However, 2001/02 imports may decline slightly because of the expected extension of rapeseed production. As in previous years, direct imports of soybean meal from the U.S. should be marginal.

Imports of non-genetically modified beans have been small. As the importer is liable if some volumes of meal of GM beans is included, importers are reluctant to buy large quantities. There is demand for non-GM soybean meal by organic farmers. The BSE crisis stepped up the demand for organic beef, which should

further increase the need for non-GM soybeans.

Promotions

In contrast to previous years, in 2000 the American Soybean Association (ASA) has played a low key role and has stopped advertising in major farm journals featuring the safety of GM soybeans and soybean meal. The reasons were budget constraints and the fact that the debate about GM beans have calmed down somewhat in Austria.

To keep Austrian consumption of U.S. soybean meal on a high level, ASA will maintain contacts with the feed industry, trade, and agricultural interests in 2001. Among others, personal visits by ASA representative are planned at one of Austria's largest feed compounders in Linz, and one of Austria's largest meal importers in Vienna.

Policy

The reduction of area premiums in the framework of Agenda 2000 is expected to accelerate the concentration process of farms but will probably not cause a significant drop in arable land. The fact that premiums for oilseeds will be at the same level as grains beginning in 2002 will not result in a decrease in oilseed area for the following reasons:

- The Austrian program for ecological agriculture (APEA), in which 95% of all farmers participate, requires that the grain share not exceeds 75% of total arable land. To comply with APEA's rotation requirement, no significant drop in oilseed production can take place unless fallow area is increased. This could happen over the long term.
- The recent development in the feed sector (meat and bone meal ban) may drive up oilmeal prices and thus make them more competitive with grains. This would stimulate expansion in oilseed area. So far, most Austrian farmers regard grain production, particularly wheat production, more profitable than oilseed production.

Bio-Fuel

In general, cheaper oil from rapeseed produced on the set-aside area is used for the production of rape methyl ester (RME). In 2000, this area was 8,000 ha. Due to high diesel prices, relatively large quantities of more expensive "normal" rapeseed oil were used for RME production.

Given the great demand for cheaper rapeseed oil, rapeseed production on the set-aside area is expected to rise to 10,000 ha.

Driven by the high diesel price, RME production is booming. While previously domestic RME demand was very moderate, the current demand cannot be met. Many transportation companies have adjusted trucks for

RME use or the use of RME-diesel mixture. RME is considerably cheaper than mineral diesel.

Most of the RME is produced at Austria's largest oilmill in Bruck an der Leitha and smaller volumes by various pilot plants in the eastern provinces of the country. Previously, when the diesel price was low, RME production was marginally profitable at best.

The agricultural Minister's intention to require the inclusion of 2% rape methyl ester (RME) to diesel by law has been further postponed. However, it is expected that sometime during the legislative period of the current agriculture-friendly government, the proposed law will be implemented.

Tables

PSD Table						
Country	Austria					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	66	66	56	52	0	62
Area Harvested	66	66	52	52	0	62
Beginning Stocks	0	0	13	0	0	0
Production	194	194	120	125	0	158
MY Imports	32	10	32	45	0	15
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	3	0	4	4	0	4
TOTAL SUPPLY	226	204	165	170	0	173
MY Exports	13	6	15	5	0	7
MY Exp. to the EC	13	6	15	5	0	0
Crush Dom. Consumption	200	198	150	165	0	166
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	200	198	150	165	0	166
Ending Stocks	13	0	0	0	0	0
TOTAL DISTRIBUTION	226	204	165	170	0	173
Calendar Year Imports	30	10	35	45	0	15
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	15	6	15	5	0	7
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Meal, Rapeseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	200	198	150	165	0	166
Extr. Rate, 999.9999	0.595	0.494949	0.593333	0.490909	ERR	0.493976
Beginning Stocks	0	0	0	0	0	0
Production	119	98	89	81	0	82
MY Imports	25	16	15	25	0	23
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	2	2	2	2	0	2
TOTAL SUPPLY	144	114	104	106	0	105
MY Exports	45	41	25	15	0	16
MY Exp. to the EC	31	41	15	10	0	10
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	99	73	79	91	0	89
TOTAL Dom. Consumption	99	73	79	91	0	89
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	144	114	104	106	0	105
Calendar Year Imports	25	16	15	25	0	23
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	45	41	25	15	0	16
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Oil, Rapeseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	200	198	150	165	0	166
Extr. Rate, 999.9999	0.39	0.343434	0.393333	0.351515	ERR	0.349398
Beginning Stocks	4	4	4	4	3	4
Production	78	68	59	58	0	58
MY Imports	21	30	30	36	0	34
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	25	28	30	30	0	25
TOTAL SUPPLY	103	102	93	98	3	96
MY Exports	20	28	12	15	0	20
MY Exp. to the EC	2	16	1	10	0	17
Industrial Dom. Consum	22	25	20	27	0	27
Food Use Dom. Consump.	57	45	58	52	0	45
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	79	70	78	79	0	72
Ending Stocks	4	4	3	4	0	4
TOTAL DISTRIBUTION	103	102	93	98	0	96
Calendar Year Imports	26	30	25	36	0	34
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	18	28	12	15	0	20
Calndr Yr Exp. to U.S.	0	7	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	19	19	19	16	0	18
Area Harvested	19	19	19	16	0	18
Beginning Stocks	0	0	0	0	0	0
Production	50	50	48	33	0	43
MY Imports	12	10	12	26	0	14
MY Imp. from U.S.	0	8	1	0	0	0
MY Imp. from the EC	10	8	10	10	0	9
TOTAL SUPPLY	62	60	60	59	0	57
MY Exports	21	36	20	13	0	14
MY Exp. to the EC	10	12	8	8	0	10
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	18	12	17	20	0	20
Feed,Seed,Waste Dm.Cn.	23	12	23	26	0	23
TOTAL Dom. Consumption	41	24	40	46	0	43
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	62	60	60	59	0	57
Calendar Year Imports	12	10	12	26	0	14
Calendar Yr Imp. U.S.	0	0	1	0	0	0
Calendar Year Exports	22	36	22	13	0	14
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	35	35	35	35	30	35
Production	0	0	0	0	0	0
MY Imports	500	452	537	465	0	480
MY Imp. from U.S.	1	0	1	0	0	0
MY Imp. from the EC	450	410	435	430	0	450
TOTAL SUPPLY	535	487	572	500	30	515
MY Exports	3	11	2	5	0	5
MY Exp. to the EC	3	11	2	5	0	5
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	497	441	540	460	0	475
TOTAL Dom. Consumption	497	441	540	460	0	475
Ending Stocks	35	35	30	35	0	35
TOTAL DISTRIBUTION	535	487	572	500	0	515
Calendar Year Imports	510	452	550	465	0	480
Calendar Yr Imp. U.S.	1	0	1	0	0	0
Calendar Year Exports	3	11	2	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	4	4	4	4	4	4
Production	0	0	0	0	0	0
MY Imports	15	16	14	16	0	15
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	15	13	14	14	0	12
TOTAL SUPPLY	19	20	18	20	4	19
MY Exports	1	2	1	1	0	1
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	1	1	0	1	0	1
Food Use Dom. Consump.	13	13	13	14	0	13
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	14	14	13	15	0	14
Ending Stocks	4	4	4	4	0	4
TOTAL DISTRIBUTION	19	20	18	20	0	19
Calendar Year Imports	15	16	14	16	0	15
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	1	2	1	1	0	1
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Austria		
Commodity	Meal, Soybean		
Time period	10 1998	Units:	10 1999
Imports for:		MT	1
U.S.	1000	U.S.	200
Others		Others	
Germany	234600	Netherlands	172200
Netherlands	201800	Germany	131400
Italy	34700	Italy	103800
Argentina	29000	Argentina	27100
Brzil	4800	Yugoslavia	8500
Belgium	800	Hungary	6700
		Belgium	1200
		Denmark	900
		Brazil	200
Total for Others	505700		452000
Others not Listed	3700		100
Grand Total	510400		452300