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Poland

Grain and Feed

Grain Update

2004

Approved by:
Wayne Molstad, Agricultural Counselor
U.S. Embassy

Prepared by:
WFM

Report Highlights:
The latest official estimates confirm new record level 2004 grain production in Poland. The official crop estimates are within the range of 1-2 MMT higher than the official July estimates and about one MMT higher than previous FAS Warsaw estimates.

Includes PSD Changes: No
Includes Trade Matrix: No
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[PL]

OFFICIAL GRAIN PRODUCTION ESTIMATES REVISED:

On September 23 the Polish Main Statistical Office (GUS) published its second 2004 official crop estimate. According to the new publication, GUS estimates total grain production at about 29 MMT, 1-2 MMT larger than the first estimate published at the end of July. The current GUS crop estimate is based on crop area and yield estimates, crop checking and due to estimates of GUS's local and central experts.

This year's crop was influenced by unusually favorable agro-meteorological conditions. There were very good weather conditions during the entire growing season, from sowing until harvest. The very good weather conditions were particularly favorable for grain and rapeseed. In addition to the influence of excellent weather conditions, the larger crop was achieved also due to an increase in acreage. In addition, the grain structure was better as there was a larger share of higher yielding grains. The higher-yielding grain area was particularly evident on large-scale farms. These farms usually have a sufficient supply of certified seeds and larger use of fertilizers and plant protection chemicals. Plant health conditions were also better than last year. There was less disease and insect presence, which also fostered higher yields.

The relatively large correction in GUS's estimate is a result of the weather's impact on crops during harvest time that was not considered in the earlier estimate. This weather extended the final growing stage for kernels and allowed them to mature properly. Harvest losses resulting from wet conditions were rather minimal. Each type of grain is estimated to be at least 20 percent larger compared to the previous year.

GUS estimates a 2004 total grain area of 8.4 million hectares, 2.7% larger than in 2003, but 4.7% smaller than the average area for 1996-2000. The average 2004 grain yield is estimated at 3.46 tons per hectare, which is 20.6% above the average yield in 2003 and 21.0% over the 1996-2000 average.

The total grain crop is estimated at 29.0 MMT, which is 5.6 MMT or 24.1% above 2003 production and 3.8 MMT or 15.3% more than the average for 1996-2000. Of total grain production, wheat is estimated at 9.5 MMT, 21.1% more than in 2003; rye at 4.2 MMT, 33.2% more than a year ago; barley at 3.5 MMT, 24.1% more; oats at 1.4 MMT, 20.3% more; triticale 3.6 MMT, 28.9% more than a year ago; mixed grain at 4.3 MMT, 17.3% more; and corn at 2.4 MMT, 29.3% more than in 2003.

MARKET DEVELOPMENTS:

As a result of these levels of grain production, a new record production level has been set at about 1 MMT or 3.5% above the 1990/91 level previous record output. Wheat is placed on about the same level as the MY1998/99 record production. Corn production is at a new record high acreage of 415,000 hectares and triticale production is also at a new record, 8% above the 2002 previous record output.

- Stocks and Quality

In spite of the record high production and reduced demand for feed grains, the market grain situation seems to be stable. Grain stocks, which were sharply reduced after last year's scarce supplies, absorbed a significant portion of the new crop to rebuild stock levels. Grain prices although significantly lower than a year ago, have been stable over the last few weeks. Food wheat averages about or slightly more than PLN 450 (USD 127, Euro 103). There are occasional reports of shortages of food wheat. According to early laboratory test results, only about 50% of this year's wheat production meets proper quality parameters, 10% of this wheat is difficult to be classified (food or feed) and 40% is only feed wheat. Poor wheat falling numbers and low gluten are major factors which affect wheat classification. There are regions of Poland where all the wheat is of excellent quality with very high yields (harvested earlier), while there are regions where rains during harvest resulted in poor quality.

- Prices

In addition to quality, producer speculation on higher prices within the intervention is also blamed for limited market supplies of food wheat. According to some sources, the price disparity between low and high quality wheat will be greater later in the MY because of the relatively large quantity of low quality wheat. Feed wheat is traded at PLN 415-425 per ton (USD 117-120, Euro 95-97) or slightly below PLN 400 on farm. Feed barley is traded at PLN 400 (USD 113, Euro 92) and brewing barley at about PLN 100 (USD 28, Euro 23) more. Rye is traded at PLN 300-320 per ton (USD 85-90, Euro 67-73). Upcoming first corn from the new harvest has been seen on the market at about PLN 500 per ton (USD 141, Euro 114), somewhat lower than corn from the old harvest.

- Feed Use

Small market supplies when compared with a large crop and stable grain prices suggest farmer's orientation on relatively strong grain on-farm feed use. The swine population at the end of July was almost 9% lower than at the same time a year ago. The population of sows was 7% lower. However, high slaughter livestock prices resulted in significantly increased demand for breeding stock, which will increase the demand for feed grain.

- Trade

There have been reports of grain exports from Poland. According to trade sources, wheat has been exported to Algeria and some rye to Spain. Sources also indicated that 100,000 tons of wheat have been shipped outside of the EU market. Although falling number and gluten are poor, protein levels in many cases meet some customers' requirements, which make some cheaper wheat attractive for exporters. A relatively small share of food wheat may lead to some quality wheat imports during the current MY. It is possible that with a prevailing weak dollar, elimination of the long standing rag weed (ambrosia) issue and zero tariffs on high quality wheat after Polish May 2004 accession to the EU, prospects for some U.S. wheat imports, particularly durum wheat, will rise.

Below are revised grain production and use tables for Poland:

WHEAT	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	2414	2308	2450	2420
BEG.STOCKS	1348	624	382	382
PRODUCTION	9304	7858	9400	9520
TOT.MY IMPORT	125	800	200	200
JUL-JUNE IMP.	125	800	200	200
JUL-JUNE I.US	0	5	5	25
TOT.SUPPLY	10777	9282	9982	10102
TOT.MY EXP.	1093	0	0	120
JUL-JUNE EXP.	1093	0	0	120
FEED CONSUMP.	3960	3800	3900	3900
N-FEED CONS.	5100	5100	5100	5100
TOT.DOM.CONS.	9060	8900	9000	9000
END.STOCKS	624	382	982	982
TOT.DISTRIB.	10777	9282	9982	10102

CORN	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	319	356	360	415
BEG.STOCKS	457	648	432	432
PRODUCTION	1962	1884	2000	2400
TOT.MY IMPORT	136	400	0	0
OCT-SEP. IMP.	136	400	0	0
OCT-SEP. I.US	0	0	0	0
TOT.SUPPLY	2555	2932	2432	2832
TOT.MY EXP.	7	0	0	0
OCT-SEPT. EXP.	7	0	0	0
FEED CONSUMP.	1809	2408	1900	2000
N-FEED CONS.	91	92	100	150
TOT.DOM.CONS.	1900	2500	2000	2150
END.STOCKS	648	432	432	682
TOT.DISTRIB.	2555	2932	2432	2832

BARLEY	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	1051	1016	1070	1060
BEG.STOCKS	348	300	181	181
PRODUCTION	3369	2831	3500	3510
TOT.MY IMPORT	153	350	150	150
OCT-SEP. IMP.	154	350	150	150
OCT-SEP. I.US	0	0	0	0
TOT.SUPPLY	3870	3481	3831	3841
TOT.MY EXP.	0	0	0	0
OCT-SEPT. EXP.	0	0	0	0
FEED CONSUMP.	2867	2600	2700	2700
N-FEED CONS.	703	700	700	700
TOT.DOM.CONS.	3570	3300	3400	3400
END.STOCKS	300	181	431	441
TOT.DISTRIB.	3870	3481	3831	3841

RYE	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	1560	1479	1600	1590
BEG.STOCKS	542	324	196	196
PRODUCTION	3831	3172	4100	4220
TOT.MY IMPORT	61	200	0	0
OCT-SEP. IMP.	83	200	0	0
OCT-SEP. I.US	0	0	0	0
TOT.SUPPLY	4434	3696	4296	4416
TOT.MY EXP.	10	0	0	0
OCT-SEPT. EXP.	11	0	0	0
FEED CONSUMP.	2135	1531	1730	1730
N-FEED CONS.	1965	1969	2050	2170
TOT.DOM.CONS.	4100	3500	3780	3900
END.STOCKS	324	196	516	516
TOT.DISTRIB.	4434	3696	4296	4416

OATS	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	605	527	565	550
BEG.STOCKS	73	77	59	59
PRODUCTION	1486	1182	1460	1420
TOT.MY IMPORT	3	0	0	0
OCT-SEP. IMP.	4	0	0	0
OCT-SEP. I.US	0	0	0	0
TOT.SUPPLY	1562	1259	1519	1479
TOT.MY EXP.	5	0	0	0
OCT-SEPT. EXP.	4	0	0	0
FEED CONSUMP.	1317	1040	1280	1240
N-FEED CONS.	163	160	160	160
TOT.DOM.CONS.	1480	1200	1440	1400
END.STOCKS	77	59	79	79
TOT.DISTRIB.	1562	1259	1519	1479

MIX.GR & TRIT.	2002/03	2003/04	2004/05	2004/05
-	MY 2002	MY 2003	MY 2004 OLD	MY 2004 NEW
AREA HARV.	2310	**2440**	2400	2390
BEG.STOCKS	795	518	238	238
PRODUCTION	6886	6420	7300	7850
TOT.MY IMPORT	16	0	0	0
OCT-SEP. IMP.	17	0	0	0
OCT-SEP. I.US	0	0	0	0
TOT.SUPPLY	7697	6938	7538	8088
TOT.MY EXP.	1	0	0	0
OCT-SEPT. EXP.	1	0	0	0
FEED CONSUMP.	**6673**	6196	6365	6515
N-FEED CONS.	505	504	505	505
TOT.DOM.CONS.	7178	6700	6870	7020
END.STOCKS	518	238	668	1068
TOT.DISTRIB.	7697	6938	7538	8088