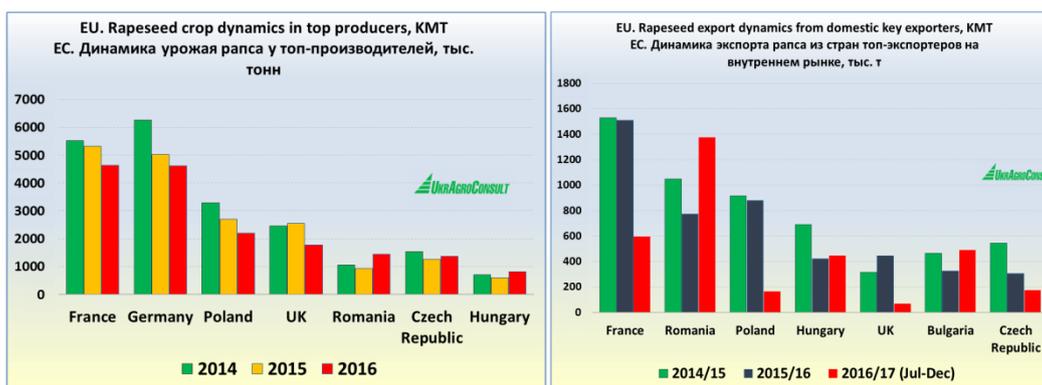


Romania: are rapeseed production and exports to hit another high in 2017/18?

The European Commission estimates that the 2017/18 season will be more successful for the EU in respect of rapeseed production. The European rapeseed harvest may rise to 22.13 MMT (20 MMT in 2016/17) owing to favorable weather conditions in the top producing countries along with an expansion of this crop's planted area to 6620 Th ha (6493 Th ha this season).

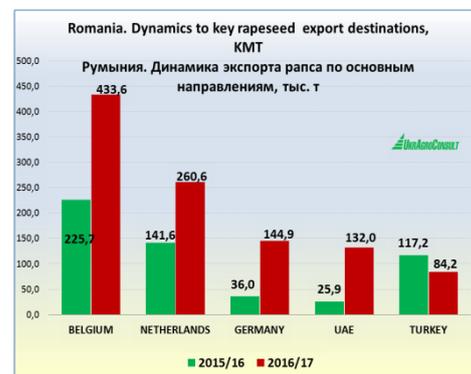
Thus, in the new season, the EU will be able to reduce imports from third countries by 340 KMT to 3.46 MMT, and the nation to continue replenishing the rapeseed shortage in the EU internal market will be Romania.

Although Romania is just the fifth largest rapeseed producer in the EU, it plays an important role in this commodity's exports both to the EU internal market and beyond its borders. Along with Poland, Romania is pushing for the second position among the top EU exporters, next to France. However, the 2016/17 season may prove a turning point for the country. Due to a second consecutive year of crop failure in the key producing countries and a bumper own harvest (1450 KMT), the current pace of exports suggests that Romanian exporters are able to climb the top this season.



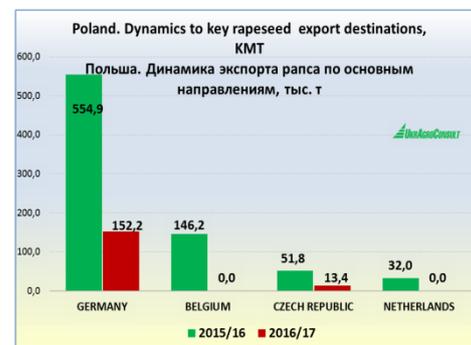
According to available information, Romania outpaced Poland in terms of export volumes in the first half of the season (July-December 2016/17) and currently shares key domestic markets with France.

So, Romania exported a record 1377 KMT of rapeseed in the period under review against 688 KMT at the same time last season. Simultaneously, it is worth pointing out its sharply increased presence in the markets of key EU rapeseed importers, specifically Germany, Belgium and the Netherlands. In addition, the country managed to noticeably boost supplies to the UAE market, contrary to other European producers, which are only capable of exporting small volumes beyond the EU borders.

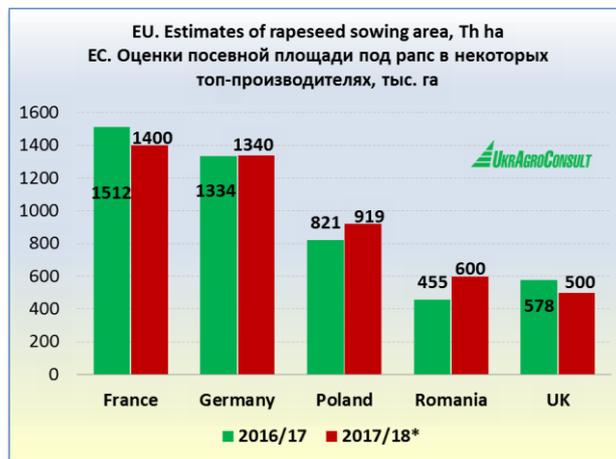


Poland managed to ship just 166 KMT at the time (792 KMT in July-December 2015/16) and yielded its markets to Romania.

The pace of French rapeseed exports is slower than last year: 597 KMT against 649 KMT, and only deliveries to Germany are up year-on-year (487 KMT against 452 KMT, respectively). Shipments to Belgium dropped to 80 KMT (100 KMT), while those to the Netherlands plummeted to 7 KMT (42 KMT). With regard to France itself, this season the country replenishes the crop shortage with brisker imports from Canada (243 KMT against 91.4 KMT in July-December 2015/16) because of a rapeseed crop decline in Ukraine, which is a traditional supplier of this commodity to the EU.



Having asserted itself strongly this season, Romania may retain in 2017/18 the market share taken over from its rivals. According to preliminary estimates, Romania's rape sown acreage may increase to 600 Th ha, but some local market participants forecast it at 750 Th ha. Despite a higher crop winterkill rate, the expansion of plantings for the new harvest suggests that it will be at least as large as last year. A forecast of local meteorologists about sufficient precipitation in March and April adds optimism, too. Thus, Romania will already become the fourth top EU rapeseed grower in the 2017/18 season, with the United Kingdom left behind. It will be possible to judge about Romania's rapeseed export potential once the new harvest begins.



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