

ROMANIA CEREALS



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Romania on the European Cereals Market

According to the statistical data provided by Food and Agriculture Organization of the United Nations (FAO), in 2009, Romania had an important position among the other European countries, concerning the cultivated area with cereals:

- the 6th position regarding wheat (3.5%), behind Russian Federation, Ukraine, France, Germany and Poland
- the 11th position regarding barley (1.9%), behind Russian Federation, Ukraine, Spain, Germany, France, Great Britain, Poland, Belarus, Denmark, Finland
- the 6th position (3.0%) regarding oat, behind Russian Federation, Spain, Poland, Ukraine, Finland
- the 1st position regarding corn (16.9%).

Concerning the level of cereals production, Romania was ranked on:

- the 9th position regarding wheat (2.3%), behind Russian Federation, France, Germany, Ukraine, Great Britain, Poland, Italy and Denmark
- the 13th position regarding barley (1.2%), behind Russian Federation, France, Germany, Ukraine, Spain, Great Britain, Poland, Denmark, Finland, Belarus, Czech Republic, and Sweden
- the 12th position regarding oat (1.9%), behind Russian Federation, Poland, Finland, Spain, Germany, Great Britain, Sweden, Ukraine, France, Belarus and Italy
- the 3rd position regarding corn (9.5%), behind France and Ukraine.

Characteristics of Natural Resources

As compared to other European countries Romania has a good position regarding the land fund, in 2009 the agricultural area accounted for 61.6%. The arable area had a fluctuating evolution from 64.0% in 2006 and 2008 to 64.2% in 2009.

The area planted with cereals for sowing had an upward trend until 2009, in the following year registering the lowest value of the whole surveyed period. Thus, in 2010 the area was 1,6% lower than the base year and 4.7% lower than the previous year.

Despite the downward trend, the area cultivated with corn kept the highest share in the total area cultivated with cereals for grains, during the surveyed period. In 2010 the area cultivated with corn went down by 4.1% as compared to the previous year and down by 11.0% as compared to the base year.

The status of the area cultivated with wheat was similar, after a fluctuating evolution, the area cultivated in 2010 decreased by 7.2% as compared to the previous year and by 0.9% as compared to 2006.

Cultivated Area, by Main Crops
2006 – 2010

- thousand ha -

	2006	2007	2008	2009	2010
Cultivated area, of which:	9,434.6	9,423.3	9,415.1	9,422.5	...
Cereals for grains, of which:	5,114.4	5,129.2	5,210.7	5,282.4	5,032.0
Wheat	2,012.6	1,975.0	2,110.3	2,148.8	1,994.0
Barley	331.6	363.8	394.0	517.5	521.0
Oats	196.8	208.7	200.4	202.7	192.0
Corn	2,520.1	2,524.7	2,441.5	2,338.8	2,244.0
Grain sorghum	0.7	1.1	8.0	6.1	...
Rice	5.6	8.4	9.9	13.3	...

Source: National Institute of Statistics - Romanian Statistical Yearbook, 2010;

Press release 64/2011 "Crop production, by main crops in 2010- temporarily data"

Note: ... data not available

Machinery input basis

According to the last data registered by the National Institute of Statistics in 2009 the agricultural machinery park of mainly consisted of 176.8 thousand tractors, 142.5 thousand tractor-drawn ploughs, 68.9 thousand mechanical seeders and 24.9 thousand combines for harvesting cereals. To be mentioned that in 2009, the arable land for one tractor was 54 ha, as compared to 72.6 ha in 1989.

Romania's production of cereals and products thereof

Although Romania has an important agricultural potential, during 2006-2010, the agricultural production had a differentiated evolution, due to the climatic conditions (drought and floods) and to the manner in which specific agricultural works were carried out.

In 2010, the production of cereals for sowing increased by 11.4% as compared to the previous year and also by 5.1% as compared to the base year.

Production data for major agricultural crops grown are as follows: 5,588.0 thousand tones of wheat, barley and 1,321.0 thousand tones of two-row barley and 9,101.0 thousand tones of corn.

Production of Cereals
2006 - 2010

- thousand tones -

	2006	2007	2008	2009	2010
Cereals for grains, of which:	1,5759.3	7,814.8	16,826.4	14,873.9	16,570.0
Wheat	5,526.2	3,044.5	7,181.0	5,202.5	5,588.0
Barley	772.9	531.4	1,209.4	1,182.1	1,321.0
Oats	346.9	251.6	382.0	295.8	328.0
Corn	8,984.7	3,853.9	7,849.1	7,973.3	9,101.0
Grain sorghum	1.3	1.2	20.9	14.4	...
Rice	18.4	27.5	48.9	72.4	...

Source: National Institute of Statistics - Romanian Statistical Yearbook, 2010;

Press release 64/2011 "Crop production, by main crops in 2010 - preliminary data".

Note: ... data not available

The Ministry of Agriculture and Rural Development registered in 2009 a number of 4,512 operators in the milling and bakery industry with an annual processing capacity of 9,751.5 thousand tones.

According to EUROSTAT database the productions of milling and bakery industry reached 2,472.3 thousand tones in 2009.

Production sold to the Milling and Bakery Industry in 2009
by Classification of Activities of National Economy

Class	CANE Rev.2	M.U.	Production
1061	Manufacture of grain mill products	kg	1,458,345,853
1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	kg	882,843,817
1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	kg	102,744,686
1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	kg	28,319,241

Source: EUROSTAT, PRODCOM database (January 2011)

Foreign Trade in Cereals

Between 2006 and 2010, the export of "Cereals" (Chapter 10, according to the Harmonized System - HS) accounted for 0.51% - 2.39% of total Romanian exports. Imports of cereals accounted for 0.11% - 0.64% of total Romanian imports, during the same period.

- Exports of cereals had an upward trend in the surveyed period (except 2009 when it was registered a slight reduction from the previous year), reaching 891.8 million in 2010, which

represented an increase of 515.0% compared to 2006 and of 41.4% as compared to 2009. In 2010, under the chapter, most exports were recorded by HS groups: "Corn" EUR 391.2 million (43.9%), "Wheat and meslin" EUR 382.1 million (42.8%) and „Barley“ EUR 95.6 million (10.7%).

- Imports of cereals followed a fluctuating evolution with the lowest value in 2006 (EUR 43.0 million) and the highest in 2008 (EUR 308.2 million). In 2010, the imports of cereals decreased to EUR 248.0 million, from which, "Wheat and meslin" EUR 115.9 million (46.7%), "Corn" EUR 92.9 million (37.5%) and "Rice" EUR 22.8 million (9.2%).
- The trade balance of the chapter fluctuated between the lowest deficit in 2007 (– EUR 116.6 million) to the highest surplus in 2010 (+EUR 643.8 million). In 2010 the highest values were achieved for "Corn" (+EUR 298.3 million), "Wheat and meslin" (+EUR 226.2 million) and „Barley“ (+EUR 81.1 million).
- In 2010 the top five export partners for "corn" were South Korea 14.6%, Spain 10.6%, Turkey 7.7%, Hungary 6.9% and Syrian Arab Republic 6.7%. Imports came from Hungary 53.1%, Bulgaria 26.9%, France 8.5%, Slovakia 1.8% and Germany 1.6%. „Wheat and Meslin“ 's exports were directed to Spain 21.4%, Italy 13.2%, Philippines 10.5%, Bangladesh 9.5% and South Korea 7.8% while the imports were from Hungary 47.9%, Bulgaria 40.2%, Slovakia 3.6%, Serbian 3.5% and Austria 1.8%. "Barley"'s export main partners were Saudi Arabia 42.8%, Cyprus 13.4%, Greece 6.8%, Italy 6.7% and Tunisia 6.7% while for imports the main partners were Hungary 55.8%, Bulgaria 25.9%, Spain 16.2%, Austria 0.7% and Germany 0.5%.

Between 2006 and 2010, the export value of **"Milling industry products: malt, starch, inulin, wheat gluten"** (Chapter 11 - HS) accounted for an insignificant share of total Romanian exports in terms of value (0,01%-0,05%), the import of these products accounted for a share of 0,12%-0,23% of total Romanian imports, in the same period.

- The exports followed an upward trend, with the lowest value registered in 2006 (EUR 1.6 million) and the highest value in 2010 (EUR 19.4 million). In 2010, the top positions were occupied by the exports of "Wheat or meslin flour" EUR 7.7 million (39.7%), "Cereal groats, semolina and pellets" EUR 4.8 million (24.7%) and those of "Starch, inulin" EUR 4.3 million (22.2%).
- The imports fluctuated between EUR 47.8 million in 2006 and EUR 126.2 million in 2008. In 2010 the imports accounted for about EUR 73.8 million, from which "Wheat or meslin flour" EUR 25.0 million (representing 33.9% of the total imports) and "Cereal groats, semolina and pellets" EUR 6.4 million (8.7%) and "Starch, inulin" EUR 3.7 million (5.0%) achieved the highest values.
- The trade balance of this chapter was negative, fluctuating between -EUR 46.2 mil. in 2006 and -EUR 119.6 million in 2008 (the trade deficit in 2010 was EUR 54.4 mil). In 2010 the only positive trade balance occurred for two groups „Starch, inulin“ with +EUR 0.6 million and „Cereal grains differently processed“ with +EUR 0.2 million.
- In 2010 the top five export partners for "Starch, inulin" were Greece (representing 45.3% of the total exports), Poland (15.9%), Austria (13.3%), Bulgaria (12.3%) and Italy (5.3%). The main import partners were Bulgaria (representing 41.4% of the total imports), Czech Republic (19.9%), Germany (10.7%), Netherlands (8.6%) and Poland (3.8%). Romania exported „Cereal grains differently processed“ to Bulgaria (45.8%), Hungary (39.6%), Italy (9.4%), Greece (3.4%) and Turkey (1.1%) and imported from Germany (41.2%), Hungary (29.8%), Moldova (11.8%), Poland (2.7%) and Denmark (2.2%).

During 2006-2010 period, the exports of “**Preparations based on cereals, flour, starch or milk; pastry products**” (Chapter 19 - HS) registered shares between 0.11% and 0.16% of total Romanian exports. The imports of these products accounted for 0.20% to 0.42% of total Romanian imports, in the same period.

- Exports have increased almost every year (except 2009 when there was a reduction of 1.9% as compared to the previous year), in 2010 reaching EUR 52.9 million, the group of „Bakery, pastry and biscuits products,, being in the first place with 84.5%, meaning EUR 44.7 million.
- Throughout the chapter, the imports fluctuated between EUR 82.6 million and EUR 185.6 million in 2008. In 2010, the total value of imports of Chapter 11 reached EUR 170.2 million, of which the „Bakery, pastry and biscuits products” group accounted for 59% of the total, representing EUR 100.5 million.
- The trade balance of the chapter was negative, with the highest deficit in 2008 (- EUR 139.3 million). In 2010 the deficit amounted to - EUR 117.3 million from which the most significant negative trade balance (- EUR 55.8 million) was registered for “Bakery, pastry and biscuits products”.
- The top five partner countries for exports of “*Bakery, pastry and biscuits products*”, in 2010, were Bulgaria (22.8%), Hungary (14.7%), Greece (8.5%), Italy (7.4%) and Germany (5.3%), while for imports were Poland (19.0%), Germany (16.9%), Bulgaria (13.5%), Italy (11.5%) and Czech Republic (7.1%).

Foreign Trade in Cereals 2006 – 2010

- EUR thousand -

HS Code	HS Chapter	Flows	2006	2007	2008	2009	2010
10	Cereals	Exports	145.0	150.7	637.6	630.7	891.8
		Imports	43.0	267.3	308.2	249.8	248.0
11	Products of the milling industry; malt; starch; inulin; wheat gluten	Exports	1.6	4.9	6.6	8.1	19.4
		Imports	47.8	95.4	126.2	89.9	73.8
19	Preparations of cereals, flour, starch or milk; pastry products	Exports	27.2	34.6	46.3	45.4	52.9
		Imports	82.6	135.7	185.6	163.6	170.2

Source: Romanian Center for Trade and Investment - Database for foreign trade

Domestic Consumption

By making a comparison between Romania and other EU Member States from the viewpoint of the gross human apparent consumption of cereals in 2009, the EUROSTAT statistics revealed the following:

- 4,265.1 thousand tones of cereals as compared to the highest value for Italy (9,604,0 thousand tones) and the lowest for Luxemburg (62.0 thousand tones), from which:

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- 3,593.3 thousand tones of wheat as compared to the highest value for Italy (9,410.0 thousand tones) and the lowest for Luxemburg (58.4 thousand tones);
- 659.1 thousand tones of corn as compared to the highest value for Germany (1,471.0 thousand tones) and the lowest for Luxemburg (1.3 thousand tones).
- 72.29 thousand tones of rice as compared to the highest value for Germany (286.4 thousand tones) and the lowest for Malta (2.99 thousand tones).

According to the Romanian Statistical Yearbook 2010, in 2009, the average yearly per inhabitant consumption of cereals and cereal products was equivalent to 200.8 kg in grain (-3.4% compared to 2006) or 151.7 kg equivalent flour (-3.6% compared to 2006).

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