



## *AHDB cereal exports competitor report*

# Romania

### *Harvest*

The main wheat production area in Romania is the Danube Plain in the south of the country. Other important wheat-growing areas are Transylvania, the northern part of Moldova in north-eastern Romania, and the Banat region in the south-west.

The Romanian Ministry of Agriculture projected its wheat harvest to total 11.33 million tonnes in marketing year 2021/22, the largest such crop since the country joined the European Union (EU) in 2007. Stratégie Grains has pegged the Romanian harvest lower, at 10.4 million tonnes.

Whichever figure is more accurate, it represents a sharp rebound after drought destroyed around 40 per cent of the crop the previous season, dragging the 2020 harvest down to just 6.4 million tonnes. A highly favourable growing season delivered a record average yield of 5.34 t/ha in 2021, compared with just 2.99 t/ha in 2020.

The barley crop projection by the Ministry of Agriculture for marketing year 2021/22 is 1.88 million tonnes, which is also a record level since 2007. Stratégie Grains pegged the barley crop slightly higher, at 2 million tonnes.

### *Exports*

The abundant wheat crop could potentially help create a surplus of about 8 million tonnes for export in marketing year 2021/22, as Romania's domestic consumption traditionally ranges from 3 to 4 million tonnes per year.

Romania's wheat exports to countries outside the EU are huge: 10 million tonnes of wheat were exported last year, the second-highest country in the EU after France.

Romania has been among the largest grain sellers in the EU. Along with France and Russia, Romania is an active exporter to the Middle East, with Egypt being the main buyer.

Its large export availability will likely boost Romania's supply on offer for Egypt's international grain tenders.\*

\*<https://www.nasdaq.com/articles/romanian-wheat-crop-to-recover-sharply-seen-offering-for-egypt-tenders-2021-04-29>

Romania has also benefited from the Russian decision to impose export taxes on grain, after concerns over rising food costs and rising inflation. This has enabled Romania to gain market share in countries like Egypt that usually import large amounts of Russian grain.

Egypt's state grain buyer, GASC, has purchased almost 600,000 tonnes of wheat from Romania in its international tenders in 2020.

Romania is becoming an increasingly important exporter of grains, supplying many markets in south-eastern Europe, with grain coming by barge along the Danube. The 64 km long Danube–Black Sea Canal that links the Danube River with the port of Constanta, has turned into an economic gateway, propelling Romania to the top of the EU's wheat exporters.\* These days, the majority of the wheat that is exported via Constanta is not domestically produced: The waterway now brings grain exports from Slovakia, Hungary and Serbia to the world market via the Black Sea.

[\\*https://www.grainbrokers.com.au/european-union-cereal-exports-lower-after-a-poor-harvest/](https://www.grainbrokers.com.au/european-union-cereal-exports-lower-after-a-poor-harvest/)

## *Main ports in Romania*

Thanks to its location and relatively large size among European countries, Romania has become a grain exporter, competing with its neighbours on the Black Sea. Constanta port is the main gateway for agricultural transportation; the storage capacity in this port is expanding continuously.\*

As a net grain exporter, Romania is heavily reliant on its transportation infrastructure to ship grain to the Black Sea. The port of Constanta is the main trading hub for agricultural commodities from not only Romania but also neighbouring Bulgaria, Hungary and Serbia.

There are two terminals for cereals – Constanța North and Constanța South – with a total annual traffic capacity of 5 million tonnes.

Larger stocks will exert pressure on Romania's storage and transportation infrastructure. Grain may be shipped by road, river and rail. Agricultural barge traffic on the Danube River to the port of Constanta has increased, but over land truck transportation remains the primary means of delivering most commodities to port.

The port of Constanta in Romania has flourished in recent years. However, infrastructural bottlenecks on road, rail and waterway persist. Romanian grain production shows good growth potential, but transportation and infrastructure issues threaten its agricultural competitiveness.

[\\*https://millermagazine.com/english/drought-cuts-romania-wheat-production/](https://millermagazine.com/english/drought-cuts-romania-wheat-production/)

## Contract specifications for Romania

The contract grade for delivery on futures contracts made under Romania's rules shall be bulk milling wheat which conforms to the following specifications:

| Bulk Milling Wheat      |              |  |
|-------------------------|--------------|--|
| <b>Protein</b>          | 11.5% min    |  |
| <b>Specific weight</b>  | 76 kg/hl min |  |
| <b>Wet gluten</b>       | 23% min      |  |
| <b>Moisture</b>         | 14% max      |  |
| <b>Grain impurities</b> | 8% max       |  |
| <b>Misc. impurities</b> | 2% max       |  |
| <b>Bug damage</b>       | 1.5% max     |  |

<https://ukragroconsult.com/en/news/bsw-contract-specification/>

## Romanian wheat and barley exports

### Wheat

| Units = tonnes | 2020    |             | 2019      |
|----------------|---------|-------------|-----------|
| Jordan         | 700,841 | Egypt       | 1,388,086 |
| Philippines    | 614,124 | Jordan      | 631,883   |
| Egypt          | 591,122 | Sudan       | 471,527   |
| Israel         | 377,066 | Spain       | 431,287   |
| Sudan          | 318,725 | Israel      | 358,149   |
| Lebanon        | 251,525 | Italy       | 350,977   |
| Thailand       | 189,919 | South Korea | 327,227   |
| Spain          | 162,643 | Thailand    | 316,628   |
| Italy          | 137,449 | Philippines | 237,691   |
| Libya          | 127,550 | Germany     | 113,304   |
| South Korea    | 120,078 | Syria       | 108,758   |
| Morocco        | 93,675  | Lebanon     | 98,417    |

Source: IHS Maritime & Trade – Global Trade Atlas ® – Eurostat

Further publication of the trade data is prohibited, unless expressly permitted by IHS Maritime & Trade.

## Barley

| Units = tonnes | 2020    |              | 2019    |
|----------------|---------|--------------|---------|
| Saudi Arabia   | 764,892 | Saudi Arabia | 425,097 |
| Tunisia        | 188,687 | Libya        | 146,764 |
| Jordan         | 84,607  | Turkey       | 82,050  |
| Libya          | 57,845  | Spain        | 79,034  |
| Cyprus         | 52,433  | Japan        | 75,536  |
| Kuwait         | 45,200  | Netherlands  | 64,294  |
| Morocco        | 36,585  | Jordan       | 63,000  |
| Turkey         | 18,050  | Qatar        | 52,500  |
| Israel         | 17,999  | Tunisia      | 51,515  |
| Lebanon        | 10,120  | Cyprus       | 23,933  |

Source: IHS Maritime & Trade: Global Trade Atlas ® – Eurostat

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## Supply and demand

| As at Feb 2022<br>Units = thousand<br>tonnes | 2021/22 Wheat | 2021/22 Barley | 2022/23 Wheat<br>(forecast) | 2022/23 Barley<br>(forecast) |
|--|---------------|----------------|-----------------------------|------------------------------|
| Beginning stocks                             | 626           | 69             | 248                         | 14                           |
| Production                                   | 10,424        | 2,018          | 8,745                       | 1,699                        |
| Imports                                      | 1,436         | 423            | 1,349                       | 359                          |
| Total supply                                 | 12,487        | 2,510          | 10,341                      | 2,072                        |
| Exports                                      | 8,659         | 2,014          | 6,469                       | 1,686                        |
| Feed domestic consumption                    | 136           | 280            | 145                         | 135                          |
| FSI consumption                              | 3,150         | 152            | 3,182                       | 151                          |
| Domestic consumption                         | 3,580         | 481            | 3,622                       | 336                          |
| Ending stocks                                | 248           | 14             | 251                         | 50                           |

Source: Stratégie Grains

