

RUSSIAN RAPESEED – EVOLUTION AND ECONOMIC PERSPECTIVES

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Oil crops production in Russia, 1990 vs 2018

SUNFLOWER



SOYA BEAN



RAPESEED

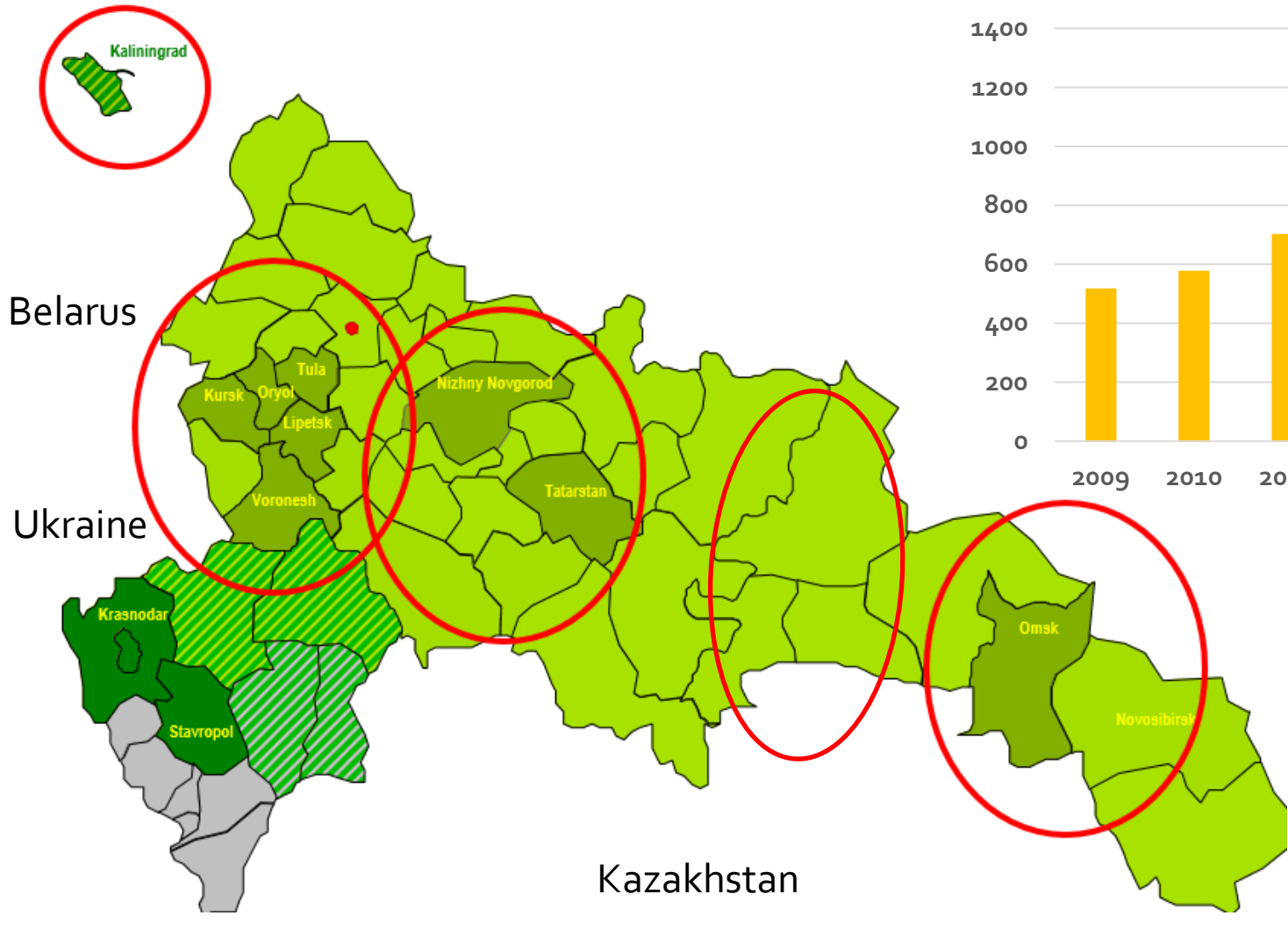
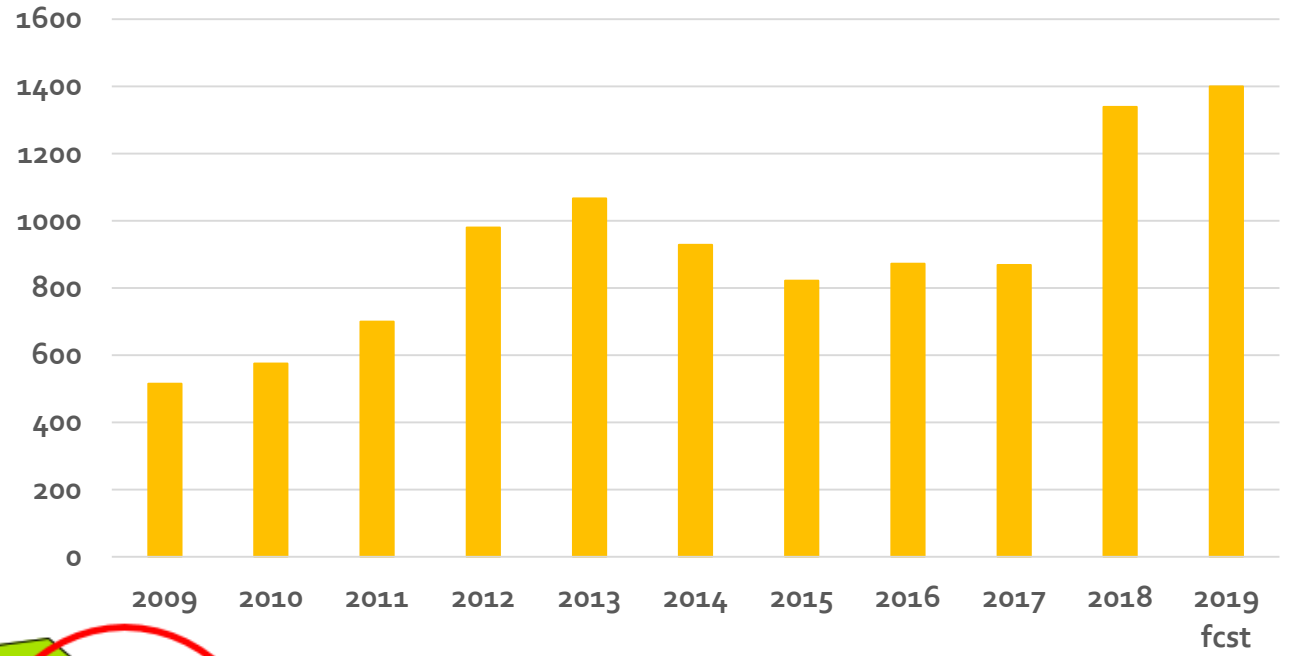


Year	Production in Mln. tn		
	SUNFLOWER	SOYA BEAN	RAPESEED
1990	3,4	0,7	0,2
2018	12,6	3,9	2

Since 1990 rapeseed evolved from a niche crop to one of the most important oil crop in Russia = x 10

Source: Ag. Ministry Statistics Russian

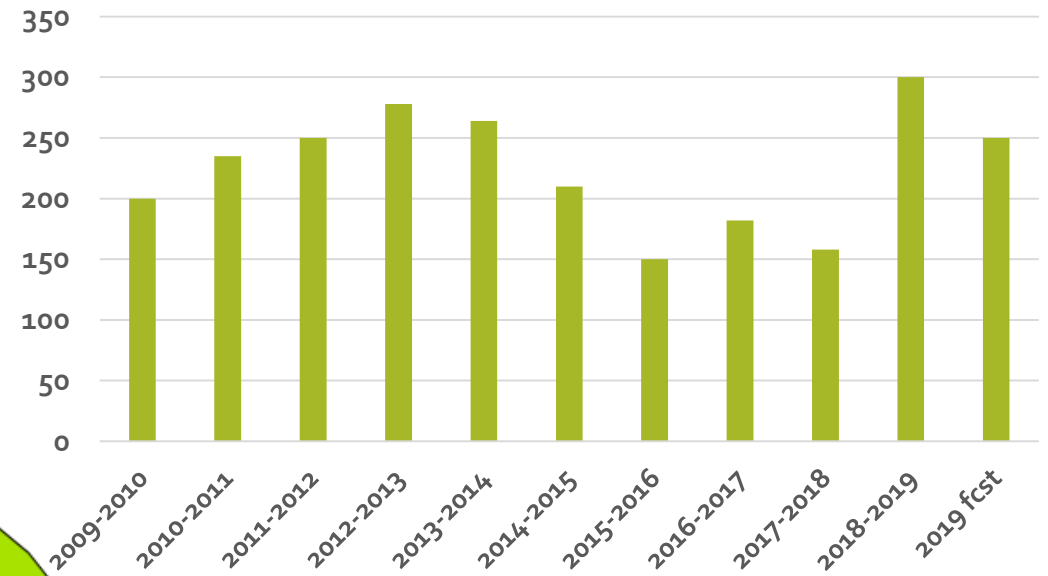
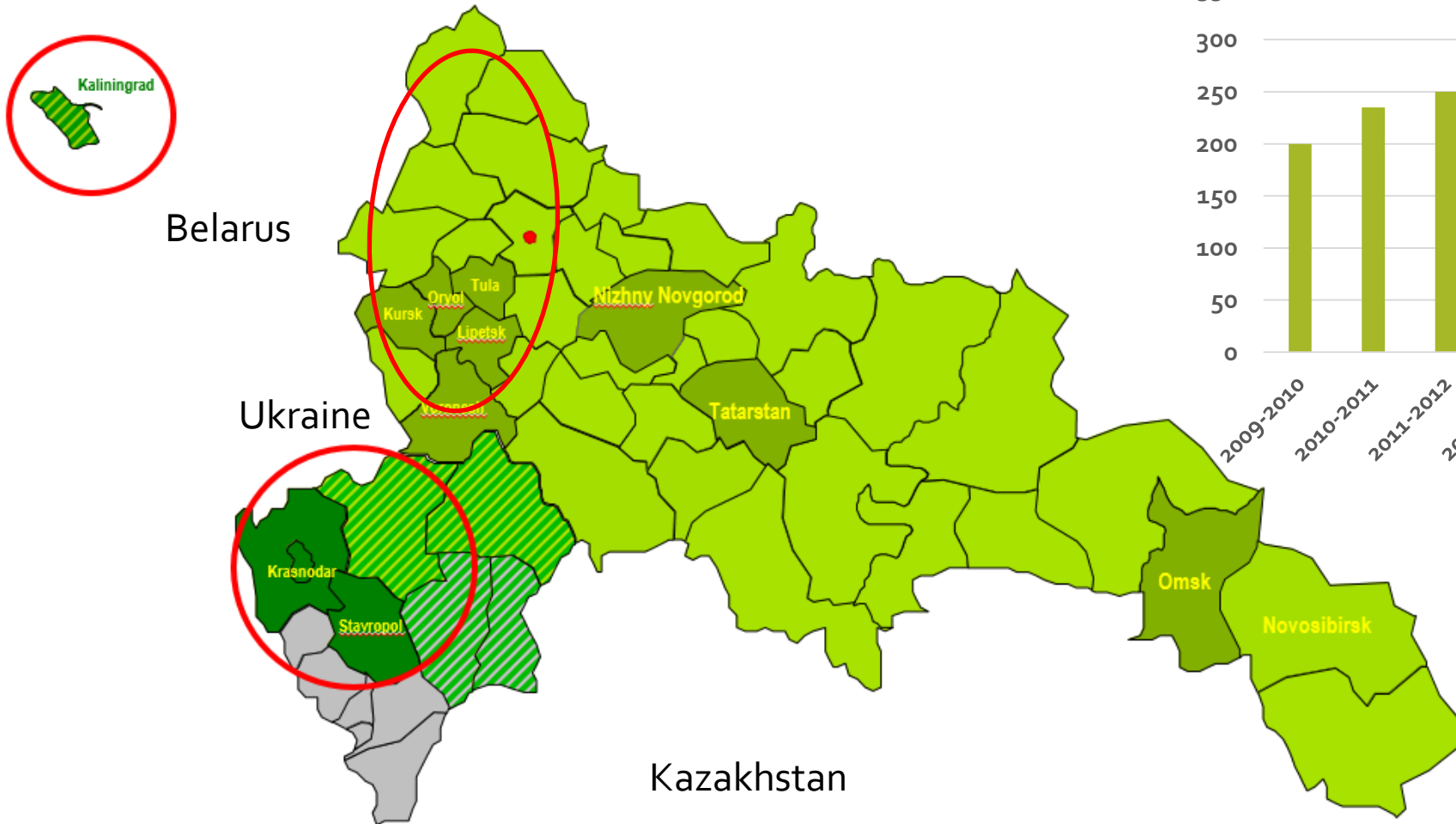
Spring oilseed rape (SOSR) sowing acreage in 2009-2019, Kha



SOSR sowing acreage demonstrates a constant growth since 2010.

Source: Ag. Ministry Statistics Russian

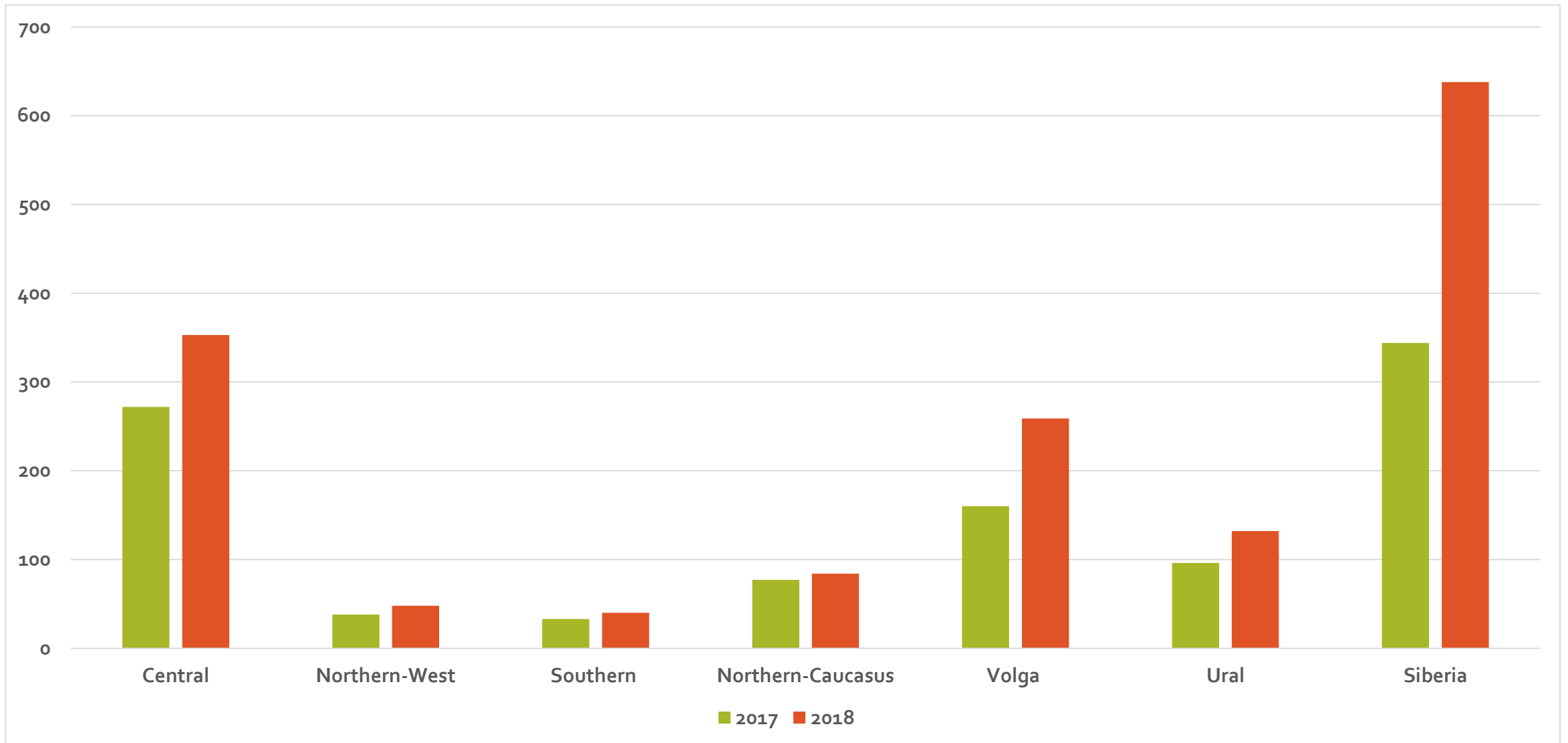
Winter oilseed rape (WOSR) sowing acreage in 2009-2019, Kha



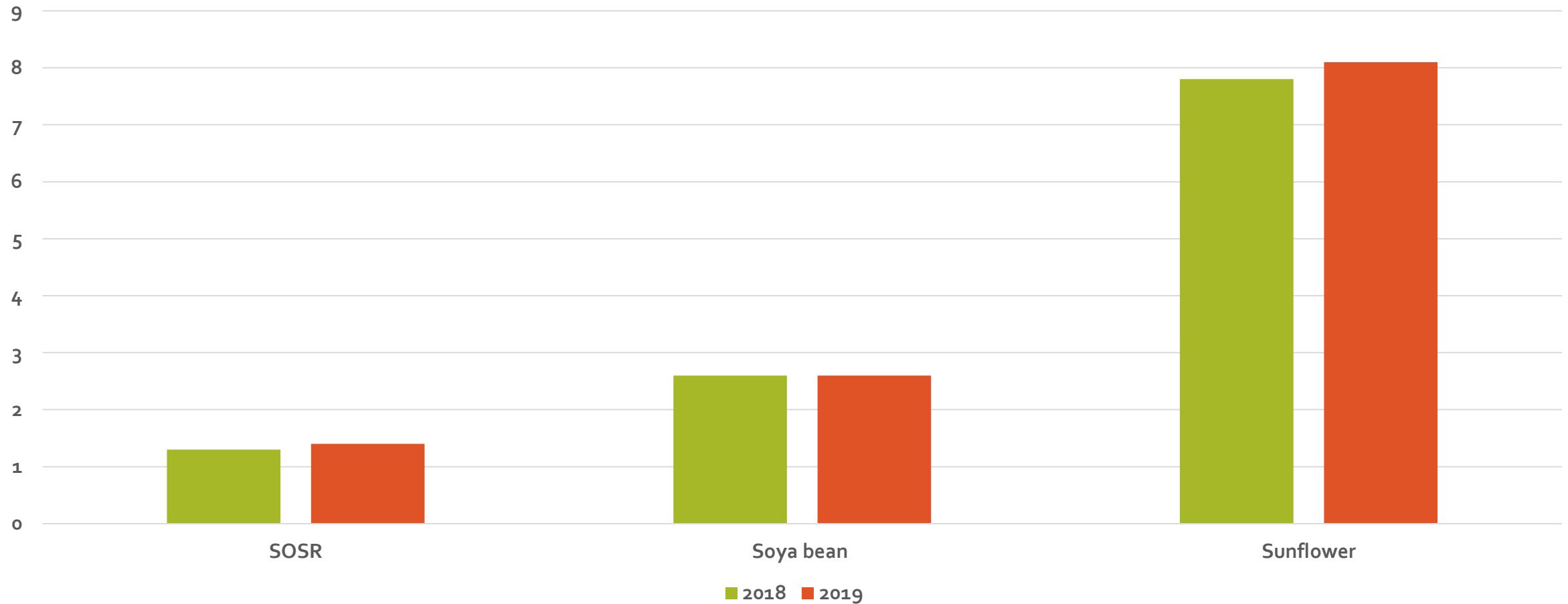
WOSR acreage is unstable because of dry conditions during sowing campaign. The sowing forecast is 200-300 Kha in 2019, depending on the weather conditions.

Source: Ag. Ministry Statistics Russian

OSR sowing acreage by macro regions in RF 2017 vs 2018, Kha



Oil crops spring sowing campaign in Russia 2018 vs 2019 fcst, Mln.ha



- There are 3 main oil crops in Russia with the total sowing acreage over 12 Mln ha: sunflower, soya beans and oil seed rape: spring and winter (SOSR+WOSR);
- The total acreage forecast of SOSR+WOSR is 1,6 Mln. ha in 2019.

Source: Ag. Ministry Statistics Russian 11.06.19

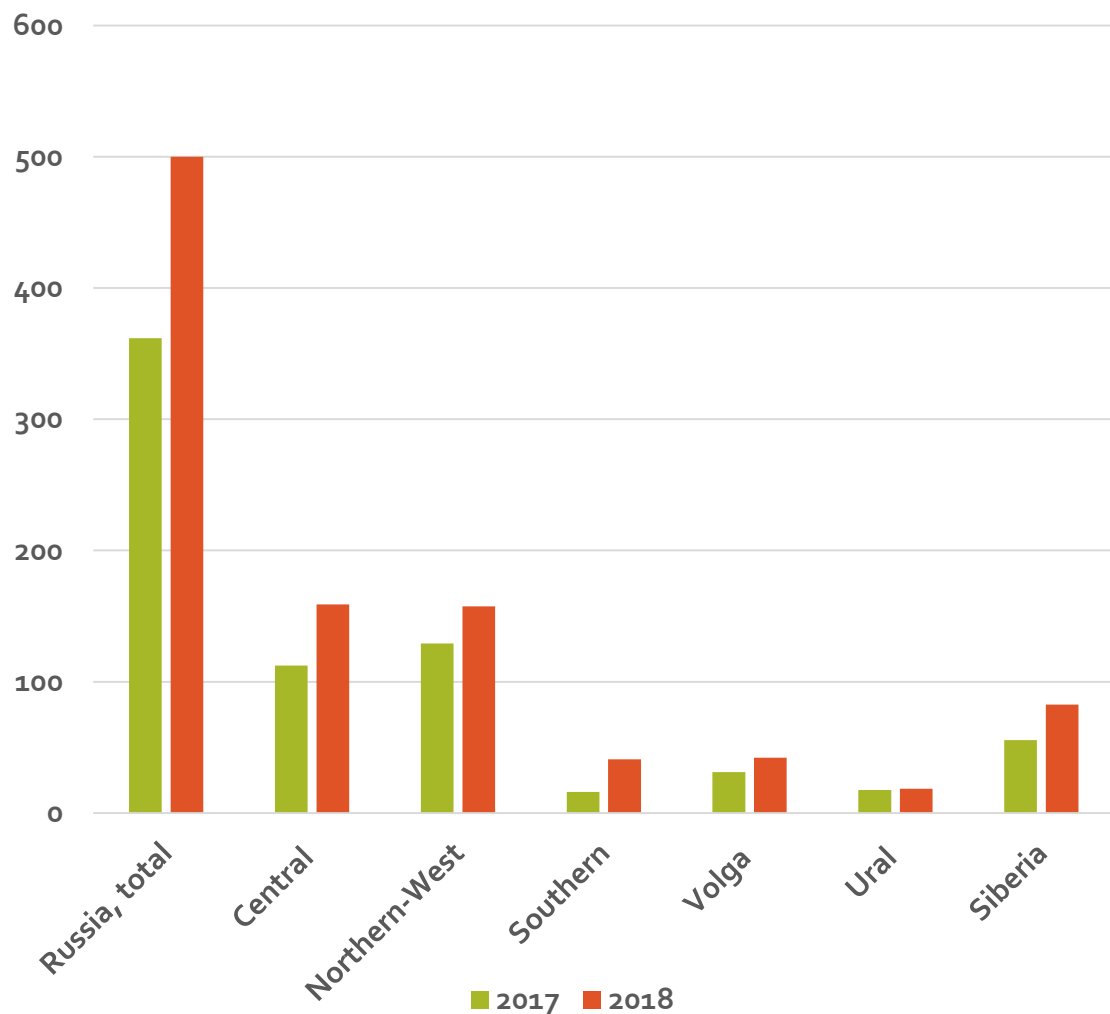
OSR production development and yield rate in Russia 2012-2018



Source: Ag. Ministry, RasRaps Association

Export of oil and commodity rapeseed from Russia in 2017 vs 2018, Ktn

Rapeseed oil production in Russia by regions in 2017 vs 2018, Ktn Rapeseed oil export from Russia 2017 vs 2018, Ktn



Export	2017	2018
Norway	139,5	190,5
China	18,2	85,6
Latvia	28,1	66,9
Netherlands	44,7	55,7
Lithuania	43,9	39,8
Other countries	21,5	33,2
Total export	295,9	471,8

Commodity rapeseed export from Russia 2017 vs 2018, Ktn

Export	2017	2018
Belarus	2,9	260,3
China	80,8	152,2
Mongolia	71,8	36,4
Germany	3,6	13,0
Iran	2,1	9,1
Other countries	30,1	14,4
Total export	191,3	485,5

Source: Ag. Ministry, Rasraps Association, Russian Statistics

Challenges in oil seed rape cultivation in Russia

Main Challenges:

- average OSR yield rate is still 1.4-1.6 tn/ha!
- low input technology in most regions of OSR cultivation areas;
- high share of Farm save seeds estimated for SOSR at 50%, WOSR at 30%;

Environmental condition risks:

SOSR = early spring drought, tough sowing conditions, wet harvesting conditions.

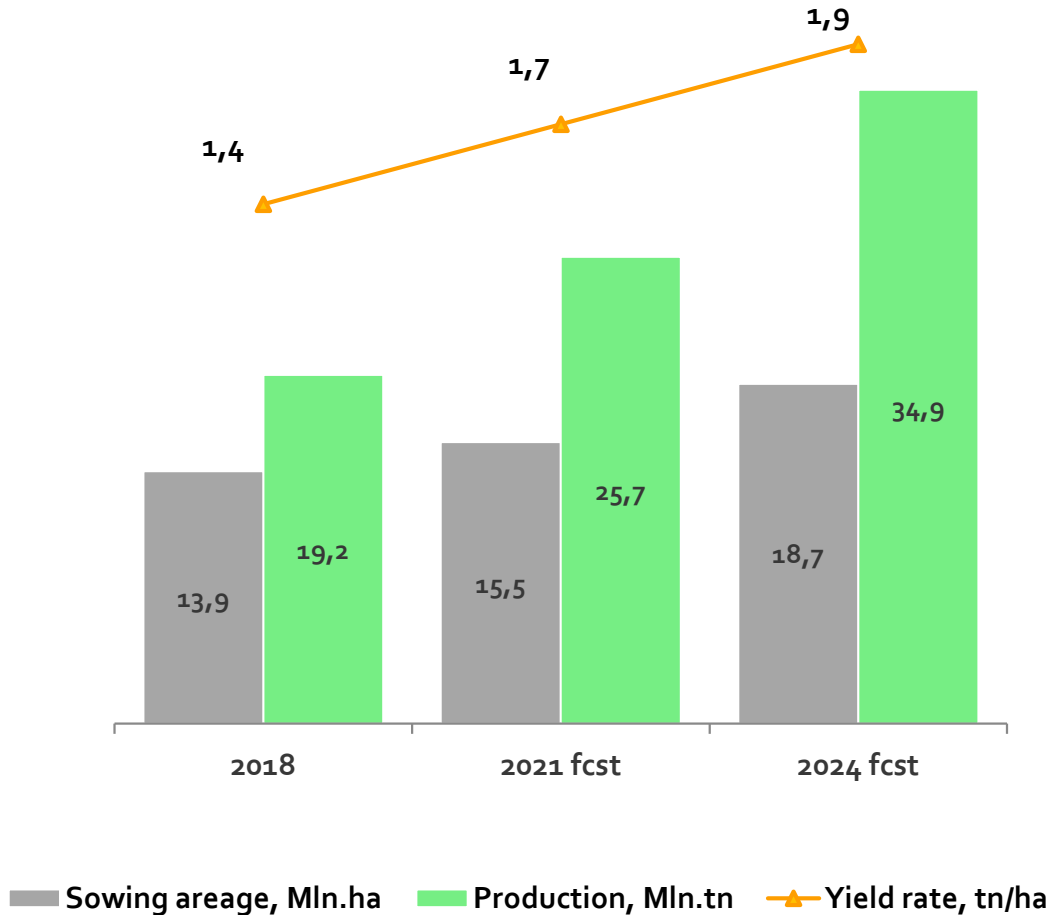
WOSR = moisture deficiency during sowing period in south regions, severe winters in central regions and early spring frost damage.

Pests:

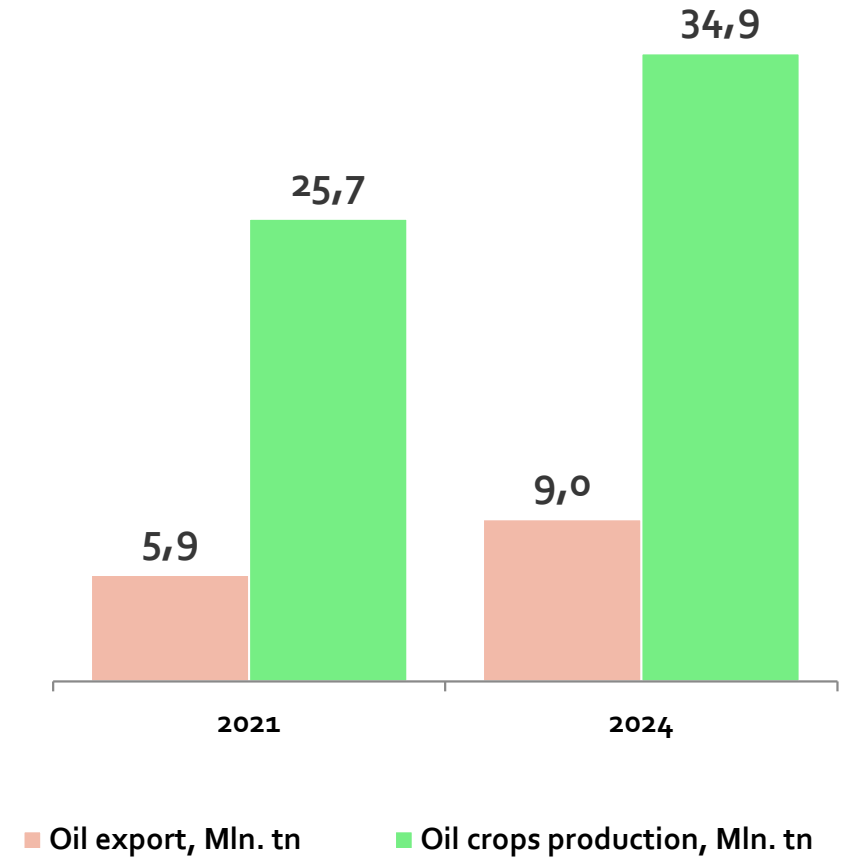
SOSR = insects pressure (*Plutella xylostella* / Diamondback), *Sclerotinia*, *Alternaria*

The forecast of oil crops production in 2021- 2024

Dynamics of oil crops production 2018-2024 fcst



Oil crops production and oil export forecast, Mln. tn



Source: Ag. Ministry, Russian Statistics

Rapeseed market trends in Russia in 2019

- Stable high commodity price since 2015 drives the SOSR acreage increase
- Rapeseed becomes a highly profitable crop which perfectly suites to cereals crop rotation
- Rapeseed is export oriented crop which is mainly processed inside Russia (rapeseed oil goes to export; rapeseed meal is a good source of local cheap balanced protein for livestock)
- Chinese market has an unlimited demand for a high quality rapeseed, mainly produced in Siberia and Far East.

Perspectives of oil seed rape cultivation in Russia

- Huge acreage of not cultivated land, especially in Northern-West and Siberia regions could be potentially return into a crop rotation with the support of Clearfield (imazamox) hybrids of spring and winter OSR
- Spring OSR, thanks to its cycle, is the only oilseed crop to be developed in northern west and east regions. Neither soybean nor sunflower are possible to cultivate there
- The side-product of processing oilseed rape (oil cake) is a source of local protein, which is actively used by livestock enterprises to replace partly the soya bean cake in diary cattle feeding
- Rapeseed oil isn't used today for human nutrition; The main oil for human consumption is still sunflower oil.

Thank you for your attention !

