

# An overview of the Polish oilseeds industry

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*In May 2018, the National Support Centre for Agriculture in Poland (Krajowy Ośrodek Wsparcia Rolnictwa – KOWR) hosted a tour for international media to introduce them to the country's agricultural and food industries. This annual tour is meant to promote Poland's high-quality agricultural export products.*

Although the tour itself did not place major focus on the oilseeds industry, it was evident while driving through the region that rapeseed, with fields stretching far and wide across the rural landscape, is an important crop. The tour took place in the northern, eastern and western provinces of Poland where canola is commonly produced.

The KOWR has provided *Oilseeds Focus* with information on their oilseeds industry, which also includes soya bean production. The latter often forms part of conservation agriculture as a rotation crop. The country is, however, also dependent on soya bean imports.

## Rapeseed production

In the European Union (EU) the oilseeds market includes rapeseed, sunflower, soya bean and flax. This industry is not subject to intervention or external protection, as oilseeds imports are carried out on duty-free conditions. Before the accession of Poland to the EU, the domestic market of oilseeds was protected by moderately high duty rates.

Poland is one of the leading producers of rapeseed in the EU, following Germany and France. Rapeseed acreage in Poland constitutes 95% of total oilseed plantings. Rapeseed cultivation is concentrated in nine provinces located in the northern, western and southern parts of the country.

Most of the rapeseed production is carried out in Dolnośląskie, Kujawsko-Pomorskie, Lubelskie, Mazowieckie, Opolskie, Pomorskie, Warmińsko-Mazurskie, Wielkopolskie and Zachodniopomorskie provinces, which have the most favourable climates and soil conditions for rapeseed cultivation.

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Rapeseed plays a very important role in the national agricultural, food economy and processing industries in Poland. It is a raw material used to produce consumer and industrial fats and is a source of feed protein.

The accession of Poland to the European Union and the EU policy on biofuels and renewable energy have boosted the development of rapeseed production in Poland. With long-term stabilisation of the

demand for rapeseed oil in the food sector (at a level of approximately one million tons), a fast-growing demand for this raw material consumed in the production of biocomponents has been created.

The harvest of rapeseed increased from 0,9 million tons, on average, in the three years before the accession (2001 to 2003) to 2,7 million tons in 2014 to 2016. This is due to the more than doubling of the cultivation area (from 0,4 to 0,9 million ha) and an increase in yield of more than 40% (from 2,1 to 3t/ha).

The share of rapeseed in the national sowing area more than doubled (from 3,9% in the three years before the accession to 8,6% in 2014 to 2016). Also, the number of farms cultivating rapeseed more than doubled from 43 000ha in 2002 to 91 000ha in 2016, with a decrease in the total number of farms with an area of more than 1ha of farmland from nearly 2 million to 1,4 million.

## Rapeseed trade

The Institute of Agricultural and Food Economics – National Research Institute (IAFE-NRI), a Polish independent scientific and research centre, estimates that in the 2017/18 season domestic stocks of rapeseed production (including low initial stocks) amounted to 2 713 000 tons and were 21,4% higher than in the previous season.

The greater domestic supply translated into the increased export and reduced import of rapeseed. It is estimated that in the 2017/18 season, 330 000 tons of rapeseed will be exported (12,3% of last year's harvest, i.e. 39,2% more than in the previous season) and 520 000 tons imported, which is 19% lower.



Germany will remain the main consumer of Polish rapeseed in the 2017/18 season, with approximately 91% being exported to this country in the first nine months of the season. The biggest suppliers to the Polish market will be: Czech Republic (approximately 22%), Romania (approximately 17%), Slovakia (approximately 14%), Hungary (approximately 13%) and Ukraine (approximately 12%).

With the larger harvest and net import of 190 000 tons of rapeseed, the fat industry will process 2 800 000 tons of this raw material, 9,8% more than in the 2016/17 season. The stocks of rapeseed at the end of the season will be as low as the year before (22 000 tons, 0,8% of the annual consumption).

In the 2015/16 marketing year (MY) Poland exported 881 000 tons of rapeseed. All exports were destined for the EU, mainly Germany. During the harvest, German trucks often come directly to the fields in Poland and load rapeseed directly from combines.

For producers from Northern and Eastern Poland, transportation costs are lower when they sell rapeseed to the crushing plant

in Rostock, Germany, instead of crushing plants in Poland. In the 2016/17 MY, exports of rapeseed significantly decreased in comparison to the previous year because of lower domestic production. In the 2016/17 MY, Poland exported only 236 452 tons of rapeseed, 73% less than in the 2015/16 season.

### Rapeseed oil and meal

In the 2015/16 MY, Poland exported 411 334 tons of rapeseed oil. Almost all exports were destined for the EU, with the Czech Republic as the main export destination. In the 2016/17 MY, Poland exported 185 107 tons of rapeseed oil, 55% less than in the 2015/16 season.

In the 2015/16 MY, the country exported 638 284 tons of rapeseed meal, 9% less than in the previous year. All exports were destined for the EU. Rapeseed meal is in demand in Europe because it is partially used as a protein source in pig and cattle feed rations.

Germany is the main export destination for exports of rapeseed meal followed by Spain. In the 2016/17 MY, Poland exported 711 862 tons of rapeseed meal, 12% more than in the 2015/16 season, due to

increased demand from the Netherlands and Denmark.

### Soya bean meal

Soya bean meal is the primary protein feed used in livestock nutrition. Acreage of domestic production of soya beans amounted to 5 700ha in 2017, so almost the entire demand for soya bean meal had to be supplied by imports.

The share of soya bean meal in total use of protein feeds accounts for 61%, followed by rapeseed meal at 15%, sunflower meal at 10%, legumes at 13%, and others at 1%. In the 2017/18 MY, soya bean meal imports to Poland increased by 5% to 2 402 000 tons.

In the 2015/16 MY, Poland imported 2 332 143 tons of soya bean meal, 12% more than in the previous year. The value of imports of soya bean meal was close to \$0,9 billion. Over 80% of imports originated from South America.

Soya bean meal remains in demand because it is a major source of protein in poultry feeding rations. In the 2016/17 MY, the country imported 2 283 297 tons of soya bean meal, 2% less than in the 2015/16 season. ●