

# food outlook

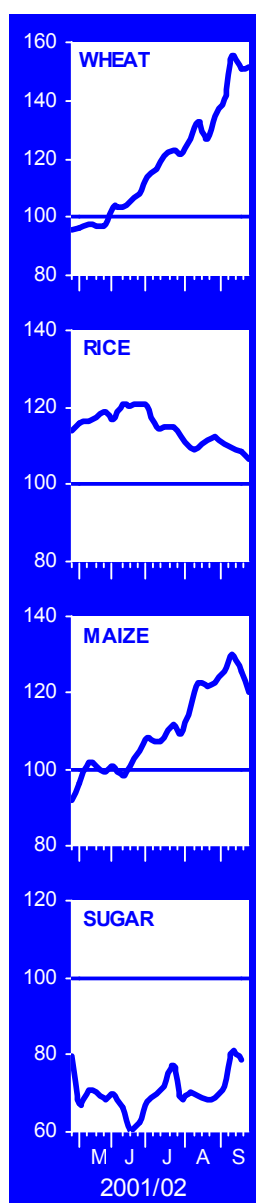
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## highlights

### EXPORT PRICES

(July 2001=100)



The global supply and demand balance for cereals is pointing to a tighter situation in 2002/03 than was anticipated earlier in the wake of deteriorating crop prospects in a number of major producing countries. Based on the production and consumption forecasts for 2002/03, world cereal stocks for crop years ending in 2003 are expected to plunge sharply.

The humanitarian crisis in southern Africa is deepening as international response has so far seriously fallen short of needs. Globally, 32 countries are presently facing food emergencies and need food assistance.

FAO's forecast of global cereal output in 2002 has been revised downward to 1 830 million tonnes, 3 percent down from last year and the smallest crop since 1995. On latest indications, output of wheat is forecast at 563 million tonnes, down 3 percent, that of coarse grains at 874 million tonnes would be down by close to 4 percent, while rice production, at 394 million tonnes (milled basis), would be down by 1.4 percent.

World cereal trade (exports) in 2002/03 is forecast at 236 million tonnes, which would be some 4 million tonnes below the previous season's record volume. The expected decline is exclusively on account of a sharp contraction expected in world wheat trade, while trade in coarse grains and rice is expected to rise.

World cereal utilization is forecast at 1 940 million tonnes in 2002/03, which would represent a negligible growth from the previous year, and stand about 10 percent, below the 10-year trend.

World cereal stocks by the end of the crop seasons ending in 2003 are forecast to fall sharply to 466 million tonnes, 108 million tonnes down from their already reduced opening level. Apart from poor crops in several important producing countries, the continuing policy of significant stock reductions in China, would still account for a large proportion of the total anticipated decline in stocks at the global level.

International wheat and coarse grain prices have increased in recent months, fuelled by growing evidence of tighter exportable grain supplies in traditional grain exporting countries. By contrast, for rice, large supplies in major exporting countries are keeping prices under pressure.



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## BASIC FACTS OF THE WORLD CEREAL SITUATION

	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003 forecast	Change 2002/03 over 2001/2002
<b>WORLD PRODUCTION <sup>1/</sup></b>	(..... million tonnes .....) )					(percentage)
Wheat	598	592	586	582	563	-3.3
Coarse grains	915	889	875	907	874	-3.6
Rice, milled	389	409	401	399	394	-1.4
(paddy)	(581)	(611)	(599)	(597)	(589)	-1.4
<b>All cereals (incl. milled rice)</b>	<b>1 903</b>	<b>1 890</b>	<b>1 861</b>	<b>1 888</b>	<b>1 830</b>	<b>-3.1</b>
Developing countries	1 043	1 041	1 007	1 014	1 012	-0.2
Developed countries	859	849	854	874	818	-6.4
<b>WORLD IMPORTS <sup>2/</sup></b>						
Wheat	100	110	103	106	101	-4.5
Coarse grains	97	106	109	106	108	2.3
Rice (milled)	25	23	24	26	26	1.8
<b>All cereals</b>	<b>221</b>	<b>239</b>	<b>236</b>	<b>238</b>	<b>236</b>	<b>-0.8</b>
Developing countries	162	174	173	171	173	1.3
Developed countries	59	65	62	66	62	-6.3
<b>FOOD AID IN CEREALS <sup>3/</sup></b>	<b>11.3</b>	<b>11.2</b>	<b>9.4</b>	<b>10.0</b>		
<b>WORLD UTILIZATION</b>						
Wheat	592	596	601	608	611	0.5
Coarse grains	900	900	913	919	917	-0.3
Rice (milled)	388	401	405	411	413	0.4
<b>All cereals</b>	<b>1 879</b>	<b>1 896</b>	<b>1 919</b>	<b>1 938</b>	<b>1 940</b>	<b>0.1</b>
Developing countries	1 132	1 158	1 166	1 174	1 188	1.2
Developed countries	746	739	753	764	752	-1.6
<b>Per Caput Food Use</b>	(..... kg/year .....) )					
Developing countries	166	166	166	166	166	0.1
Developed countries	133	133	134	133	134	0.1
<b>WORLD STOCKS <sup>4/</sup></b>	(..... million tonnes .....) )					
Wheat	260	254	240	215	168	-22.0
Coarse grains	265	258	224	208	167	-19.7
Rice (milled)	157	168	163	150	131	-12.6
<b>All cereals</b>	<b>682</b>	<b>680</b>	<b>628</b>	<b>574</b>	<b>466</b>	<b>-18.7</b>
Developing countries	511	515	468	412	345	-16.2
Developed countries	171	165	160	162	121	-25.1
<b>EXPORT PRICES <sup>5/</sup></b>	(..... US\$/tonne .....) )					
Rice (Thai, 100%, 2nd grade) <sup>1/</sup>	315	253	207	178	199 <sup>6/</sup>	12.4 <sup>7/</sup>
Wheat (U.S. No.2 HRW)	120	112	128	127	169 <sup>6/</sup>	33.1 <sup>7/</sup>
Maize (U.S. No.2 Yellow)	95	90	86	90	108 <sup>6/</sup>	18.5 <sup>7/</sup>
<b>OCEAN FREIGHT RATES <sup>5/</sup></b>						
From U.S. Gulf to Egypt	9.3	13.7	15.0	15.0	15.0 <sup>6/</sup>	0.0 <sup>7/</sup>
<b>LOW-INCOME FOOD- DEFICIT COUNTRIES <sup>9/</sup></b>	(..... million tonnes .....) )					
Roots & tubers production <sup>1/</sup>	423	437	450	442	446	0.9
Cereal production (milled rice) <sup>1/</sup>	811	814	774	772	777	0.7
Per caput production (kg.) <sup>10/</sup>	219	217	204	201	200	-0.5
Cereal imports <sup>2/</sup>	74.1	75.3	73.9	75.6	76.7	1.4
of which: Food aid	8.5	7.6	8.3	8.5		
Proportion of cereal import covered by food aid	(..... percentage .....) )					
	11.5	10.1	11.2	11.2		

Source: FAO

Note: Totals and percentages computed from unrounded data.

<sup>1/</sup> Data refer to the calendar year of the first year shown. <sup>2/</sup> July/June except for rice for which the data refer to the calendar year of the second year shown. <sup>3/</sup> July/June shipments. <sup>4/</sup> Stock data are based on aggregate of national carryover levels at the end of national crop years and, therefore, do not represent world stock levels at any point in time. <sup>5/</sup> July/June. <sup>6/</sup> Average of quotations for January-September 2002. <sup>7/</sup> Change from corresponding period of previous year for which figures are not shown. <sup>8/</sup> Average of quotations for July-September 2002. <sup>9/</sup> Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$1 445 in 2000). <sup>10/</sup> Including milled rice.

## Cereals

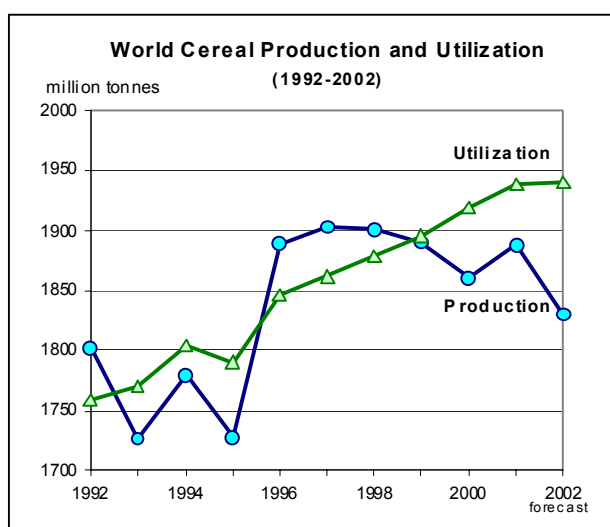
### Supply/Demand Roundup

GLOBAL OUTLOOK		
Wheat	2001/02 <sup>1/</sup>	2002/03 <sup>1/</sup>
Production	▼	▼
Trade	▲	▼
Stocks	▼	▼
Prices	▼	▲
Coarse Grains		
Production	▲	▼
Trade	▼	▲
Stocks	▼	▼
Prices	▲	▲
Rice		
Production	●	▼
Trade	▲	▲
Stocks	▼	▼
Prices	▼	●

● stable ▲ up ▼ down: These signs refer only to the direction of change from the previous season.

<sup>1/</sup> Production refers to the first year; stocks refer to crop seasons ending in the second year; trade and prices for wheat and coarse grains refer to July/June and for rice refer to the second year.

The global supply and demand balance for cereals is pointing to an even tighter situation in 2002/03 than was anticipated earlier, in the wake of deteriorating crop prospects in a number of major producing countries. Latest indications for global cereal output in 2002 now point to a total output of 1 830 million tonnes (including



rice in milled equivalent), 58 million tonnes less than last year and the smallest crop since 1995. Based on this, and the latest forecast for consumption in 2002/03, world cereal stocks for crop years ending in 2003 are expected to drop sharply again, falling for the fourth year in succession. The growing evidence of tighter exportable grain supplies in traditional exporting countries has fuelled a general price increase for grains on international markets in recent months, pushing prices above last year's level. The steepest rises have been for North American and Australian origins where the most pronounced production declines are expected this year because of drought. However, upwards price pressure on grain markets has, to some extent, been mitigated by reduced world import demand coupled with large supplies in a number of non-traditional exporting countries. For rice, large supplies in major exporting countries are keeping prices under downward pressure.

#### Smaller global cereal crops in 2002, especially for wheat and maize

The forecast for global **wheat** output in 2002 has been revised downward again since the previous report in July, to 563 million tonnes, which would be 19 million tonnes below the previous year's level. This would be the fifth successive year-on-year decline and the smallest crop since 1995. The latest revision is largely a result of severe crop setbacks in North America and Australia because of drought. The forecast for wheat production this year in South America has also been revised downward slightly in the past two months, reflecting the impact of financial constraints on planting in Argentina. However, with good crops expected elsewhere in the subregion the overall output would remain close to last year's level. A small downward revision has also been made for North Africa (mostly for Algeria), confirming an overall smaller crop in the African region in 2002. By contrast, the estimate of the aggregate European output has increased overall since July, reflecting a significant upward revision for the Russian Federation, where a larger than expected crop unfolded as the harvest progressed. This increase more than offset downward revisions for several other countries in Europe and the region's aggregate crop estimate now stands about 2 percent up from last year. Also for Asia, a small upward revision has resulted since the previous report, after adjustments for several countries, and the region's aggregate crop is now put marginally above that of last year. The outlook remains unchanged for Central America where an above-average crop is expected.

The forecast for global **coarse grain** output in 2002 has also been revised downward again since the last report, by 29 million tonnes, to 874 million tonnes, putting it 33 million tonnes below last year's harvest and below the average of the past five years. The bulk of the latest revision is confined to North America, where drought conditions have adversely affected the major maize and

sorghum crops in the United States and the small coarse grains harvest in Canada. The aggregate output in the region is now expected to be down about 8 percent from last year and the smallest crop since 1995. A downward revision has also been made for Oceania, reflecting the ongoing drought in Australia, and in this region production will also be well down from 2001. Smaller coarse grain crops this year, compared to last, are also expected in Africa, Central America, Europe and South America, where forecasts remain mostly unchanged from those in the previous report. By contrast, latest information confirms that production is set to rise in Asia, and after a recent upward revision, the forecast of the region's coarse grain output now stands at some 217 million tonnes.

In the northern hemisphere, the main season **paddy** crops are nearing maturity in many countries, some of which have already begun harvesting. In the southern hemisphere, the 2002 season has drawn to a conclusion and preparations for the 2003 season are underway. FAO's forecast for aggregate global paddy production in 2002 now stands at 589 million tonnes (393 million tonnes milled equivalent), 8 million tonnes below last season's output. The decrease mainly reflects weak and irregular monsoon rains in India, but also reduced yield prospects in China and smaller harvests in some South American countries.

**Mixed outlook for cereal trade this season**

The forecast for world **cereal** trade in 2002/03 has been revised upward slightly since the last report in July, to 236 million tonnes, which would be some 4 million tonnes below the previous season's record volume. The expected decline is exclusively on account of a sharp drop forecast for world wheat trade, as trade in coarse grains and rice is expected to rise. Global trade in **wheat** in 2002/03 is now forecast at 101.5 million tonnes, 3 million tonnes less than forecast in the previous report and about 6 million tonnes down from the previous season. The major cause of the decline is seen to be reduced import demand among a few countries in Asia and the EU. By contrast, the forecast for world trade in **coarse grains** in 2002/03 has been raised by 1.5 million tonnes since July, to 108 million tonnes, taking the total volume to about 1.5 million tonnes above the previous year's reduced level. Although it is very early to predict the outlook for **rice** trade in calendar year 2003 (which is mostly influenced by production in 2002), according to current estimates of export availabilities and import requirements, global rice trade might expand for the second consecutive year, to just over 26 million tonnes. The latest forecast for rice trade in 2002 now stands at 25.7 million tonnes, 1.7 million tonnes higher than in 2001, and if materialized, only the second time on record that the volume has surpassed 25 million tonnes. Prospects for international rice trade in 2002, and next year, have picked up considerably in the past three months as the likelihood of impending crop shortfalls due to weather adversities, particularly in Asia, have intensified.

**Negligible growth in cereal utilization in 2002/03**

World cereal utilization by the close of the 2002/03 season is forecast at 1 940 million tonnes, up negligibly (about 2 million tonnes) from the previous year and 20 million tonnes, or nearly 10 percent, below the 10-year trend. The last time total utilization fell so significantly below the trend was in 1995/96. At that time, high prices kept utilization at some 14 percent below the trend. As in 1995/96, the leading factor for a sluggish growth in total cereal utilization this season is the anticipated drop in cereal feed use, while food consumption of cereals is likely to keep pace with population growth at the global level. The decline in feed use this season is mainly driven by drought and soaring feed grain prices, especially in the United States, which is the single largest livestock market.

**World Cereal Production, Supplies, Trade and Stocks**

	2000/01	2001/02 estimate	2002/03 forecast
	( . . . . . million tonnes . . . . . )		
<b>Production <u>1/</u></b>	<b>1 861</b>	<b>1 888</b>	<b>1 830</b>
Wheat	586	582	563
Coarse grains	875	907	874
Rice (milled)	401	399	394
<b>Supply <u>2/</u></b>	<b>2 541</b>	<b>2 516</b>	<b>2 404</b>
<b>Utilization</b>	<b>1 919</b>	<b>1 938</b>	<b>1 940</b>
<b>Trade <u>3/</u></b>	<b>232</b>	<b>240</b>	<b>236</b>
<b>Ending Stocks <u>4/</u></b>	<b>628</b>	<b>574</b>	<b>466</b>

**Source:** FAO

- 1/ Data refer to calendar year of the first year shown. Rice in milled equivalent.
- 2/ Production plus opening stocks.
- 3/ July/June basis for wheat and coarse grains and calendar year (second year shown) for rice.
- 4/ May not equal the difference between supply and utilization due to differences in individual country marketing years.

**World cereal stocks to drop sharply**

World cereal stocks by the end of crop seasons ending in 2003 are now expected to fall sharply by 108 million tonnes, or 19 percent, from their opening levels, to around 466 million tonnes. A significant downward revision of 31 million tonnes since the previous report is largely accounted for by downward adjustment to the forecasts for wheat and maize stocks in the United States, where prospects for this year's production continue to deteriorate in the wake of drought conditions. World wheat inventories are now forecast to fall to 168 million tonnes, 22 percent, below their opening levels, while those of coarse grains are put at 167 million tonnes, 20 percent down from the previous year. A sharp contraction for rice is also anticipated, with stocks forecast to fall to a 15-year low of 131 million tonnes, almost 13 percent down from their opening level. However, this season, as in the recent past, significant stock reductions in China would still account

for a large proportion of the total anticipated decline at the global level.

### Tighter grain supplies boost international prices

Wheat prices have increased steadily since the start of the current season in July, fuelled by growing evidence of severely reduced export supplies in three key exporting countries – Australia, Canada and the United States. So far, the market for medium to high quality milling wheat has reacted the most, with the September average for US wheat No. 2 HRW reaching US\$189 per tonne, up US\$62 per tonne, or nearly 50 percent, from the corresponding month last year. However, US soft wheat (No. 2 SRW) values are also coming under upward pressure and prices rose to US\$156 per tonne in September, up 44 percent from the previous year. Similar to the situation for wheat, the maize market also strengthened since July as a result of deteriorating crop conditions in the United States, the world's largest producer, consumer and exporter. In September, the export price for US No.2 Yellow maize averaged US\$115 per tonne, up US\$23 per tonne since June and US\$25 per tonne, or 28 percent, above the corresponding month last year. As regards rice, export prices have followed diverse trends over the past few months, depending on origin. Such movements have offset each other in the new FAO Export Total Price Index for Rice (1998-2000 =100), which remained stable at 73 points from July through to September.

## Current Production and Crop Prospects

### Position by Region

- **Asia**

**Far East:** Contrary to early expectations in June, the 2002 southwest monsoon developed irregularly, causing drought in some areas and excessive rainfall with severe floods in others. Locally, food crop production was affected by thousands of hectares being flooded or washed away, but in most countries the effect on national food production has not been significant.

Harvesting of the 2002 **wheat** crop is complete in the main producing countries. In China, the winter wheat crop, which was harvested in May-June is estimated at 81.7 million tonnes, 7 percent below the 2001 output mainly due to a reduction in the planted area. By contrast, the spring wheat harvested in July-August is estimated at 6.3 million tonnes, marginally higher than in 2001, reflecting improved late season weather in the main growing areas of the northeast and northwest. The aggregate national outcome of 88 million tonnes marks the third consecutive decline in wheat production and is some 20 million tonnes below the average of the past five years. The estimate of India's winter wheat harvest in March-May has been revised to 71.5 million tonnes, down from 73.5 million tonnes reported earlier, but

above average. Wheat production in Pakistan is also above average at 19.2 million tonnes.

In China, the 2002 **coarse grain** crops have been harvested in southern provinces, while harvesting is about to finish in the north. Following an increase in the area planted and favourable late season precipitation, notably over the North China Plain and in northeastern key producing areas, the output of maize is forecast at 125.7 million tonnes, 10 percent up on production in the previous year and above average. Production of other coarse grains is forecast at 11.3 million tonnes against 11.8 million tonnes in 2001. The failure of the monsoon to progress towards India's main coarse grain producing areas and the subsequent development of drought, seriously affected crops. Tentatively, India's output of coarse grains from the kharif season to be harvested from November is expected to be some 24 percent below last year. Elsewhere in the region, production of coarse grains is estimated to be average to above average.

The outlook for **paddy** production in India has deteriorated since the last report, following weak and irregular monsoon precipitation throughout the critical months of July and August. As rains shifted towards the south and east, drought predominated in the north western districts, which account for approximately 25 percent of the country's paddy output and serious floods occurred in the north eastern region. Improved weather conditions in the latter part of August and the month of September may have, however, encouraged farmers to replant. Pending a new crop assessment, FAO's forecast for paddy output in the country stands at 127.5 million tonnes (85 million tonnes on a milled basis), a decline of almost 10 million tonnes from the previous year.

In China (mainland), estimates of the early rice crop already completed point to an 8 percent decline from last year, owing to disruptive weather and the absence of government "protective prices" for this crop. Harvesting of the intermediate rice crop (the largest among the country's three rice crops), is now underway and its output is forecast to be 6 percent larger than last year. Early forecasts for the late rice crop, on the other hand, foresee a 9 percent contraction. Overall, the official forecast for 2002 paddy production stands at 177.2 million tonnes, slightly less than last season, and the lowest since 1994. The country's shift away from low quality rice production is evidenced by reports that over 50 percent of total rice area has been sown with higher quality indica and japonica. As for the Chinese Province of Taiwan, paddy output in 2002 is forecast to fall by 100 000 tonnes from the previous year. Recent weather problems are responsible for the downturn, but the decline is also consistent with the expectation of higher imports under WTO market access commitments. Furthermore, the Provincial Government is considering a new development strategy for its paddy sector, which envisages limiting production to cover only 70 percent of consumption, with the remainder met through imports.

## FOOD CRISIS IN SOUTHERN AFRICA DEEPENING REFLECTING SLOW INTERNATIONAL RESPONSE<sup>1/</sup>

The humanitarian crisis in southern Africa is deepening as international response has so far seriously fallen short of needs. Globally, 32 countries are presently facing food emergencies and need food assistance.

Following two consecutive years of poor cereal harvests, the food crisis in **southern Africa** is worsening due to insufficient and slow food imports, both commercial and emergency relief. Prices of cereals are rising throughout the sub-region further curtailing access to food for large sections of the population. A series of FAO/WFP Crop and Food Supply Assessment Missions to Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe in April/May 2002 estimated the number of people in need of food aid at 12.8 million. However, follow-up vulnerability assessments recently undertaken by SADC, in collaboration with international agencies, have estimated the number at 14.4 million, with the largest increases in Zimbabwe and Zambia. Against a regional WFP emergency appeal for US\$507.3 million to provide food assistance to 10.3 million most affected people until the next harvest in April 2003, only 36 percent had been pledged by early October. In Angola, the number of people requiring food assistance in 2002/03, previously estimated at 1.4 million, has increased to 1.9 million due to the massive return of IDPs and refugees to their areas of origin, following the end of the civil war. In **eastern Africa**, serious food shortages have emerged in several parts of the sub-region. In Eritrea, the outlook for the current agricultural season is bleak due to poor rains. Already, an estimated one million people are in need of emergency food assistance. In Ethiopia, a large number of livestock deaths and unusual migrations in search of water and pasture are reported. Over 5.8 million people are in need of emergency food assistance until the end of 2002. In Kenya, the "long rains" have been inadequate in many districts, leading to a poor food outlook for 2002/03. In Sudan, serious food supply difficulties are being experienced in several parts due to erratic rains and population displacement following recent escalation of conflict in the south. Some 3 million people depend on food assistance. In Somalia, continuing insecurity and escalation of conflict in parts with attendant population displacement are cause for serious concern. In Uganda, erratic rains in parts and intensified population displacements in the north pose serious food security problems. In Tanzania, despite recent good harvests, food insecurity persists in some regions. In **western Africa**, Sierra Leone, Liberia and Guinea continue to require food assistance due to past or ongoing civil strife. In Mauritania, the food supply situation remains tight reflecting poor harvests in 2001. In **central Africa**, a resurgence of fighting in the Republic of Congo has caused renewed population displacement and is affecting food production. In the Democratic Republic of Congo the food supply situation remains difficult due to persistent conflict and dry weather in southern parts. In Burundi, the overall food supply situation has improved with good 2002 food harvests but emergency food assistance is still required for some 462 000 internally displaced people.

In **Asia**, food shortages persist in Korea, DPR, where WFP urgently requires additional food aid pledges of some 86 000 tonnes of cereals to continue its emergency operation until the end of the year. A severe drought has hit Mongolia, again this season affecting both livestock and cereal production and increasing food aid needs above the current levels. A large number of countries have been affected by tropical depressions, typhoons and an erratic 2002 monsoon, resulting in severe floods and landslides in some areas and drought in others. Extensive damage has been caused to housing and infrastructure, while millions of people have been displaced. Massive relief operations are underway by government agencies and international aid organizations.

In the **Near East**, favourable weather conditions in most countries have boosted domestic food production. In Afghanistan, however, despite the recovery in agricultural production, years of civil strife and a succession of severe droughts have left millions of people vulnerable to food insecurity. The massive return of refugees and funding shortfalls for humanitarian assistance are exerting extreme strain on available resources. The food situation in the West Bank and Gaza Strip is grave due to continuing confinement of families in homes by curfews and military operations. In Iraq, despite improved growing conditions, shortages of inputs continue to constrain crop and livestock production. Food supply in some countries of the Asian **CIS** is tight and emergency food assistance may be required in Tajikistan and Georgia. Hot and dry weather conditions, below average precipitation and low levels of water flows in the main rivers have adversely affected food production in these countries. Tajikistan, in addition, has recently experienced a locust invasion, torrential rains and floods, which have destroyed large areas of crops.

In **Central America and the Caribbean**, the tight food supply situation in parts of El Salvador, Guatemala and Nicaragua has been aggravated by increasing unemployment due to the crisis in the coffee sector. In **Europe** targeted food assistance continues to be necessary for refugees, the internally displaced and vulnerable populations in the Federal Republic of Yugoslavia and in Chechnya in the Russian Federation.

<sup>1/</sup> This updates information published in the September 2002 issue of Foodcrops and Shortages. Countries facing exceptional food emergencies are underlined.

In Bangladesh, although flooding was reported in August, prospects for the country's rice production this year continue to be positive, with the paddy crop officially put at 39 million tonnes, 1.2 million tonnes higher than in 2001. This season's output has been underpinned by several factors, including the lifting of procurement prices by 5 percent to 8 400 taka (US\$146) per tonne, increased use of inputs and generally favourable growing conditions.

In Pakistan, fears of a recurrence of the drought conditions that hindered production last season are easing. Recent widespread rains have reportedly improved the condition of the new crop, the bulk of which should reach the market in November. Accordingly, FAO's forecast for paddy output in the country is 5.9 million tonnes, 5 percent above the outcome of the previous year, but still 1.3 million tonnes less than the 2000 'normal' weather level. At the same time, the Government is promoting an expansion of cultivation of Basmati rice varieties in an attempt to raise the value of the country's rice exports, which account for some 40 percent of output. In Myanmar, a foreseen expansion of rice area in accordance with the Government's drive to increase rice exports is expected to lead to an increase in paddy output in 2002 by 0.7 million tonnes, to a record 22.5 million tonnes.

Contrasting weather extremes in Cambodia have disrupted cultivation of the country's wet season rice crop: a serious drought affecting new rice plantings was later followed by severe flooding problems. Losses of the wet crop have been estimated by officials to be in the order of 100 000 hectares. In an attempt to prevent shortages, the Government has proposed to increase by 200 000 hectares the area sown to the irrigated dry season crop, which will be planted in November once the wet crop is harvested. Thus, on balance, total paddy output in 2002 is officially forecast to reach 4.1 million tonnes, similar to the level of 2001.

Also in Viet Nam, erratic weather has cast some doubt on overall prospects for the 2002 paddy output. For instance, in the Mekong Delta, where the harvest of the summer-autumn rice crop is drawing to an end, flood related losses have been registered. On the other hand, in central districts, subnormal precipitation is reported to have hindered the sowing and early development of the 10<sup>th</sup>-month crop. However, given the record performance of the recently gathered winter-spring crop, the Government's 2002 paddy forecast of 32.3 million tonnes (which is 300 000 tonnes higher than in the past season), could still materialize.

In Indonesia, the harvest of the main paddy crop has been completed and the second paddy season is underway. The Central Bureau of Statistics is now forecasting a paddy output of 50.8 million tonnes, 300 000 tonnes above the revised 2001 total. According to the Bureau, paddy production last season was higher than originally estimated and the forecast for the current year was raised accordingly. However, this figure might be subject to a downward revision, especially as precipitation in Java and Sumatra, where a significant

share of the country's secondary rice crop is cultivated, is reported to be below normal, resulting in possible shortages of water for irrigation.

Sri Lanka's second paddy crop (Yala) is currently being harvested. A serious drought that persisted during the crop's maturation stage is expected to have an impact on yields. Therefore, the production forecast has been lowered by 100 000 tonnes to 2.6 million tonnes, matching the 2001 level. The drought might also have implications for the country's 2003 main crop (Maha), the planting of which will shortly commence.

Favourable growing conditions were reported in Japan as of August, with the status of the crop rated above normal in most of the rice districts. Output, however, is still forecast at 11 million tonnes, down 300 000 tonnes from last year, mainly on account of a policy induced decline in plantings.

In the Philippines, unfavourable weather conditions earlier in the year are reported to have disrupted rice cultivation. Furthermore, delays to planting of the country's third rice crop could render it vulnerable should any El Niño-induced adverse weather strike in the coming months, as is predicted. Based on official estimates, 2002 paddy production is expected to reach 12.6 million tonnes, around 500 000 tonnes less than the record crop of the previous season.

A recent FAO/World Food Programme mission to the Democratic People's Republic of Korea reports that in spite of delays in receiving inputs and unevenly distributed irrigation water, the country's main paddy crop is progressing satisfactorily. Authorities have targeted a rice area of 583 000 hectares in 2002, slightly above last year, and adopted measures to expand rice cultivation accordingly. The FAO forecast for the country's 2002 paddy crop remains at 2.1 million tonnes, unchanged from the previous year. Pending further information, this forecast does not account for possible losses arising from a typhoon that hit the Korean Peninsula at the end of August.

In the Republic of Korea, the forecast for 2002 paddy production currently stands at 7.2 million tonnes, down 250 000 tonnes from the previous year. The decline reflects lower yields expected after adverse weather, but also a likely reduction in area as policy measures have been implemented this season to reduce the country's large rice surpluses, in anticipation of the liberalization of the country's rice sector in 2005.

The forecast for Thailand's output in the current paddy season has been revised up by 2.4 million tonnes to 27 million tonnes. The adjustment stems from an upward revision of the official production estimate for 2001 and a promising outlook for this season's main crop, which is to be harvested between November and December. Widespread flooding in the country in early September is unlikely to have a major impact on the country's paddy output, since losses may be recouped by expanding plantings under the second paddy crop.



**Near East:** Favourable weather conditions in most countries have boosted the 2002 **cereal** production in the subregion. In Afghanistan, wheat production has recovered strongly to an estimated 2.7 million tonnes, which is 68 percent above last year's crop. In Iraq, the 2002 cereal crop, estimated at about 1.4 million tonnes, is about 16 percent above last year's crop. Similarly, production was well above average in Jordan and Syria due to favourable weather conditions. In Turkey, cereal production, estimated at about 27.6 million tonnes is 10 percent above the previous year. In Saudi Arabia, cereal production is estimated at 2.1 million tonnes, similar to last year. Reflecting improved rainfall earlier in the year, the Islamic Republic of Iran has increased its estimate of wheat production to 10.5 million tonnes, some 12 percent above the average of the past five years, while the output of coarse grains is also expected to recover from the drought-affected harvests of the previous two years.

The 2002 **paddy** crop in the Islamic Republic of Iran, is set to increase to 2 million tonnes in 2002, reflecting a return to a more normal rainfall pattern. This would constitute a recovery of 15 percent from last year's drought-afflicted crop. Recent FAO/WFP missions to Afghanistan and Tajikistan report that a return to normal precipitation levels, also in these countries could boost yields of rice. Rice production is forecast to double in the former country and to reach a record level in the latter.

**CIS in Asia:** The 2002 **wheat** harvest in the Asian CIS countries is, by and large, complete and estimated at 20.8 million tonnes this year compared with 21.78 million tonnes in 2001. The wheat output in Kazakhstan is estimated at 9.7 million tonnes, which is 3 million tonnes lower than the harvest last year. Improved precipitation and increased area sown to wheat in the Kyrgyz Republic, Uzbekistan, Turkmenistan and Azerbaijan has resulted in higher outputs this year, while wheat supply in Tajikistan and Uzbekistan continues to remain tight. In aggregate, the Asian CIS countries are forecast to harvest some 4.5 million tonnes of **coarse grains** in 2002, compared to 4.9 million tonnes in 2001. Of the total, barley is expected to account for about 2.8 million tonnes and maize 1.3 million tonnes.

- **Africa**

**Northern Africa:** Aggregate **wheat** output in the subregion in 2002 is provisionally estimated at 12.2 million tonnes, 700 000 tonnes down from 2001 but above the average of the past 5 years. In Algeria, production of wheat is tentatively estimated at about 1.6 million tonnes, some 20 percent below 2001 but still slightly above average. The decline is largely the result of dry weather at planting and during the development period. In Egypt, the irrigated wheat crop increased by 6 percent over the previous year's average level, mainly the result of increased plantings. In Morocco, wheat output was an above-average 3.4 million tonnes, slightly above last year's level, while in Tunisia a sharp decrease in production from 2001 of more than 50 percent is estimated. This is principally due to prolonged

dry weather at planting in the main wheat growing areas. The subregion's **coarse grain** production is tentatively estimated at 9.6 million tonnes, some 5 percent below 2001 but still about average. The decline is largely due to reduced barley output in Algeria and Tunisia. The 2002 **paddy** crop in Egypt is forecast at a record level of 6.1 million tonnes, reflecting an officially estimated 17 percent expansion in rice area largely in response to high paddy prices last season.

**Western Africa:** In the western part of the Sahel, the dry spell in July, which severely affected growing **coarse grain** crops, ended in the first dekad of August in most parts of The Gambia, Guinea Bissau, Mauritania and Senegal. The arrival of rains was beneficial for drought-stressed crops and some replanting of the worst affected areas has probably occurred. An FAO mission which visited Senegal and The Gambia in late August/early September forecast declines in this year's cereal production due to reduced yield potential and localized crop failures. In Mauritania, most "dieri" (rainfed) crops failed. In Cape Verde recently planted maize also failed in parts, following irregular rains in August. In the eastern and central parts of the Sahel, weather conditions have been much more favourable with widespread and regular rains over most of Burkina Faso, Chad, Mali and Niger. Crops are generally growing satisfactorily and overall crop prospects are favourable. In the countries along the Gulf of Guinea the first 2002 maize crop has been harvested in southern parts and the second has recently been planted.

The bulk of West Africa's **paddy** crops are expected to be harvested in October. The latest outlook is less favourable than earlier, following below-normal rainfall in several countries. Nevertheless, the subregion's aggregate output is still forecast at a relatively good level of 7.6 million tonnes, just short of the record achieved last season. In Nigeria, the largest producer in the subregion, output is forecast to increase to 3.5 million tonnes this year, partially offsetting the lower crops elsewhere. Production prospects in Liberia remain very uncertain, owing to a resurgence of civil strife.

**Central Africa:** Growing conditions for the coarse grain crops are favourable so far in Cameroon, while in the Central African Republic, erratic and below average rainfall has affected crop development in some regions.

**Eastern Africa:** Harvesting of the 2002 **wheat** crop has been completed in Sudan. Latest estimates indicate an output of about 300 000 tonnes, 21 percent above last year's crop but just below the five-year average. In Kenya and Ethiopia, prospects for the crop are uncertain reflecting inadequate rains in main growing areas.

Prospects for the 2002 **coarse grains** are generally unfavourable in several countries of the subregion, mainly because of inadequate rains. In Eritrea, an almost total failure of the secondary "azmera" rains (March-June) and the late onset of the main "kremti" rains (June-September) has seriously affected crops. Similarly in Ethiopia, a poor secondary "belg" season

## World Cereal Production

	Wheat		Coarse grains		Rice (paddy)		Total	
	2001	2002 forecast	2001	2002 forecast	2001	2002 forecast	2001	2002 forecast
	( ..... million tonnes ..... )							
Asia	241.0	241.8	203.8	217.5	543.4	535.4	988.2	994.8
Africa	17.8	16.8	82.6	78.8	17.2	17.9	117.7	113.4
Central America	3.3	3.2	30.0	29.8	2.3	2.2	35.6	35.2
South America	21.0	21.2	72.3	65.4	19.8	19.5	113.1	106.1
North America	73.8	61.3	284.8	262.4	9.7	9.4	368.3	333.1
Europe	200.7	204.6	221.0	211.0	3.2	3.2	424.9	418.8
Oceania	24.2	13.7	12.4	9.0	1.8	1.3	38.4	24.0
<b>WORLD</b>	<b>581.9</b>	<b>562.7</b>	<b>906.8</b>	<b>873.8</b>	<b>597.3</b>	<b>588.8</b>	<b>2 086.0</b>	<b>2 025.4</b>
					<b>(399)1/</b>	<b>(394)1/</b>	<b>(1 888)2/</b>	<b>(1 830)2/</b>
Developing countries	257.9	259.1	375.6	377.3	571.0	563.5	1 204.6	1 199.8
Developed countries	323.9	303.7	531.2	496.6	26.3	25.4	881.4	825.6

**Source:** FAO 1/ Milled rice. 2/ Including milled rice. **Note:** Totals computed from unrounded data.

followed by late onset of the main “meher” season have seriously affected crop and livestock production. In Kenya, erratic and below-normal rains in the main growing areas have affected the crops. Preliminary estimates point to a maize output of about 1.89 million tonnes compared to 2.32 million tonnes in 2001. In Uganda, where the harvest of the 2002 first season coarse grains is almost complete, the outlook is poor. The maize in eastern and central Uganda and the millet and sorghum crops in northern and north-eastern parts were affected by dry conditions. In Sudan, early crop prospects are unfavourable due to the delayed onset of rains and population displacement following recent escalation of conflict. By contrast, in Somalia, the main “gu” season maize and sorghum harvest in August is estimated at about 260 000 tonnes, more than double the relatively poor “gu” crop in 2001. In Tanzania, the latest forecast for coarse grains production stands at 3.7 million tonnes, about 12 percent up from last year and 18 percent up from the five-year average.

The 2002 **paddy** season is virtually over in the subregion. The Southern African Development Community (SADC) has estimated Tanzania’s rice harvest to be in the order of 482 000 tonnes (milled), which suggests a decline of over 30 000 tonnes from the previous year. FAO’s preliminary estimates of the subregion’s aggregate paddy output point to a slight contraction compared to the previous year.

**Southern Africa:** The 2002 **wheat** crop is about to be harvested. In South Africa, the largest producer in the subregion, the latest official forecast puts output at about 2.3 million tonnes, 4 percent less than the good harvest of last year but still above the average level. In Zimbabwe, the latest production forecast has been revised upward to 213 000 tonnes, but nevertheless remains 15 percent below last year’s already poor output. The decline in production reflects lower plantings

and yields as a result of disruption in the commercial agricultural sector.

Harvesting of the 2002 main season **coarse grains** was completed in July. The output is estimated at 14.8 million tonnes, only slightly higher than last year’s reduced level. Crops were adversely affected by a mid-season dry spell, excessive rains in parts and planting reductions in some countries. Production of maize, the subregion’s main staple, is estimated at 13.7 million tonnes, some 3 percent above the below average crop of 2001. Although the maize output decreased for the second consecutive year in most countries, it increased by 22 percent to 9.1 million tonnes in the largest producer South Africa, which was not affected by the dry weather this year. In Zimbabwe the effects of widespread drought, coupled with a decline in plantings in the commercial sector due to land reform activities, resulted in a maize output of only one-third of last year’s already below average crop. In Zambia, a prolonged dry spell from January to March, sharply reduced yields of the maize crop which is estimated at 606 000 tonnes, 25 percent lower than the average of the past five years. In Malawi, maize output is officially estimated at 1.6 million tonnes, 6 percent below the poor level of last year, following dry weather in the middle of the season and early cessation of rains in April. Dry weather also sharply reduced coarse grain production in Swaziland and Namibia. In Lesotho, excessive rains at planting and cold weather resulted in a maize crop one-third below the reduced level of the previous year. By contrast, production of coarse grains increased this year in Mozambique, Angola, and Botswana, where weather conditions were overall favourable.

In southern Africa, the 2002 **paddy** season has ended and preparations for the 2003 main season are underway. The Government of Mozambique has predicted a harvest of 168 000 tonnes in 2002, but in

other major rice producing countries of the subregion, official information regarding the size of their harvests has not yet been released. However, 2002 paddy output for Southern Africa is estimated at 2.7 million tonnes, a 6 percent decline from the record level of the previous year.

- **Central America and the Caribbean**

Planting of the 2002/03 irrigated **wheat** crop in the main producing areas in the north-west of Mexico is about to start. Satisfactory conditions are reported as recent storm rains across the northern parts of the country have helped replenish water reservoirs. Harvesting of the 2002/03 first season **coarse grain** crops (mostly maize), the main crop, in El Salvador, Guatemala, Honduras and Nicaragua has been completed, while sowing of the second season maize and sorghum crops has started. Most maize crops in the area have been about average, although some areas have reported reduced production as a result of irregular and ill-distributed rains. Aggregate Maize production for the whole year is nevertheless tentatively forecast at an average level. In Costa Rica and Panama, heavy rains since mid-August have adversely affected the crops and low outputs have been gathered in many of the affected areas. In the Caribbean, the western parts of Cuba and the Isle of Youth, off the country's southern coast, were seriously affected by Hurricane "Isidore" torrential rains and strong winds in late September. Damage to cereal and other foodcrops, as well as to important cash crops, is reported. By contrast, in the Dominican Republic, normal weather conditions benefited harvesting of the first season cereal and other food crops. In Haiti, a below-average first season crop maize output has been collected, the result of dry weather at planting and during the development period.

Harvesting of the 2002 **paddy** crop in the subregion has begun. Despite a timely arrival of rains, some countries, notably Costa Rica and El Salvador, endured persistently dry weather during planting and early crop development. Consequently, 2002 production is expected to fall by a combined 24 000 tonnes. Industry sources in Cuba are anticipating a marginal increase in private paddy output in 2002 to 281 000 tonnes, with the output from state-owned farms stagnating since again only one-third of allotted rice area has reportedly been seeded.

- **South America**

Planting of the 2002/03 **wheat** crop has been virtually completed in the southern areas of the subregion. In Argentina, the area planted is provisionally estimated at 6.3 million hectares, some 500 000 hectares below the 2001/02 level. The reduction is mainly due to financial constraints faced by producers as a result of the severe economic crisis, which has been affecting the country since November 2001. In Brazil, the harvest is about to start and early production forecasts point to a near-record crop of about 3.9 million tonnes, although a recent sharp frost in the principal producing state of

Paraná may have inflicted considerable losses. The increase in production is largely the result of new policy measures to increase domestic production. In Chile, above-average wheat plantings are estimated, while in Uruguay the area planted is close to the below-average levels of the past two years. In the Andean countries, in Bolivia, harvest of the winter wheat crop (planted in April/May) is about to start. Prospects are good and a slightly above-average output is anticipated. In Peru, the bulk of the 2002 wheat harvesting operations has been completed and an above-average output is also expected, while in Ecuador production has been about average.

Harvesting of the 2002 **coarse grain** crops, principally maize, in the southern areas of the subregion was completed in August. In Argentina, maize production is officially estimated at a considerably below-average 14.7 million tonnes, the result of intensive rains at sowing and lower than normal yields due to dry weather during the growing period. In Brazil, a bumper crop has been obtained from the second season maize crop ("zafrihna") and the aggregate output for the year is estimated at 35.7 million tonnes, more than 1 million tonnes above the average of the past five years. In Chile and Uruguay, above-average maize outputs have been harvested. In the Andean countries, in Bolivia, the total maize output collected in 2002 has been an above-average 724 000 tonnes. In Peru, harvesting of the white maize crop is virtually complete while that of the yellow crop is still underway. Harvest results are satisfactory so far and total **maize** production in 2002 should be well above the average of the past 5 years. In Ecuador, harvesting of the 2002 winter maize crop (planted December/April) was recently completed and a good outturn collected, while harvesting of the summer crop (planted June/August) is about to start. The outlook is good for the second crop and aggregate maize output for the year should be above average. In Colombia, harvesting of the 2002 first season crop is virtually complete while planting of the second season crop has started in some parts. Good outputs from the first season crop have been collected and early production forecasts for the whole year point to an above-average outturn. In Venezuela, harvesting of the coarse grain crops is well advanced and an above-average maize output is anticipated while that of sorghum should be slightly below average.

Harvesting of the 2002 main **paddy** crops has been completed in most countries of the subregion. Aggregate output is now estimated at 19.5 million tonnes 2 percent down from last year, reflecting a smaller harvest in Brazil and area losses in Guyana, following abnormally high precipitation during the planting stage. Preparations for the 2003 season will begin soon in the major producing countries of Argentina, Brazil, Paraguay and Uruguay. While planting intentions are not yet known, economic instability in some parts of the region may affect rice cultivation in the coming season.

- **North America**

The USDA September Crop Production report put total **wheat** production in the United States in 2002 at just below 46 million tonnes, 14 percent down from the previous year's below average output and the smallest harvest since 1972. Although the total area sown declined further for this year's crop, the bulk of the decrease reflects a sharp drop in yield as a result of drought conditions in the main growing areas. In Canada, prospects for the 2002 wheat crop deteriorated sharply during July and August due to one of the worst droughts on record in the west of the country, where the bulk of the small grain crops are grown. As of late August, the official forecast for total wheat production had been reduced to 15.4 million tonnes, 5 million tonnes down from last year and almost 40 percent below the five-year average, while the quality of the grain is also expected to be well below average. This figure may yet be revised before the end of the harvest. In late September the pace of the harvest was still well behind normal as crops have matured very slowly under this year's adverse weather conditions, and the arrival of rain in September hampered fieldwork. The longer crops remain in the field the poorer the quality is likely to be and some crops may be too late to be harvested as grain and will be turned over to animal forage.

Regarding **coarse grains**, the maize harvest in the United States got underway in mid-September in the Corn Belt. Prospects for this year's output have deteriorated since the previous report due to exceptionally dry conditions throughout the summer. Maize output is now forecast at 225 million tonnes, about 6 percent below last year's about average crop. Aggregate coarse grains output for the year is put at 243 million tonnes, about 19 million tonnes down from 2001. In Canada, similar to the situation for wheat, the spring small coarse grain crops have been affected by adverse weather. Barley production is forecast to fall sharply also, to 7.9 million tonnes, the lowest level since 1968. In eastern Canada, however, where most of the maize is produced, crop conditions are better than last year and maize yields are expected to improve from last year's low levels. Maize output is forecast to increase marginally this year to almost 8.5 million tonnes.

By mid-September, just under half of the **paddy** crop had been harvested in the United States. Latest Government estimates still put the crop at around 9.4 million tonnes, down 300 000 tonnes from the bumper crop of the previous year.

- **Europe**

FAO estimates aggregate **wheat** output in the EU at just under 104 million tonnes, slightly less than the forecast in the previous report but still about 13 percent up from last year's small crop and above the five-year average. However, the quality of this year's crops has been reduced by heavy rains during the harvest period in some parts, particularly in Germany and the United Kingdom. Regarding **coarse grains**, barley output is

also estimated to be up this year, but only slightly, by about 1 percent, to just over 49 million tonnes, while output of the other small coarse grains (mostly rye and oats) is estimated to be down. The latest forecast for the maize crop, which still has to be gathered in some parts, now stands at just over 39 million tonnes, about 4 percent down on 2001.

Harvesting of the 2002 **paddy** crops is underway in the EU. There were some disruptions at the beginning of the rice seasons in Italy, France and Spain, where adverse weather conditions during sowing and early stage crop development resulted in the need for replanting. However, because plantings in Italy appear to have exceeded earlier expectations, estimates of EU production remain at 2.6 million tonnes, unchanged from last year.

In central and eastern Europe, the 2002 **cereal** harvests turned out poorer than earlier anticipated in some countries because of adversely wet summer conditions. In the Czech Republic, heavy rains in late July and early August, coinciding with the peak harvest period, caused serious damage to many cereal crops before they could be gathered. Pending further information, the total 2002 cereal crop is forecast at 7 million tonnes, about 4 percent down from the previous year. Of the total, wheat would account for just over 4 million tonnes, compared to almost 4.5 million tonnes last year. In Hungary, preliminary estimates put the 2002 wheat output at 3.9 million tonnes, down from over 5 million tonnes last year. A long summer drought had a significant impact on crop yields but the percentage of good quality grain is reported to be much higher than normal. The summer maize crop is now forecast at 6 million tonnes, down from 7.8 million tonnes last year, as yields are also expected to be affected by the summer drought. In Poland, latest information puts the total cereal production in 2002 at 25.7 million tonnes, compared to 25.9 million tonnes last year. A sharp drop in wheat area was partially offset by above-average yields. The wheat crop is estimated at some 9 million tonnes, about 2 percent down from 2001. In the Slovak Republic, the 2002 wheat output is estimated at just over 1.6 million tonnes, about 12 percent down from the previous year as a result of reduced plantings and lower yields.

In the Balkan countries, in Bulgaria, heavy summer rains hampered this year's cereal harvest with some implications yield and quality. The 2002 wheat output is estimated at about 3.5 million tonnes, unchanged from 2001. This year's barley crop fared somewhat better, increasing to about 1 million tonnes (2001: 850 000), following increased plantings and better yields than in the past few years. Regarding the summer maize crop, there is still uncertainty over the effect of the heavy summer rains on crops but the outcome could be favourable for yields. Maize output is currently forecast at about 950 000 tonnes, slightly above last year's level despite a smaller area.

In the Federal Republic of Yugoslavia (Serbia and Montenegro), latest information indicates wheat

production slipped back this year to about 2.1 million tonnes, while the maize crop is put close to last year's level at 6 million tonnes. In the Former Yugoslav Republic of Macedonia, tentative estimates put wheat production at about 250 000 tonnes compared to the recent average of about 300 000 tonnes. In Romania, a sharp drop in cereal production is reported this year. The official estimate of wheat production now stands at 4.3 million tonnes, about 45 percent down from the bumper crop in 2001 and well below the average of the past few years. Yields were severely reduced by drought throughout most of the growing season. Regarding the summer maize, the outcome is still somewhat uncertain, especially in the wake of exceptionally heavy rainfall in August, which caused severe flooding and crop damage in many parts. However, the significant improvement in water availability may have an overall favourable result by improving crop yields in general.

In the Baltics, wheat harvest at 1.3 million tonnes in 2002 is similar to last year, while coarse grains harvest at about 2.6 million tonnes is slightly below last year's harvest. Area under cereals continues to decline in the face of diminishing profitability from cereal production.

**CIS Europe:** In the CIS countries west of the Urals, the wheat harvest in 2002 is estimated at 64.8 million tonnes, more than 5.5 million tonnes down from last year's sharply improved harvest. The main wheat producers in the region, the Russian Federation and Ukraine, are set to produce 46 and 20.2 million tonnes respectively in 2002, compared with 46.9 and 21.3 million tonnes last year. Unfavourable weather conditions and relatively low wheat prices are the main factors affecting production. The **coarse grains** harvest is now forecast at 51.5 million tonnes compared with 57.4 million tonnes in 2001. This total includes 27.4 million tonnes of barley and 5 million tonnes of maize. The Russian Federation is to produce some 16.5 million tonnes of barley and about 1.3 million tonnes of maize, while Ukraine is set to produce some 2.5 million tonnes of maize and Moldova 1.2 million tonnes of maize. The estimate of this season's **rice** production in the Russian Federation has been reduced marginally following the release of lower official estimates for plantings. As a result, the output is now put at 480 000 tonnes, 35 000 tonnes less than anticipated earlier and some 20 000 tonnes below last year's crop.

- **Oceania**

Prospects for Australia's 2002 grain crops have deteriorated sharply because of severe drought. It is reported by the official meteorology office that in the first five months of the 2002/03 winter cropping season (April-August) serious to severe rainfall deficiencies were recorded over most of the Australian grain belt. Total **wheat** production is now officially forecast to decline to 13.5 million tonnes, 10.5 million tonnes down from last season and the smallest crop since 1994/95. **Barley** production is forecast to decrease by 39 percent from last year's record crop to 4.6 million tonnes. The

updated assessment of the **rice** crop in Australia, which was gathered in May, confirms an output of 1.3 million tonnes, 500 000 tonnes below last season's harvest. Preparation for the country's 2003 paddy crop will begin shortly: there is growing probability that water shortages will result in a significant reduction in plantings.

## Trade<sup>1/</sup>

### Mixed outlook for cereal trade this season

The forecast for world **cereal** trade in 2002/03 has been lowered to 236 million tonnes, slightly up from the previous forecast in July. At the current forecast level, world trade in cereals in 2002/03 would be some 4 million tonnes below the previous season, which was a record. Among the individual cereals, however, world trade in wheat is expected to contract sharply this season while coarse grain trade is expected to rise (mostly maize and sorghum). Rice trade in 2003 is also seen higher than in 2002.

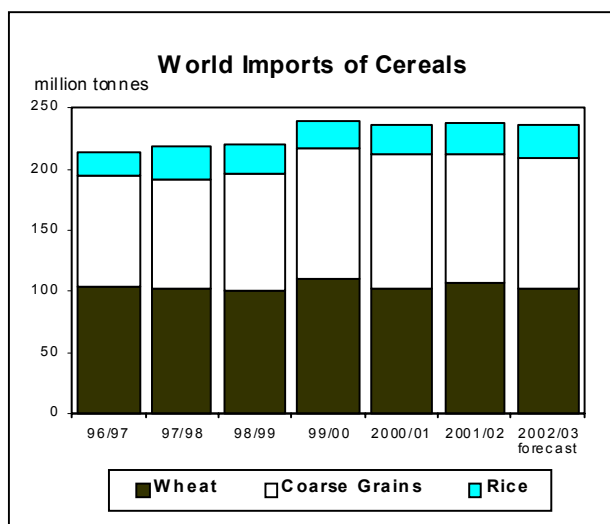
### Wheat trade to contract sharply in 2002/03

The forecast for global trade in **wheat**<sup>2/</sup> in 2002/03 has been lowered by 3 million tonnes since the previous report, to 101.5 million tonnes. This points to a sharp contraction of roughly 6 million tonnes in world trade from the previous season. The forecast has been lowered mainly due to reduced import demand among a few countries in Asia and the EU.

Total wheat imports in **Asia** in 2002/03 are forecast at 46 million tonnes, down 1.5 million tonnes from the previous season. The forecast for imports by China (mainland) has been reduced by 2.3 million tonnes from the previous report. Despite a drop in production for the third consecutive year, domestic supplies in China remain ample and imports are unlikely to surpass the previous season's level of around 1.2 million tonnes, which would be well below the 8.47 million tonnes WTO Tariff Rate Quota (TRQ). The forecast for wheat imports by the Islamic Republic of Iran has been cut by 1 million tonnes to 4.5 million tonnes. Based on recent official reports, a bumper domestic crop is expected in 2002 and this could greatly reduce the country's dependence on wheat imports, which in recent years surged to above-normal levels because of successive droughts. Imports by Indonesia, another large wheat importer in Asia, are put at 4 million tonnes, down 200 000 tonnes from the previous year in view of the Government's recent imposition of a 5 percent import duty to curb imports of wheat flour into the country. While good harvests in Bangladesh and Syria could result in lower imports by those countries, this year's purchases by the Philippines are forecast to rise, by 200 000 tonnes, mostly due to larger imports of feed wheat.

<sup>1/</sup> World trade (exports) in wheat and coarse grains is based on a July/June marketing season, while trade in rice is based on January/December (calendar).

<sup>2/</sup> Including wheat flour in grain equivalent.



Wheat imports by countries in **Africa** are expected to remain at last year's level of around 24.5 million tonnes. Imports by most countries would match the previous season's levels. In North Africa, small reductions are likely in Morocco and Egypt in view of bigger domestic crops, while wheat purchases by Algeria and Tunisia are forecast to increase because of sharply lower production this year. Imports by Libya will likely rise because of strong and growing demand for processed wheat products. In the sub-Saharan region, total imports would remain at last year's level of 8 million tonnes, as likely increases in imports by mainly Kenya, Ethiopia and Eritrea would offset smaller imports by Mauritania, Tanzania and Zimbabwe. Wheat imports by most countries in **Latin America and the Caribbean** are expected to remain unchanged from the previous season. Brazil is seen to cut its wheat imports slightly this season as production is expected to stay above-average, despite recent adverse weather affecting crops in the main wheat growing state of Paraná. Imports by Mexico and Peru could increase slightly in response to growing demand for processed wheat.

In **Europe**, following an unexpected surge in wheat imports by the EU in 2001/02, wheat purchases in 2002/03 are likely to be reduced in view of a sharp upturn in production. In the previous season, a surge in imports of Black Sea origin (mostly from the Russian Federation and Ukraine) turned the EU into the world's largest wheat importer, but with a strong recovery in production in 2002, domestic supplies are more plentiful and imports are likely to be cut this season to 6 million tonnes. Nevertheless, because of the removal of tariffs on feed quality wheat imports, imports from the Black Sea region still remain an attractive option.

Turning to exports, this year's global market share of the 5 major wheat exporters is likely to plunge to 70 percent, compared to roughly 85 percent in earlier years. The decline is mainly associated with the expected sharp reduction in exports from Canada and Australia (by 5 million tonnes and 6 million tonnes, respectively) because of lower domestic production (see also the price section). Slightly reduced sales are also

anticipated from the United States and Argentina. However, a likely jump in shipments from the EU (by about 5 million tonnes) would make the EU a more prominent exporter this season. The anticipated drop in total wheat exports from the major exporters leaves an unusually large portion of this year's global market share to the non-traditional exporters; most notably India (5.5 million tonnes), Ukraine (5 million tonnes), Kazakhstan (4.9 million tonnes), the Russian Federation (4.6 million tonnes), as well as several smaller exporters such as China, Bulgaria, Hungary, Pakistan, Syria and Turkey.

### Trade in coarse grains up slightly in 2002/03

Since the last report, the forecast for world trade in **coarse grains** in 2002/03 has been raised by 1.5 million tonnes, to 108 million tonnes. This month's upward adjustment mostly reflects higher expected imports by Canada and larger food aid shipments to a number of countries in southern Africa. This increase would more than offset downward revisions to the forecasts for imports by Brazil as well as several importing countries in Asia and Europe. At the current forecast level, world trade in coarse grains would be some 1.5 million tonnes higher than the previous year's reduced volume. The anticipated small expansion would be driven largely by higher maize shipments (up 3 million tonnes). Trade in sorghum is seen to rise slightly but barley purchases are expected to decline due to sharp production shortfalls in Australia and Canada. Trade in other coarse grains would also remain mostly below the previous season's levels.

Aggregate coarse grain imports by countries in **Africa** are now put at record 17.3 million tonnes, up 2.7 million tonnes from 2001/02 and 1 million tonnes more than was reported in July. The increase from last year would be mostly on account of much larger requirements in sub-Saharan Africa, while imports by most countries in North Africa are likely to remain unchanged from the previous year. In southern Africa, serious food shortages persist in several countries, especially in Malawi, Lesotho, Swaziland, Zambia and Zimbabwe, following two consecutive poor harvests. In terms of imports, the most significant rises are expected in Zambia and Zimbabwe, where a large portion of this season's expected imports would be in the form of food aid. Much bigger imports are also expected in eastern Africa, most notably in countries that are confronted with serious supply difficulties as a result of the drought, such as Kenya, Ethiopia and Eritrea.

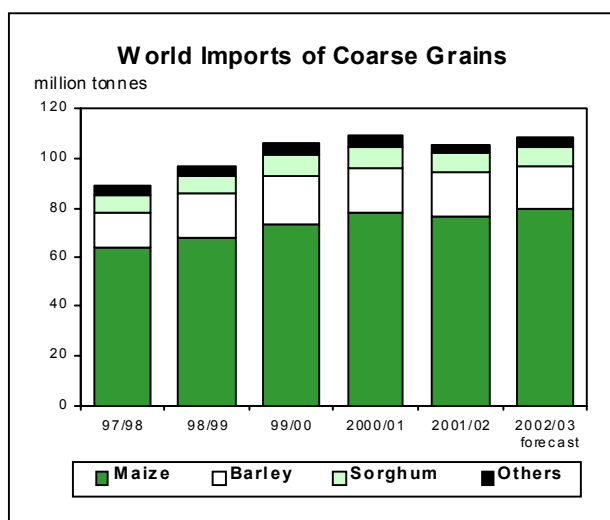
Total imports of coarse grains by countries in **Asia** are put at 56 million tonnes, down 1.0 million tonnes from the previous year and 2 million tonnes smaller than was expected earlier. The decline since the last report reflects downward adjustments to the forecasts for maize imports by the Republic of Korea, Malaysia and Syria. With the exception of Saudi Arabia, which is likely to increase its barley purchases this season, most other countries in Asia are expected to lower their coarse grains imports slightly this season, because of large global supplies of feed quality wheat and improved domestic crop prospects in several countries.

### Overview of World Cereal Imports

	Wheat		Coarse grains		Rice (milled)		Total	
	2001/02	2002/03 forecast	2001/02	2002/03 forecast	2002	2003	2001/02	2002/03 forecast
	( ..... million tonnes ..... )							
Asia	47.9	46.4	57.2	56.2	13.7	13.9	118.8	116.5
Africa	24.3	24.5	14.6	17.3	6.7	6.8	45.6	48.6
Central America	6.7	6.8	13.5	14.0	1.7	1.7	21.9	22.5
South America	11.2	11.1	6.3	6.6	1.0	1.1	18.4	18.7
North America	2.9	2.9	6.2	7.3	0.7	0.7	9.8	10.9
Europe	12.7	9.3	7.8	6.5	1.6	1.6	22.1	17.4
Oceania	0.5	0.5	0.1	0.1	0.4	0.4	1.0	1.0
<b>WORLD</b>	<b>106.2</b>	<b>101.5</b>	<b>105.6</b>	<b>108.0</b>	<b>25.7</b>	<b>26.1</b> <sup>1/</sup>	<b>237.6</b>	<b>235.6</b>
Developing Countries	79.8	78.7	69.5	72.4	21.8	22.3	171.1	173.4
Developed Countries	26.5	22.8	36.1	35.6	3.9	3.9	66.5	62.3

Source: FAO. 1/ Highly tentative.

In **Europe**, total imports are likely to reach 6.5 million tonnes, a relatively sharp decline mostly on account of smaller import needs in the EU. Total imports by the EU are forecast to return to an about normal level of around 3 million tonnes this season, despite the anticipated decline in overall coarse grain production, mainly in rye, which is in surplus. At the same time, large carry-in stocks of coarse grains from the previous season, coupled with ample supplies of feed quality wheat, could restrain demand for imports of coarse grains from outside the EU.



As for major developments in other regions, the severe drought in Canada devastated barley crops in western parts of the country, giving rise to an unexpected surge in import demand for feed grains. As a result, Canada is expected to import a record volume of maize from the United States this season. Higher imports of maize and sorghum are forecast for Mexico, as production is likely to decrease slightly while domestic feed demand continues to grow. Maize imports by Brazil are also likely to increase this year, as production prospects remain

unfavourable. However, Brazil would manage to remain an important net maize exporter for the third consecutive season.

Given the expected increase in this year's world import demand combined with smaller supplies from the United States, the world's largest maize exporter, the global supply and demand balance of coarse grains begins to appear much tighter than in the previous season. However, since the largest portion of total demand for coarse grains comes from the animal feed sector, the abundance of feed quality wheat supplies from non-traditional exporters will continue to weaken demand for coarse grains in some markets, especially in Asia. At the same time, large exportable supplies of maize in China, Brazil and Hungary coupled with higher supplies of barley in the EU, the Russian Federation, and Ukraine, would make up for lower coarse grain export availabilities in Argentina, Australia and Canada.

#### Rice trade in 2002

The international market for **rice** in 2002 has gathered momentum since the last report, as fears of impending crop shortfalls, particularly in Asia, have intensified. FAO's latest trade forecast has been raised by almost 1 million tonnes to 25.7 million tonnes (calendar year, in milled equivalent), 1.7 million tonnes more than in 2001. If realized, this would be the second time that world rice trade surpasses 25 million tonnes.

As the assessment of the size and quality of the main paddy crops harvested this season becomes more concrete and information on actual rice shipments is made available, some revisions to the expected volume of rice trade this year have been made for a number of countries. Beginning with Asia, forecast imports by the Philippines have been raised by 500 000 tonnes to 1.2 million tonnes, 20 percent more than in 2001, following the deterioration of paddy output prospects in the country. Similarly, the forecast for shipments to

Indonesia has been raised by 200 000 tonnes to 3.2 million tonnes, more than twice the level imported in 2001. Domestic prices in the country have been reported to be rising, putting pressure on the country's import agency, BULOG, to purchase more from the international market place. Another proposal to raise the tariff on imported rice, this time from 430 to 750 Rupiah per kg (US\$ 48 to 84 per tonne) has recently been put forward by agricultural officials. In the course of the year, several such proposals have been made, with little success since the Government has remained concerned about the inflationary impact that an increased tariff would have on the domestic market.

The Republic of Korea has decided to resume its aid shipments of rice to the People's Democratic Republic of Korea, which it suspended following the naval conflict between the two countries in July. Accordingly, anticipated rice imports by the latter have been raised to 700 000 tonnes, almost 100 000 tonnes higher than in the previous year. The forecast for Sri Lanka's rice imports in 2002 remains sharply up from last year at 140 000 tonnes, in response to a deterioration of the country's current harvest prospects.

By contrast, China (mainland) is now anticipated to import 270 000 tonnes, down from 500 000 tonnes forecast in the last report, and virtually the same as the amount imported in 2001. This level would be 7.5 percent of its TRQ under the WTO agreement. To date, the pace of rice shipments into the country has mirrored that of last year. The bulk is likely to comprise high quality fragrant rice, since domestic prices of other rice appear too low to justify imports. Moreover, a series of paddy auctions recently carried out by the Government have depressed prices further, precluding large international purchases.

As for other major rice importing countries in the region, Japan is still expected to import 650 000 tonnes of rice in 2002, necessary to fulfill its preferential access quota commitment and deliveries to Malaysia are expected to reach over 600 000 tonnes, similar to the amount imported in 2001. Regarding Near East countries, which account for roughly one-fifth of world rice trade, imports by the Islamic Republic of Iran are forecast at 1.2 million tonnes, 20 percent up from above 2001, while deliveries to Iraq and Saudi Arabia, are expected to remain unchanged from the previous year at 1.2 million tonnes and 825 000 tonnes, respectively.

Expectations for rice deliveries to Africa, the world's second largest rice-importing region behind Asia, have been lifted by 300 000 tonnes since the last report. The region now looks set to import 6.7 million tonnes in 2002, 6 percent lower than the record of last year. The increase would be mostly on account of additional purchases of parboiled rice by Nigeria. Despite conflict in Côte d'Ivoire, the second largest rice importer in the region, deliveries to the country are still forecast to be of the order of 900 000 tonnes.

For other regions, little or no change to previous expectations is envisaged. In Latin America and the

Caribbean, predicted crop shortfalls in some countries are not expected to induce higher rice imports until next year, while estimated rice imports to Europe and North America remain virtually unchanged from 2001.

With regard to rice exports in 2002, competition for international market shares has intensified, with India forecast to make further inroads at the expense of traditional large exporters. Thailand's active policy to support domestic prices is reportedly forestalling the closure of new sale contracts and rice shipments for the first seven months of the calendar year are estimated to be around 3.9 million tonnes, compared to 3.7 million tonnes in the previous year. Accordingly, the country's export forecast for 2002 has been lowered by 500 000 tonnes to 7.1 million tonnes. Low international rice price quotations remain a concern for the Government, which has recently called on the major rice exporting countries in the region to adopt a common strategy to sustain export prices.

China's (mainland) sales throughout July point to a sharp fall in exports, with shipments over this period down 28 percent compared with the same period in 2001. Such a contraction reflects to a large extent increased competition from cheaper exporters for China's traditional markets in Africa. Exports by the country are now forecast to reach 1.3 million tonnes, 500 000 tonnes less than in the previous year.

By contrast, India's rice deliveries are expected to rise sharply in 2002. The forecast now stands at 5 million tonnes, an increase of 800 000 tonnes from the last report and 3.1 million tonnes above the 2001 level. The recent deterioration in production prospects for the current season is not expected to induce a major shift in the country's export policy, as rice stocks held by the Food Corporation of India (FCI) are still very large. However, a few changes have been announced that might erode somewhat the price advantage of India's higher quality rice on international markets. This concerns the obligation for traders to export a volume equivalent to at least 98 percent of the quantity they purchased at particularly low prices from FCI stocks. Such a requirement would force those traders who processed the rice with the purpose of reducing the percentage of brokens, to make up for the removed grains by purchasing the differential on the open market, at higher prices. With regard to the country's exports of basmati, which comprise an estimated 15 percent of its total rice shipments, the Government has raised the advised minimum prices by US\$ 25-30 per tonne, in response to claims that some earlier traded basmati failed to meet quality requirements. Basmati that is contracted below the newly announced prices would be subject to compulsory inspection by the authorities.

Myanmar appears to have firmly re-established itself as a major international supplier of rice, with exports forecast to reach a record of 1 million tonnes, up 200 000 tonnes from the last report. The recovery in export performance is notable since in 2000 the country officially exported only 140 000 tonnes.



In the United States, the USDA has increased its forecast for 2002 rice shipments by 300 000 tonnes to 3.1 million tonnes, 22 percent higher than the volume exported last year, as historically low export prices are sustaining the country's sales. Cambodia might export 100 000 tonnes in 2002, 40 000 tonnes higher than in the previous year, but the forecast hinges on favourable weather conditions during the rest of the current rice crop. According to official sources, rice deliveries by Uruguay in 2002 would reach 570 000 tonnes, up 25 percent from the previous estimate, which would still fall short of last year's 700 000 tonnes outcome.

As for other major exporters, forecast shipments are unchanged from the last report, with Pakistan and Australia anticipated to record a strong contraction, while Argentina is expected to maintain exports and Egypt to raise them substantially compared with last year.

### Rice trade in 2003

The forecast for trade in 2003 is extremely tentative since the volume of international transactions next year will depend chiefly on the outcome of the 2002 main paddy crops in Asia – the world's largest trading region – many of which have yet to be harvested and are now subject to weather related uncertainties. However, based on early indications of export availabilities and import demand, global rice trade might expand by 400 000 tonnes from the 2002 level to 26.1 million tonnes in 2003.

On the import side, China (mainland) may import 600 000 tonnes of rice in 2003, twice as much as in the previous year. Based on current expectations, domestic consumption is likely to outpace production again in 2003 and, given that stocks in the past three years have been depleted by some 30 million tonnes, the pressure to reduce the size of inventories will be less. This could facilitate at least a partial filling of the country's preferential import quotas. Thus, prospects for trade next season will mainly depend on the political choice on whether the Government should continue the release of stocks or allow the entry of overseas rice under preferential terms.

Moderate increases in import demand are forecast for a number of countries that suffered, or are anticipated to suffer, relatively poor harvests during the current season, including several countries in Latin America (particularly Colombia and Venezuela) and some countries in Africa (notably Senegal and Mali). By contrast, owing to brighter crop prospects, Afghanistan's rice imports in 2003 are forecast to fall to 60 000 tonnes, compared to an expected level of 270 000 tonnes in 2002.

As for exports, India may ship 4.5 million tonnes of rice in 2003, a smaller volume than anticipated for 2002, but still large compared to its past export performance. However, this forecast is highly dependent on the final outcome of the current crop, which has been affected by

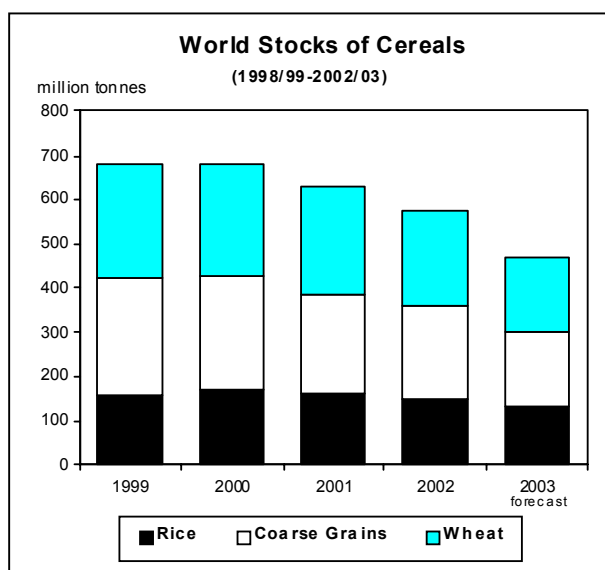
adverse weather, and on the maintenance of the FCI's supportive export policies.

Large increases in rice exports are also foreseen in Myanmar, Vietnam, Thailand and, to a lesser extent, Uruguay. By contrast shipments from China (mainland) and Australia, are predicted to fall, while those from Pakistan and Egypt are anticipated to remain close to the level in 2002.

## Carryover Stocks

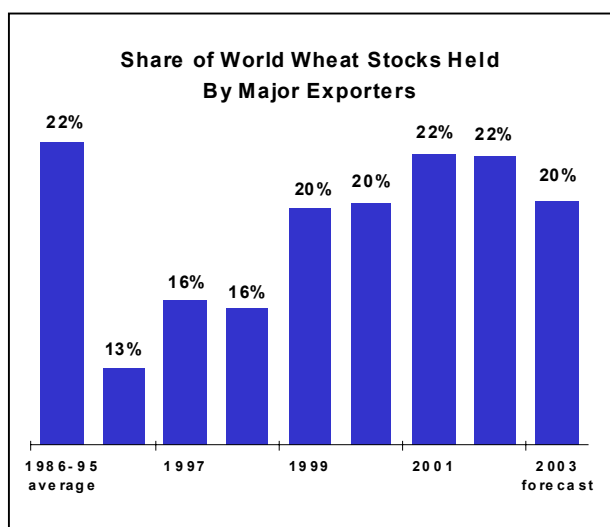
### World cereal stocks to drop sharply

Based on the latest FAO cereal production and consumption forecasts for 2002/03, world cereal stocks for crop years ending 2003 are now expected to plunge by 108 million tonnes, or 19 percent, from their opening levels, to around 466 million tonnes, down also 31 million tonnes from the previous report in July. This month's revision mainly reflects a major downward adjustment to maize and wheat stocks in the United States as a result of reduced crop estimates. Cereal inventories in the United States are currently forecast to decline by as much as 33 million tonnes. Nevertheless, the continuing reduction in stocks held in China, by nearly 44 million tonnes, would still account for a large portion of the anticipated fall in global carryover stocks.



World **wheat** inventories, by the close of the seasons ending in 2003, are forecast to fall to 168 million tonnes, down 6 million tonnes from the July forecast and 47 million tonnes, or 22 percent, below their opening levels. As in the previous season, most of the reduction is expected in China (down 24 million tonnes), where production has declined again for the third consecutive year, and in three major wheat exporting countries, the United States, Canada and Australia, as a result of sharply reduced outputs. In the United States alone, the expected decline in stocks to 12 million tonnes would place this country's carryovers at the lowest level since 1996, when they fell to 10 million tonnes. Stock declines

in major exporting countries would imply a significant drop in the ratio of their aggregate wheat stocks to their total disappearance (the sum of their domestic consumption and exports), which is forecast to drop to 15.5 percent, down sharply from nearly 21 percent in the previous season and the lowest since 1996 when it was at 14 percent. Similarly, the global share of total wheat stocks held by major exporters could slide to under 20 percent compared to nearly 22 percent in the previous year. While this year's expected sharp decline of stocks in traditional exporting countries has been supportive to prices, large wheat supplies among non-traditional exporters (though mostly of soft quality), coupled with good production results in a number of key wheat importing countries, could ease this year's overall supply tightness.



Elsewhere, a stock decline of some 4 million tonnes is expected in India. This would be a welcome development in India where, in order to reduce the financial burden of a large stockpile, the Government continues to promote exports. In Pakistan, while this year's production is again estimated to be above average, stocks could contract sharply (by nearly 3 million tonnes) because of strong domestic consumption and exports. Relatively elevated exports, despite production declines, could drive down inventories in several other countries as well, including Hungary, Romania and Mexico. Among the CIS countries, higher expected inventories in Azerbaijan, Belarus, Turkmenistan, Ukraine and Uzbekistan are expected to more than offset lower carryover stocks in the Russian Federation (due to large exports) and in Kazakhstan (due to large exports and lower domestic production). Smaller inventories are also in the forecast for a number of countries in Africa, especially in Ethiopia and Tunisia because of production declines this season.

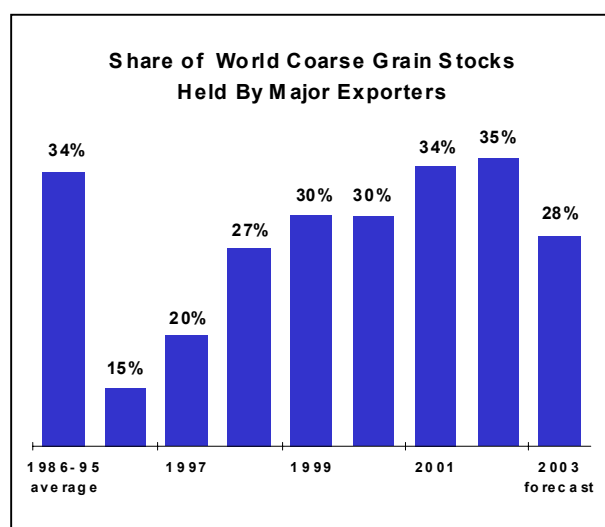
The forecast for world **coarse grain** inventories for crop years ending in 2003 has been lowered by 21 million tonnes since the previous report to 167 million tonnes, down 41 million tonnes, or almost 20 percent, from the previous year. The most significant downward revision

### World Carryover Stocks of Cereals

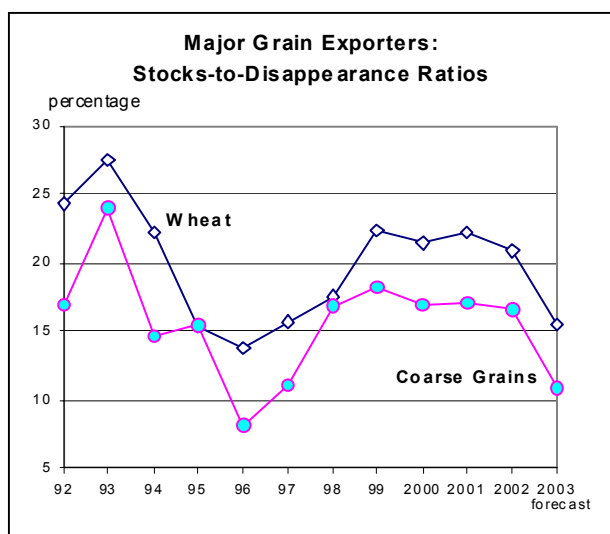
	Crop year ending in:		
	2001	2002 estimate	2003 forecast
	(. . . million tonnes . . .)		
Wheat	240.3	215.4	167.9
Coarse grains	224.0	208.5	167.5
of which:			
Maize	179.7	158.5	125.3
Barley	25.3	27.1	21.6
Sorghum	5.3	6.9	5.9
Others	13.8	16.0	14.7
Rice (milled)	163.2	149.8	130.9
<b>TOTAL</b>	<b>627.5</b>	<b>573.6</b>	<b>466.3</b>

Source: FAO

relates to the United States, where the latest official report (USDA, September 12) puts this year's coarse grain output at 20 million tonnes below the previous year's level. As a result, carryovers in the United States could fall to 22 million tonnes, down 24 million tonnes from the previous season; the steepest drop is related to maize, since a sharp decline in its production coupled with strong domestic demand and exports could bring its ending stocks down to a seven-year low of some 18 million tonnes. Overall, total coarse grain stocks held by major exporters could dip to as low as 47 million tonnes, compare to 73 million tonnes in the previous season. Besides the United States, large drawdowns are also expected in Canada and Australia. In the EU, total stocks could decrease, but the overall level would still remain relatively large. Altogether, total coarse grain stocks held by major exporters this season would represent around 28 percent of the world total, which is significantly below an average of 34 percent registered in recent years. In addition, the ratio of major exporters' stocks to their total disappearance is also likely to shrink, falling to only 11 percent, down from 17 percent in the past two seasons and the smallest ratio since 1996.



Elsewhere, in China, despite an expected increase in production, coarse grain inventories (mostly maize) could shrink by at least 8 million tonnes, based on the current forecasts for increased exports and domestic utilization. In addition, sizeable drawdowns are also anticipated in a number of other countries, most significantly in the Russian Federation (down 1 million tonnes, mostly barley), Brazil (down 1 million tonnes, all maize), Turkey (down 1 million tonnes, mostly maize and barley), and Mexico (down 500 000 tonnes, mostly maize). Total stocks in Africa are expected to decline by 1.6 million tonnes driven by production shortfalls (mostly maize) in several countries, especially in southern Africa.



World **rice** stocks at the close of the crop seasons ending in 2003 are forecast to fall to a 15-year low of 131 million tonnes, since global rice consumption is expected to outpace production for the third consecutive year. This would represent a decline of about 19 million tonnes from their revised opening level and one of the largest within season contractions on record.

Again, much of the global drawdown is forecast to be concentrated in China (down 12.1 million tonnes), where it will be required to bridge the foreseen gap between production and consumption, and in India (5.3 million tonnes), in the face of the anticipated crop shortfall in 2002 and expected strong international sales in 2003. By contrast, rice carryovers are foreseen to remain very large in the other major exporting countries, including Viet Nam, Thailand, Myanmar and the United States. Several major importers, including Indonesia, Brazil and the Philippines, are also likely to reduce their stocks somewhat to cover their domestic requirements.

## Export Prices

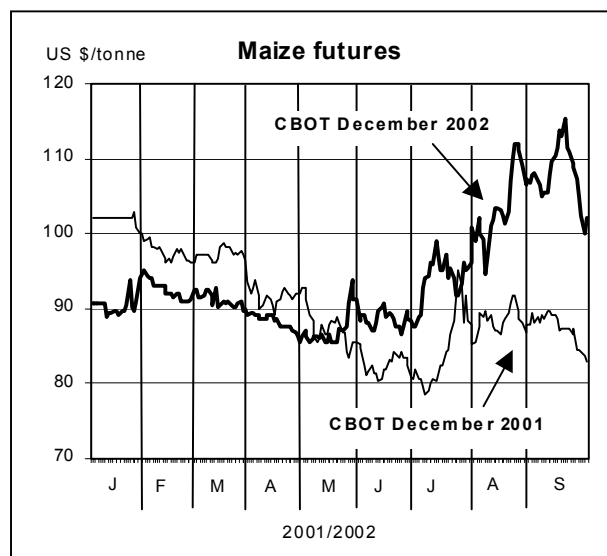
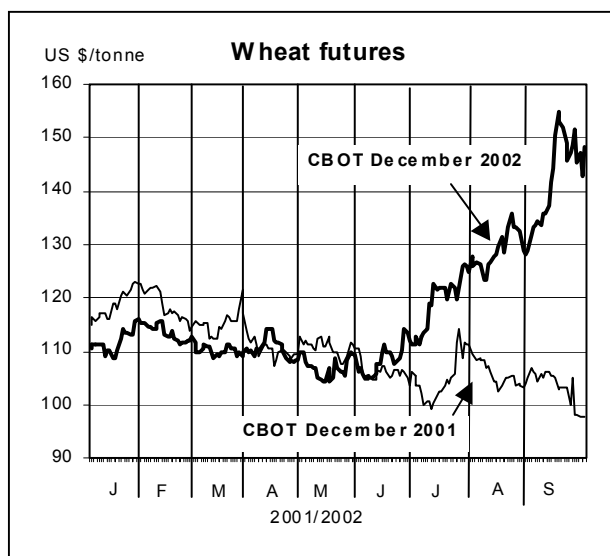
### Tighter grain supplies boost international prices

**Wheat** prices continued to increase since the start of the season in July, as concerns grew about supplies in the United States, Canada and Australia, all key exporting countries. Repeated cuts in this year's crop forecasts in the United States pushed up the export price of the medium to high quality milling wheat. In September, US wheat No. 2 HRW averaged US\$189 per tonne, up US\$62 per tonne, or nearly 50 percent, from the corresponding month last year. US soft wheat (No. 2 SRW) values also continued to react nervously to this year's likely drop in US production and dwindling stocks, with prices climbing to US\$156 per tonne, up 44 percent from the previous year. Similarly, prices in the US futures markets moved up persistently – by as much as 50 percent - over the past three months. In early September, wheat futures for December delivery at the Chicago Board of Trade (CBOT) soared to 5-year highs (the highest since May 1997) as buying over fears about shrinking supplies gathered momentum. The sharp rally in high milling quality wheat prices in recent months also reflect major crop losses in Canada and Australia, where the availability of wheat for exports are likely to be curbed significantly this season. Until the final impact of the severe drought and sharply lower yields could be determined in Canada, the Canadian Wheat Board decided in mid-September to withdraw from the export market. In Australia, this year's drought-savaged wheat crop could reduce exports to the lowest volume since 1995/96.

### Cereal Export Prices \*

	2002		2001
	Sept.	June	Sept.
	(. . . . . US\$/tonne . . . . .)		
<b>United States</b>			
Wheat	189	133	127
Maize	115	92	90
Sorghum	120	95	98
<b>Argentina</b>			
Wheat	153	150	119
Maize	108	92	88
<b>Thailand</b>			
Rice white	191	210	176
Rice, broken	152	152	151

\* Prices refer to the monthly average. For sources see Appendix Tables A.6 and A.7.



The soaring wheat prices in recent months come at the time when export supplies in a number of non-traditional exporting countries are large as a result of yet another good season. In particular, soft milling and feed wheat in the Russian Federation, Ukraine and India are regarded as more competitive than supplies from North America and Australia. Recently, prices in the Russian Federation and Ukraine also began to strengthen as the removal of import tariffs on lower quality wheat in the EU could provide a possible major destination for Black Sea wheat exports for the second season in a row.

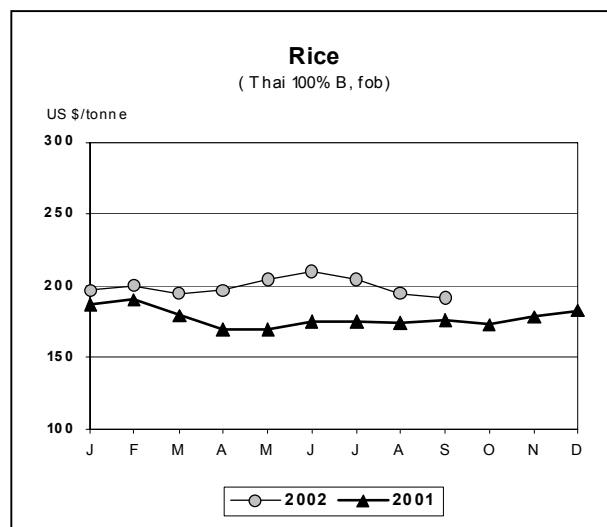
The forecasts for tightening wheat supplies among the major exporting countries is likely to continue to provide support to prices for a few more months to come. However, with a sharp contraction in world import demand this season, large alternative wheat supplies and a possible increase in next year's plantings (in response to current strong prices), wheat prices could begin to slide later in the season.

The **maize** market also witnessed a similar pattern since July with prices rising almost continuously as a result of supply concerns and the worsening of the crop conditions in the United States, the world's largest consumer and exporter of maize. While earlier indications suggested higher production levels, the September report from the United States Department of Agriculture put the forecast for 2002 maize output at 17 million tonnes below the already reduced 2001 level. In September, US maize export price (US No.2 Yellow) averaged US\$115 per tonne, up US\$23 per tonne since June and US\$25 per tonne, or 28 percent, above the corresponding month last year. The expected decline in the US maize crop provided the main stimulus for sharp price rises also in the futures market. The December 2002 maize futures at CBOT continued to rise, although during August and September, they were extremely volatile because of weather uncertainties. By late September, maize futures for December delivery were quoted at US\$102 per tonne, still US\$19 per tonne up

from the corresponding period last year. In the coming months, the approach of the harvest in several major producing regions could start putting downward pressure on prices.

The sharp decline in production in the United States comes at a time when demand for maize is relatively strong. While another year of large exports from China is seen as a restraint to rising maize prices, exportable supplies from other origins are forecast at below previous season's levels and the overall tightness, especially in the United States, is expected to keep prices well above these in the previous season.

International **rice** prices of different origins and grades have followed opposing trends over the past few months. Such movements have offset each other in the new FAO Export Total Price Index for Rice (1998-2000 =100), which remained at 73 points in July through to September. For instance, rice price quotations from Pakistan have fallen in anticipation of fresh arrivals of supplies into its market, while, in contrast, strong



demand for United States rice, particularly to cover food aid programme commitments, have led to a firming of its price quotations. In Viet Nam, prices have remained steady for high quality rice, but they have risen slightly for broken rice.

In Thailand, the Government has begun selling rice from its reserves to exporters, to make room for new procurement purchases under its 2002/03 paddy intervention scheme. Much of these sales are reported to consist of high quality rice, which have contributed to recent falls in their export quotations. For instance, prices of the Thai 100% B dropped by an average US\$12 from July to US\$191 per tonne in September. On the other hand, prices of the counterpart United States long grain 2/4 percent climbed by US\$12 over this period to US\$215 per tonne. This was the first time since April this year, that US rice quotations were showing a premium over the Thai 100% B. The overall effect of diverging trends for high quality rice from different origins was minimal on the FAO's High Quality Indica Price Index, which dropped only 1 point from July to 73 points.

Similarly, FAO's Low Quality Indica Price Index has fallen by 1 point to 76 points between July and September, as prices for broken rice in major exporting

countries have tended to converge towards India's 25 percent quotations, which, at US\$138 per tonne, remain very competitive. FAO's Japonica Price Index has fluctuated in recent months, but overall, it has declined by 1 point since July, reflecting a US\$23 per tonne dip in prices of the United States medium grain 2/4 percent in September. Finally, Basmati prices have staged a strong recovery, as reflected in FAO's Aromatic Price Index, which rose from 78 points in July to 83 points in September. The increase was mainly on account of the change in India's export specifications.

The price outlook for the short-term appears somewhat mixed. On the positive side, global import prospects have improved, since some major importing countries have lowered production prospects this season, which might induce larger purchases at a moment when market prices are still considered to be attractive. In addition, policy procurement from farmers in Thailand, which in recent months has translated into stronger export quotations will continue to support domestic prices. On the negative side, however, new supplies from northern hemisphere countries are expected to peak over the next few months, which will have a bearish effect on prices, especially since major exporters still hold large rice inventories.

### The new FAO Export Price Index for Rice

This edition of Food Outlook launches the new FAO Export Price Index for Rice (1998-2000=100). The previous index employed the Laspeyres formula, under which prices were weighted according to their importance in global trade in the base period (1982-84=100). Until recently, this index was considered to provide a satisfactory measure of relative movements in export prices. However, important changes in the structure of international trade have taken place, including major shifts in the market shares of different exporters and in the types of rice traded. In addition several new rice exporters have emerged on the global arena. While the new rice price index takes stock of these market developments, it also gives consideration to some theoretical advances in the treatment of index numbers.

A more detailed description of the new index will be available in the October issue of the FAO "Rice Market Monitor" (<http://www.fao.org/es/ESC/esce/escb/rice/monitore/ricemone.htm>) and a complete exposition will be published in the forthcoming FAO "Review of Market Issues". However, a summary of its main features is as follows:

- the base period is now set over the **1998-2000** three year average;
- **sixteen export quotations** are employed in its construction, one more than in the previous index;
- the new index is divided into three broad market groups defined by rice variety: **indica**, **japonica**, and **aromatic** (comprising basmati and fragrant rice), with indica subdivided into high and low quality rice. The sub-indices were selected in accordance with the "Generalized Composite Commodity Theorem";
- owing to the properties of this theorem, the sub-indices do **not** employ weights, however, the "total" index **weights** the sub-indices according to their corresponding trade shares in the base period.

## Ocean Freight Rates

(Contributed by the International Grains Council)

### General

The dry bulk freight market remained weak for most of the summer, but improved markedly in August-September. The main support came from grain business in the Atlantic, mineral trade in the Pacific and increased bunker fuel prices amid tensions in the Near East. However, the large number of newly built ships entering service continued to pressure the market. The Baltic Dry Index (BDI), the main market indicator, advanced by 228 points from 1 027 in late April to 1 255 by the end of September.

At the end of May a strike by Argentine farm goods transporters to protest against rising fuel prices disrupted the delivery of grains and oilseeds to the ports and delayed several export shipments.

Also in May, the Danube River, a major trans-European cargo route, was declared open for navigation for the first time since the Kosovo war. It was effectively cut into two by destroyed bridges in 1999. An annual traffic of about 10 000 ships is now expected to resume trade along the river.

The Australian Wheat Board is to invest approximately A\$18m (US\$10m) in two new storage and handling sites at Mallala and Crystal Brook in South Australia, in addition to other new receiving centres in New South Wales, as a part of AWB's storage and handling strategy. The facilities will use the latest technology and will have the capacity to receive 8 000 tonnes of grain per day, providing growers with fast turnaround times during harvest.

Operational costs through the Panama Canal will be affected by higher toll charges, which are expected to up by 8 percent from 1 October 2002.

### Grain

The Panamax market remained depressed for most of summer months due to a lack of chartering activity. Maize and soyabeans shipments from South America had a slow start in the new season due to the financial crisis in Argentina. In August, the Atlantic Panamax rates started to recover due to a lack of modern ships and increased business from South America and the Black Sea. Demand for soyabeans to China also

supported the market. However, sharp gains in maize (corn) and soyabeans futures prices reduced enquiries in the Atlantic dry bulk sector, as importers held back purchases until the last minute.

Atlantic rates continued to increase through September with daily charter rates for modern ships reaching US\$10 000-US\$10 500 from US Gulf to the Far East. The major voyage rates from US Gulf to Japan and Egypt were both reported higher, at US\$23.50 and US\$11.50, respectively. Shipments of soyabean meal started from Brazil with a fixture to the EU (France) at US\$110. Other recent business included barley fixtures to Saudi Arabia from the CIS Baltic at US\$150 and from Russia (Novorossiysk) at US\$12.95.

In contrast to the Atlantic, the Pacific Panamax sector remained depressed for most of the last six months due to a lack of enquiries and a growing number of vessels looking for business. However, towards the end of September it started to show signs of improvement as trade picked up, especially from Japan. Round voyage rates were reported US\$300 higher at US\$7 100 daily, still lagging far behind returns in the Atlantic sector. Owners will have to wait for the resumption of longhaul grain shipments from Australia and North Pacific later in the season.

Rates in the Handysize remained relatively steady through the summer, supported by grain shipments from South America. Other support came from chartering from the Black Sea and South America. Recent fixtures included a cargo of soyabean meal from Upriver Paraná (Brazil) to Syria at US\$26.50 and a heavy grain vessel from Argentina to Eastern Mediterranean at US\$200. Ukraine shipped a wheat cargo to Mauritania at US\$18.50 and a consignment of barley to Japan at US\$31.75. Rates from Germany to other EU destinations ranged from €110 to Antwerp/ Rotterdam to €300 on the route to Greece.

No grain fixtures were reported in the Capesize sector. In the mineral trade, the market was reported weaker despite signals of recovery in industrial bulk cargoes, notably for iron ore and finished steel. However, there is a general expectation in the market that the situation will improve by the autumn. The major Capesize iron ore rate from Brazil to China has gone up to US\$105.

## Meat and Meat Products

### Overview

Pressured by rising meat supplies, global meat **prices** in 2002 have dropped and the FAO meat price index has declined two points since the beginning of the year. While in 2001 food safety concerns related to BSE were the main influence on markets, price movements in 2002 are primarily being influenced by abundant meats supplies, particularly in those meat producing countries previously restricted from exporting in 2001, as well as policy developments in major markets. Other factors underlying global meat markets in 2002 include: the waning impact of animal diseases, rising feed prices in major grain exporting markets and economic uncertainties in South America that led to sharp exchange rate movements over the course of the year.

Global meat **production** in 2002 is forecast to rise by 2.5 percent to 242 million tonnes. The bulk of the increase is the result of an estimated 3 percent growth among the developing countries, pushing up their share of world production to 56 percent. This would be 1 percent up from their share in the previous year and 5 percent up from 1995. Output in the developed countries is also expected to increase, recovering from two successive years of decline. Over two-thirds of the meat **consumption** gains forecast for 2002 are expected to take place in developing countries, pushing their per caput consumption up to 28 kg. A slight recovery in developed country levels to 80 kg/caput is also foreseen, while the world average stands at nearly 40 kg/caput.

Food safety concerns, which slowed annual growth in meat **trade** in 2001 to its lowest level for 13 years, are abating and recovering meat consumption, particularly of beef, is supporting a 3 percent rise in meat trade to 18 million tonnes. Many of the markets closed to meat products from those countries in South America and Europe afflicted with FMD in 2001 are opening, prompting strong gains for both beef and pigmeat shipments. Meanwhile, concerns about veterinary drug residues have led to market closures for poultry and differential exchange rate movements have caused shifts in exporter shares to traditional markets.

### Waning impact of animal disease prompts increased beef output and trade

Drought-induced higher cattle slaughter in North America and Oceania is combining with increased throughput in previously FMD-afflicted countries in Europe and South America to push up global beef output by 2 percent to an estimated 60.1 million tonnes in 2002. After contracting for two successive years, output in the developed countries is expected to increase marginally. Among the developing countries, a 3 percent increase in output in South America is expected to augment their share of global output to nearly 52 percent, up 1 percent from 2001. In Asia,

output is expected to be up 2 percent, despite drought conditions, mainly due to increasing export market opportunities. In China, official statistics report a slight year-on-year drop in the cattle inventory for the first time in over twenty years. Correspondingly, beef output is forecast to rise only 2 percent in 2002, compared to the average annual gain of about 8 percent reported since 1995. In Afghanistan, distress sale of livestock and high animal mortality have abated with improved rains and forage availabilities since mid-2002. In contrast, drought conditions in northern Ethiopia and southern Africa are leading to output declines.

### World Meat Production

	2000	2001	2002 forecast.
	(. . . million tonnes . . .)		
<b>WORLD TOTAL</b>	<b>232.7</b>	<b>235.8</b>	<b>241.6</b>
Poultry meat	68.0	69.9	72.1
Pig meat	89.3	91.1	93.3
Bovine meat	59.5	59.0	60.1
Sheep & goat meat	11.4	11.3	11.5
Other meat	4.5	1.5	4.5
<b>DEVELOPING COUNTRIES</b>	<b>128.4</b>	<b>131.7</b>	<b>135.3</b>
Poultry meat	35.6	36.9	38.1
Pig meat	52.2	54.0	55.4
Bovine meat	26.6	29.9	30.7
Sheep & goat meat	8.1	8.0	8.4
Other meat	2.9	2.8	2.9
<b>DEVELOPED COUNTRIES</b>	<b>104.3</b>	<b>104.0</b>	<b>106.3</b>
Poultry meat	32.4	33.0	34.1
Pig meat	37.1	37.0	37.9
Bovine meat	29.9	29.1	29.5
Sheep & goat meat	3.3	3.2	3.1
Other meat	1.6	1.7	1.7

**Source:** FAO

**Note:** Total computed from unrounded data.

Spurred by a recovery in consumer confidence in beef, beef trade in 2002 is projected to expand nearly 6 percent to an estimated 5.8 million tonnes. Asian import demand for beef is projected to recover from the estimated 7 percent decline in 2001, with strong growth reported in the Republic of Korea, Malaysia, the Philippines, and the Chinese Province of Taiwan. The noticeable exception to this is in Japan, where, despite a progressive recovery in consumer confidence in beef after the BSE crisis, imports are expected fall nearly 20 percent. Exports from the developed countries are expected to recover in 2002, after two successive annual declines, with increased availability from United States and the EU offsetting lower deliveries by Australia. Successful control of FMD in South America and currency devaluations in 2002, which ranged between 70 percent for Argentina and 30 percent for

### International Meat Prices

	FAO index of international meat prices	Indicative international meat prices			
		Chicken <sup>1/</sup>	Pork <sup>2/</sup>	Beef <sup>3/</sup>	Lamb <sup>4/</sup>
	(.. 1990-92=100 ..)	(..... US\$/tonne .....			
<b>1994</b>	102	921	2 659	2 384	2 975
<b>1995</b>	99	922	2 470	1 947	2 621
<b>1996</b>	96	978	2 733	1 741	3 295
<b>1997</b>	96	843	2 724	1 880	3 393
<b>1998</b>	83	760	2 121	1 754	2 750
<b>1999</b>	84	602	2 073	1 894	2 610
<b>2000</b>	85	592	2 083	1 957	2 619
<b>2001</b>	84	645	2 077	2 138	2 912
<b>2002</b>	83	602 <sup>5/</sup>	1 883 <sup>5/</sup>	2 257 <sup>6/</sup>	3 208 <sup>6/</sup>
<b>2002 Jan.</b>	84	646	1 879	2 291	3 118
Feb.	85	581	1 953	2 326	3 110
Mar.	86	656	2 083	2 375	3 104
Apr.	82	604	1 903	2 323	3 148
May	81	567	1 793	2 174	3 184
Jun.	81	588	1 806	2 157	3 243
July	82	570	1 763	2 223	3 390
Aug.	n.a.	n.a.	n.a.	2 184	3 360

Source: FAO

1/ Chicken parts, United States export unit value. 2/ Frozen pork, United States export unit value. 3/ Manufacture cow beef, Australia, cif prices to the United States. 4/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 5/ January-August 2002 6/ January-July 2002.

Brazil, are likely to prompt a more than 20 percent surge in South American shipments, competing with Australian exports even in non-traditional markets in South East Asia. Meanwhile, India's export-oriented buffalo beef industry continues to be competitive, expanding low-priced product shipments to South East Asian markets, as well as to Near East markets, which previously imported from the EU. The strong export performance of developing countries is prompting an expansion of their share of global markets to 29 percent, up from 26 percent in 2001.

#### Expanding pigmeat supplies in developed countries support increased trade prospects

High producer returns in 2001 led to a build-up in hog inventories in the major producing areas of western Europe and North America, resulting in increased slaughter in 2002 and a projected 2.5 percent increase in global production to 93.3 million tonnes. While output in the developed countries is recovering after a decline in the previous year, growth in the developing countries is expected to drop from 3.4 to 2.5 percent. Lower pigmeat prices in China, in the wake of meat safety issues related to pigmeat in early 2002, are constraining output growth to 2.5 percent, compared to the average annual growth rate of 5 percent since 1995. In South America, higher feed costs in the context of currency devaluations are expected to trim profit margins and slow output growth, especially in the latter part of the year. In contrast, low feed prices in eastern Europe and the Russian Federation, combined with government

price support in some countries, is boosting slaughter and production.

Global trade in pigmeat is expected to remain strong in 2002, increasing by 6 percent to 3.6 million tonnes compared to 2001. This is despite an expected decline in shipments to Japan, the world's largest importer, as emergency tariffs on pork imports were imposed in mid-2002, for the second consecutive year, in response to a BSE-induced surge in pork imports in 2001. Meanwhile, lower pigmeat prices and stronger economic growth are prompting strong imports by the Russian Federation, the Republic of Korea and Mexico. Canadian deliveries to the United States are being strengthened by the strong value of the US Dollar, while WTO accession, which resulted in lower tariffs for pigmeat, is encouraging stronger demand from both China and the Chinese Province of Taiwan. While quotas restrict imports by the EU and many eastern European countries, the recently negotiated "Double Zero" preferential agreement, which eliminates in-quota duties on meat trade between the two regions, is prompting increased exchange of product. Exports from the EU, recovering from last year's sharp FMD-induced decline, are expected to increase 7 percent in 2002. Similarly, Canadian shipments are likely to rise by 8 percent in response to expanding hog slaughter capacity. Constrained demand in Japan, the United States' major market, is expected to lead to a drop of 2 percent from that supplier. Meanwhile, product shipments from Brazil, where average export unit values are reported at US\$1 172, down 20 percent from levels a year earlier, are escalating, making inroads into many markets for lower quality cuts, particularly in the Russian Federation.



## World Meat Exports <sup>1/</sup>

	2000	2001	2002 forecast
	( . . . thousand tonnes . . . )		
<b>WORLD</b>	<b>17 441</b>	<b>17 455</b>	<b>17 955</b>
Poultry meat	7 378	7 473	7 496
Pig meat	3 253	3 435	3 645
Bovine meat	5 795	5 523	5 841
Sheep meat and goat meat	770	777	725
Other meat	245	246	248

**Source:** FAO

**Note:** Total computed from unrounded data.

<sup>1/</sup> Includes meat (fresh, chilled, frozen prepared and canned) in carcass weight equivalent; excludes live animals, offals and EC intra-trade.

### Poultry production outlook favourable, market disruptions limit trade gains

Despite rising feed prices, poultry output is forecast to reach 72.1 million tonnes in 2002, 3 percent over the previous year. Despite lower profit margins as prices slide and input costs increase, output is expected to be higher in the major exporting countries of the United States, Brazil, the EU and China, countries which account for approximately two-thirds of global poultry meat output. Sanitary restrictions on Chinese poultry meat exports in 2002, however, are pushing domestic prices downward and restricting output growth to 2 percent, significantly below the 8 percent average annual gain witnessed since 1995. Production is also expected to be higher in India, Indonesia, Malaysia, the Philippines and many countries in the Near East. In South America production is slowing as domestic demand declines in a context of an economic downturn and diminishing profit margins due to rising feed prices. Sluggish economies and low prices are pressuring down output in Argentina, Colombia and Venezuela. Brazil is the only exception with annual growth expected to be up an estimated 7 percent in 2002. However, growth in the latter part of the year is slowing dramatically in response to reported increases in corn and soybean meal prices, up 54 percent and 25 percent respectively since January. This contrasts to an estimated 20 and 13 percent decline in Brazil's respective domestic poultry price and export unit value during the same period.

Despite relatively robust increases in production and consumption, global poultry trade is projected at 7.5 million tonnes, up only marginally from the previous year's level and significantly below the annual average 5 percent growth in trade witnessed since the mid-1990's. Market disruptions persist in 2002 as food safety concerns related to hormones and antibiotics in feed lead to heightened border inspections. Imports by countries like the Russian Federation and Saudi Arabia are estimated to be down due to prolonged bans on imported products. Meanwhile, the increased incidence of residue detection and the reclassification of harmonized codes for EU poultry imports are expected

to lead to a drop in imports to that market. Export competition, in the context of abundant meat supplies and lower poultry meat prices, is escalating in 2002, with Brazil, benefiting from an on-going currency devaluation, expanding its exports while shipments from the United States decline due to market disruptions in the Russian Federation. Exports from Thailand remain constrained by subdued domestic demand in the EU as well as heightened residue testing requirements on Thai products. In the EU, low domestic prices, combined with a 60 percent increase in export subsidies since the beginning of the year, are prompting sharp gains in shipments.

### Constrained supplies in exporting countries limit trade opportunities for sheepmeat

After witnessing a decline in 2001, global ovine meat production is projected to rise 2 percent in 2002, as more favourable weather conditions prompt stock rebuilding and enhanced livestock productivity in many parts of the developing world. Expectations of a recovery in animal inventories in Afghanistan, northern China, the Islamic Republic of Iran and Mongolia are likely to lead to an increase of more than 3 percent in Asia, a region which accounts for approximately 50 percent of global output. Meanwhile, waning disease concerns in South America are resulting in increased slaughter and production. Output in the developed countries is set to decline for the second consecutive year. In Australia, tight lamb supplies due to increased demand for live animals from external markets, combined with weather-induced low slaughter weights, are reducing production prospects. This, in conjunction with structural contractions in North America sheep industries, is expected to offset output gains in the EU where slaughter is increasing despite lower inventories after the FMD outbreak in 2001.

Despite an expansion in global supplies and demand, trade prospects are expected down in 2002 as prices remain high and supply availabilities tighten in the major suppliers of Oceania. Imports by the United States continue to grow after the elimination of the TRQ restrictions in 2001, while imports by the EU, constrained by an import quota, are expected to be up only slightly in response to continued strong demand from continental Europe. Limited domestic availability is strengthening imports by Mexico, Canada, and China while, in South Africa, higher tariffs on lamb and mutton imports are limiting imports despite higher domestic prices. Export availabilities in both Australia and New Zealand are expected to decline due to lower output.

### Price outlook mixed over the coming months

Abundant supplies of pigmeat and poultry are expected to persist over the next 12 months, maintaining downward pressure on international prices for these meats. High hog inventories, combined with rising feed prices, are pressuring producer margins and leading to increased slaughter in North America and the EU, suppliers of two-thirds of global pigmeat exports.

Increasing supplies, along with higher import tariffs in Japan through April of 2003, are likely to dampen any price increases for pigmeat. Upward price movement for poultry is also expected to be constrained by adequate supplies and increased use of export restitutions.

By contrast, the growth in beef supplies generated by wide-spread drought conditions in the major exporting

countries in North America and Oceania is expected to slow in late 2002 as inventory rebuilding occurs, tightening supplies and pressuring up prices into 2003. Similarly, in the sheep meat market, lamb prices, which have risen 20 percent since mid-2001, are expected to remain strong in the context of robust demand and lower export availabilities from the major exporting countries in Oceania.

## Fertilizers

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Spot prices of **urea** from most origins in international markets declined over the past two months. September prices in eastern Europe were unchanged from those a year ago but those in the Near East remained well above the same period last year. Urea inventories in the Black Sea Region are declining slightly, but remain ample in the Baltic Sea Region due to shipping constraints. Prices are therefore expected to remain around the current level in the near term. Expected demand for urea in Sri Lanka, The Philippines and Viet Nam may be met through supply from Near East suppliers as Indonesian export capacity is limited for the remainder of the year. Exports from Egypt are scheduled for the European market. Demand from Latin America is uncertain and hampered by increasing freight rates. Chilean demand is likely to be met from Venezuelan and Argentinean sources. Stocks in India and Pakistan are high in anticipation of the winter planting. Expected demand in the United States is almost in balance with expected supply from domestic sources and imports mainly from Canada.

**Ammonia** prices increased in September. North African supply capacity was temporarily lower. Demand in south and northwest Europe was met from eastern European suppliers. Ammonia prices in the United States also increased following the European trend. Also ammonium supply from the Caribbean was temporarily constrained, which effected prices in Latin America. Strong demand is expected from South Africa and the Near East phosphate fertilizer product manufacturers. Ukrainian producers diverted ammonium for urea production to meet their ammonium supply obligations as well as in response to higher ammonium prices.

International spot market prices of **ammonium sulphate** are considerably lower than in 2001, and prices converged in eastern and western Europe

contrary to last year. Prices in the past few months have increased in response to strong demand from China and Malaysia.

**Diammonium phosphate (DAP)** prices increased slightly in September but bounced back somewhat in the US Gulf. Spot prices in all markets are 15-20 percent higher compared to the same period last year. Import demand in Latin America is uncertain. Seasonal demand in India is augmented by imports from the United States and the CIS. United States suppliers also met Pakistan DAP demand. These United States exports, in addition to strong domestic United States demand, contributed to increased DAP spot prices from the US Gulf region. Increased DAP manufacturing in the United States had a price levelling effect in the United States market. DAP supply capacity from North Africa and Jordan in the near future is limited. Strong demand from Viet Nam is expected to be met from various suppliers in Asia, Australia and North Africa. In Europe seasonal demand is strong, supply originates from North African and eastern Europe. The present trend in international spot prices may continue until China enters the market in the fourth quarter.

**Muriate of potash (MOP)** prices in eastern Europe and North America are almost equivalent to one year ago, the market has been weak during recent months. Potash producers continue with mine shutdowns to maintain supply in balance with demand. Supply capacity from eastern Europe is scheduled to increase in the near future. Demand from India was adversely affected by droughts and in Brazil by political uncertainties. Demand from China is low as earlier imports catered for adequate supply. Demand in other Asian countries- Pakistan, Viet Nam, Malaysia and Indonesia, is strong. Seasonal demand in Iran is scheduled to be met from Near East producers.

**Average Fertilizer Spot Prices (bulk, f.o.b.)**

	August 2002	September 2002	September 2001	Change from last year <sup>1/</sup>
	( ..... US\$/tonne ..... )			( . percentage . )
<b>Urea</b>				
eastern Europe	100-101	90-93	90-93	0.0
Near East	117-119	112-115	101-103	10.9
<b>Ammonium Sulphate</b>				
eastern Europe	40-42	36-40	49-51	-23.1
western Europe	46-50	37-42	70-75	-45.1
<b>Diammonium Phosphate</b>				
Jordan	179-182	182-184	151-154	20.0
North Africa	166-168	167-170	143-150	14.9
U.S. Gulf	169-170	163-165	135-137	20.5
<b>Triple Superphosphate</b>				
North Africa	130-133	130-133	119-125	8.2
U.S. Gulf	132-133	133-135	121-125	8.7
<b>Muriate of Potash</b>				
eastern Europe	92-107	92-107	91-106	8.2
Vancouver	111-123	111-123	111-130	-3.1
western Europe	105-115	105-115	115-122	-7.2

**Source:** Compiled from Fertilizer Week and Fertilizer Market Bulletin. <sup>1/</sup> From mid-point of given ranges.

## A.1 a) - WORLD CEREAL PRODUCTION

	Wheat			Coarse Grains		
	2000	2001 estim.	2002 f'cast.	2000	2001 estim.	2002 f'cast.
	(..... million tonnes .....) )					
<b>ASIA</b>	<b>254.0</b>	<b>241.0</b>	<b>241.8</b>	<b>196.2</b>	<b>203.8</b>	<b>217.5</b>
Bangladesh	1.7	1.6	1.8	0.1	0.1	0.1
China <sup>1/</sup>	99.6	93.9	88.0	118.4	126.1	137.0
India	76.4	68.8	71.5	31.6	30.9	33.0
Indonesia	-	-	-	9.7	9.2	9.3
Iran, Islamic Rep. of	8.0	8.5	10.5	2.3	2.3	3.3
Japan	0.7	0.7	0.7	0.2	0.2	0.2
Kazakhstan	9.1	12.7	9.7	2.1	3.0	2.6
Korea, D. P. R.	0.1	0.1	0.1	1.1	1.6	1.4
Korea, Rep. of	-	-	-	0.3	0.5	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	21.1	19.0	19.2	2.2	2.1	2.1
Philippines	-	-	-	4.5	4.5	4.5
Saudi Arabia	1.8	1.8	1.8	0.3	0.3	0.3
Thailand	-	-	-	4.9	4.7	4.1
Turkey	21.0	16.0	17.5	10.7	8.9	9.9
Viet Nam	-	-	-	1.9	2.0	1.9
<b>AFRICA</b>	<b>14.5</b>	<b>17.8</b>	<b>16.8</b>	<b>79.9</b>	<b>82.6</b>	<b>78.8</b>
<b>North Africa</b>	<b>9.7</b>	<b>12.9</b>	<b>12.2</b>	<b>8.6</b>	<b>10.1</b>	<b>9.6</b>
Egypt	6.6	6.3	6.6	7.5	7.8	7.4
Morocco	1.4	3.3	3.4	0.6	1.4	1.8
<b>Sub-Saharan Africa</b>	<b>4.8</b>	<b>5.0</b>	<b>4.6</b>	<b>71.3</b>	<b>72.5</b>	<b>69.1</b>
<b>Western Africa</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>31.3</b>	<b>33.9</b>	<b>32.8</b>
Nigeria	-	0.1	-	19.3	19.6	20.0
<b>Central Africa</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>
<b>Eastern Africa</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>18.0</b>	<b>21.5</b>	<b>19.0</b>
Ethiopia	1.5	1.4	1.3	7.8	7.4	6.7
Sudan	0.3	0.2	0.3	3.0	5.1	3.6
<b>Southern Africa</b>	<b>2.7</b>	<b>2.9</b>	<b>2.6</b>	<b>19.4</b>	<b>14.6</b>	<b>14.8</b>
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.4	2.5	2.3	11.1	7.9	9.5
Zimbabwe	0.3	0.3	0.2	2.2	1.6	0.5
<b>CENTRAL AMERICA</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>27.9</b>	<b>30.0</b>	<b>29.8</b>
Mexico	3.4	3.3	3.2	24.4	26.6	26.3
<b>SOUTH AMERICA</b>	<b>20.0</b>	<b>21.0</b>	<b>21.2</b>	<b>62.8</b>	<b>72.3</b>	<b>65.4</b>
Argentina	16.0	15.3	14.7	21.7	19.6	18.6
Brazil	1.7	3.2	3.9	32.9	43.8	37.4
Colombia	-	-	-	1.4	1.4	1.4
<b>NORTH AMERICA</b>	<b>87.6</b>	<b>73.8</b>	<b>61.3</b>	<b>297.9</b>	<b>284.8</b>	<b>262.4</b>
Canada	26.8	20.6	15.4	24.5	22.4	19.7
United States	60.8	53.3	45.9	273.3	262.3	242.6
<b>EUROPE</b>	<b>183.5</b>	<b>200.7</b>	<b>204.6</b>	<b>198.6</b>	<b>221.0</b>	<b>211.0</b>
Bulgaria	3.2	3.5	3.5	1.9	1.8	2.0
EC <sup>2/</sup>	104.8	91.6	103.7	108.3	108.0	105.1
Hungary	3.7	5.2	3.9	6.2	9.7	7.8
Poland	8.5	9.3	9.1	13.8	16.6	16.6
Romania	4.4	7.8	4.3	6.0	9.1	9.1
Russian Fed.	34.4	46.9	46.0	29.3	35.9	31.2
Ukraine	11.0	21.3	20.2	13.8	16.0	14.5
<b>OCEANIA</b>	<b>22.6</b>	<b>24.2</b>	<b>13.7</b>	<b>11.8</b>	<b>12.4</b>	<b>9.0</b>
Australia	22.2	24.0	13.5	11.3	11.7	8.4
<b>WORLD</b>	<b>585.5</b>	<b>581.9</b>	<b>562.7</b>	<b>875.1</b>	<b>906.8</b>	<b>873.8</b>
Developing countries	272.0	257.9	259.1	352.1	375.6	377.3
Developed countries	313.5	323.9	303.7	523.0	531.2	496.6

Source: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including Taiwan Province. <sup>2/</sup> Fifteen member countries.

Table A.1 b) - WORLD CEREAL PRODUCTION

	Rice (paddy)			Total Cereals 1/		
	2000	2001 estim.	2002 f'cast.	2000	2001 estim.	2002 f'cast.
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>544.9</b>	<b>543.4</b>	<b>535.4</b>	<b>995.0</b>	<b>988.2</b>	<b>994.8</b>
Bangladesh	37.6	37.8	39.0	39.4	39.5	40.9
China 2/	189.8	179.3	178.8	407.9	399.3	403.8
India	127.3	137.4	127.5	235.3	237.1	232.0
Indonesia	51.9	50.5	50.8	61.6	59.6	60.1
Iran, Islamic Rep. of	2.0	1.7	2.0	12.3	12.5	15.8
Japan	11.9	11.3	11.0	12.8	12.3	11.9
Kazakhstan	0.2	0.2	0.2	11.4	15.9	12.5
Korea, D. P. R.	1.7	2.1	2.1	2.9	3.8	3.6
Korea, Rep. of	7.2	7.5	7.2	7.5	7.9	7.5
Myanmar	21.3	21.8	22.5	21.9	22.4	23.1
Pakistan	7.2	5.6	5.9	30.5	26.8	27.2
Philippines	12.5	13.1	12.6	17.0	17.6	17.1
Saudi Arabia	-	-	-	2.1	2.1	2.1
Thailand	25.6	27.0	27.0	30.5	31.6	31.1
Turkey	0.4	0.3	0.4	32.0	25.2	27.8
Viet Nam	32.5	32.0	32.3	34.4	33.9	34.2
<b>AFRICA</b>	<b>17.4</b>	<b>17.2</b>	<b>17.9</b>	<b>111.8</b>	<b>117.7</b>	<b>113.4</b>
<b>North Africa</b>	<b>6.0</b>	<b>5.3</b>	<b>6.1</b>	<b>24.4</b>	<b>28.3</b>	<b>28.0</b>
Egypt	6.0	5.2	6.1	20.1	19.3	20.2
Morocco	-	-	-	2.0	4.8	5.3
<b>Sub-Saharan Africa</b>	<b>11.4</b>	<b>12.0</b>	<b>11.8</b>	<b>87.4</b>	<b>89.4</b>	<b>85.5</b>
<b>Western Africa</b>	<b>7.3</b>	<b>7.6</b>	<b>7.6</b>	<b>38.7</b>	<b>41.5</b>	<b>40.4</b>
Nigeria	3.3	3.4	3.5	22.7	23.0	23.6
<b>Central Africa</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Eastern Africa</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>21.0</b>	<b>24.5</b>	<b>21.9</b>
Ethiopia	-	-	-	9.3	8.8	8.0
Sudan	-	-	-	3.3	5.4	3.9
<b>Southern Africa</b>	<b>2.6</b>	<b>2.9</b>	<b>2.7</b>	<b>24.7</b>	<b>20.4</b>	<b>20.1</b>
Madagascar	2.3	2.6	2.4	2.5	2.8	2.6
South Africa	-	-	-	13.5	10.4	11.8
Zimbabwe	-	-	-	2.5	1.8	0.7
<b>CENTRAL AMERICA</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>	<b>33.8</b>	<b>35.6</b>	<b>35.2</b>
Mexico	0.4	0.2	0.3	28.2	30.1	29.7
<b>SOUTH AMERICA</b>	<b>21.0</b>	<b>19.8</b>	<b>19.5</b>	<b>103.9</b>	<b>113.1</b>	<b>106.1</b>
Argentina	0.9	0.9	0.7	38.5	35.8	34.0
Brazil	11.4	10.4	10.7	46.0	57.4	52.0
Colombia	2.3	2.1	1.9	3.7	3.5	3.4
<b>NORTH AMERICA</b>	<b>8.7</b>	<b>9.7</b>	<b>9.4</b>	<b>394.1</b>	<b>368.3</b>	<b>333.1</b>
Canada	-	-	-	51.3	43.0	35.2
United States	8.7	9.7	9.4	342.8	325.3	297.9
<b>EUROPE</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>385.3</b>	<b>424.9</b>	<b>418.8</b>
Bulgaria	-	-	-	5.1	5.3	5.6
EC 3/	2.5	2.6	2.6	215.6	202.2	211.5
Hungary	-	-	-	10.0	14.9	11.7
Poland	-	-	-	22.3	25.9	25.7
Romania	-	-	-	10.4	16.9	13.4
Russian Fed.	0.6	0.5	0.5	64.3	83.3	77.7
Ukraine	0.1	0.1	0.1	24.9	37.4	34.7
<b>OCEANIA</b>	<b>1.1</b>	<b>1.8</b>	<b>1.3</b>	<b>35.5</b>	<b>38.4</b>	<b>24.0</b>
Australia	1.1	1.8	1.3	34.6	37.5	23.1
<b>WORLD</b>	<b>598.8</b>	<b>597.3</b>	<b>588.8</b>	<b>2 059.3</b>	<b>2 086.0</b>	<b>2 025.4</b>
Developing countries	573.5	571.0	563.5	1 197.5	1 204.6	1 199.8
Developed countries	25.3	26.3	25.4	861.8	881.4	825.6

Source: FAO

Note: Totals computed from unrounded data.

1/ Rice is included in the cereal total in paddy terms. 2/ Including Taiwan Province. 3/ Fifteen member countries.

Table A.2 a) - WORLD IMPORTS OF CEREALS

	Wheat (July/June) <sup>1/</sup>			Coarse Grains (July/June)		
	2000/01	2001/02 estim.	2002/03 fcast	2000/01	2001/02 estim.	2002/03 fcast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>44.3</b>	<b>47.9</b>	<b>46.4</b>	<b>59.0</b>	<b>57.2</b>	<b>56.2</b>
Bangladesh	1.0	1.7	1.3	0.2	0.1	-
China	1.5	2.0	2.2	7.1	7.6	7.8
Taiwan Province	1.0	1.0	1.0	4.8	5.3	5.2
Georgia	0.7	0.5	0.6	-	-	-
India	0.1	-	0.1	0.2	0.1	0.2
Indonesia	4.3	4.2	4.0	1.6	1.1	1.4
Iran, Islamic Rep. of	6.5	6.3	4.5	2.5	2.0	1.5
Iraq	3.2	3.2	3.2	0.3	0.1	0.1
Israel	1.3	1.5	1.5	1.4	1.2	1.1
Japan	5.7	5.8	5.9	20.4	20.0	19.9
Korea, D. P. R.	0.6	0.5	0.6	0.8	0.5	0.6
Korea, Rep. of	3.1	4.0	3.8	8.9	8.5	8.1
Malaysia	1.3	1.3	1.4	2.7	2.4	2.4
Pakistan	0.1	0.4	0.5	0.1	0.1	0.1
Philippines	3.0	3.2	3.4	0.4	0.4	0.4
Saudi Arabia	-	0.1	0.1	6.2	6.3	6.6
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.8	0.9	0.9	0.1	0.2	0.1
Syria	0.1	0.3	0.1	1.6	0.9	0.5
Thailand	0.8	0.8	0.9	-	0.3	0.4
Yemen	1.9	1.9	2.2	0.2	0.2	0.2
<b>AFRICA</b>	<b>26.1</b>	<b>24.3</b>	<b>24.5</b>	<b>14.6</b>	<b>14.6</b>	<b>17.3</b>
<b>North Africa</b>	<b>16.7</b>	<b>16.5</b>	<b>16.6</b>	<b>10.4</b>	<b>11.1</b>	<b>11.0</b>
Algeria	4.6	4.4	4.5	2.1	2.1	2.4
Egypt	5.7	6.5	6.3	4.9	5.5	5.1
Morocco	3.3	3.0	2.8	1.5	1.6	1.5
Tunisia	1.5	1.4	1.6	1.1	1.2	1.2
<b>Sub-Saharan Africa</b>	<b>9.4</b>	<b>7.8</b>	<b>7.9</b>	<b>4.2</b>	<b>3.4</b>	<b>6.3</b>
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.8	0.3	0.4	0.1	-	0.1
Kenya	0.6	0.3	0.6	1.4	0.2	0.9
Nigeria	1.6	1.7	1.7	0.1	0.1	0.1
Senegal	0.3	0.3	0.3	-	-	-
Sudan	1.3	1.2	1.2	0.1	0.1	0.1
South Africa	0.7	0.5	0.4	0.5	0.7	0.7
<b>CENTRAL AMERICA</b>	<b>6.9</b>	<b>6.7</b>	<b>6.8</b>	<b>14.8</b>	<b>13.5</b>	<b>14.0</b>
Cuba	0.9	1.0	1.0	0.1	0.3	0.3
Dominican Rep.	0.5	0.3	0.3	1.1	0.7	0.7
Mexico	3.2	3.1	3.2	11.2	10.2	10.5
<b>SOUTH AMERICA</b>	<b>12.7</b>	<b>11.2</b>	<b>11.1</b>	<b>7.5</b>	<b>6.3</b>	<b>6.6</b>
Brazil	7.4	6.1	5.9	1.8	0.5	0.8
Chile	0.4	0.3	0.3	1.3	1.2	1.1
Colombia	1.2	1.2	1.2	1.9	2.4	2.4
Peru	1.4	1.3	1.4	0.9	1.1	1.1
Venezuela	1.3	1.3	1.2	1.1	0.8	0.9
<b>NORTH AMERICA</b>	<b>2.5</b>	<b>2.9</b>	<b>2.9</b>	<b>5.0</b>	<b>6.2</b>	<b>7.3</b>
Canada	0.1	0.1	0.1	2.6	3.6	5.0
United States	2.4	2.9	2.8	2.4	2.6	2.3
<b>EUROPE</b>	<b>9.5</b>	<b>12.7</b>	<b>9.3</b>	<b>8.1</b>	<b>7.8</b>	<b>6.5</b>
Belarus	0.4	0.5	0.4	0.3	0.3	0.2
EC <sup>2/</sup>	3.2	9.5	6.0	2.7	4.2	3.0
Poland	0.8	0.3	0.3	1.2	0.3	0.3
Romania	0.5	-	0.2	0.5	0.2	0.1
Russian Fed.	1.6	0.5	0.4	0.8	0.8	0.9
Ukraine	0.7	0.1	0.1	0.1	0.1	0.1
<b>OCEANIA</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
New Zealand	0.2	0.2	0.2	-	-	0.1
<b>WORLD</b>	<b>102.5</b>	<b>106.2</b>	<b>101.5</b>	<b>109.1</b>	<b>105.6</b>	<b>108.0</b>
Developing countries	79.5	79.8	78.7	73.5	69.5	72.4
Developed countries	23.1	26.5	22.8	35.5	36.1	35.6

**Source:** FAO**Note:** Totals computed from unrounded data.<sup>1/</sup> Including wheat flour in wheat grain equivalent, but excluding semolina.<sup>2/</sup> Excluding trade between the fifteen EC member countries.

Table A.2 b) - WORLD IMPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>11.5</b>	<b>13.7</b>	<b>13.9</b>	<b>114.8</b>	<b>118.8</b>	<b>116.5</b>
Bangladesh	0.4	0.2	0.2	1.6	2.0	1.5
China	0.3	0.4	0.8	8.8	10.0	10.8
Taiwan Province	-	0.1	0.2	5.9	6.4	6.3
Georgia	-	-	-	0.7	0.5	0.6
India	0.1	-	0.1	0.3	0.2	0.4
Indonesia	1.5	3.2	3.2	7.4	8.5	8.6
Iran, Islamic Rep. of	1.0	1.2	1.2	10.0	9.5	7.2
Iraq	1.2	1.2	1.2	4.7	4.5	4.5
Israel	0.1	0.1	0.1	2.8	2.8	2.7
Japan	0.6	0.7	0.7	26.7	26.5	26.4
Korea, D. P. R.	0.7	0.7	0.7	2.0	1.7	1.9
Korea, Rep. of	0.1	0.2	0.2	12.1	12.7	12.1
Malaysia	0.6	0.6	0.7	4.6	4.3	4.5
Pakistan	-	-	-	0.1	0.5	0.6
Philippines	1.0	1.2	1.2	4.4	4.8	5.0
Saudi Arabia	0.8	0.8	0.8	7.1	7.2	7.5
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	0.1	0.1	0.1	1.0	1.1	1.1
Syria	0.1	0.2	0.2	1.8	1.4	0.7
Thailand	-	-	-	0.8	1.1	1.3
Yemen	0.2	0.3	0.3	2.4	2.4	2.7
<b>AFRICA</b>	<b>7.2</b>	<b>6.7</b>	<b>6.8</b>	<b>47.9</b>	<b>45.6</b>	<b>48.6</b>
<b>North Africa</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>27.4</b>	<b>27.8</b>	<b>27.8</b>
Algeria	0.1	0.1	0.1	6.8	6.6	7.0
Egypt	-	-	-	10.6	12.0	11.4
Morocco	-	-	-	4.8	4.6	4.3
Tunisia	-	-	-	2.6	2.7	2.9
<b>Sub-Saharan Africa</b>	<b>6.9</b>	<b>6.4</b>	<b>6.5</b>	<b>20.4</b>	<b>17.7</b>	<b>20.7</b>
Côte d'Ivoire	1.1	0.9	0.9	1.4	1.2	1.2
Ethiopia	-	-	-	0.9	0.3	0.5
Kenya	0.1	0.1	0.1	2.1	0.6	1.6
Nigeria	1.6	1.5	1.5	3.3	3.3	3.3
Senegal	0.6	0.6	0.6	0.9	0.8	0.9
Sudan	-	-	-	1.4	1.3	1.3
South Africa	0.6	0.6	0.6	1.8	1.7	1.6
<b>CENTRAL AMERICA</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>23.3</b>	<b>21.9</b>	<b>22.5</b>
Cuba	0.5	0.5	0.5	1.5	1.7	1.7
Dominican Rep.	-	-	-	1.6	1.0	1.0
Mexico	0.5	0.5	0.5	14.8	13.9	14.3
<b>SOUTH AMERICA</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>21.3</b>	<b>18.4</b>	<b>18.7</b>
Brazil	0.7	0.7	0.7	9.9	7.2	7.4
Chile	0.1	0.1	0.1	1.8	1.5	1.5
Colombia	0.2	0.1	0.2	3.2	3.7	3.7
Peru	0.1	0.1	0.1	2.4	2.4	2.6
Venezuela	-	-	0.1	2.5	2.1	2.2
<b>NORTH AMERICA</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>8.2</b>	<b>9.8</b>	<b>10.9</b>
Canada	0.3	0.3	0.3	3.0	3.9	5.4
United States	0.4	0.4	0.4	5.2	5.9	5.5
<b>EUROPE</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>19.2</b>	<b>22.1</b>	<b>17.4</b>
Belarus	-	-	-	0.7	0.8	0.7
EC 2/	0.7	0.7	0.7	6.6	14.4	9.7
Poland	0.1	0.1	0.1	2.1	0.7	0.7
Romania	0.1	0.1	0.1	1.1	0.3	0.4
Russian Fed.	0.3	0.4	0.4	2.7	1.6	1.7
Ukraine	0.1	0.1	0.1	0.9	0.3	0.2
<b>OCEANIA</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>
New Zealand	-	-	-	0.3	0.3	0.3
<b>WORLD</b>	<b>24.0</b>	<b>25.7</b>	<b>26.1</b> 3/	<b>235.6</b>	<b>237.6</b>	<b>235.6</b>
Developing countries	20.2	21.8	22.3	173.2	171.1	173.4
Developed countries	3.8	3.9	3.9	62.4	66.5	62.3

Source: FAO

Note: Totals computed from unrounded data.

1/ Trade in rice refers to the calendar year of the second year shown.

2/ Excluding trade between the fifteen EC member countries.

3/ Highly tentative.

Table A.3 a) - **WORLD EXPORTS OF CEREALS**

	<b>Wheat (July/June) 1/</b>			<b>Coarse Grains (July/June)</b>		
	<b>2000/01</b>	<b>2001/02 estim.</b>	<b>2002/03 f'cast</b>	<b>2000/01</b>	<b>2001/02 estim.</b>	<b>2002/03 f'cast</b>
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>9.8</b>	<b>11.7</b>	<b>14.7</b>	<b>11.6</b>	<b>8.0</b>	<b>11.4</b>
China 2/	0.4	0.9	0.9	10.0	6.4	9.5
India	2.4	3.5	5.5	-	-	-
Indonesia	-	-	-	0.1	0.1	0.1
Japan	0.4	0.5	0.4	-	-	-
Kazakhstan	3.7	3.8	4.9	0.4	0.4	0.4
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.3	0.9	0.7	-	-	-
Syria	0.1	0.5	0.5	-	-	-
Thailand	-	-	-	0.3	0.2	0.1
Turkey	1.6	0.5	0.7	0.1	0.4	0.7
Viet Nam	-	-	-	-	-	-
<b>AFRICA</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>2.7</b>	<b>2.3</b>	<b>1.9</b>
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.2	0.2	0.1
Nigeria	-	-	-	0.2	0.1	0.1
South Africa	0.1	0.1	0.3	1.6	1.4	1.3
Sudan	-	-	-	-	0.2	-
Uganda	-	-	-	0.1	0.1	0.1
<b>CENTRAL AMERICA</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>SOUTH AMERICA</b>	<b>10.8</b>	<b>11.0</b>	<b>9.5</b>	<b>15.6</b>	<b>15.1</b>	<b>12.4</b>
Argentina	10.7	11.0	9.5	12.8	9.6	9.7
Brazil	-	-	-	2.3	5.0	2.2
Paraguay	-	-	-	0.3	0.3	0.3
Uruguay	0.1	-	-	0.1	0.1	0.1
<b>NORTH AMERICA</b>	<b>45.3</b>	<b>42.5</b>	<b>37.0</b>	<b>58.9</b>	<b>59.9</b>	<b>62.0</b>
Canada	16.8	16.0	11.0	3.8	2.9	2.5
United States	28.5	26.5	26.0	55.0	57.0	59.5
<b>EUROPE</b>	<b>17.4</b>	<b>24.7</b>	<b>29.2</b>	<b>14.1</b>	<b>16.2</b>	<b>16.9</b>
Bulgaria	0.5	0.8	0.8	0.3	0.3	0.3
Czech Rep.	0.4	0.8	0.7	-	0.2	0.2
EC 3/	14.5	9.6	14.7	10.6	5.8	8.5
Hungary	0.9	2.1	1.6	0.8	2.5	1.3
Romania	0.1	0.6	0.6	0.1	0.6	0.5
Russian Fed.	0.7	4.3	4.6	0.5	2.6	2.2
Ukraine	0.1	5.5	5.0	1.6	3.5	3.0
<b>OCEANIA</b>	<b>16.5</b>	<b>16.4</b>	<b>10.0</b>	<b>4.3</b>	<b>4.8</b>	<b>3.4</b>
Australia	16.5	16.4	10.0	4.3	4.8	3.3
<b>WORLD</b>	<b>101.0</b>	<b>107.4</b>	<b>101.5</b>	<b>107.4</b>	<b>106.5</b>	<b>108.0</b>
Developing countries	17.5	19.4	19.8	28.0	23.7	24.0
Developed countries	83.4	88.0	81.7	79.3	82.7	84.0

**Source:** FAO

**Note:** Totals computed from unrounded data.

1/ Including wheat flour in wheat grain equivalent, but excluding semolina.

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.



Table A.3 b) - **WORLD EXPORTS OF CEREALS**

	Rice (milled)			Total Cereals <sup>1/</sup>		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>18.4</b>	<b>19.7</b>	<b>20.2</b>	<b>39.7</b>	<b>39.5</b>	<b>46.2</b>
China <sup>2/</sup>	2.0	1.4	1.0	12.3	8.7	11.4
India	1.9	5.0	4.5	4.2	8.5	10.0
Indonesia	-	-	-	0.1	0.1	0.1
Japan	0.6	0.6	0.5	1.0	1.0	0.9
Kazakhstan	-	-	-	4.0	4.2	5.3
Myanmar	0.6	1.0	1.5	0.7	1.0	1.6
Pakistan	2.3	1.4	1.4	2.5	2.3	2.1
Syria	-	-	-	0.1	0.5	0.5
Thailand	7.5	7.1	7.5	7.8	7.3	7.6
Turkey	-	-	-	1.7	0.9	1.4
Viet Nam	3.5	3.0	3.4	3.5	3.0	3.4
<b>AFRICA</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>3.9</b>	<b>3.6</b>	<b>3.3</b>
Egypt	0.8	0.9	0.9	0.8	0.9	0.9
Ethiopia	-	-	-	0.2	0.2	0.1
Nigeria	-	-	-	0.2	0.1	0.1
South Africa	-	-	-	1.7	1.5	1.6
Sudan	-	-	-	-	0.2	-
Uganda	-	-	-	0.1	0.1	0.1
<b>CENTRAL AMERICA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>
<b>SOUTH AMERICA</b>	<b>1.4</b>	<b>1.2</b>	<b>1.4</b>	<b>27.8</b>	<b>27.3</b>	<b>23.3</b>
Argentina	0.3	0.3	0.3	23.8	20.8	19.5
Brazil	-	-	-	2.3	5.0	2.2
Paraguay	-	-	-	0.3	0.3	0.3
Uruguay	0.7	0.6	0.7	0.9	0.6	0.8
<b>NORTH AMERICA</b>	<b>2.5</b>	<b>3.1</b>	<b>3.1</b>	<b>106.7</b>	<b>105.5</b>	<b>102.1</b>
Canada	-	-	-	20.6	18.9	13.5
United States	2.5	3.1	3.1	86.1	86.6	88.6
<b>EUROPE</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>31.8</b>	<b>41.1</b>	<b>46.2</b>
Bulgaria	-	-	-	0.8	1.1	1.1
Czech Rep.	-	-	-	0.5	1.0	0.9
EC <sup>3/</sup>	0.2	0.2	0.2	25.3	15.6	23.4
Hungary	-	-	-	1.7	4.6	2.9
Romania	-	-	-	0.2	1.2	1.1
Russian Fed.	-	-	-	1.3	6.9	6.8
Ukraine	-	-	-	1.7	9.0	8.0
<b>OCEANIA</b>	<b>0.7</b>	<b>0.6</b>	<b>0.4</b>	<b>21.6</b>	<b>21.8</b>	<b>13.8</b>
Australia	0.7	0.6	0.4	21.5	21.8	13.7
<b>WORLD</b>	<b>24.0</b>	<b>25.7</b>	<b>26.1</b> <sup>4/</sup>	<b>232.3</b>	<b>239.6</b>	<b>235.6</b>
Developing countries	19.9	21.3	21.9	65.5	64.4	65.8
Developed countries	4.1	4.4	4.2	166.8	175.2	169.9

**Source:** FAO

**Note:** Totals computed from unrounded data.

<sup>1/</sup> Trade in rice refers to the calendar year of the second year shown.

<sup>2/</sup> Including Taiwan Province.

<sup>3/</sup> Excluding trade between the fifteen EC member countries.

<sup>4/</sup> Highly tentative.

Table A.4 – CEREALS: Supply and Utilization in Main Exporting Countries (National Crop Years)

	Wheat <sup>1/</sup>			Coarse Grains <sup>2/</sup>			Rice (milled basis)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	( ..... million tonnes ..... )								
	<b>UNITED STATES (June/May)</b>			<b>UNITED STATES</b>			<b>UNITED STATES (Aug./July)</b>		
Opening stocks	25.9	23.8	21.0	48.9	52.7	45.6	0.9	0.9	1.2
Production	60.8	53.3	45.9	274.7	262.4	242.6	5.9	6.7	6.5
Imports	2.4	2.9	2.9	2.4	2.3	2.5	0.3	0.4	0.4
<b>Total Supply</b>	<b>89.1</b>	<b>80.1</b>	<b>69.8</b>	<b>326.0</b>	<b>317.3</b>	<b>290.7</b>	<b>7.1</b>	<b>8.0</b>	<b>8.1</b>
Domestic use	36.3	32.9	32.0	216.7	216.1	209.9	3.7	3.8	3.9
Exports	28.9	26.2	25.8	56.6	55.7	58.9	2.6	3.0	3.0
Closing stocks	23.8	21.0	12.0	52.7	45.6	21.9	0.9	1.2	1.2
	<b>CANADA (August/July)</b>			<b>CANADA</b>			<b>THAILAND (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	7.7	9.5	6.5	5.8	4.3	3.0	1.7	1.8	2.6
Production	26.8	20.6	15.4	24.5	22.3	19.5	17.0	17.8	17.9
Imports	0.1	0.1	0.1	2.9	3.7	5.5	0.0	0.0	0.0
<b>Total Supply</b>	<b>34.6</b>	<b>30.2</b>	<b>22.0</b>	<b>33.2</b>	<b>30.3</b>	<b>28.0</b>	<b>18.6</b>	<b>19.6</b>	<b>20.5</b>
Domestic use	8.3	8.5	7.5	24.3	24.0	22.8	9.3	9.9	10.1
Exports	16.7	15.2	10.5	4.6	3.3	2.8	7.5	7.1	7.5
Closing stocks	9.5	6.5	4.0	4.3	3.0	2.4	1.8	2.6	2.8
	<b>ARGENTINA (Dec./Nov.)</b>			<b>ARGENTINA</b>			<b>CHINA (Jan./Dec.) <sup>3/ 4/</sup></b>		
Opening stocks	0.6	0.6	0.7	0.8	1.2	1.2	112.9	106.5	93.6
Production	16.0	15.3	14.7	21.7	19.3	18.6	130.1	122.9	122.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.8
<b>Total Supply</b>	<b>16.5</b>	<b>15.9</b>	<b>15.4</b>	<b>22.6</b>	<b>20.5</b>	<b>19.9</b>	<b>243.3</b>	<b>229.8</b>	<b>216.9</b>
Domestic use	4.8	4.9	4.9	8.4	9.2	9.4	134.8	134.8	134.4
Exports	11.2	10.3	10.0	13.0	10.2	9.5	2.0	1.4	1.0
Closing stocks	0.6	0.7	0.5	1.2	1.2	1.0	106.5	93.6	81.5
	<b>AUSTRALIA (Oct./Sept.)</b>			<b>AUSTRALIA</b>			<b>PAKISTAN (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	3.3	3.8	5.3	0.7	1.4	2.0	1.1	0.9	0.5
Production	22.2	24.0	13.5	11.3	11.7	8.4	4.8	3.7	3.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Supply</b>	<b>25.5</b>	<b>27.7</b>	<b>18.8</b>	<b>12.0</b>	<b>13.1</b>	<b>10.4</b>	<b>5.9</b>	<b>4.7</b>	<b>4.5</b>
Domestic use	5.7	5.9	5.8	6.1	6.2	5.6	2.7	2.8	2.8
Exports	16.1	16.5	10.0	4.5	4.9	3.4	2.3	1.4	1.4
Closing stocks	3.8	5.3	3.0	1.4	2.0	1.3	0.9	0.5	0.2
	<b>EC (July/June) <sup>5/</sup></b>			<b>EC <sup>5/</sup></b>			<b>VIET NAM (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	12.9	14.6	13.2	20.8	17.0	21.0	3.1	4.0	4.5
Production	104.8	91.6	103.7	108.3	108.0	105.1	21.7	21.3	21.5
Imports	3.2	9.5	6.0	2.7	4.2	3.0	0.0	0.0	0.0
<b>Total Supply</b>	<b>120.9</b>	<b>115.7</b>	<b>122.9</b>	<b>131.8</b>	<b>129.3</b>	<b>129.2</b>	<b>24.8</b>	<b>25.3</b>	<b>26.0</b>
Domestic use	91.7	92.5	94.0	104.2	102.4	100.2	17.3	17.8	18.1
Exports	14.6	10.0	15.0	10.6	5.8	8.5	3.5	3.0	3.4
Closing stocks	14.6	13.2	13.9	17.0	21.0	20.4	4.0	4.5	4.5
<b>TOTAL ABOVE</b>									
Opening stocks	50.4	52.3	46.6	77.0	76.6	72.8	119.6	114.1	102.4
Production	230.6	204.7	193.2	440.5	423.8	394.3	179.5	172.5	172.4
Imports	5.7	12.5	9.0	8.1	10.2	11.0	0.6	0.8	1.2
<b>Total Supply</b>	<b>286.7</b>	<b>269.6</b>	<b>248.8</b>	<b>525.5</b>	<b>510.6</b>	<b>478.1</b>	<b>299.8</b>	<b>287.5</b>	<b>276.0</b>
Domestic use	146.9	144.8	144.1	359.7	357.9	347.9	167.8	169.2	169.5
Exports	87.5	78.2	71.3	89.2	79.9	83.1	17.8	15.9	16.3
Closing stocks	52.3	46.6	33.4	76.6	72.8	47.1	114.1	102.4	90.2

Source: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Trade data include wheat flour in wheat grain equivalent. For the EC semolina is also included.<sup>2/</sup> Argentina (Dec./Nov.) for rye, barley and oats, (March/February) for maize and sorghum; Australia (November/October) for rye, barley and oats, (March/February) for maize and sorghum; Canada (August/July); EC (July/June); United States (June/May) for rye, barley and oats, (September/August) for maize and sorghum.<sup>3/</sup> Rice trade data refer to the calendar year of the second year shown.<sup>4/</sup> Including Taiwan province.<sup>5/</sup> Excluding trade between the fifteen EC member countries.

Table A.5 - WORLD CEREAL STOCKS: Estimated Total Carryovers of Cereals <sup>1/</sup>

	Crop Years ending in:						
	1997	1998	1999	2000	2001	2002 estim.	2003 f'cast
	( ..... million tonnes ..... )						
<b>TOTAL CEREALS</b>	<b>617.8</b>	<b>660.5</b>	<b>682.4</b>	<b>679.9</b>	<b>627.5</b>	<b>573.6</b>	<b>466.3</b>
<b>Wheat</b>	<b>227.4</b>	<b>252.8</b>	<b>259.6</b>	<b>254.3</b>	<b>240.3</b>	<b>215.4</b>	<b>167.9</b>
held by:							
- main exporters <sup>2/</sup>	36.0	39.3	50.7	50.4	52.3	46.6	33.4
- others	191.4	213.5	208.9	203.9	188.0	168.8	134.5
<b>Coarse Grains</b>	<b>238.6</b>	<b>254.8</b>	<b>265.5</b>	<b>257.8</b>	<b>224.0</b>	<b>208.5</b>	<b>167.5</b>
held by:							
- main exporters <sup>2/</sup>	46.7	69.3	79.7	77.0	76.6	72.8	47.1
- others	191.9	185.5	185.8	180.8	147.4	135.7	120.4
<b>Rice (milled basis)</b>	<b>151.7</b>	<b>152.9</b>	<b>157.4</b>	<b>167.8</b>	<b>163.2</b>	<b>149.8</b>	<b>130.9</b>
held by:							
- main exporters <sup>2/</sup>	111.8	115.7	117.2	119.6	114.1	102.4	90.2
excl. China <sup>3/</sup>	4.5	4.5	4.1	6.7	7.6	8.8	8.7
- others	40.0	37.2	40.1	48.2	49.1	47.4	40.7
<b>BY REGIONS</b>							
<b>Developed Countries</b>	<b>121.5</b>	<b>169.0</b>	<b>171.0</b>	<b>164.5</b>	<b>159.7</b>	<b>161.5</b>	<b>121.1</b>
Australia	3.2	3.8	3.0	4.2	5.2	7.5	4.5
EC	24.4	35.1	36.6	34.2	32.0	34.7	34.8
Canada	14.0	10.4	12.5	13.6	13.9	9.5	6.5
Hungary	2.3	2.8	2.6	2.0	1.3	1.7	1.2
Japan	6.7	6.7	6.0	5.7	5.3	4.7	4.8
Poland	4.2	4.0	4.2	3.7	1.3	1.4	1.2
Romania	1.2	5.0	3.5	3.6	1.0	2.8	1.5
Russian Fed.	6.5	18.0	5.8	4.9	6.5	9.6	8.0
South Africa	2.4	3.7	2.3	1.7	2.9	1.8	1.8
Ukraine	3.6	4.5	2.2	2.2	2.2	5.0	6.0
United States	39.9	58.7	77.8	75.6	77.4	67.8	35.0
<b>Developing Countries</b>	<b>496.2</b>	<b>491.4</b>	<b>511.4</b>	<b>515.4</b>	<b>467.8</b>	<b>412.1</b>	<b>345.2</b>
<b>Asia</b>	<b>457.6</b>	<b>455.7</b>	<b>472.9</b>	<b>477.4</b>	<b>432.6</b>	<b>376.6</b>	<b>316.3</b>
China <sup>3/</sup>	374.0	366.6	374.7	367.5	318.8	272.6	228.2
India	35.3	42.9	47.3	56.8	61.4	58.4	49.1
Indonesia	6.9	5.5	5.6	5.9	6.3	4.2	3.7
Iran, Islamic Rep. of	3.5	2.0	1.6	2.0	1.3	1.4	1.3
Korea, Rep. of	2.3	2.8	2.8	3.3	3.0	3.6	3.6
Pakistan	6.3	7.1	8.6	7.9	7.1	4.0	0.9
Philippines	2.0	2.0	2.6	1.9	2.0	1.9	2.0
Syria	5.1	4.0	4.2	4.0	3.6	4.4	4.1
Turkey	6.8	7.4	9.4	8.3	8.7	5.1	3.3
<b>Africa</b>	<b>23.8</b>	<b>20.9</b>	<b>26.0</b>	<b>24.0</b>	<b>22.3</b>	<b>21.3</b>	<b>17.3</b>
Algeria	2.8	2.1	2.6	2.0	1.3	1.7	1.5
Egypt	2.9	3.7	4.5	4.1	3.9	3.2	2.5
Ethiopia	1.6	0.9	1.1	1.3	1.7	1.2	0.5
Morocco	3.8	2.5	4.7	3.0	1.8	1.8	1.9
Nigeria	1.9	1.9	1.9	1.6	2.2	2.5	2.3
Tunisia	2.1	1.9	1.9	2.1	2.0	2.1	1.6
<b>Central America</b>	<b>7.0</b>	<b>5.1</b>	<b>6.2</b>	<b>6.6</b>	<b>6.0</b>	<b>5.8</b>	<b>4.8</b>
Mexico	5.7	3.9	5.0	5.0	4.5	4.6	3.7
<b>South America</b>	<b>7.7</b>	<b>9.7</b>	<b>6.2</b>	<b>7.3</b>	<b>6.8</b>	<b>8.3</b>	<b>6.7</b>
Argentina	2.5	2.1	1.7	1.6	1.9	1.9	1.5
Brazil	2.9	4.9	1.5	2.6	1.8	3.8	3.0

**Source:** FAO**Note:** Based on official and unofficial estimates. Totals computed from unrounded data.

<sup>1/</sup> Stock data are based on an aggregate of carryovers at the end of national crop years and do not represent world stock levels at any point in time.

<sup>2/</sup> The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EC and the United States. The major rice exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details.

<sup>3/</sup> Including Taiwan Province.

Table A.6 – SELECTED EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Red Winter Ord. Prot. <u>1/</u>	U.S. Soft Red Winter No.2 <u>1/</u>	Argentina Trigo Pan <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	Argentina <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	U.S. No.2 Yellow <u>1/</u>
<b>July/June</b>	( ..... US\$/tonne ..... )						
1998/1999	120	100	116	95	98	92	203
1999/2000	112	97	112	91	90	89	190
2000/2001	128	101	124	86	84	93	184
2001/2002	127	113	119	91	89	95	182
2001 – July	127	106	123	91	88	93	199
August	126	104	120	93	89	97	196
September	127	108	119	90	88	98	185
2002 – May	123	112	131	91	90	91	189
June	133	112	150	92	92	95	197
July	151	123	137	100	97	104	220
August	165	131	138	110	105	115	219
Sept. I	178	143	139	115	104	118	216
II	197	159	157	119	110	125	225
III	191	156	155	115	111	120	222
IV	192	156	160	110	106	116	220

Sources: International Grain Council and USDA.

1/ Delivered U.S. Gulf ports. 2/ Up River f.o.b.

Table A.7 - PRICE INDICES AND SELECTED EXPORT PRICES FOR RICE

Calendar years	Export Prices				FAO Indices				
	Thai 100% B <u>1/</u>	Thai broken <u>2/</u>	U.S. Long grain <u>3/</u>	Pakistani Basmati <u>4/</u>	Total	Indica		Japonica	Aromatic
						High quality	Low quality		
<b>January/December</b>	( ..... U.S.\$/tonne ..... )				( ..... 1998-2000=100 ..... )				
1998	315	215	413	492	115	117	115	113	113
1999	253	192	333	486	101	99	101	105	98
2000	207	143	271	418	84	84	83	83	89
2001	178	136	264	332	74	74	74	76	69
2001 - September	176	151	246	338	73	74	73	73	67
2002 - May	204	149	201	362	72	73	75	67	71
June	210	152	202	371	72	74	77	64	75
July	204	154	203	377	73	74	77	68	78
August	195	149	210	390	73	73	75	69	80
September I	194	150	215	391	73	73	76	67	83
II	192	153	215	397					
III	190	151	215	397					
IV	187	152	215	397					

Sources: FAO for indices. Rice prices: Jackson Son & Co. (London) Ltd. and other public sources.

Note: The FAO Sub-indices for Indica (regular long grain), Japonica (medium grain) and Aromatic (Basmati and Fragrant rice) are constructed in accordance with the "Generalised Composite Commodity Theorem" and are unweighted averages of respective prices in a set consisting of 16 rice export quotations. The FAO Total Index weights the sub-indices according to their corresponding trade shares in the base year of 1998-00. 'Quality' is defined by the percentage of broken kernels, with high (low) quality referring to rice with less (equal to or more) than 20 percent broken. For a fuller exposition of the index, see the boxed insert "The New FAO Export Price Index for Rice" in this edition of Food Outlook.

1/ White rice, 100% second grade, f.o.b. Bangkok, indicative traded prices. 2/ A1 super, f.o.b. Bangkok, indicative traded prices. 3/ U.S. No.2, 4% broken f.o.b. 4/ Basmati: ordinary, f.o.b. Karachi.

Table A.8 – PRICE INDICES AND SELECTED INTERNATIONAL PRICES FOR OILCROP PRODUCTS

Marketing years	FAO Indices			International Prices				
	Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals	Soybeans 1/	Soybean Oil 2/	Palm Oil 3/	Soybean Cake 4/	Rapeseed Meal 5/
<b>October/September</b>	(. . . . . 1990-92=100 . . . . .)			(. . . . . U.S.\$/tonne . . . . .)				
1997/98	109	154	116	256	634	641	197	138
1998/99	89	125	82	209	483	514	149	104
1999/00	Oct.-Mar. 83	98	87	206	374	356	176	122
	Apr.-Sep. 84	84	90	213	337	318	184	125
2000/01	Oct.-Mar. 82	76	98	206	314	254	198	146
	Apr.-Sep. 82	86	94	197	356	289	178	135
2001/02	Oct.-Mar. 83	95	100	188	378	323	175	135
	Apr.-Sep. 90	107	104	213	445	392	174	122

Sources: FAO and Oil World.

Note: The FAO indices are calculated using the Laspeyres formula; the weights used are the average export values of each commodity for the 1990-92 period. The indices are based on the international prices of five selected seeds, ten selected oils and fats and seven selected cakes and meals.

1/ Soybeans (US, No.2 yellow, cif Rotterdam). 2/ Soybean oil (Dutch, fob ex-mill). 3/ Palm oil (Crude, cif North West Europe). 4/ Soybean cake (Pellets, 44/45%, Argentina, cif Rotterdam). 5/ Rapeseed meal (34%, Hamburg, fob ex-mill).

Table A.9 - WHEAT AND MAIZE FUTURES PRICES

	December		March		May		July	
	this year	last year	this year	last year	this year	last year	this year	last year
<b>WHEAT</b>	(. . . . . US\$/tonne . . . . .)							
August 20	129	103	132	108	131	111	124	112
27	134	106	137	110	133	111	126	113
September 3	137	106	139	109	136	110	129	112
10	153	103	155	107	147	109	136	110
17	149	105	149	107	141	109	131	111
24	148	98	148	103	140	105	130	110
<b>MAIZE</b>								
August 20	107	87	109	89	110	90	110	93
27	107	89	110	91	110	95	110	97
September 3	108	89	110	91	111	93	110	96
10	113	84	115	87	116	89	115	91
17	109	87	111	89	112	92	111	94
24	102	83	105	85	107	86	107	90

Source: Chicago Board of Trade

Table A.10 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam <u>1/</u>	CIS Black Sea <u>1/ 2/</u>	Egypt (Alexandria) <u>1/</u>	Bangladesh <u>1/</u>	China <u>1/</u>	Japan <u>1/</u>
	( ..... US\$/tonne. .... )					
<b>July/June</b>						
1997/98	9.60	18.10	11.70	20.17	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.60	40.97	13.65	18.50	27.00	32.83
2000/2001	13.08	40.97	15.00	18.31	27.00	36.31
2001/2002	10.99	40.97	15.00	18.50	26.92	34.19
2001 - September	11.50	40.97	15.00	18.50	27.00	35.75
October	11.50	40.97	15.00	18.50	27.00	36.00
November	11.50	40.97	15.00	18.50	27.00	36.00
Decemberr	11.50	40.97	15.00	18.50	26.00	33.00
2002 - May	10.50	40.97	15.00	18.50	27.00	33.00
June	10.75	40.97	15.00	18.50	27.00	33.00
Julyl	10.75	40.97	15.00	18.50	27.00	33.00
August	10.75	40.97	15.00	18.50	27.00	33.00
September	10.75	40.97	15.00	18.50	27.00	33.00

**Source:** International Grain Council

**Note:** Estimated mid-month rates based on current chartering practices for vessels ready to load three to four weeks ahead.

1/ Size of vessels: Rotterdam over 40 000 tonnes; CIS 20-40 000 tonnes; Egypt over 30 000 tonnes; Bangladesh over 40 000 tonnes; China 20-35 000 tonnes; Japan 15-24 999 tonnes.

2/ Excludes CIS and United States flag vessels.

Table A.11 - SELECTED INTERNATIONAL COMMODITY PRICES

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	19.09.02	7.10	6.17	7.67	11.4
Coffee (I.C.O. daily price)	US cents per lb	27.09.02	46.4	42.3	40.8	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	27.09.02	102.1	93.3	50.1	56.0
Tea (total tea, Mombasa)	US\$ per kg.	23.09.02	1.55	1.51	1.43	1.5
Bananas (Central America, f.o.b., Hamburg)	€ per tonne	15.09.02	953 <sup>1/</sup> 805 <sup>2/</sup>	941 <sup>1/</sup> 795 <sup>2/</sup>	901 <sup>1/</sup> 732 <sup>2/</sup>	566
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	20.09.02	48.2	49.3	41.3	78.5
Wool (64's, London)	Pence per kg	20.09.02	493	465	361	466

**Source:** FAO

1/ EC duty paid, estimated. 2/ Estimated price for EFTA markets.

STATISTICAL NOTE: Data are obtained from official and unofficial sources. For cereals, production data refer to the calendar year in which the whole harvest or bulk of harvest takes place. For sugar, production data relate to the October/September season. For vegetable oils and oil meals derived from oilseeds, production data refer to the year in which the bulk of the seeds concerned are crushed. For trade in wheat and coarse grains, the time reference period is normally the July/June marketing year unless otherwise stated. Trade data for rice and other commodities refer to the calendar year. Coarse grains refer to all other cereals except wheat and rice. Quantities are in metric tonnes unless otherwise stated. '-' means nil or negligible.

In the presentation and analysis of statistical material, countries are sub-divided, where appropriate, into the following two main economic groupings: "Developed countries" (including the developed market economies and the transition markets) and "Developing countries" (including the developing market economies and the Asia centrally planned countries). The designation "Developed and "Developing" economies is intended for statistical convenience and does not necessarily express a judgement about the stage reached by a particular country or area in the development process.

References are also made to special country groupings: Low Income Food Deficit Countries (LIFDCs), Least Developed Countries (LDCs) and Net Food-Importing Developing Countries (NFIDCs). The LIFDCs currently includes 82 countries that are net importers of cereals with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$ 1 445 in 1999). The LDCs and NIFDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries. The LDCs group currently includes 49 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NIFDCs group includes 21 developing country WTO Members which notified their request to be listed as NFIDCs and have submitted relevant statistical data concerning their status as net-importers of basic foodstuffs during a representative period. This list is reviewed annually by the WTO Committee on Agriculture.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Regular Contents and Release Dates <sup>1/</sup>	No. 1 20 February	No. 2 16 May	No. 3 17 July	No. 4 17 October	No. 5 18 December
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Cereal Production, Trade, Stocks & Prices	●	●	●	●	●
Cereal Utilization – extended report			●		
Cereal Import Bills		●			●
Food Aid					●
Ocean Freight Rates		●		●	
Cassava					
Fertilizers	●	●	●	●	●
Meat and Meat Products	●	●		●	
Milk and Milk Products		●			●
Oilseeds, Oils and Oilmeals		●			●
Pulses		●	●		
Sugar		●			●
Fish	●				
Special Features <sup>3/</sup>					

1/ These dates are tentative and refer to the release of the English version. Food Outlook in Arabic, Chinese, French and Spanish language is available shortly after the release of the English version.

2/ Including update on food emergencies. 3/ Each report may include topical notes as considered appropriate.

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