

# food outlook

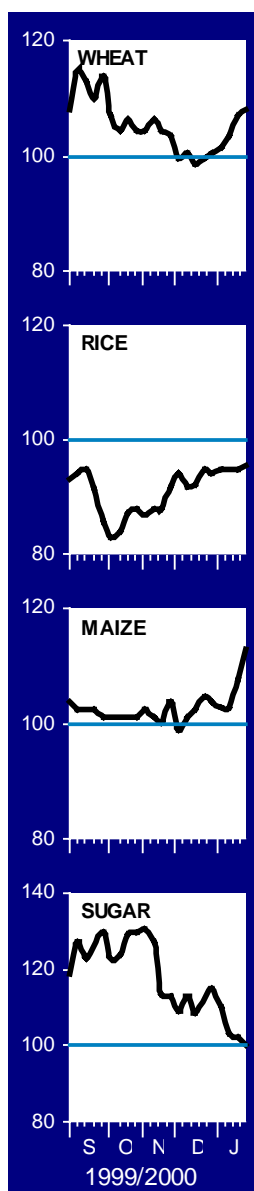
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## highlights

### EXPORT PRICES

(July 1999=100)



**FAO now estimates world cereal output in 1999 at 1 872 million tonnes**, (including rice in milled terms), above average, and only slightly below the previous year's level. However, this would be below anticipated global cereal utilization in 1999/2000 and, as a result, global cereal stocks will have to be drawn down for the first time in 4 years.

**The early outlook for 2000 cereal crops is mixed.** In the northern hemisphere, winter wheat plantings fell in the United States, but the spring wheat area in Canada could rise. In Europe, the winter wheat area expanded in the EC and in several eastern European countries. In the southern hemisphere, prospects are favourable for the 2000 coarse grains crops in southern Africa and South America. In the equatorial belt and the southern hemisphere the harvest of the 2000 rice crop will start soon but plantings were reduced and output will be down.

**Food emergencies persist in many countries throughout the world** due to frequent natural hazards and, increasingly, by man-made disasters (see page 4).

**FAO latest forecast of world trade in cereals in 1999/2000 is 222 million tonnes**, 1 million tonnes more than earlier anticipated, and 7 million tonnes up from the previous year. Latest indications point to an increase of about 6 percent in global wheat shipments and 3 percent for coarse grains, but a 4 percent reduction for rice.

**International export prices for most cereals strengthened in recent weeks.** Latest indications of a tighter than expected cereal balance in the United States lent significant support to wheat and coarse grains markets in January, while some unexpected buying activity helped the FAO Rice Export Price Index gain one point from its December low.

**Global meat output grew 2 percent in 1999 buoyed by low feed prices.** World trade in meat also grew, surging by 5 percent, mostly as a result of recovering Asian demand and increasing use of export programmes. This expansion is unlikely to be replicated in 2000 as red meat supplies are expected to contract.

**Prices of oilseed products are anticipated to recover in 1999/2000**, in response to a tightening supply/demand situation. Oilseed production is expected to rise only marginally and overall output of oilcrop-based products is likely to fall short of demand. Regarding trade, a rise in shipments of oils and fats is expected to contrast with reduced growth in trade of oilcakes and meals.



## BASIC FACTS OF THE WORLD CEREAL SITUATION

	1995/96	1996/97	1997/98	1998/99	1999/2000 forecast	Change 1999/2000 over 1998/99
<b>WORLD PRODUCTION <sup>1/</sup></b>	(..... million tonnes .....) (percentage)					
Wheat	548	589	613	595	589	-1.0
Coarse grains	810	920	905	911	886	-2.7
Rice, milled (paddy)	370 (551)	383 (571)	386 (577)	389 (582)	396 (593)	1.9 1.9
<b>All cereals (incl. milled rice)</b>	<b>1 728</b>	<b>1 892</b>	<b>1 904</b>	<b>1 895</b>	<b>1 872</b>	<b>-1.2</b>
Developing countries	958	1 025	1 005	1 038	1 028	-1.0
Developed countries	771	867	900	857	844	-1.6
<b>WORLD IMPORTS <sup>2/</sup></b>						
Wheat	100	102	100	97	103	5.6
Coarse grains	95	91	90	93	96	3.3
Rice (milled)	20	19	28	25	24	-4.4
<b>All cereals</b>	<b>214</b>	<b>211</b>	<b>218</b>	<b>215</b>	<b>222</b>	<b>3.5</b>
Developing countries	151	150	159	157	161	2.2
Developed countries	63	62	59	57	62	7.0
<b>FOOD AID IN CEREALS <sup>3/</sup></b>	<b>7.4</b>	<b>5.5</b>	<b>6.2</b>	<b>9.5</b>		
<b>WORLD UTILIZATION</b>						
Wheat	563	576	592	588	595	1.1
Coarse grains	856	894	896	898	893	-0.6
Rice (milled)	373	380	382	391	395	1.1
<b>All cereals</b>	<b>1 791</b>	<b>1 850</b>	<b>1 870</b>	<b>1 877</b>	<b>1 882</b>	<b>0.3</b>
Developing countries	1 078	1 107	1 111	1 139	1 143	0.4
Developed countries	713	743	759	738	739	0.1
<b>Per Caput Food Use</b>	(..... kg/year .....) (percentage)					
Developing countries	171	173	172	173	173	-0.2
Developed countries	128	129	130	130	130	0.0
<b>WORLD STOCKS <sup>5/</sup></b>	(..... million tonnes .....) (percentage)					
Wheat	102	113	135	139	134	-3.6
Coarse grains	100	125	140	146	142	-3.3
Rice (milled)	52	56	55	56	58	3.3
<b>All cereals</b>	<b>254</b>	<b>293</b>	<b>330</b>	<b>342</b>	<b>334</b>	<b>-2.3</b>
Developing countries	152	173	164	170	169	-0.6
Developed countries	102	120	166	172	165	-4.1
<b>Stocks as % of world cereal consumption</b>	(..... percentage .....) (US\$/tonne)					
	<b>13.7</b>	<b>15.7</b>	<b>17.6</b>	<b>18.1</b>	<b>17.4</b>	
<b>EXPORT PRICES <sup>3/</sup></b>	(..... US\$/tonne .....) (percentage)					
Rice (Thai, 100%, 2nd grade) <sup>1/</sup>	336	352	316	315	253	-19.7
Wheat (U.S. No.2 Hard Winter)	216	181	142	120	111	-9.8
Maize (U.S. No.2 Yellow)	159	135	112	95	89	-6.3
<b>OCEAN FREIGHT RATES <sup>3/</sup></b>	(..... US\$/tonne ..%)					
From U.S. Gulf to Egypt	16.8	12.8	11.7	9.3	13.2	57.1
<b>LOW-INCOME FOOD- DEFICIT COUNTRIES <sup>8/</sup></b>	(..... million tonnes ..%)					
Roots & tubers production <sup>1/</sup>	359	378	372	359	364	1.3
Cereal production (milled rice) <sup>1/</sup>	744	802	783	809	810	0.1
Per caput production (kg.) <sup>9/</sup>	212	224	216	219	216	-1.5
Cereal imports <sup>2/</sup>	79.2	69.3	78.6	71.3	71.2	-0.2
of which: Food aid <sup>3/</sup>	6.4	4.6	5.5	6.8		
Proportion of cereal import covered by food aid	(..... percentage ..%)					
	8.1	6.6	7.0	9.5		

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. <sup>4/</sup> Stock data are based on aggregate of national carryover levels at the end of national crop years. <sup>5/</sup> Average of quotations for January-October 1999. <sup>6/</sup> Average of quotations for July-October 1999. <sup>7/</sup> Change from corresponding period of previous year for which figures are not shown. <sup>8/</sup> Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. U.S.\$ 1 505 in 1997), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid. <sup>9/</sup> Includes rice on a mille basis.

## Cereals

### Supply/Demand Roundup

The global cereal supply/demand situation in 1999/2000 has changed little since the last report in November. After a small upward revision, world cereal output in 1999 is now estimated by FAO at 1 872 million tonnes (including rice in milled terms), above the average of the past five years, and only slightly below the previous year's level. However, concurrently with this change, the forecast of anticipated global cereal utilization in 1999/2000 has also been adjusted upward, and thus, the shortfall in production for the year remains at some 10 million tonnes. This is similar to earlier expectations, and confirms that global cereal stocks will have to be drawn down for the first time in 4 years. Nevertheless, the ratio of expected global cereal carryovers in 2000 to trend utilization in 2000/01, at 17.4 percent, would remain within the 17-18 percent range that the FAO Secretariat considers as the minimum necessary to safeguard world food security. Moreover, the percentage share of global cereal stocks held by the major exporting countries, which are the main buffer against any major production shortfall, is expected to remain stable at around the previous year's level of 45 percent. While prices for most cereals have strengthened in recent weeks, the current outlook for supply and demand does not point to any significant change in prices over the medium term.

FAO's latest forecast puts world cereal **production** in 1999 at 1 872 million tonnes (including rice in milled equivalent), 6 million tonnes above the previous estimate in November. The latest increase reflects upward adjustments for wheat and rice, which more

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

	1997/98	1998/99 estimate	1999/2000 0 forecast
	(. . . . . million tonnes . . . . .)		
<b>Production 1/</b>	<b>1 904</b>	<b>1 895</b>	<b>1 872</b>
Wheat	613	595	589
Coarse grains	905	911	886
Rice (milled)	386	389	396
<b>Supply 2/</b>	<b>2 198</b>	<b>2 226</b>	<b>2 213</b>
<b>Utilization</b>	<b>1 870</b>	<b>1 877</b>	<b>1 882</b>
<b>Trade 3/</b>	<b>218</b>	<b>215</b>	<b>222</b>
<b>Ending Stocks 4/</b>	<b>330</b>	<b>342</b>	<b>334</b>

Source: FAO

1/ Data refer to calendar year of the first year shown. Rice in milled equivalent.

2/ Production plus opening stocks.

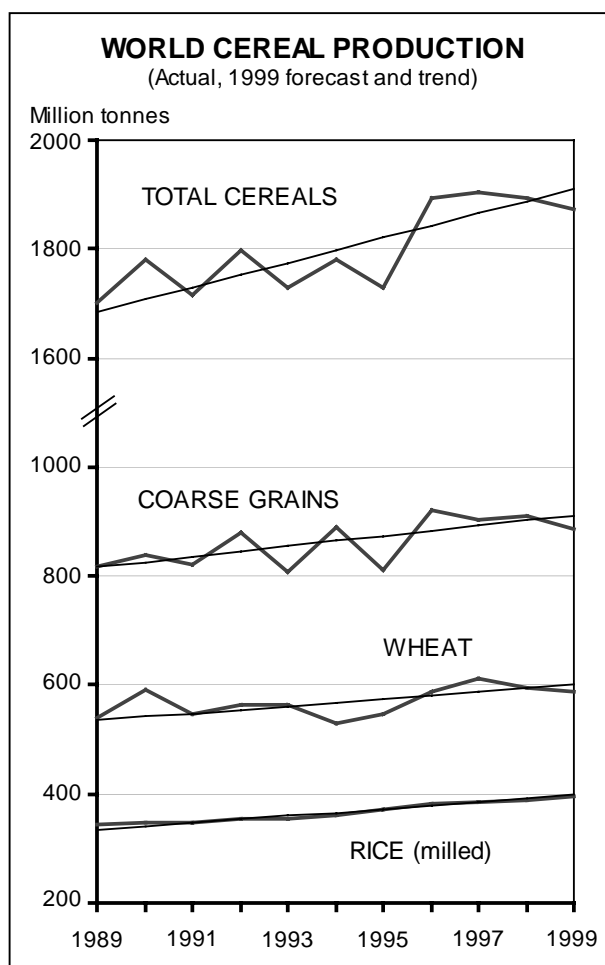
3/ July/June basis for wheat and coarse grains and calendar year for rice.

4/ May not equal the difference between supply and utilization due to differences in individual country marketing years.

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than offset a minor downward revision for coarse grains. At the forecast level, world cereal production would be 1.2 percent below the estimate for 1998, but above the average of the past five years. World wheat production is now forecast at 589 million tonnes, 3 million tonnes up from November. The latest adjustment reflects revisions to estimates of some of the later harvests around the globe, including



## Food Supply Difficulties Persist in Many Developing Countries

Food security in many developing countries continues to be disrupted by frequent natural disasters and, increasingly, by man-made disasters.

In **eastern Africa**, substantial crop and livestock losses in parts, mainly due to drought, have caused serious food supply difficulties. In Eritrea, nearly 590 000 people affected by the war with Ethiopia and drought, need urgent food assistance. In Ethiopia, the food supply situation is very tight for about 8 million people, including some 400 000 displaced by the border war with Eritrea. In Kenya, food assistance is sought for about 1.7 million people in the drought affected northern and eastern districts. In Somalia, poor "Deyr" season rains have exacerbated the food supply difficulties in some southern regions, already suffering from seven consecutive poor harvests. In Sudan, despite an overall stable food supply situation, some 2.4 million people affected by drought and the long-running civil conflict need an estimated 103 000 tonnes of food aid in 2000. In Tanzania, localized crop failures have affected thousands of people in several regions. In Uganda, despite an improved food supply situation in most parts, food assistance continues to be required for people in the north and west affected by civil strife. In Burundi food supply is tight following the reduced harvest of the 2000A season, caused by dry weather and the persistent civil strife. In particular, the food and health situation is critical for some 800 000 displaced people in camps. In Rwanda, despite an improvement in the 2000A season food production, food shortages persist in localized areas. In the Democratic Republic of Congo (DRC), severe food shortages and malnutrition are reported among the large numbers of displaced people, mainly in northeastern Katanga and southern South Kivu provinces, which remain partially inaccessible due to insecurity. In **western Africa**, floods during the last rainy season destroyed crops and infrastructure in localized areas of some Sahelian countries. In Liberia, while the overall food situation has improved since the end of the civil conflict, food shortages are reported among the displaced people in the northern region. In Sierra Leone, the food supply situation remains tight due to persistent insecurity in the rural areas. In **southern Africa**, emergency food assistance continues to be provided to 1.1 million internally displaced people in Angola, as a result of the protracted civil conflict.

In **Asia**, the food supply situation and prospects for food production have improved significantly in East Timor, following the deployment of international peace keeping forces, the establishment of a UN civil authority to oversee transition and the provision of food assistance. The majority of displaced people have now returned. In the Democratic Peoples Republic of Korea, despite some improvement in domestic food production last year, the country still continues to be affected by chronic food supply difficulties, caused largely by past natural disasters and economic stagnation. In Mongolia, falling cereal production due to problems of economic transition and the decline of the state farm sector have left many population groups vulnerable to food insecurity, requiring assistance. In Sri Lanka food assistance continues to be needed for vulnerable groups displaced by years of civil war. In the **Near East**, despite recent beneficial rains in parts, continued drought conditions have affected crop and livestock production. In Afghanistan, the tight food supply situation due to last year's drought and an outbreak of pests is being aggravated by the unseasonably dry weather conditions this winter, particularly in the south, and the continued displacement of thousands of people by the long running civil conflict. In Iraq, persistent drought conditions have disrupted agricultural activities in some major crop producing areas. In Jordan, despite recent rains, continued drought conditions have affected agricultural production in several parts. In Syria, thousands of herders are still in need of assistance due to the severe drought last year. In the **Commonwealth of Independent States (CIS)** in Asia, the vulnerable populations of Armenia, Azerbaijan, Georgia and Tajikistan continue to need humanitarian assistance.

In **Latin America**, food assistance is still being provided, as a consequence of natural hazards, to Cuba, Honduras and Nicaragua, and to Venezuela since December 1999. Food assistance is also being provided to Haiti due to structural economic problems.

In **Europe**, substantial food aid programmes continue to be necessary for the economically vulnerable and displaced people in the Balkans, especially in Kosovo Province of the Federal Republic of Yugoslavia. The economy of Bosnia Herzegovina was also adversely affected and the country is hosting a substantial number of refugees. In the Russian Federation, the plight of the people displaced in and around Chechnya has been aggravated by bitterly cold winter weather. The 350 000 refugees and IDPs are surviving with inadequate shelter, food, clothing and medical care and are increasingly prone to disease, particularly flu and tuberculosis. The precarious security situation in the area as well as the dispersion of 160 000-185 000 refugees in Ingushetia is hindering distribution of aid. Populations remaining in Chechnya cannot be reached.

Argentina and Australia. However, also in the northern hemisphere where harvests are normally concluded sooner, a major upward revision has been made to Kazakhstan's output following an exceptionally long harvest period made possible by the late onset of winter weather. The latest forecast of coarse grains production is 886 million tonnes, about 2 million tonnes down from the previous forecast, mostly reflecting downward revisions for some countries in Asia, Africa and South America. At the latest forecast level, global output of coarse grains in 1999 would be 25 million tonnes, or 2.7 percent below the estimate for the 1998 crop. Smaller harvests have been gathered throughout all regions of the globe with the exception of Central America, where production is forecast to remain unchanged, and in Europe, where a marginal increase is estimated. Harvesting of the 1999/2000 main-season paddy crops is virtually complete in the northern hemisphere and planting of the second-season crops is proceeding in some of these countries. Growing conditions have been generally favourable, although floods towards the end of 1999 caused some localized crop damage. Based on latest estimates of the southern hemisphere crops harvested early in 1999, and expectations of bumper harvests in several countries in the northern hemisphere, global paddy output in 1999 is provisionally forecast to reach a record 593 million tonnes, 11 million tonnes up from the previous year's crop.

Early prospects for the **2000 wheat** crop are mixed but latest information suggests aggregate global production will remain close to the 1999 level and the average of the past five years. In North America, winter wheat plantings fell again in the United States because of poor price prospects at planting time, while in Canada, official forecasts point to an increase in spring wheat area at the expense of canola and flaxseed because of their relatively lower prices. In Europe, the wheat area in the EC is expected to increase, also at the expense of oilseeds because of large stocks and reduced producer aid for oilseed production in 2000. In the Russian Federation, winter plantings declined, but conditions are reported to be favourable. In Asia, a smaller wheat crop is in prospect in China reflecting reduced plantings and adverse weather in some areas but in India and Pakistan, conditions are reported to be generally satisfactory and outputs should be similar or slightly up from last year.

Regarding **2000 coarse grains**, crops are already planted in some of the major southern hemisphere producing countries. In southern Africa, early prospects are favourable reflecting generally abundant rains over the past few weeks and increased plantings reported. Similarly, in South America, weather conditions are generally favourable for the developing crops. Plantings increased in Argentina but declined slightly in Brazil. In the southern hemisphere and countries around the equatorial belt the **2000/2001 paddy** season (main crops) is well advanced. However, in view of the lower rice prices that prevailed at the time of planting, the planted area is reported to be smaller

than the previous season. Harvesting of the crop is expected to begin around March. In the northern hemisphere, planting for the 2000/2001 season will not start until April/May.

FAO's forecast of world **imports** of cereals in 1999/2000 has been raised slightly, by 1 million tonnes, to 222 million tonnes, reflecting upward adjustments to the estimates for wheat and rice imports. At the current forecast level, the volume of cereal imports would be 7 million tonnes or 3.5 percent up from the previous year's revised volume. This increase is expected in wheat and coarse grains trade which are now forecast to expand by about 6 percent and 3 percent to 103 million tonnes and 96 million tonnes respectively. Regarding rice, despite this month's minor upward adjustment, rice imports in 2000 are tentatively forecast to fall somewhat from the previous year to just below 24 million tonnes. For the developing countries as a group, cereal imports are expected to rise to a record level of 161 million tonnes. However, reflecting weaker international cereal prices during 1999/2000, the combined import bill of these countries could decrease by about US\$500 million from the previous season to approximately US\$21 billion.

The forecast for world cereal **utilization** in 1999/2000 has been raised by 6 million tonnes since the last report in November, to 1 882 million tonnes, mostly in response to the latest upward adjustments to 1999 production estimates. At the current forecast level, total utilization of cereals in 1999/2000 would be marginally above that in the previous season. Anticipated increases in food consumption of both wheat and rice would account for the bulk of this growth. The forecast for total utilization of coarse grains in 1999/2000 is unchanged from the previous report but it now indicates a slight decline from the previous season's revised level. This mostly reflects an upward technical adjustment to the 1998/99 estimates of coarse grains utilization.

International wheat **prices** have seen a marginal upturn in recent weeks. After several months of decline, a sharp market turnaround followed the USDA January report, which pointed to a tighter United States wheat balance (higher domestic use and smaller stocks) than earlier expected. By late January, US wheat No. 2 (HRW, fob) averaged US\$111 per tonne, some US\$6 per tonne up from December, although still about US\$15 per tonne below January 1999. CBOT wheat futures also rose in January, mostly influenced by prospects for the United States 2000 crop: winter wheat plantings fell again, to the lowest level since 1972, and growing conditions so far this winter have been somewhat unfavourable. A small recovery was also noted in maize prices in January. CBOT maize futures rose sharply in response to unexpectedly low estimates for the United States 1999 maize output and ending stocks, as well as more favourable trade prospects. By late January, the nearby maize futures contracts were quoted at US\$90 per tonne, some

US\$10 above December. International rice prices from most origins remained weak from November through mid-January, reflecting the continuing influence on the market of large export supplies combined with limited import demand. The FAO Export Price Index for Rice (1982-84=100) averaged just 105 in December, its lowest level in almost six years. In the first three weeks of January, the price index gained one point to reach 106, but this mostly reflected increased prices of some specific types of rice from Thailand and Viet Nam, affected by special factors, rather than any fundamental change in the market.

FAO's forecast for global cereal **stocks** for crop years ending in 2000 has been raised by 2 million tonnes since the last report to 334 million tonnes. However, despite the latest upward revision, at the forecast level, global carryovers at the close of countries' crop years in 2000 will be below their opening levels, by 2 percent, declining for the first time in four years. As a result, the ratio of global cereal carryovers in 2000 to trend utilization in 2000/01 is expected to fall from 18.1 percent in the previous year to 17.4 percent, but would, nevertheless, remain within the 17-18 percent range that the FAO Secretariat considers the minimum necessary to safeguard world food security.

## Current Production and Crop Prospects

### Position by Region

- **Asia**

**Far East:** The outlook for the winter **wheat** crop, for harvest from April, is mixed. In China, the winter wheat area has declined by around 7 percent compared to 1998/99, and cold weather in the south is reported to have damaged the crop some what. In contrast, snow in the main producing province of Henna this month, helped ease earlier drought conditions. In India, the area under Rabi (winter) wheat is estimated to be higher than last year, while conditions so far this season have been satisfactory for the crop. Last year the country produced a record wheat crop of over 73 million tonnes. Following favourable weather recently, after dry conditions earlier, and higher support prices, prospects have also improved in Pakistan, where current official forecasts point to a crop of around 20 million tonnes compared to 18 million tonnes last year.

Regarding **coarse grains**, early indications in China point to a reduced area in 2000. The country has sizeable stocks of maize and prices are low. As a result, farmers are likely to switch to other crops such as soya, vegetable or groundnuts in view of their better price prospects. In India, the bulk of the coarse grains are produced under rainfed conditions during the main monsoon (kharif) season from June to September. Latest estimates indicate that production of 1999 Kharif

maize, millet and sorghum was about 22 million tonnes, 9 percent lower than 1998. The largest decline was in millet production, which fell by around 20 percent from 10 million tonnes to 8 million tonnes.

In China (Mainland), the 1999 **paddy** output is estimated at 198 million tonnes, about 1 million tonnes less than in 1998. The decline is partly attributed to a reduction in early-rice plantings in reaction to the lowering of the state purchasing prices for inferior quality grains, which include early rice. In addition, heavy rains in June and July inflicted some damage to crops. The **2000** paddy season is expected to start around March but, based on the Government intention of reducing total grain output and improving quality, the area under rice, particularly early rice, is likely to shrink further. In Viet Nam, overall paddy production in 1999 is expected to be similar to the previous year's crop, now officially estimated at 31 million tonnes. Harvesting of the 10<sup>th</sup> Month crop is progressing and planting of the winter-spring crop is underway. The targets for the winter-spring crop area and output were set at 3 million hectares and 15.5 million tonnes, respectively. However, unfavourable weather conditions during the last few weeks could jeopardize such plans and planting operations will need to be accelerated to avoid yield losses. In the Philippines, gathering of the main-season crop and planting of the secondary-season crop have been completed. Based on current reports and assuming favourable conditions for the rest of the season, the 1999/2000 paddy output is estimated to rise by 16 percent from the previous season to about 11.9 million tonnes. This is attributed to a larger area and better growing conditions than in the previous year, but also to a wider use of high yielding varieties and an improved irrigation system.

In Thailand, harvesting of the 1999/2000 main-season paddy crop is almost complete, and output is officially estimated at 19 million tonnes, up 3 percent from the previous year. Planting of the second-season crop is in progress but the area is likely to decline slightly owing to the depressed price prospects. Overall, the country's 1999/2000 total production could be slightly over 23 million tonnes, assuming an output of around 4 million tonnes from the second-season crop, the same level achieved during the previous season. In Myanmar, gathering of the main-season crop is nearing completion but heavy rains in October caused some localized flooding that could result in quality deterioration in the affected areas. Planting of the secondary crop is almost complete. The country's total 1999/2000 paddy output is forecast at 17.5 million tonnes, a slight decline from the previous year's level. In Japan, the 1999 paddy season has been concluded and paddy output is officially estimated at 11.5 million tonnes, up from 11.2 million tonnes last year, despite a drop in area. Above average growing conditions boosted average yields by 3 percent to 6.4 tonnes per hectare. For the 2000 season, the Government has announced a further cut in support prices of 2.7 percent from 1999 to about 252 yen per kilogram and a similar land diversion target of 963 000 hectares.

**World Cereal Production - Forecast for 1999**

	Wheat		Coarse grains		Rice (paddy)		Total	
	1998	1999	1998	1999	1998	1999	1998	1999
(..... million tonnes .....) )								
Asia	254.5	262.5	230.7	218.5	533.8	537.7	1 019.0	1 018.7
Africa	18.5	15.5	78.9	78.3	15.8	17.5	113.2	111.4
Central America	3.3	3.2	28.9	28.9	2.2	2.3	34.3	34.4
South America	16.5	18.9	62.9	58.3	17.0	21.4	96.4	98.6
North America	93.4	89.5	298.7	290.8	8.5	9.5	400.6	389.8
Europe	187.7	176.6	201.9	202.4	3.1	3.1	392.7	382.1
Oceania	21.3	23.0	9.5	9.0	1.4	1.4	32.2	33.4
<b>WORLD</b>	<b>595.2</b>	<b>589.2</b>	<b>911.4</b>	<b>886.4</b>	<b>581.8</b>	<b>592.9</b>	<b>2 088.4</b>	<b>2 068.5</b>
					<b>(389) 1/</b>	<b>(396) 1/</b>	<b>(1 895) 2/</b>	<b>(1 872) 2/</b>
Developing countries	277.0	278.7	389.9	371.6	556.8	566.7	1 223.8	1 217.0
Developed countries	318.1	310.4	521.5	514.8	25.0	26.3	864.6	851.5

Source: FAO

1/ Rice in milled terms. 2/ Including rice in milled terms.

In Cambodia, harvesting of the 1999/2000 wet (main) season crop is almost complete, and the dry season crop harvest is due to start soon. Paddy production in 1999/2000 is officially forecast to rise by 9 percent to 3.8 million tonnes. Crops benefited from timely and well distributed rains during the season. In the Democratic People's Republic of Korea, harvesting of the 1999 paddy season crop is over and output is estimated to have increased by about 10 percent from the previous season to 2.3 million tonnes, the largest crop since 1995. In addition to better weather conditions, yields were boosted by increased fertilizer use, helped by foreign aid. In the Republic of Korea, the 1999 paddy crop harvest is complete and output is officially estimated at about 7.2 million tonnes, or 3 percent higher than the previous season, reflecting better yields and a slightly larger area. Some parts of the country were hit by typhoons during late July/early August but the damage to rice crops was less marked than in 1998.

In Bangladesh, there was some localized flood-related damage to the 1999/2000 season rice crops in a few districts but, overall, the impact was minimal. Gathering of the Aman (main season) crop is almost over while planting of the Boro crop is nearing completion. The official forecast for overall paddy production in 1999/2000 is 30.7 million tonnes, or 1.2 million tonnes more than the previous season. In India, harvesting of the main season Kharif rice crop is almost finished. Reflecting flood-related crop losses in the eastern State of Orissa during late 1999, the official production forecast has been revised slightly downward to about 112 million tonnes. Planting of the Rabi crop is nearing completion. The forecast for the country's overall 1999/2000 paddy production now stands at about 128 million tonnes which, if realized, would be 400 000 tonnes higher than in the previous year. In Pakistan, the 1999 paddy crop has been harvested and preliminary estimates point towards yet another bumper crop of about 7.3 million tonnes or 3 percent higher than in 1998, owing to a slight increase in both area and yields.

In Indonesia, the 1999/2000 paddy output is estimated at 49.9 million tonnes, about 1 percent up from 1998/99, after two consecutive years of reduced crops due to adverse weather. The increase is attributed to a 2 percent rise in yields, which more than offset a slight decline in area. The 2000/01 main-season crop is well advanced and harvesting is expected to start around March. However, farmers are bracing themselves for potential floods following prolonged rainfall and an unusual weather pattern. The Government target for the 2000/2001 paddy production has been set at 51 million tonnes. In Malaysia, the harvest of the 2000/2001 main-season crop is anticipated to commence in a few weeks time. Floods in late October destroyed paddy fields in the northern part of the country but the impact on the country's overall output is expected to be marginal as there was still ample time for replanting.

**Near East:** Cereal output in the Near East Asian countries, the largest producers among which are the Islamic Republic of Iran and Turkey, was sharply reduced in 1999 by severe drought. Assuming a return to normal weather conditions this season, production should recover somewhat in 2000.

**Cis in Asia:** In the eight CIS countries in Asia, the 1999 aggregate grain harvest is forecast to increase to 24 million tonnes from 17 million tonnes in 1998. **Wheat** production increased by 6 million tonnes to 19 million tonnes mainly in response to a sharp recovery in Kazakhstan and higher outputs in Azerbaijan, Georgia, Turkmenistan and Uzbekistan. **Coarse grain** production increased by 1.4 million tonnes to 4.5 million tonnes. In Kazakhstan, where a prolonged period of good weather improved yields and facilitated late harvesting, wheat output doubled to 11 million tonnes, while that of coarse grains recovered to 2.7 million tonnes from 1.5 million tonnes in 1998. Turkmenistan achieved a record grain harvest of 1.5 million tonnes (mainly wheat) reflecting better incentives to farmers, and increased use of imported high-grade seed and fertilizer on a smaller area (570 000 hectares). In Uzbekistan, the 1999 aggregate

grain harvest is estimated at 4.45 million tonnes (1998: 4.3 million tonnes), and includes 3.7 million tonnes of wheat (1998: 3.6 million tonnes). In Kyrgyzstan, the 1999 grain harvest is estimated at 1.6 million tonnes, similar to that of 1998, but wheat production declined to 1.1 million tonnes as land was moved to more profitable crops and feedgrains. In Tajikistan, a decline in the area sown and lower yields are estimated to have reduced the 1999 grain harvest to 430 000 tonnes, 70 000 tonnes less than last year.

In the Caucasus, timely rains during the growing season have resulted in better than expected yields, despite sharp reductions in the areas sown to wheat in response to import competition. In Armenia, the 1999 harvest is officially put at nearly 300 000 tonnes, about 25 000 tonnes less than 1998. In Azerbaijan, the 1999 grain harvest is estimated to have increased by 14 percent to 1.1 million tonnes in response to better farming practices following land privatization and better weather. Output of wheat remained stable at 850 000 tonnes, while that of coarse grains increased sharply to nearly 200 000 tonnes. In Georgia, timely rains, better farming practices by private farmers and improved availability of modern farm machinery has resulted in a 17 percent increase in grain production, to 880 000 tonnes, including 280 000 tonnes of wheat (1998: 200 000 tonnes).

The outlook for the **2000** wheat crop is uncertain. In Kazakhstan the bulk of grains are sown in the spring. Elsewhere in the area, indications are that the areas sown to winter grains have continued to decline in the Caucasus and Kyrgyzstan. In Uzbekistan, the irrigated area sown to winter grains has increased by 50 000 hectares to 1.36 million hectares. Turkmenistan is to promote rice production in 2000 and has announced plans to increase the areas sown to all grains by bringing virgin land into production.

#### • Africa

**Northern Africa:** Aggregate production of **wheat** in 1999 in the sub-region is estimated at about 11.5 million tonnes, or 17 percent below the 1998 level. Output in Morocco, at 2.1 million tonnes, was about half the 1998 level as a result of inadequate rainfall and reduced plantings. Algeria also suffered a 25 percent drop in output, which fell to about 1.5 million tonnes. By contrast, production increased in Egypt by 4 percent to 6.3 million tonnes, and in Tunisia by 3 percent to 1.4 million tonnes. The sub-region's 1999 **coarse grains** crop is estimated at 9.7 million tonnes, about 5 percent below the 1998 level, largely as a result of unfavourable weather conditions in Algeria and Morocco.

Growing conditions for the **2000** winter wheat and coarse grain crops are generally favourable in the sub-region. Although land preparation and planting of crops were somewhat delayed by below-normal rainfall in September/October in Algeria and Tunisia, conditions improved substantially in November/December with widespread rains over most growing areas. In

Morocco, conditions have been favourable for an early start of the season with normal to above-normal rainfall received in most areas. However, timely rains will be needed during the next few months to ensure a good harvest. In Egypt, an increase in production of the irrigated wheat crop is anticipated as a result of the expanded cultivation of higher yield wheat varieties.

In Egypt, the 1999 **rice** crop is officially estimated at 5.8 million tonnes, or about 30 percent above the 1998 level. This is the result of an expansion in area planted, favourable growing conditions but also sufficient and timely availability of inputs.

**Western Africa:** A record **cereal** harvest has been gathered in late 1999 for the second consecutive year in the Sahelian countries. Reflecting generally favourable growing conditions, particularly in August and September, the 1999 aggregate cereal production of the nine CILSS countries has been estimated by a series of FAO/CILSS Crop Assessment Missions at a record 10.9 million tonnes, which is 2 percent higher than in 1998 and 16 percent above the average of the last five years. Record crops have been gathered in Cape Verde, The Gambia, Mali and Mauritania. Output is above-average in Burkina Faso, Chad, Niger and Senegal, while it is below average in Guinea-Bissau following civil disturbances in 1998.

In the coastal countries along the Gulf of Guinea, harvest prospects are generally good in Benin, Côte d'Ivoire, Guinea and Togo but less favourable in Nigeria and Ghana following substantial flooding. Liberia and Sierra Leone remain heavily dependent on international food assistance despite some improvement in food production, notably in Liberia.

Harvesting of the 1999 **paddy** crop is almost complete in most of the countries in the sub-region, but, as was the case last year, farming activities in Sierra Leone and Liberia continue to suffer the effects of civil strife. Growing conditions in the sub-region were generally favourable despite a few isolated weather-related problems and, overall, paddy output is expected to increase slightly. In Nigeria, the largest producer in western Africa, the Government re-introduced a 25 percent subsidy on fertilizers it had abolished earlier as part of the Structural Adjustment Programme. The official estimate for the 1999 paddy output is about 3.4 million tonnes, up from 3.3 million tonnes the previous season. In Côte d'Ivoire, paddy output is forecast to increase by 25 percent to about 800 000 tonnes as favourable weather encouraged many farmers to expand area under rice cultivation.

**Central Africa:** Millet and sorghum have been harvested in Cameroon and Central African Republic. In the Democratic Republic of Congo and in the Republic of Congo, civil strife, insecurity and population movements continue to hamper farming activities.

**Eastern Africa:** Harvesting of the 1999 **wheat** crop is complete in Kenya and Ethiopia. In Ethiopia,



production is estimated at some 2 million tonnes compared to the previous year's harvest of about 1.5 million tonnes. By contrast, in Kenya, production has declined by nearly 60 percent, to 135 000 tonnes, due to drought. In Sudan, the **2000** wheat crop, scheduled to be harvested from March, is forecast at 288 000 tonnes, about 70 percent above the 1999 poor harvest.

Harvesting of the 1999 main season **coarse grains** is completed in the sub-region. Secondary season crops are now being harvested, except in Ethiopia, where planting is expected to start shortly. In Eritrea, the coarse grains harvest is anticipated to decline from the record crop of 436 000 tonnes in 1998 due to reduced area. In Ethiopia, following drought during the season, the 1999/2000 main season coarse grain crop, accounting for some 90 percent of the annual production, is estimated to be below the 1998/99 harvest. In Kenya, output of the 1999 maize crop is preliminarily estimated at 2.1 million tonnes, nearly 15 percent below the 1998 harvest. The outlook for the secondary crop, being harvested, is also unfavorable due to drought conditions. Production of coarse grains in Somalia is estimated at 205 000 tonnes, about 5 percent above 1998 but nearly 30 percent below the average for the previous five years. In Sudan production declined by about 35 percent compared to the previous year to about 3.61 million tonnes. In Uganda, the main coarse grains harvest was below average at 1.63 million tonnes, but the outlook for the secondary season crop, being harvested, is favourable reflecting good rains. In Tanzania, the coarse grains harvest, estimated at 3.41 million tonnes, is about 4 percent below the previous year, but is about average. Prospects for secondary season crops, being harvested, are uncertain despite recent beneficial rains.

In Rwanda, the 2000 first season coarse grain output is estimated to be average despite drought-reduced crops in southern and eastern parts. By contrast, in Burundi, the harvest of the first season coarse grains is estimated a 74 000 tonnes, a decline of 13 percent from the reduced level of the previous year.

Planting of the **2000 paddy** crop in Tanzania, the major rice producing country in the sub-region, has been completed but the beginning of the season was characterized with below normal rainfall, resulting in moisture stress to the early-planted crops. For the 1999 season, paddy output is estimated at about 800 000 tonnes, down by 20 percent from the previous year. In addition to erratic rains, reduced use of fertilizers contributed to the fall in yields.

**Southern Africa:** FAO's latest estimate of the sub-regions aggregate 1999 **wheat** crop is 2 million tonnes, a decline of 9 percent from the already reduced production in the previous year. In South Africa, which accounts for three-quarters of the sub-region's production, the 1999 wheat output declined to 1.5 million tonnes, which is 38 percent below the 1997 level. This reflects diversion of land to more profitable crops, but also reduced yields due to adverse heavy

rains during the growing season. The excessive precipitation also negatively affected the quality of the crop in some areas. By contrast, in Zimbabwe, wheat output increased by 20 percent to 325 000 tonnes as a result of increased plantings and favourable weather. In Zambia, the 1999 wheat output estimate has been revised downward to 90 000 tonnes, but at this level is still 27 percent up from the previous year and a record level.

Early prospects for the 2000 **coarse grain** crops have improved reflecting abundant rains in the first half of January, after earlier dry conditions. Latest estimates of the sub-region's **1999** coarse grain crop stand at 15.7 million tonnes, 5 percent higher than in 1998 but still below average. The outcome varied from country to country. Production increased to above average levels in Malawi, Mozambique and Swaziland. In Botswana, Lesotho, Namibia, Zambia and Zimbabwe, the outputs recovered from the reduced levels of 1998 but remained below the average of the past five years. By contrast, production declined in South Africa and Angola.

The 2000 **paddy** season is well advanced in southern Africa and harvesting is expected to commence in March. The 1999 paddy season turned out a lot better than originally expected and output in Madagascar, which accounts for over 90 percent of the sub-region's rice production, is estimated at about 2.6 million tonnes, up 8 percent from the previous year's level. Abundant rains during the growing season, together with the absence of pests and cyclones, were beneficial to the rice crop. In Mozambique, paddy output for the 1999 season is estimated at 214 000 tonnes compared to last year's 192 000 tonnes, a consequence of favourable growing conditions and a slight expansion in area.

#### • **Central America and the Caribbean**

Harvesting of the 1999/2000 **wheat** crop is about to start in Mexico, virtually the sole producer in the sub-region. Early forecasts indicate that output should remain close to the 1998/99 below-normal level of 3.2 million tonnes. This is largely the result of the preceding long dry spell which reduced water reservoir levels in the irrigated main growing areas of the north-west, coupled with the adverse weather which affected certain planted areas in the central states of Guanajato and Jalisco.

Harvesting of the 1999/2000 second season **coarse grain** and bean crops has been virtually completed in the sub-region despite delays in planting incurred by the heavy rains which affected Central America countries in September/October last year. Despite losses incurred, average to above-average outputs are provisionally estimated for the overall 1999/2000 crops in Costa Rica, El Salvador and Guatemala. This represents, particularly for the latter two countries, a significant recovery from 1998/99 Hurricane "Mitch" affected crops. In Honduras, by contrast, a below-

average output is expected mainly as a consequence of reduced plantings for the first season crop in response to low producer prices. In Nicaragua, where the third 1999/2000 season or "apante" crop is underway, overall production for the year is anticipated to be above-average, and sharply up from the 1998/99 crop, which was reduced by the adverse effects of Hurricane "Mitch". In Mexico, harvesting of the important spring/summer maize crop has been completed and output is tentatively estimated to be slightly lower than average as a consequence of the recent heavy rains and flooding which struck the large producing central and southern growing belts. However, output for the whole country for the year should remain near average due to increased production in other growing areas. In the Caribbean, weather conditions in the late 1999 continued to favour the developing cereal and other minor food crops in Cuba, Dominican Republic and Haiti, and average outputs are forecast in 1999/2000.

- **South America**

In Argentina, harvesting of the 1999/2000 **wheat** crop is somewhat delayed because of irregular adverse weather in some major producing areas. Output is now forecast at some 14 million tonnes, sharply up from the previous year's below-average crop. In Brazil, harvesting has recently been completed in the main producing southern states and output is provisionally estimated to be slightly above-average. In Paraguay and Uruguay, average and above-average crops have been gathered respectively. In Chile, harvesting of the wheat crop started in December and continues through March. Production is tentatively forecast to increase significantly from last year, when the crop was severely affected by drought. In the Andean countries, harvesting of the 2000 first season wheat crop, mostly in the eastern Department of Santa Cruz, is due to start from March. The area planted is tentatively estimated to be slightly above average.

In Argentina, planting of the 2000 **coarse grain** crops, principally maize, has been recently completed and harvesting is due to start from March. The area planted in the main producing regions is provisionally estimated to be some 10 percent above last year's. Early forecast points to an output of some 15 million tonnes, up from 13.2 million tonnes in 1999. In Brazil, some light to moderate rains at the beginning of the year favoured the developing maize crop for harvesting from February. However, moisture is still needed in the key producing areas of the south, such as in the states of Parana and Rio Grande do Sul. The overall area planted to maize is officially estimated to be some 1.8 percent below last year's average level, but output could nevertheless be near average provided normal rains resume. In Paraguay and Uruguay, harvesting of the 2000 maize crop is about to start and outputs in both countries are provisionally forecast to be close to last year's average levels. In Chile, harvesting of the maize crop is due to start from March and production is anticipated to increase from last year when the crop was significantly affected by drought. In the Andean

countries, in Bolivia, Ecuador and Peru, normal to abundant rains in December have favoured the recently planted 2000 maize crop. In Colombia, heavy rains and flooding all over the country in the last days of December have caused serious loss of lives and significant damage to housing and infrastructure. Damage to crops, particularly coffee, is also reported. In Venezuela, incessant torrential rains from the beginning of December resulted in extremely serious flooding, landslides and mudslides. It is reported that about 30 000 people have been killed and more than 600 000 persons directly affected, principally along a stretch of Caribbean coast north of the capital of Caracas. The damage to housing and infrastructure is enormous, particularly in the state of Vargas. Serious damage to the agricultural sector is also reported.

Planting of the 2000 **paddy** crop is virtually complete in the region and the crop development is reported to be satisfactory reflecting generally favourable growing conditions. Harvesting of the crop is expected to start from the end of February. In Brazil, the region's largest rice producer, the area under rice is estimated to have declined by 4 percent to about 3.6 million hectares, as a result of the relatively low producer prices during the 1999 season. Consequently, paddy output in 2000 is forecast to decline by 5 percent to 11 million tonnes. In Argentina, the 1999 paddy output is officially estimated at a record 1.7 million tonnes, or 70 percent above 1998. For 2000, the area sown to rice is estimated to have fallen by 27 percent to about 210 000 hectares, as poor returns to producers in 1999 encouraged a switch of land from rice to soybeans. By contrast, the rice area in Chile is estimated to have increased by 35 percent from 1999 to about 20 000 hectares due to an improvement in water supplies and higher producer prices.

- **North America**

In the United States, the final official estimate of the 1999 **wheat** crop is 62.7 million tonnes, 9.5 percent down from 1998 and below the average of the past five years. The decrease mostly reflects reduced plantings and a lower ratio of harvested to planted land than in the previous year. The winter wheat area for the **2000** crop has declined for the fourth year in succession, by 1 percent, to an estimated 17.4 million hectares. Farmers are reported to have responded to continuing low price prospects for wheat at planting time last autumn. While it is expected that some of the unused wheat area will be planted with feed grains or non-cereal crops this spring, some will likely remain fallow, especially in the drier areas of the Southern Great Plains. Regarding growing conditions for the winter wheat, dry weather during the autumn of 1999 delayed emergence and affected the crop in several parts of the Great Plains as it entered the winter season. According to the last official Crop Progress report of the 1999 season in late November, overall, only 43 percent of the winter wheat crop was rated good to

excellent, 29 percentage points below the ratings at the same time in 1998. Since then, continuing dry conditions throughout most of the Great Plains have largely precluded any improvement in crops conditions, and in some cases a deterioration has been noted. In Canada, latest estimates put the 1999 wheat crop at some 26.8 million tonnes, 11 percent up from the previous year and above the average of the past five years. Regarding the 2000 wheat crop, the bulk of which will be sown in the spring, latest official forecasts point to a possible increase in area at the expense of canola and flaxseed because of their relatively lower prices.

The final estimate of the United States 1999 **coarse grains** crop is 264 million tonnes, about 3 percent down from the previous year's crop but still above the average of the past five years. Of the total, maize is estimated to account for about 240 million tonnes. In Canada, aggregate output of coarse grains in 1999 is estimated at 26.9 million tonnes, virtually unchanged from the previous year and above average.

In the United States, harvesting of the 1999 **paddy** crop is complete in all states. Although the production estimate has been revised downwards by 100 000 tonnes from the previous report to 9.5 million tonnes, the output is still an all-time high and about 12 percent more than last year. In addition to the 7 percent expansion in area, favourable growing conditions boosted yields by 3 percent to about 6.6 tonnes per hectare.

#### • Europe

FAO's latest estimates for the region's aggregate 1999 **cereal** output remain at nearly 382 million tonnes, about 3 percent down from the previous year. Output of **wheat** is estimated at some 176 million tonnes, 6 percent less than in 1998. The decline was largely a result of reduced area in the EC due to increased set-aside requirements and adverse weather. Wheat output also fell in several eastern European countries. The latest estimate of the region's **coarse grains** output remains virtually unchanged at about 202 million tonnes, while **paddy** production is estimated at 3.1 million tonnes.

In the EC, the wheat area for the 2000 harvest is expected to increase. Autumn planting conditions were generally favourable and the winter wheat area is estimated to be up by about 5 percent, mostly at the expense of oilseeds, reflecting large oilseeds stocks and reduced producer aid for oilseed production in 2000 under the first year of the Agenda 2000 reform. Among the major producers, the overall wheat area in France is expected to rise by some 2 percent, while that in Germany could be up by as much as 10 percent. The wheat area in the United Kingdom is also anticipated to increase somewhat. The 1999 **paddy** season in the EC has been concluded and output is estimated to be close to last year's official estimate of about 2.6 million tonnes. A slight decline in area was compensated for by an improvement in yields. In Italy,

which accounts for over 50 percent of EC rice production, there was an area switch from Japonica rice to Indica rice. In Portugal, rice area contracted by about 8 percent from 1998 resulting in a 2 percent drop in paddy output to 159 000 tonnes.

Elsewhere in Europe, early indications also point to an overall increase in wheat area, mostly reflecting better weather during the planting season than in the previous year. In Bulgaria, the winter wheat area is estimated at 1.1 million hectares, up almost 20 percent from the previous year. Also in Croatia, a favourable planting season points to a substantial increase in the wheat area for the 2000 harvest. In the Czech Republic, the overall winter cereal is officially estimated to have expanded by some 9 percent, with wheat accounting for the bulk of the increase. In the Federal Republic of Yugoslavia, (Serbia and Montenegro), the 1999 cereal harvest is now estimated at 10 million tonnes, some 1.3 million tonnes more than in 1998. The wheat harvest fell by 30 percent to 2.1 million tonnes, while coarse grain production recovered strongly to reach 8.0 million tonnes (1998: 5.7 million tonnes) despite disruptions caused by the war and shortages of fuel and spare parts. The area sown for the 2000 wheat crop has increased somewhat to 730 000 hectares but remains below average. An FAO Crop Assessment Mission visited the Kosovo Province in early January and estimated the winter wheat area to be 79 000 hectares, 36 percent more than the area planted in 1998 but about 10 percent less than the normal area before the civil disturbances of the past two years.

In Hungary, favourable weather also promoted increased wheat planting and the area is tentatively estimated at about 1 million hectares, about 35 percent up from the previous year's reduced level. In Poland, by contrast to other parts of the region, winter cereal sowings are officially reported to be down by 4 percent to 5.1 million hectares. In Romania, early indications suggest that the winter wheat area has declined again due to farmers financial difficulties and the depressed domestic grain market. In the Slovak Republic, favourable weather conditions for the winter cereal planting season point to a recovery in cereal output in 2000 after last year's reduced crop.

In the Baltic countries, the latest estimate of the 1999 grain harvest remains at only 3.7 million tonnes, sharply less than in 1998. The aggregate area sown to wheat fell by 16 percent, wheat output is estimated at 1.2 million tonnes (1998: 1.6 million tonnes). Output fell in all three countries, but the reduction is most marked in Lithuania where the 1999 grain harvest amounted to only 2.1 million tonnes (1998:2.7 million tonnes).

In the CIS countries west of the Ural Mountains, the early outlook for winter grains (mainly wheat and rye but also some barley) to be harvested in the summer of **2000** is mixed. In the Russian Federation, the area sown declined marginally, but growing conditions have been good. In the Ukraine, however, crop establishment was hindered by late plantings and dry

weather and only about 70 percent of the crop is in satisfactory to good condition. Replanting could be necessary on 1 million of the roughly 7 million hectares sown. Coupled with inadequate use of agro-chemicals, another poor winter harvest may be in prospect.

Economic difficulties which resulted in reduced planting and input availability, coupled with adverse weather conditions, particularly in the Ukraine, but also in Belarus and Moldova, have resulted in a **1999 cereal and pulse** harvest which is only marginally larger than the poor harvest of 1998. FAO estimates the aggregate output of cereals and pulses in Belarus, Moldova, the Russian Federation and Ukraine at 92.8 million tonnes, only 2.4 million tonnes more than estimated output in 1998. Aggregate production of **wheat** in these four countries remained stable 48.8 million tonnes, with better yields in the Russian Federation (1999: 32.4 million tonnes versus 1998: 30 million tonnes) offsetting lower harvests in Belarus, Moldova and the Ukraine (1999: 15 million tonnes versus 1998: 17 million tonnes). The aggregate production of **coarse grains** is estimated at 41.3 million tonnes, some 2.5 million tonnes more than in 1998. In Belarus, economic problems and adverse weather resulted in a record low harvest of 3.7 million tonnes. In Moldova, the 1999 aggregate grain harvest is estimated at 2.1 million tonnes (1998: 2.5 million tonnes); output of wheat is officially put at only 800 000 tonnes (1998: 1 million tonnes); while the coarse grain output production only reached 1.2 million tonnes (1998: 1.4 million tonnes). In the Russian Federation, FAO estimates the aggregate output of grains at 60 million tonnes, some 6 million tonnes more than in 1998, but still well below average. FAO's estimate is 10 percent higher than the official estimate (54.3 million tonnes) reflecting official and unofficial statements indicating that the harvest is underestimated. Better average yields have offset the reduction in the area sown to grains and output of coarse grains increased by 3.7 million tonnes to 26.9 million tonnes. In Ukraine, poor weather combined with inadequate production inputs and poor policies have resulted in a drop of 2 million tonnes in grain output. The 1999 grain harvest is estimated by FAO at 27 million tonnes, higher than the official forecast of 24.3 million tonnes in view of policies and practices that encourage retaining grain on farm. Output of coarse grains remained unchanged at 11.3 million tonnes, while that of wheat fell.

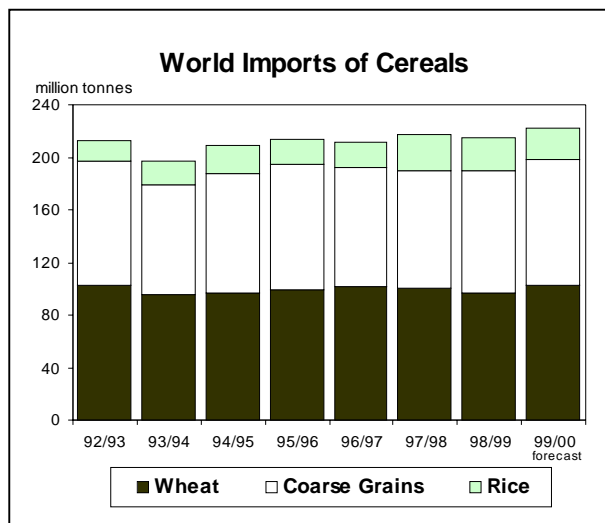
• **Oceania**

In Australia, the recently completed 1999 winter **wheat** harvest is officially estimated at a bumper 22.8 million tonnes, 8 percent up from the previous year and well above the average of the past five years. The winter **coarse grain** crops (mostly barley and oats) also benefited from favourable growing condition during the season but reflecting smaller plantings of barley, output is down somewhat from the previous year. Thus despite good 1999 summer coarse grain crops of sorghum and maize, aggregate coarse grains production in 1999 is now estimated at 8.4 million tonnes, compared to 8.9 million tonnes in 1998. In

Australia, the **2000 paddy** season is well advanced and, according to the Australian Bureau of Agricultural and Resource Economics, output is forecast to contract by 7 percent from the previous season to 1.3 million tonnes due to smaller area. Harvesting is expected to begin late February/early March.

**Trade**<sup>1/</sup>

**Global cereal trade in 1999/2000 to expand driven by stronger import demand in Asia and low international prices**



Following this month's upward adjustments to wheat and rice import estimates, the forecast for world trade in **cereals** in 1999/2000 now stands at 222 million tonnes, up 1 million tonnes from the previous report in November (table A.2). At this level, global cereal imports would be 7.5 million tonnes, or 3 percent, above the previous season. The increase is attributed to an expansion in wheat and coarse grains trade as rice imports are projected to decline slightly. For the developing countries as a group, cereal imports are expected to rise to an all time high of about 161 million tonnes, up 2 percent from the previous season. While larger wheat imports would account for the bulk of this increase, the gradual economic recovery in southern Asia is likely to result in some expansion in coarse grains trade as well.

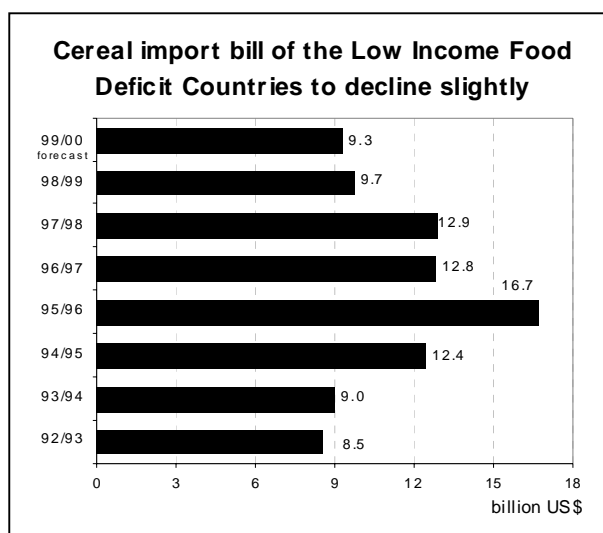
At the current forecast levels, this year's cereal import bill of the developing countries adds up to roughly US\$21 billion, which is about US\$500 million, or 2 percent, below the previous year's value. Weaker international cereal prices during the course of the 1999/2000 trade season are expected to more than offset the rise in import volume. In making this forecast, the total volume of this year's food aid is assumed unchanged from the previous year. For the Low Income Food Deficit

<sup>1/</sup> World trade in wheat and coarse grains is based on estimated imports delivered through 30 June of the July/June trade year. Some late-season purchases may be included in the next season if deliveries occur after 30 June. In general, exports and imports may not be equal for any given year due to time lags between shipments and deliveries.

Countries (LIFDCs), cereal imports are likely to remain at last year's estimated volume of around 71 million tonnes. However, given the prevailing low prices, the overall cereal import expenses for the LIFDCs, as a group, are seen to fall by at least US\$500 million, or 5 percent, to around US\$9.3 billion.

World trade in **wheat** and wheat flour (in wheat equivalent) in 1999/2000 (July/June) is currently put at 102.5 million tonnes, up 5 million tonnes, or almost 6 percent, from the reduced level in 1998/99 and 500 000 tonnes above the November forecast. Most of the increase is due to higher imports by the developing countries, which are expected to import around 79 million tonnes, some 3 million tonnes more than the previous season. This would be equivalent to an estimated value of nearly US\$10 billion. Total wheat imports by the LIFDCs are expected to increase by about 1 million tonnes to 40 million tonnes, which would translate into US\$4.7 billion in import costs, down US\$100 million from the 1998/99 estimated level.

In Africa, total wheat imports this season are forecast at about 23 million tonnes, 600 000 tonnes more than in the previous season. The increase is mostly attributed to just a few countries, namely Algeria, Morocco and South Africa, where domestic production was reduced. Imports into most other countries in Africa are expected to remain at around the same levels as last year or decline only slightly, such as in Sudan and Nigeria.



In **Asia**, total imports in 1999/2000 are forecast at 48 million tonnes, some 3 million tonnes more than in the previous season. Imports by India are now put at 1.6 million tonnes, up 600 000 tonnes from the previous report and 200 000 tonnes from the previous season. Despite a record crop and large stocks, Indian millers continued to import large quantities mostly because of the lower cost of imported wheat. This prompted the Government of India to impose a 50 percent duty on imported wheat beginning in December 1999. In the Islamic Republic of Iran, last year's devastating

**Overview of World Cereal Imports - Forecast for 1999/2000**

	Wheat		Coarse grains		Rice (milled)		Total	
	1998/99	1999/2000	1998/99	1999/2000	1999	2000	1998/99	1999/2000
( .....million tonnes ..... )								
Asia	45.0	48.4	53.1	53.7	14.3	12.8	112.4	114.9
Africa	22.6	23.2	11.3	12.8	5.1	5.2	39.0	41.2
Central America	5.8	5.7	11.6	11.4	1.5	1.5	18.8	18.7
South America	12.2	11.6	7.0	6.8	1.4	1.6	20.6	20.0
North America	2.9	2.6	3.8	3.5	0.6	0.6	7.3	6.8
Europe	7.9	10.7	6.1	7.6	1.5	1.5	15.6	19.8
Oceania	0.5	0.5	0.1	0.1	0.4	0.3	1.0	0.9
<b>WORLD</b>	<b>97.1</b>	<b>102.5</b>	<b>92.9</b>	<b>96.0</b>	<b>24.8</b>	<b>23.7<sup>1/</sup></b>	<b>214.8</b>	<b>222.3</b>
Developing Countries	75.7	78.6	60.5	62.1	21.2	20.0	157.3	160.7
Developed Countries	21.4	24.0	32.5	33.9	3.6	3.7	57.5	61.5

Source: FAO

1/ Highly tentative.

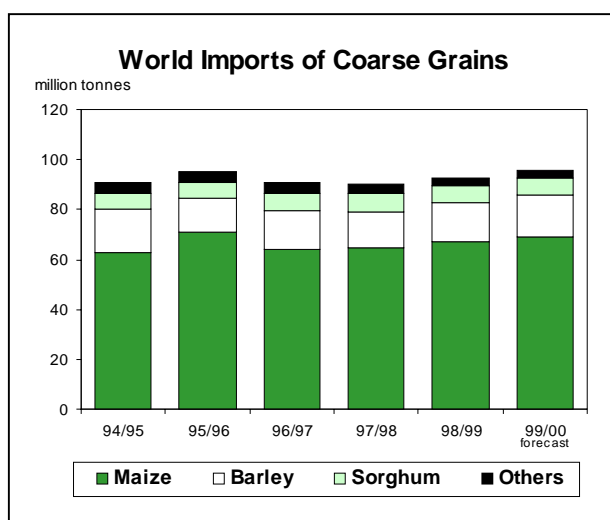
drought resulted in a sharp decline in production, forcing the country to resort to large imports, currently put at 6 million tonnes, almost double the previous year's level and 200 000 tonnes more than was forecast in November. The sharp rise in petroleum prices, combined with low international wheat prices, has enabled the country to absorb the financial burden of larger imports. By contrast, the forecast for imports by China (Mainland) has been cut this month, by 800 000 tonnes, to 1 million tonnes, given the large domestic supplies.

Wheat imports into Europe are forecast at 10.7 million tonnes, up almost 3 million tonnes from the previous year, largely due to a twofold rise in imports by the Russian Federation. The forecast for imports by the Russian Federation has been raised by 500 000 tonnes this month to 4 million tonnes. Some 1.3 million tonnes of this total would be in the form of food aid carried over from the previous season. In addition, the Russian Federation has asked for 5 million tonnes of food aid for this season but, so far, only the United States has agreed to donate 500 000 tonnes of wheat.

Other countries in Europe that are likely to increase their imports this season, albeit slightly, include Bulgaria, Belarus, Poland, Romania and Ukraine.

Total imports into Latin America and the Caribbean are expected to decline slightly this year to just over 17 million tonnes, half of which would be comprised of imports by Brazil and Mexico, the region's largest importers. This year's imports by Brazil are seen down from the previous season due mostly to slightly higher domestic production.

Regarding exports (table A.3), the likely prospect for higher import demand during the 1999/2000 season is expected to benefit several exporters but not all. Among the major exporters, Argentina, Australia, Canada and the EC are expected to boost their sales well above the previous year's levels. Exports by Canada are expected to rise the most, by 33 percent, followed by Argentina, at 20 percent. However, shipments from the United States, the world's largest wheat exporter, are likely to remain unchanged from the previous year, resulting in a slight decline in its world market share, to about 28 percent, which would be significantly below the 30-35 percent range registered between the mid-1980s through the mid-1990s. The anticipated large increase in wheat shipments by most major exporting countries is also attributed to much lower export supplies in several other exporting countries, mostly on account of reduced production, including Hungary, Bulgaria, Poland, Romania, Syria, Turkey, and Ukraine. Among the exceptions, Kazakhstan is expected to export 4 million tonnes in 1999/2000, double the previous year's level, as a result of a sharp increase in production, while the Czech Republic may also increase shipments.



Global **coarse grain imports** in 1999/2000 (July/June) are forecast at 96 million tonnes, unchanged from the previous report, and 3 million tonnes, or 3 percent, above the previous season. Trade in nearly all types of coarse grains is likely to increase, with maize and barley taking the lead, reaching 69 million tonnes and 17 million tonnes, respectively. Overall, total imports by the

developing countries are put at 62 million tonnes, up almost 2 million tonnes from the previous season. In value terms, this season's imports by the developing countries could total US\$7 billion, similar to the previous season. For the LIFDCs, the cost of this season's coarse grain imports would come to roughly US\$2 billion, unchanged from the previous season, although import volume would be up slightly, reaching 19 million tonnes.

Total coarse grain imports into **Africa** are expected to reach 13 million tonnes, up about 1.5 million tonnes from the previous season. This increase would be almost entirely due to larger imports by several countries in sub-Saharan Africa, namely Kenya, Zimbabwe, Rwanda, and the Republic of South Africa, Tanzania and Zambia. In nearly all cases, the rising imports would be in response to below average or even lower domestic production. By contrast, among the countries in northern Africa, Egypt is forecast to cut its maize imports by about 300 000 tonnes due mostly to a larger crop.

In **Asia**, total imports could exceed the previous season's volume and approach 54 million tonnes. Overall, the bulk of the anticipated increase would reflect larger import demand for barley and maize in the Islamic Republic of Iran, due to reduced domestic production; higher maize purchases in the Republic of Korea, given the faster rise in its economic growth and feed demand; and slightly higher maize purchases by Malaysia and the Philippines, mostly on account of improved demand from their poultry sectors.

In **Europe**, total imports are currently put at 7.6 million tonnes, up 1.5 million tonnes from the previous season, as higher imports by Belarus, the Russian Federation, Poland, and Romania would more than offset a forecast decline in the European Community. For **Latin America and the Caribbean**, overall imports could be slightly smaller this year as Mexico is forecast to reduce its maize purchases due to good domestic production and large stocks, with most other countries importing nearly the same volume as in the previous season. Despite good maize crop prospects in Brazil, imports may rise slightly this season in response to fast growth in poultry sector that has caused a sharp increase in domestic maize prices in recent months.

In the coarse grains **export** market, major exporters are forecast to maintain similar market shares to the previous years. In the EC, larger barley sales so far still point towards higher coarse grains exports in 1999/2000, but the overall increase from last season may be below earlier expectations. Canada is also seen to increase its barley sales following this season's higher production. Argentina is forecast to continue with larger shipments through June, given last year's record crop. In Asia, maize exports from China are expected to exceed 5 million tonnes, up almost 2 million tonnes from the previous season given the large domestic supply and strong demand from neighbouring countries. By contrast, barley exports from Turkey are forecast to decline sharply because of reduced domestic supplies. Among the CIS countries, only Kazakhstan is seen to increase its coarse grains

exports this season. The Republic of South Africa is likely to export as much as last year's reduced volume following another below-average crop, but a larger maize harvest in Malawi could result in a relatively large exportable surplus in that country.

Although the 1999 **rice** trade volume did not match the peak established in 1998, the estimated figure is much higher than anticipated at the beginning of the year. Based on current information from the major importing and exporting countries, FAO's estimate for global rice trade in 1999 has been adjusted upwards by 1.3 million tonnes from the last report to about 24.8 million tonnes, 2.8 million tonnes below the 1998 record volume. Most of the contraction in the 1999 trade reflected smaller imports by Asian and Latin American countries.

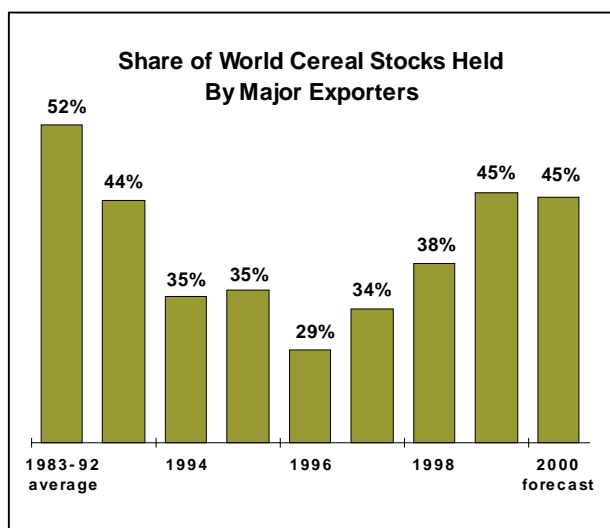
In Indonesia, the world's largest rice importer, the Government ban on private sector imports of lower quality rice grades imposed in September of 1999 was lifted on January 1, 2000. Since then, all rice imports, either channeled through the public or private sector, have been subject to a 30 percent duty. The level of the tariff will be re-evaluated every six months, depending on the prevailing international rice prices, and taking into consideration the interests of local producers. As traders pre-empted the introduction of the new tariff by accelerating the pace of imports towards the end of 1999, the country's rice import estimate in 1999 has been increased by 500 000 tonnes from the previous report to 4 million tonnes, 33 percent less than in 1998 but still the largest single country import volume in 1999. Likewise, purchases by Brazil have been adjusted up by 100 000 tonnes to 1 million tonnes, compared with 1.5 million tonnes in 1998. The country's imports during the first nine months of 1999 are estimated at about 720 000 tonnes. The production shortfall in the Islamic Republic of Iran boosted the country's rice requirements and its imports have been raised by 100 000 tonnes to 1 million tonnes, 60 percent of which were supplied by Thailand under Government-to-Government arrangements. Purchases by Nigeria were also increased by 100 000 tonnes to 900 000 tonnes, which consisted mainly of parboiled rice from Thailand. Import shipments by several other countries including Saudi Arabia, Japan, Turkey, United States, Senegal, Ghana, and Russia were revised upward by a total of 600 000 tonnes. By contrast, the estimate of imports by Bangladesh, one of the major rice markets in 1998, was reduced by 100 000 tonnes from the previous forecast to about 1.7 million tonnes or 32 percent below the 1998 volume. The sharp reduction reflects the recovery in domestic paddy production, which has led to higher stock levels. The Government has also imposed a five percent tax on rice imports. Shipments to China (Mainland), mostly of high quality rice from Thailand, are estimated at 150 000 tonnes or 39 percent below the 1998 volume.

On the **export** side, the forecast of shipments out of Thailand, the world's leading rice exporter, has been revised upward by 1 million tonnes from the last report to a record 6.7 million tonnes, or 5 percent more than the record in 1998. The pace of exports accelerated substantially during the last two months of 1999, supported by large sales to Indonesia. Exports from Viet Nam also reached a record level in 1999. The current official estimate is about 4.6 million tonnes, 300 000 tonnes higher than previously reported. The forecast of China's rice shipments in 1999 has been adjusted upwards by 600 000 tonnes since the last report, to 2.6 million tonnes. This volume would rank it fourth among the world's rice exporters, a position already attained in 1998 when its exports reached 3.7 million tonnes. By contrast, the estimates for rice sales by Pakistan and Myanmar have been reduced respectively by 300 000 tonnes to 1.8 million tonnes and by 130 000 tonnes to 70 000 tonnes. Pakistan has consistently increased its rice shipments in the 1990s from 1.3 million tonnes in 1991 to 2 million tonnes in 1998. Such an achievement has been made possible by bumper harvests over the last few years. Exports by India have been more sporadic: when exportable supplies on the international market are abundant and prices are under downward pressure, as was the case in 1999, Indian rice has difficulty to compete with supplies from other origins, particularly Thailand and Viet Nam. In fact, shipments for 1999 are estimated at 2.6 million tonnes or 42 percent below 1998. Like Pakistan, India exports both the premium priced basmati and low quality rice. The estimate for the United States' rice exports in 1999 is about 2.8 million tonnes, down by 13 percent from 1998, because many of the South and Central American countries, the traditional customers of the United States, imported less owing to a recovery in their domestic production. The USA Rice Federation is currently pressing for the reform of the trade sanctions the country applies to Cuba. Historically, the United States used to ship more than half of its rice exports to Cuba, a market that has been lost to its Asian competitors.

For **2000**, exportable supplies are expected to be abundant but import demand is likely to remain sluggish, given the good production prospects in many of the major importing countries. Assuming no major supply and/or demand shocks, global rice trade is tentatively forecast to be about 24 million tonnes, which would be the third highest on record. The major players are expected to be the same, with Thailand, Viet Nam and the United States leading on the export side, while Indonesia, Bangladesh, the Philippines and Brazil will likely be the chief importers. However, it should be noted that changes in the rice import policies of some of the major importing countries could greatly influence the volume of rice traded during the year.

## Carryover Stocks

**Cereal stocks fall below last year as utilization outpaces production for the first time in four years.**



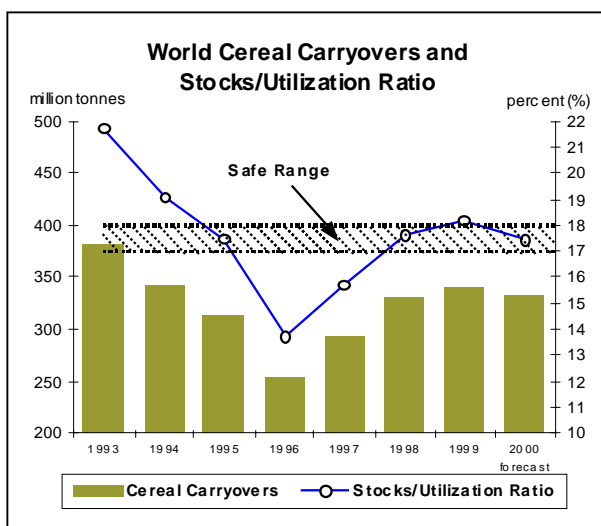
The forecast for global cereal stocks by the close of the seasons ending in 2000 has been raised slightly this month, to 334 million tonnes, up 2 million tonnes from the previous report. Nevertheless, at this level, world cereal carryover stocks would be 8 million tonnes, or 2 percent, below their opening levels as utilization is likely to outpace production for the first time in four years. A decline in wheat and coarse grains inventories held by some of the major exporting countries would account for most of the reduction in world cereal stocks, while rice carryovers are likely to increase for the second consecutive year. Although the stocks-to-use ratio<sup>1/</sup> is expected to be lower at about 17.4 percent, it is still within the 17-18 percent range that FAO considers as the minimum necessary to safeguard world food security. Moreover, the percentage share of global cereal stocks held by major exporters, an additional indicator of global food security, is expected to remain stable at last year's level of around 45 percent.

Global **wheat** stocks for crop years ending in 2000 are forecast to reach 134 million tonnes, up 4 million tonnes from previous report, but still 5 million tonnes, or 4 percent, below their high opening levels. Most of the rise in this month's forecast stems from upward revisions to closing stocks in countries where the production estimates for 1999 have also been raised; namely, China, Kazakhstan, India and Ukraine. In the case of China, while the forecast for this season's ending stocks has been raised by 1 million tonnes, this year's ending stocks could be smaller than their record wheat production and continuing wheat imports

<sup>1/</sup> The "stocks-to-use ratio" refers to the ratio of world cereal stocks at the close of the current seasons to the trend utilization in the next season.

by millers, the forecast for this season's ending stocks has been raised by 1 million tonnes, to 28 million tonnes (including private stocks), up 6 million tonnes from the previous year.

At the current forecast level, total wheat stocks held by the five principal wheat exporters are put at 50 million tonnes, almost unchanged from the previous report but down slightly from a year ago. In the United States, despite a drop of some 7 million tonnes in wheat production in 1999, an anticipated reduction in domestic use and almost unchanged export prospects could lead to some 26.5 million tonnes in carryover stocks. This would be 1 million tonnes more than last year and the largest since the mid-eighties. By contrast, in the EC, the combination of a 5 million tonne drop in output, likely record domestic feed use and slightly bigger exports could bring about at least a 2 million tonne reduction in stocks to 14 million tonnes. Nevertheless, the size of EC intervention stocks, which at the start of the season stood at over 6 million tonnes, may change little unless export sales increase beyond current expectations.



## World Carryover Stocks of Cereals

	Crop year ending in:		
	1998	1999 estimate	2000 forecast
	(..... million tonnes .....)		
Wheat	135.2	139.2	134.2
Coarse grains	140.4	146.5	141.6
Rice (milled)	54.7	55.9	57.7
<b>TOTAL</b>	<b>330.3</b>	<b>341.6</b>	<b>333.6</b>
of which:			
Main exporters	126.2	154.9	149.6
Others	204.1	186.7	184.0

Source: FAO

Total **coarse grain** stocks for crop years ending in 2000 are currently put at nearly 142 million tonnes, down 5 million tonnes, or 3 percent, from last year and some 3 million tonnes smaller than was reported in



November. The estimate for aggregate coarse grains stocks held by the five major exporters has been lowered by some 4 million tonnes this month to around 80 million tonnes. While this would be 5 million tonnes smaller than their high opening levels, it would be still the third highest level in 10 years. Most of this month's downward adjustment has been made to estimates for stocks in the United States, mainly in response to higher forecasts for domestic use and exports. Total coarse grains stocks in the United States are put at 53 million tonnes, down 4 million tonnes from the previous report but still 2 million tonnes above the high opening levels<sup>1/</sup>.

This month's forecast of total coarse grain stocks in the EC has been lowered slightly, by about 500 000 tonnes, to 20.7 million tonnes. This revision is mostly in response to larger barley exports and a likely small rise in the overall feed use in the Community. At this level, total coarse grains stocks in the EC would be nearly 5 million tonnes below the peak reached in the previous year, attributed mostly to a drop of about 3 million tonnes in barley production. This year's ending barley stocks are put at 11 million tonnes, still the second highest since 1993. Despite a cut in rye production of around 600 000 tonnes and a likely rise in its domestic feed use, rye stocks in the EC are likely to rise by 400 000 tonnes this season to 4.6 million tonnes, most of which could be in intervention as was the case in the previous year. Among other regions, this month's most significant revision concerns China where, following the release of the latest official figures that pointed to much larger maize production in 1998 but smaller output in 1999, the estimate for last year's ending stocks has been raised by almost 2 million tonnes but for this year they have been lowered by 3 million tonnes.

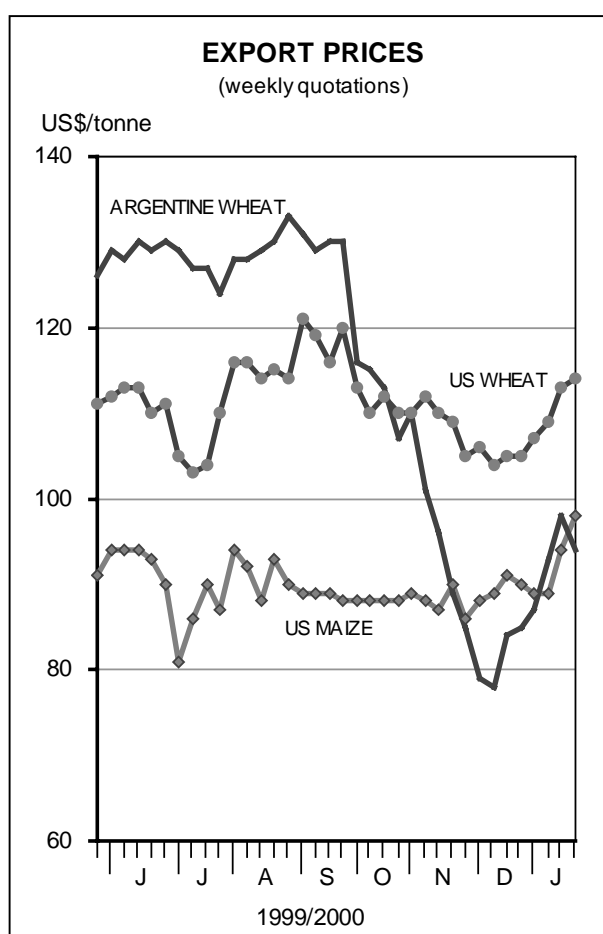
Global **rice** stocks at the end of the marketing seasons in the year 2000 are expected to recover from the reduced levels observed in recent years to about 58 million tonnes, the highest since 1994 and about 2 million tonnes more than their opening levels. The rise is mostly a consequence of the anticipated expansion in world production outpacing the increase in consumption. Most of the stock built up will be in the major exporting countries, particularly Thailand, Viet Nam, United States and India. The importing countries could also take advantage of the general weakness in rice prices to replenish their stocks to more comfortable levels and a recovery is forecast in Bangladesh, the Philippines and Brazil.

<sup>1/</sup> This FAO assessment of US coarse grains stocks is higher than the latest USDA forecast (12<sup>th</sup> January), which puts US stocks at around 49 million tonnes. The main reason for this discrepancy is the difference in the forecasts for the eventual volume of world trade in 1999/2000 and the likely exports from the United States.

## Export Prices

### The near term outlook remains neutral but prices find short-term support

Recent weeks marked a slight upturn in international **wheat** prices following several months of downward slide. In December, limited commercial buying interest, combined with the seasonal harvesting pressure in the southern hemisphere, forced prices down to the lowest seen in over two decades. The start of the New Year and resumption of faster trade activity, especially stronger pace of export sales by Argentina, set off a more buoyant tone and a sharp market turnaround followed the USDA report (12<sup>th</sup> January), which pointed to a substantial and, to a large extent, unexpected change in the outlook of the US wheat balance; i.e. much higher domestic use and smaller ending stocks. By late January, US wheat No. 2 (HRW, fob) averaged US\$111 per tonne, some US\$6 per tonne above December, although still some US\$15 per tonne below January 1999. The Argentine new crop averaged US\$ 94 tonne (fob), up some US\$13 per tonne on December values, but also US\$18 per tonne below the corresponding period last year. Weak international demand for soft wheat combined with large supplies in several European countries outside



the EC added to the downward pressure on EC export prices, which in December fell below US\$90 per tonne (net of restitution) before rising in January.

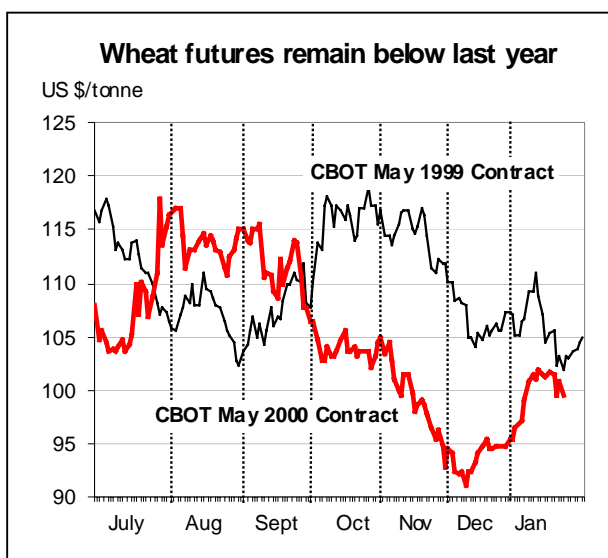
**Cereal Export Prices \***

	2000		1999
	Jan.	Dec.	Jan.
	(. . . . . US\$/tonne . . . . .)		
<b>United States</b>			
Wheat <u>1/</u>	111	105	126
Maize	93	89	98
Sorghum	91	85	96
<b>Argentina <u>2/</u></b>			
Wheat	94	81	112
Maize	93	90	93
<b>Thailand <u>2/</u></b>			
Rice white <u>3/</u>	244	240	307
Rice, broken <u>4/</u>	161	153	230

**Source:** FAO, see Appendix Table A.9

- \* Prices refer to the monthly average.
- 1/ No. 2 Hard Winter (Ordinary Protein).
- 2/ Indicative traded prices.
- 3/ 100% second grade, f.o.b. Bangkok.
- 4/ A1 super, f.o.b. Bangkok.

Wheat futures in the Chicago Board of Trade (CBOT) ended the fourth week in January above the lows reached in December. The soft red winter wheat May values have remained continuously under downward pressure this season and from October they were quoted at some US\$10-18 per tonne below the previous year. However, the unfavourable growing conditions in the United States and the reported decline in the United States winter wheat area provided support to prices in recent weeks. According to the latest official estimates, the United States winter wheat seeded area, while down only slightly from the previous year, is 17 percent below the 1995/96 peak and the lowest since 1972.



Gradual but persistent renewed import demand in southern Asia, stemming from faster growth in poultry

and pig meat production, has been supportive to international **maize** prices amid unfavourable weather concerns in Argentina and reports of a much lower United States stocks because of record feed usage. During the first half of the 1999/2000 season, the same fundamentals, which were influencing international wheat prices, were also in play on the maize market; namely, large United States stocks in the aftermath of yet another above-average crop and weak export demand. The United States maize export prices between July and December averaged around US\$89 per tonne, US\$6 per tonne below the comparable period in the previous season. However, starting in January, the United States prices began demonstrating a slow but more persistent recovery. The CBOT maize futures soared in January, following the release of unexpectedly low estimates for 1999 United States maize production and ending stocks as well as more favourable trade prospects. By late January, the nearby March maize future contracts were quoted at US\$90 per tonne, or a gain of some US\$10 per tonne over December.

To what extent the current small recovery in maize prices could be sustained over a longer term is difficult to assess at this stage. However, against a background of continuing ample United States inventories and large export availabilities in China, any possibility of supply tightness in the short-term is unlikely. In addition, latest reports of higher plantings in Argentina and possible increase also in the United States, could also diminish any near-term support for maize prices unless the improving economic conditions, especially in Asia, could fuel much faster rise in feed demand than is currently projected.

The downward pressure on international **rice** prices from most origins continued through November and December and the FAO Export Price Index for Rice (1982-84=100), which was on the decline during most of 1999, registered its lowest level in almost six years with a December average of 105 points, down from 107 points in November. The index averaged 114 points for 1999 as a whole, the lowest annual level since 1994. The weakness of prices in 1999 confirmed the imbalance between large availability of supply in exporting countries and depressed import demand, following a recovery of production in major rice markets. However, prices of a limited number of rice types from Thailand and Viet Nam experienced a slight upward movement from November through early January reflecting, in the case of Thailand, increased government intervention purchases and large sales to Indonesia and, in the case of Viet Nam, temporary shortages of exportable supplies caused by heavy rains that made local transportation, drying and milling difficult. Currently, prices are generally still subdued with the price index during January averaging 106 points, only one point up from the December average. The price for the high quality Thai 100B averaged US\$244 per tonne during January, compared with an average of US\$240 per tonne in December. This slight recovery is attributed to a recent 300 000 tonnes government-to-government sale from Thailand to the

Islamic Republic of Iran. Prices for Thai fragrant rice are reported to be resilient, as lower milling yields than expected have constrained availability. Prices for the Thai lower quality rice grades have received some support lately from the animal feed processors who are taking advantage of the low prices to increase the use of rice in their feed rations. The price of Thai A1 Super averaged US\$159 per tonne so far in January, up from US\$153 per tonne in December.

The price of the United States No. 2/4 percent broken rice, which was on a steady decline throughout 1999, averaged US\$283 per tonne in December, down by US\$14 per tonne from November, as a record harvest in the United States coincided with depressed import demand from its traditional customers. The same negative factors continued to weigh on the prices in January and the average price for the United States No. 2/4 percent broken rice declined by a further US\$11 per tonne to US\$272 per tonne during the

month. The combined effect of an increase in the Thai prices and a drop in the United States prices has led to a sharp narrowing of the price differential between the high quality Thai 100B and the comparable United States No. 2/4 percent broken rice. The gap has contracted from US\$88 per tonne in January 1999 to about US\$30 per tonne during January 2000. If this trend continues, United States rice could soon start to compete with Thai rice in the high quality markets outside Latin America and the Caribbean.

The general weakness in rice prices is expected to continue in the next few weeks, barring any major shocks from the demand or supply sides. However, the progress of the rice crops in the southern hemisphere countries, where harvesting usually begins in late-February/beginning of March, and of secondary crops in the northern hemisphere will also start influencing the market.

## Meat and Meat Products

The world meat market has been influenced in 1999 by low feed prices, a recovery in Asian meat import demand, wide currency exchange rate fluctuations, particularly of the Brazilian Real, and increasing use of export programmes, encompassing export subsidies, food aid and credit packages, by the developed countries. Animal disease and food safety issues had only a limited impact on the global meat economy in 1999 as aggregate meat output and consumption expanded by 2 percent in 1999 to 227 million tonnes, supported by continued strong gains for the poultry sector and moderate growth for the beef, pigmeat and sheep sectors.

Two-thirds of the growth in meat production in 1999 was realized by the developing countries, bringing their share in total output to 54 percent, up from 33 percent in 1970. Per caput meat consumption in the developing countries in 1999, estimated at 26.6 kg, is up only slightly from 1998; however, aggregate levels for the developing countries mask significant differences among regions, with per caput availability in South America, a large meat producing area, estimated to have increased by 2 percent to 62 kg in 1999 while that of Africa stagnated at 14.5 kg. Consumption in the developed countries, despite a decade-long decline in per caput meat intake, increased by 2 percent to 79 kg.

Recovering from the stagnation that characterized the international meat market in 1998, a double-digit jump in Asian demand in 1999 prompted global meat trade to grow 5 percent to 15.8 million tonnes. Unlike in the past 8-year period, when poultry meat contributed over 50 percent of the growth in trade, 1999 witnessed a resurgence in both bovine and pigmeat exports induced by economic recovery in Asia and exporter programmes which facilitated product movement, specifically high EC export subsidies, EC and the United States food aid programmes and the United

States credit facilities to the Republic of Korea for the purchase of red meat imports.

### World Meat Production

	1998	1999	2000 estim.
	( . . . . million tonnes . . . . )		
<b>WORLD TOTAL</b>	<b>222.3</b>	<b>227.1</b>	<b>229.2</b>
Poultry meat	61.3	63.7	65.6
Pig meat	87.4	89.1	89.5
Bovine meat	58.2	58.7	58.2
Sheep meat and goat meat	11.4	11.5	11.7
Other meat	4.0	4.1	4.2
<b>DEVELOPING COUNTRIES</b>	<b>119.0</b>	<b>122.0</b>	<b>124.9</b>
Poultry meat	30.8	32.1	33.0
Pig meat	50.0	50.9	52.1
Bovine meat	27.8	28.4	29.0
Sheep meat and goat meat	8.0	8.2	8.4
Other meat	2.4	2.4	2.5
<b>DEVELOPED COUNTRIES</b>	<b>103.3</b>	<b>105.1</b>	<b>104.3</b>
Poultry meat	30.5	31.6	32.5
Pig meat	37.4	38.2	37.4
Bovine meat	30.4	30.3	29.3
Sheep meat and goat meat	3.3	3.3	3.3
Other meat	1.6	1.7	1.7

Source: FAO

Note: Total computed from unrounded data.

The FAO international meat price index witnessed a hesitant but sustained reversal from the declining trend which has characterized meat prices since the mid-1990s. However, the gains were mixed for the various meats with none of the meat prices, except

manufacturing grade beef, recovering to 1998 average levels. Upward price pressure was revealed over the course of the year as import demand strengthened in the wake of the Asian economic recovery and red meat supplies gradually contracted in exporting countries. Price recovery for most meats in 2000 is expected to be supported by tighter supplies.

Bovine meat output grew marginally to 58.7 million tonnes in 1999, despite expectations early in the year that reduced cattle inventories and herd rebuilding in the major producing countries, together with continued structural downsizing in the CIS countries, would lead to an overall decline in production. Output expansion in the developing countries more than offset a fall in production in the developed countries. Negative growth in the latter, despite record beef production in North America, was mainly the result of the implementation since 1996 of measures to fight the Bovine Spongiform Encephalopathy (BSE) in Europe and of structural adjustment of the meat industries in the CIS and central and eastern European countries.

## Bovine Meat

Economic recovery in Asia and unexpectedly large shipments to the Russian Federation - still one of the most important beef markets - supported a 6-percent expansion in bovine meat trade in 1999 to 5.4 million tonnes. Imports by the Republic of Korea soared while high prices in the United States for manufacturing grade beef prompted higher United States imports. Bovine meat shipments to the Russian Federation in 1999, expected to be limited to the 270 000 tonnes originally programmed in late 1998 in the EC and United States food aid packages, are estimated to have matched 1998 levels of 535 000 tonnes, as increased subsidies for EC beef allowed cash-strapped Russian importers access to low priced commercial shipments. Increased exports were supported by record supplies in the United States and Canada and by more competitively-priced shipments from Australia and Brazil. EC food aid shipments to Russia and an escalation of export refunds supported a 30-percent jump in EC exports. Such a performance is unlikely to be replicated in 2000 especially as the large 1999 sales have substantially depleted intervention stocks. Meanwhile, shipments from other traditional exporters, such as New Zealand and Uruguay, were constrained by lower exportable supplies and, in the case of Uruguay, also by reduced demand in neighbouring Mercosur markets. International beef meat prices are likely to be pressured higher in 2000 as herd rebuilding progresses in some exporting countries.

## Pig Meat

More than a year after hog prices dropped 20 percent to hit near-record lows in late 1998, a very gradual reduction in the breeding herds in major exporting countries is finally signalling a slow-down in global production growth, from 6 percent in 1998 to a more moderate 2 percent increase in 1999 to 89.1 million tonnes. Industry contraction, particularly in the EC and

the United States, was delayed by low feed prices and increased concentration and vertical integration which allowed producers to maintain production despite low pigmeat prices. While very low prices early in the year induced some later-year cut-backs in breeding stock in the EC and United States, increasing pigs per litter and heavier weights maintained production gains. Meanwhile, in Canada surge of an 11 percent in output was made possible by a rapid expansion in slaughter and processing capacity. Production gains by the developing countries, which account for 57 percent of world output, slowed in 1999 to less than 2 percent. Dominating the outlook for both the developing countries and the world, China's pork output is estimated to have expanded less than 2 percent, constrained by low prices as consumer buying was weakened by economic uncertainty. Elsewhere in Asia economic recovery in the Philippines, Republic of Korea, and Thailand was accompanied by a rebound in production which was only slightly tempered by disease-induced hog slaughter in Malaysia.

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

	1998	1999	2000 estim.
	( . . . thousand tonnes . . . )		
<b>WORLD</b>	<b>15 097</b>	<b>15 835</b>	<b>15 846</b>
Poultry meat	6 163	6 395	6 483
Pig meat	2 882	3 080	2 983
Bovine meat	5 126	5 417	5 423
Sheep meat and Goat meat	676	690	691
Other meat	251	252	266

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.

Characterized by a high degree of concentration of importers and exporters, global pigmeat trade was shaped in 1999 by economic recovery in Asia and an intensive use of export programmes to move products to the Russian Federation. World trade in pigmeat is estimated to have surpassed 3 million tonnes in 1999, up 7 percent over 1998. In Asia, the largest regional pigmeat market, imports jumped by over 20 percent, supported by robust buying by Japan and the Republic of Korea, which also helped push up international pigmeat prices as reflected by an increase of 12 percent in the United States per unit export values for frozen pigmeat since January 1999. Export programmes also played a critical role in underpinning pigmeat trade in 1999. In particular, deliveries to the Russian Federation, the second largest pork import market, were sustained by food aid packages from both the EC and the United States and strong use of EC export restitutions. The reactivation of EC export subsidies for all pigmeat cuts in late 1998, a near doubling in export subsidies for product destined specifically to the Russian Federation, and the use of the WTO-sanctioned roll-over provision allowed EC shipments to this market to exceed the 1997 record

shipments. Exports from Canada jumped 30 percent, benefiting from strong Asian demand, while growth in shipments from the United States, disadvantaged by a strong currency and low-priced subsidized EC products, slowed from 11 percent gains witnessed in 1998.

## Sheep and Goat Meat

Global sheep meat output in 1999 is estimated to have expanded by less than 2 percent to 11.5 million tonnes. Supply reductions in the developed countries were more than offset by production gains in the developing countries, especially in Asia, a region which accounts for almost 50 percent of global sheep/goat inventories and production. In China, the largest sheepmeat market, growth in output slowed from the strong gains witnessed in the two previous years, while Pakistan, the second largest market, registered modest output gains as did India, Bangladesh and the Islamic Republic of Iran. Output gains in Africa, a region where sheep and goats industries play an important role in food security, were underpinned by growth in Algeria and Nigeria. Aggregate output growth in developed regions was under pressure as the continued contraction of the sheepmeat sector in CIS countries was mirrored in the United States due to low wool prices. In New Zealand, despite drought-reduced inventories going into 1999, favourable weather and near record lamb birth rates resulted in only a marginal output decline, while output in the EC and Australia expanded.

World trade in mutton and lamb is estimated to be up 2 percent in 1999 to 690 000 tonnes. Mutton and lamb are very thinly traded with only 6 percent of global output destined for the international market. While nearly three-quarters of total output is located in developing countries, global trade occurs mainly among developed countries and is characterized by a high degree of concentration. Imports by the EC, which account for one-third of global imports, were lower in 1999, depressed by higher domestic output and low domestic prices. Purchases by the United States, a high-value lamb market, were also depressed as deliveries slowed after the implementation of safeguard measures in July 1999 following an alleged surge in its imports. Stronger import demand in 1999, however, originated from the developing countries, particularly in the Middle East. Shipments by the two largest exporters, New Zealand and Australia, expanded slightly in 1999, while exports from the Sudan recovered, most of which moved into adjacent African countries. Meanwhile, product movement from Uruguay dropped in response to lower exportable supplies and weak import demand from recession-plagued neighbouring countries.

## Poultry Meat

Buoyed by low grain prices, global poultry meat output in 1999 increased 4 percent to 63.7 million tonnes.

While slowing from the average 6 percent/year growth over the 1990-1998 period, poultry meat output gains outpaced that of other meats, broadening its share of total output to 28 percent from 23 percent since the early-1990s. Both the developed and the developing countries registered large output gains; however, the developing countries expanded faster, pushing up their share of global production to over 50 percent. Brazil witnessed double-digit output gains as its currency devaluation strengthened demand from other countries. Meanwhile, economic recovery in many parts of Asia, particularly in Indonesia, the Republic of Korea and Thailand, was accompanied by rising production. However, overall regional growth in Asia was constrained by a production slowdown in China in response to lower overall meat prices and hesitant consumer demand. Favourable producer margins in the United States, helped by rising red meat prices, induced output gains of nearly 6 percent in 1999, while growth in the EC was less than 2 percent as overall meat prices remained low and demand suffered from the dioxine<sup>1/</sup> problem. Rising grain prices in the Russian Federation led to an output decline, despite increased foreign investment and higher prices for domestic product in the aftermath of the 1998 currency devaluation.

The volume in international poultry trade<sup>2/</sup> which was artificially boosted in 1999 by increased product movement through transshipment points reached 6.4 million tonnes, or 3 percent more than in 1998. Trade flows to final destinations, however, revealed a lack of real growth in the world poultry market. In fact, shipments from the United States, which supplies 40 percent of international trade, fell for the second consecutive year. While shipments from Brazil soared on the heels of its currency devaluation, the competitiveness of EC exports suffered from increased competition from Brazil in Middle Eastern markets and lower WTO ceilings on subsidized exports in 1999. On the import side, purchases by the Russian Federation fell by over a quarter, squeezed by consumers' lower disposable incomes and the availability of competitively priced EC pigmeat. This decline was offset, however, by increased buying by many markets, particularly China, Japan, and Mexico, induced by prices of chicken cuts which remain 24-percent lower than the previous year. In addition, both imports and exports of Hong Kong SAR and Latvia/Estonia rose substantially as these markets were increasingly used as transshipment points for product moving into China and Russia.

<sup>1/</sup> Dioxine contamination in animal feed in mid-1999 led a number of governments to ban meat imports from Belgium and neighbouring countries.

<sup>2/</sup> International trade numbers (both imports and exports) now reflect transshipments from all regions, including the Baltics, Hong Kong, Eastern Europe, and the CIS. Consequently, these trade estimates are more reflective of actual shipments, than of "true" trade.

## International Meat Prices

	FAO index of International meat prices (. . 1990-92=100 . .)	Average international meat prices (. . . . . US\$/tonne . . . . .)				
		Chicken <sup>1/</sup>	Pork <sup>2/</sup>	Beef <sup>3/</sup>	Mutton <sup>4/</sup>	Lamb <sup>5/</sup>
1994	103	921	2 659	2 384	...	2 975
1995	90	922	2 470	1 947	...	2 621
1996	88	978	2 733	1 741	1 119	3 296
1997	88	843	2 724	1 880	1 072	3 393
1998	79	760	2 121	1 754	901	2 750
1999	81 <sup>6/</sup>	602 <sup>6/</sup>	2 067 <sup>6/</sup>	1 895	815 <sup>7/</sup>	2 610 <sup>6/</sup>

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/ Frozen mutton carcass, Australia, fob prices. 5/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 6/ January-November. 7/ January-May.

## Meat outlook for 2000

Despite expectations of strong economic growth in 2000, meat consumption is projected to increase only slightly as constrained red meat output prospects in major producing and exporting countries push up meat prices. While strong output gains are likely in the poultry sector, overall meat supplies will likely be limited by reduced hog inventories in the developed countries and a continuation of herd rebuilding which portends the first global output drop in the cattle sector since 1992. The meat production outlook is clouded by an on-going structural change particularly for the pigmeat sectors in the EC and the United States which, combined with expected low feed prices, might allow large operations, as they did in 1999, to mitigate the potential contraction in output.

Trade prospects in 2000 will likely be tempered by expectations of reduced meat supplies in the developed countries which accounted for nearly three-quarters of meat shipments in 1999, slightly higher red meat prices and limited prospects for new meat food aid to the Russian Federation.

Asian meat imports in 2000, while not expected to replicate the growth witnessed in 1999, are likely to remain robust. Similarly, shipments to North America, the second largest import market after Asia, are likely to be larger because of expected lower domestic meat output. However, growth in these markets is not expected to offset declining Russian imports. Exports by the United States in the context of lower supplies and higher domestic prices are set to register the first decline since the early 1980's. Likewise, EC exports will be compromised by a reduction in the WTO export ceiling for all meat exports and the prohibition on rolling over unused subsidies as of July 2000. By contrast, the lower relative prices in South America, generated by the devaluation of the Brazilian currency in 1999 and maintained by strong trading links between Mercosur countries, should facilitate exports from this region in 2000. Product movement from this region into the United States could be further bolstered by their improved animal health status, particularly the regions in Brazil likely to be declared Foot and Mouth Disease (FMD)-free in 2000.

## E-Mail Information Exchange Service for the Meat Sector

The Commodities and Trade Division has established a new e-mail based network for the exchange of information on developments in the global meat market entitled the Meat and Livestock Market Network. To subscribe to this network (which is free-of-charge), leave the subject blank and send a message to:

[mailex@mailex.fao.org](mailto:mailex@mailex.fao.org): **Subscribe Meat-L**

The primary purpose of this services is to provide a forum for the discussion of issues relevant to the national and international markets for meat and livestock products. Registered users are invited to supply articles, publications and statistical reports on the meat sector in their own countries/regions while they are also encouraged to post questions and answers on topics of interest related to this commodity. Since global coverage is an essential feature of this service, users can send their messages in English, French or Spanish.

In summary, the objectives of this new FAO service are:

- The exchange of information on meat and livestock markets between list members via the FAO mail server;
- The circulation of FAO's reports dealing with current developments in the world meat market.

Begin your participation in this exchange system by forwarding some information on the meat and livestock sectors to which you have access and which you consider of interest to others. After subscribing, you can address your contributions to: **Meat-L@mailex.fao.org**

## Oilseeds, Oils and Oilmeals<sup>1/</sup>

### Prices of oilseed products to recover in 1999/2000

International prices for oilseed products were subject to strong downward pressure during the 1998/99 season (October/September), mainly because of large harvests and abundant stocks. While the decline in prices for oilcakes and meals has come to a halt at the beginning of the current 1999/2000 season, prices for

oils and fats - as measured by FAO's price index - dropped further, reaching their lowest level since 1992/93. The decline in oil prices has been caused by unusually sharp, but temporary, increases in palm oil production, as oil palm plantations in Asia recovered from the 1998 weather anomalies. However, towards the end of last year, changes in market fundamentals caused prices for most oilseeds and products to move upward, a trend which is expected to continue for the remainder of the current season.

### International Prices of Oilseed-Based Products

	FAO indices of international market prices		Average international market prices			
	Edible/soap fats and oils	Oilcakes and meals	Soybean a/	Soybean oil b/	Palm oil c/	Soybean meal d/
<b>October/September</b>	(. . . 1990-92=100 . . .)		(. . . . . US\$/tonne . . . . .)			
1993/94	127	93	259	582	452	202
1994/95	153	94	247	641	645	184
1995/96	140	128	303	574	544	257
1996/97	134	133	298	537	545	279
1997/98 - Oct.-March	150	130	277	638	605	238
- April-Sept.	157	103	236	631	677	155
1998/99 - Oct.-March	141	90	219	548	621	153
- April-Sept.	109	74	199	418	407	146
1999/2000 - Oct.-Dec.	102	86	199	384	368	170
- April-Sept.						

Source: FAO, Oil World

a/ Soybean, US, cif Rotterdam. b/ Soybean oil, Dutch, fob ex-mill. c/ Palm oil, crude, cif N.W. Europe. d/ Soy pellets, 44/45%, Argentina cif Rotterdam.

On average, international prices for **oils and fats** are anticipated to rise moderately during 1999/2000 as the supply and demand situation is likely to tighten during the course of this year. Total vegetable oil output is expected to expand considerably less than in 1999, which, combined with a healthy rise in global demand, could lead to an excess of demand over production. As a result, total end-of-season stocks as well as the stocks-to-utilization ratio are likely to fall, thus exerting upward pressure on prices.

After declining markedly during the last two seasons, international prices for **oilcakes and meals** are expected to recover during 1999/2000. The prospective tightening of the soyameal supply and demand situation will be the main factor behind the general price recovery. Although this season's increase in soyameal demand is forecast to remain below that of recent years, global soyameal output is expected to fall short of demand, hence reversing the

situation recorded in the last two seasons. In particular, the prospect of reduced supplies and export availabilities in South America and sustained meal demand in several importing countries in Asia as well as in Mexico are expected to contribute to the anticipated supply and demand imbalance. Given these circumstances, world stocks of soyameal and of other oilcakes and meals (including the meal contained in stored seeds) are predicted to fall, thus exerting upward pressure on prices. However, the expected changes in the underlying market fundamentals will not be large enough to cause prices to reach the high levels recorded during the years 1995-1998, mostly due to the anticipated stagnation in import demand in China and the EC and to the prospect of ample supplies and export availabilities of rapeseed meal and fish meal.

### Production slow down anticipated for the current season

After two seasons of significant expansion in global production of oilseeds, in 1999/2000 output of the seven major oilcrops is forecast to rise to 299 million tonnes, only slightly exceeding last season's level. The expected increase in production would be mainly on account of a record-breaking crop of rapeseed (for the second consecutive year) and of a recovery in global production of cottonseed and copra. Together, these increases would more than offset the decline

1/ Note on methodology: Almost the entire volume of oilcrops harvested world-wide is crushed in order to obtain oils and fats for human nutrition or industrial purposes and cakes and meals used as feed ingredients. Therefore, rather than referring to oilseeds, the analysis of the market situation is mainly undertaken in terms of oils/fats and cakes/meals. Hence, production data for oils (cakes) derived from oilseeds refer to the oil (cake) equivalent of the current production of the relevant oilseeds, while the data on trade in and stocks of oils and cakes refer to the sum of trade in and stocks of oils and cakes plus the oil and cake equivalent of oilseed trade and stocks.

anticipated in global soybean, sunflowerseed and groundnut production. The rise in rapeseed output is expected to occur in the main traditional producing countries, i.e. the EC, Canada, China and India, as well as in Australia, where production was expanded only recently. The recovery in cottonseed production will be concentrated in the USA and Pakistan, while in the Philippines and Indonesia copra production is expected to recover from the effects of adverse weather conditions in the last two years. Global soybean output is forecast to fall over 3 percent from last year's record level due to reduced production in all major producing countries. Production is expected to drop in spite of further increases in area planted, as the average yield level is anticipated to fall. The drop in global sunflowerseed output would be mainly on account of reduced harvests in the EC and Argentina, while world groundnut production would be lower due to harvest shortfalls in China and India. In India, overall oilseed output is again expected to remain well below the record crop harvested in 1996/97. The on-going contraction in production - after a decade of steady expansion - is due to declining yield levels (caused partly by adverse weather and partly by reduced input use) as well as a significant erosion in domestic prices for oilcrops.

### World Production of the Seven Major Oilseeds

	1997/98	1998/99	1999/2000 f' cast.
	(. . . . . million tonnes . . . . .)		
Soybeans	158.5	159.4	154.2
Cottonseed	36.0	33.4	34.9
Groundnuts	29.5	31.9	30.6
Sunflowerseed	24.4	27.3	26.4
Rapeseed	33.8	36.3	41.9
Palm kernels	5.1	5.7	5.8
Copra	5.1	4.1	5.2
<b>Total</b>	<b>292.4</b>	<b>298.1</b>	<b>299.0</b>

Source: FAO

Note: The split years bring together northern hemisphere annual crops harvested in the latter part of the first year shown, with southern hemisphere annual crops harvested in the early part of the second year shown. For tree crops, which are produced throughout the year, calendar year production for the second year shown is used.

### Oils and fats supplies to rise further as opposed to stagnating supplies of oilcakes and meals

Based on the above crop estimates, world production of **edible/soap oils and fats** in 1999/2000 is forecast to exceed last season's level by about 3 percent (i.e. at a rate close to that recorded in the last four seasons), reaching a record 114 million tonnes. The expansion in total output would be largely on account of a sharp increase in global rapeseed oil production, but also total output of tropical oils is forecast to reach near-record or record levels (the case of coconut oil and palm oil respectively), as plantations have been recovering from the effects of adverse weather conditions in the last two years. Similar to previous years, soft oils<sup>1/</sup> are estimated to account for roughly 54 percent of total output of edible/soap oils and fats

(41 of which will be soybean oil), while palm oil is likely to increase its share to 19 percent. The anticipated rise in total production and above average stocks at the beginning of the season would cause global supplies of oils and fats to rise by more than 3 percent to 127 million tonnes. At 75.8 million tonnes, world aggregate production of **oilcakes and meals** expressed in protein equivalent is forecast to fall short of last season's record level. While production of soy, sunflower and groundnut meal is predicted to decrease, the output of rape, cotton, copra and fish meal is expected to rise. Global supplies of meals and cakes in 1999/2000 should increase marginally compared to last season due to higher inventories at the beginning of the current season.

### Sustained demand for oils and fats to contrast with slow down in consumption of oilcakes and meals

Total utilization of **oils and fats** is forecast to increase further in 1999/2000, reaching 114 million tonnes, an increase of 4 percent from the previous season. Relatively low international prices (compared to the average of previous years), combined with the resumption of economic growth in the Asian region and a healthy rise in per capita incomes world-wide, are all expected to contribute to the increase in global demand. With respect to the composition of global consumption, the shares of palm oil and rapeseed oil are expected to rise further this season, while the share of soyaoil, though still the highest in absolute terms, is expected to fall slightly. While most of the increase in utilization is expected to occur in Asia, consumption is also likely to expand in North America and in Western European countries. The growth in utilization of **oilcakes and meals** is expected to slow down in 1999/2000. Expressed in protein equivalent, global consumption is forecast to increase by 2 percent to 77 million tonnes. Factors contributing to the limited demand growth this season include reduced global meal production and the prospect of rising prices. Most of the increase will occur in rapeseed meal, which is expected to be in abundant supply and therefore attractively priced. In the USA and the EC, which together account for almost half of global consumption, demand for oilcakes and meals is expected to stagnate due to the anticipated slow down in livestock production and continued competition from competitively priced feed grains. In the EC, consumption of locally produced rapeseed and other meals is likely to increase at the expense of imported soybean meal. In countries in Far East Asia, growth rates of consumption are expected to revert to the levels recorded prior to the economic crisis.

### Stocks of oilseed products to fall as global demand is likely to exceed global production

Based on the above supply and demand forecasts for the 1999/2000 season, end-of-season stocks of **oils**

<sup>1/</sup> This group of oils comprises soybean, rapeseed, sunflowerseed, cottonseed, groundnut and olive oil.



**and fats** are forecast to fall slightly from last season's level as the level of utilization is expected to exceed that of production. The stocks-to-utilization ratio is likely to fall slightly compared to the previous year, thus contributing to upward pressure on international prices for oils and fats. Also global stocks of **oilcakes and meals** are anticipated to decline slightly during 1999/2000 as global demand is predicted to exceed global production. The stocks-to-utilization ratio for oilcakes and meals is expected to fall by the end of the season, thus contributing to a recovery in international prices for these products. With regard to individual commodities, the projected supply and demand situation is expected to lead to a drop in stocks of soybeans and derived products, while inventories of rapeseed and products could rise.

### **Healthy rise in trade of oils and fats but reduced growth in oilcakes and meals**

In 1999/2000, world trade in **oils and fats** (including the oil contained in oilseeds traded) is anticipated to increase further to 48.5 million tonnes, exceeding last season's level by over 4 percent. Relatively low international prices for oils and fats, together with rising demand in the major importing regions, are expected to stimulate trade in oils and fats. The pattern of imports is expected to be similar to previous years, with three-quarters of the expansion originating in Asia. Imports of oils and fats (including oil contained in imported seeds) by China and India are forecast to climb further, reaching 5.2 and 4.9 million tonnes respectively. China's policy to cover an increasing portion of its oil requirements by importing oilseed rather than oils is expected to continue. Also in India, where the bulk of import demand continues to be met by oil purchases, the government recently introduced measures to encourage seed importation, in an effort to support domestic crushers. Other countries in the region may also follow this trend. In South America as well as in CIS countries, the volume of imports is expected to be slightly below average, while in Western Europe and North America purchases are likely to recover from last season's reduced level. On the export side, most of the increase in shipments is expected to occur in Asia. The recent recovery in shipments of palm, palmkernel and coconut oil (after weather related declines in overall supplies and exports in the year 1998) is likely to continue this year. Combined exports of Malaysia, Indonesia and the Philippines in the three tropical oils are forecast to exceed 15 million tonnes, thus accounting for close to one third of global shipments of oils and fats this season. Among soft oils, soyoil shipments are expected to fall in 1999/2000 as import demand is

likely to shift to rapeseed and its oil, partly because of the above mentioned tendency of some major importers to prefer seed imports over oil purchases to cover domestic oil requirements. Furthermore, ample rapeseed oil supplies and the ensuing price discounts vis-à-vis competing oils are expected to contribute to record rapeoil shipments by the three main suppliers, Canada, the EC and Australia. Although unlikely to lead to significant changes in the overall trade pattern, some exporting countries are likely to continue their efforts to offer certified GMO-free oilcrops and oilcrop products. In Australia, for example, production and export of non-GMO rapeseed seems to receive particular attention.

World trade in **oilcakes and meals** (including the meal contained in oilseeds traded) is expected to grow at a reduced rate of 2 percent in 1999/2000, compared to an average rate of 6 percent in the three preceding seasons. Factors contributing to this slow down include reduced growth in global utilization, including in some major importing countries, caused by price developments in the related markets, especially the expected rise in international prices for oilcakes and meals. Total imports of oilcakes and meals are forecast to exceed 89 million tonnes. The last years' rise in soyameal trade is likely to come to a halt during this season, while shipments of rapeseed meal are forecast to climb to a record level. Purchases by the world's largest import market, the EC, are forecast to fall due to stagnating livestock production and abundant availability of meals (in particular rapeseed meal) and other feedgrains of local origin. Asian countries are expected to account for the bulk of the increase in global imports, as the resumption of economic growth in the region has stimulated livestock production and thus demand for meals. As to exports, last season's surge in soybean and meal shipments from South America at the expense of US exports is not expected to repeat itself in 1999/2000. In fact, South American shipments are anticipated to fall short of last season's record level by over one million tonnes. The decline in export availabilities is mainly related to the anticipated drop in production. In Brazil, additional factors include sustained domestic demand for oilcakes and meals and the fact that - after enhancing exports in 1998/99 - last year's currency devaluation has led to an increase in production costs in the current season. Soymeal export availabilities are also expected to drop in India, which is faced with lower production and higher internal demand. By contrast, a recovery of soymeal shipments (including the meal contained in soybean exports) is expected in the United States, where large inventories should allow exporters to gain back market shares lost last year.

## Fertilizers

**Urea** prices continued to increase in the first month of 2000, reflecting generally tight supplies and strong demand. Export prices from the Black Sea region in eastern Europe steadily increased in January reaching a 15-month high, some 25 percent above those a year earlier. Production is at full capacity in this region, while Caribbean and Indonesian producers have temporarily cut back production. Strong demand is expected in the coming weeks in southern Europe and Turkey in anticipation of spring planting while, at the present price level, the demand in Latin America is also expected to increase, particularly in Argentina. Urea availability remains low in Europe and in the United States, where prices have increased particularly. In the Asian region, reduced supply capacity in Indonesia, and strong demand in the south Asian market resulted in higher urea prices. Fertilizer imports in Viet Nam have been liberalized; the government expects an import requirement of almost 2 million tonnes in 2000. Near East producers are committed to supply India 60 000 tonnes of urea; exports are scheduled to meet demand in Viet Nam, Sri Lanka, Bangladesh and the Philippines.

**Ammonia** prices have risen around the world since mid December 1999, reflecting a short-lived curtailment in shipments from the Black Sea region while demand, in particular from India, increased. Increased demand is also expected from south Asia. Ammonia prices from Black Sea producers are expected to be affected in the near future by a likely gas price review. Ammonia availability in the United States is generally adequate to meet DAP producers' demand.

International spot market prices of **ammonium sulphate** were some 30 percent higher in the European market in January compared to the same period in 1999. In the Far East, the increase was less pronounced at around 10 percent. In the United States Gulf, however, prices declined by about 14 percent. Export availability from the Baltic Sea area will be affected in the coming weeks by diversion of supply to the domestic market.

**Diammonium phosphate (DAP)** prices showed a decline in early 2000 compared to a year earlier.

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

	2000 January	1999 January	1999 December	Change from last year 1/ (percentage)
	(..... US\$/tonne .....			
<b>Urea</b>				
eastern Europe	79-81	63-65	69-69	+ 25.0
Near East	109-113	79-82	95-97	+ 37.9
<b>Ammonium Sulphate</b>				
eastern Europe	42-43	31-34	40-42	+ 30.8
Far East	55-56	50-51	55-56	+ 9.9
U.S. Gulf	42-44	45-55	38-41	- 14.0
western Europe	55-60	41-46	55-60	+ 32.2
<b>Diammonium Phosphate</b>				
Jordan	164-169	205-209	165-170	- 19.6
North Africa	159-164	201-207	162-166	- 20.8
U.S. Gulf	147-151	201-203	145-148	- 26.2
<b>Triple Superphosphate</b>				
North Africa	131-135	158-162	132-135	- 16.9
U.S. Gulf	136-140	163-170	136-140	- 17.1
<b>Muriate of Potash</b>				
eastern Europe	95-109	95-108	95-109	+ 0.5
Vancouver	117-131	115-129	117-131	+ 1.6
western Europe	129-137	129-137	129-137	-

**Source:** Compiled from Fertilizer Week and Fertilizer Market Bulletin.

1/ From mid-point of given ranges.

Demand for United States' DAP slowed down from China and Pakistan towards the end of 1999, but exports to India, Australia and Mexico considerably increased. Significant price changes in the United States are not expected until domestic demand for spring planting increases. Demand from Europe and South America is low. Pakistan secured supplies from Morocco and the Russian Federation. Russian

Federation producers are expected to supply some 40 percent of output to the domestic market. China's entry to the market kept prices at a steady level in the US Gulf; however, Indian importers are awaiting a clarification on the governments policies on DAP subsidies. Production cut backs have somewhat stabilized the global DAP market and prices are foreseen to remain at similar level in the short term.

Prices for **triple superphosphate (TSP)** in January were 17 percent less than a year earlier but remained stable during the month. Demand has been generally weak in the past few weeks.

Latest prices for **muriate of potash (MOP)** are little changed compared to the same period in 1999 in Europe and Canada. Canadian producers contained

their output to match demand. Total production in 1999 was almost 10 percent lower when compared to output in 1998. Near-East producers increased output as favourable weather conditions in 1999 increased demand from farmers. Demand is expected to increase in Europe and the United States in the coming weeks for the spring season. Demand will pick-up in Latin America a few months later.

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## A.1 a) - WORLD CEREAL PRODUCTION - Forecast for 1999 as of January 2000

	Wheat			Coarse Grains		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>265.6</b>	<b>254.5</b>	<b>262.5</b>	<b>198.4</b>	<b>230.7</b>	<b>218.5</b>
Bangladesh	1.5	1.8	1.9	0.1	0.1	0.1
China <sup>1/</sup>	123.3	109.7	113.0	119.6	149.7	143.2
India	69.3	65.9	73.5	30.9	31.4	28.3
Indonesia	-	-	-	8.8	10.1	9.1
Iran, Islamic Rep. of	10.2	11.9	9.0	3.8	3.8	3.2
Japan	0.6	0.6	0.5	0.2	0.2	0.2
Kazakhstan	9.0	5.5	11.2	3.1	1.5	2.7
Korea, D. P. R.	-	0.1	0.2	1.2	1.8	1.4
Korea, Rep. of	-	-	-	0.4	0.4	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	16.4	18.7	18.2	1.9	1.9	1.8
Philippines	-	-	-	4.3	3.8	4.6
Saudi Arabia	1.3	1.8	1.5	0.6	0.6	0.7
Thailand	-	-	-	4.1	5.2	4.9
Turkey	18.7	21.0	18.0	10.8	10.9	9.7
Viet Nam	-	-	-	1.3	1.4	1.4
<b>AFRICA</b>	<b>15.0</b>	<b>18.5</b>	<b>15.5</b>	<b>77.1</b>	<b>78.9</b>	<b>78.3</b>
<b>North Africa</b>	<b>10.0</b>	<b>14.0</b>	<b>11.6</b>	<b>9.1</b>	<b>10.2</b>	<b>9.7</b>
Egypt	5.8	6.1	6.3	6.7	6.5	6.8
Morocco	2.3	4.4	2.2	1.7	2.2	1.6
<b>Sub-Saharan Africa</b>	<b>5.1</b>	<b>4.5</b>	<b>4.0</b>	<b>68.1</b>	<b>68.8</b>	<b>68.7</b>
<b>Western Africa</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>28.8</b>	<b>30.7</b>	<b>29.6</b>
Nigeria	0.1	0.1	0.1	18.0	17.3	16.5
<b>Central Africa</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>
<b>Eastern Africa</b>	<b>2.1</b>	<b>2.2</b>	<b>1.9</b>	<b>19.7</b>	<b>20.6</b>	<b>21.0</b>
Ethiopia	1.1	1.1	1.5	8.4	6.1	9.2
Sudan	0.6	0.5	0.2	3.8	5.5	3.6
<b>Southern Africa</b>	<b>2.8</b>	<b>2.2</b>	<b>2.0</b>	<b>17.1</b>	<b>14.9</b>	<b>15.7</b>
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.4	1.8	1.5	9.6	8.1	7.8
Zimbabwe	0.3	0.3	0.3	2.4	1.6	1.7
<b>CENTRAL AMERICA</b>	<b>3.7</b>	<b>3.3</b>	<b>3.2</b>	<b>27.0</b>	<b>28.9</b>	<b>28.9</b>
Mexico	3.7	3.2	3.2	23.9	25.5	25.3
<b>SOUTH AMERICA</b>	<b>20.1</b>	<b>16.5</b>	<b>18.9</b>	<b>63.7</b>	<b>62.9</b>	<b>58.3</b>
Argentina	14.8	11.5	14.2	19.7	24.2	17.5
Brazil	2.4	2.2	2.4	35.6	30.6	32.8
Colombia	0.1	0.1	0.1	1.3	1.6	1.5
<b>NORTH AMERICA</b>	<b>91.8</b>	<b>93.4</b>	<b>89.5</b>	<b>286.0</b>	<b>298.7</b>	<b>290.8</b>
Canada	24.3	24.1	26.9	25.3	26.8	26.9
United States	67.5	69.3	62.7	260.8	271.9	263.8
<b>EUROPE</b>	<b>197.3</b>	<b>187.7</b>	<b>176.6</b>	<b>241.8</b>	<b>201.9</b>	<b>202.4</b>
Bulgaria	3.6	3.3	3.0	2.6	2.4	2.4
EC <sup>2/</sup>	95.1	102.6	97.3	110.7	106.2	101.9
Hungary	5.3	4.9	2.6	8.9	8.0	8.2
Poland	8.2	9.5	9.2	17.2	17.6	16.6
Romania	7.1	5.2	4.6	15.0	10.3	11.4
Russian Fed.	44.3	30.0	31.0	42.2	22.2	25.9
Ukraine	19.0	17.0	15.0	16.6	11.4	11.3
<b>OCEANIA</b>	<b>19.7</b>	<b>21.3</b>	<b>23.0</b>	<b>10.7</b>	<b>9.5</b>	<b>9.0</b>
Australia	19.4	21.1	22.8	10.0	8.9	8.4
<b>WORLD</b>	<b>613.2</b>	<b>595.2</b>	<b>589.2</b>	<b>904.9</b>	<b>911.4</b>	<b>886.4</b>
Developing countries	285.4	277.0	278.7	351.7	389.9	371.6
Developed countries	327.8	318.1	310.4	553.2	521.5	514.8

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 - Forecast for 1999 as of January 2000

	Rice (paddy)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>527.6</b>	<b>533.8</b>	<b>537.7</b>	<b>991.6</b>	<b>1019.0</b>	<b>1018.7</b>
Bangladesh	28.3	29.5	30.7	29.8	31.4	32.6
China 2/	202.8	200.6	200.0	445.6	460.0	456.2
India	123.6	127.2	127.6	223.8	224.5	229.5
Indonesia	49.4	49.2	49.9	58.2	59.3	59.0
Iran, Islamic Rep. of	2.4	2.8	2.3	16.4	18.4	14.5
Japan	12.5	11.2	11.5	13.3	12.0	12.2
Kazakhstan	0.3	0.2	0.2	12.4	7.2	14.2
Korea, D. P. R.	1.7	2.1	2.3	2.9	3.9	3.9
Korea, Rep. of	7.5	7.0	7.2	7.9	7.4	7.6
Myanmar	16.7	17.8	17.5	17.2	18.4	18.0
Pakistan	6.5	7.1	7.3	24.8	27.7	27.4
Philippines	10.0	10.3	11.9	14.3	14.1	16.5
Saudi Arabia	-	-	-	1.9	2.4	2.2
Thailand	22.6	22.8	23.3	26.7	28.0	28.2
Turkey	0.3	0.3	0.3	29.7	32.3	28.0
Viet Nam	28.9	31.0	30.7	30.2	32.3	32.1
<b>AFRICA</b>	<b>16.4</b>	<b>15.8</b>	<b>17.5</b>	<b>108.6</b>	<b>113.2</b>	<b>111.4</b>
<b>North Africa</b>	<b>5.5</b>	<b>4.5</b>	<b>5.8</b>	<b>24.6</b>	<b>28.7</b>	<b>27.1</b>
Egypt	5.5	4.5	5.8	18.0	17.0	19.0
Morocco	-	-	-	4.1	6.6	3.8
<b>Sub-Saharan Africa</b>	<b>10.9</b>	<b>11.3</b>	<b>11.7</b>	<b>84.0</b>	<b>84.5</b>	<b>84.3</b>
<b>Western Africa</b>	<b>6.9</b>	<b>7.0</b>	<b>7.3</b>	<b>35.8</b>	<b>37.8</b>	<b>37.0</b>
Nigeria	3.3	3.3	3.4	21.3	20.7	20.0
<b>Central Africa</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>2.9</b>	<b>3.1</b>	<b>2.9</b>
<b>Eastern Africa</b>	<b>0.8</b>	<b>1.2</b>	<b>1.0</b>	<b>22.6</b>	<b>24.0</b>	<b>23.8</b>
Ethiopia	-	-	-	9.5	7.2	10.6
Sudan	-	-	-	4.4	6.0	3.8
<b>Southern Africa</b>	<b>2.8</b>	<b>2.7</b>	<b>2.9</b>	<b>22.8</b>	<b>19.8</b>	<b>20.6</b>
Madagascar	2.6	2.4	2.6	2.7	2.6	2.8
South Africa	-	-	-	12.0	9.9	9.3
Zimbabwe	-	-	-	2.7	1.9	2.0
<b>CENTRAL AMERICA</b>	<b>2.3</b>	<b>2.2</b>	<b>2.3</b>	<b>33.0</b>	<b>34.3</b>	<b>34.4</b>
Mexico	0.5	0.5	0.5	28.0	29.2	29.0
<b>SOUTH AMERICA</b>	<b>18.1</b>	<b>17.0</b>	<b>21.4</b>	<b>101.9</b>	<b>96.4</b>	<b>98.6</b>
Argentina	1.2	1.0	1.7	35.7	36.7	33.4
Brazil	9.5	8.5	11.6	47.6	41.3	46.9
Colombia	1.8	1.8	1.8	3.1	3.4	3.4
<b>NORTH AMERICA</b>	<b>8.3</b>	<b>8.5</b>	<b>9.5</b>	<b>386.1</b>	<b>400.6</b>	<b>389.8</b>
Canada	-	-	-	49.5	50.9	53.8
United States	8.3	8.5	9.5	336.6	349.7	336.0
<b>EUROPE</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>442.3</b>	<b>392.7</b>	<b>382.1</b>
Bulgaria	-	-	-	6.1	5.7	5.4
EC 3/	2.8	2.6	2.6	208.5	211.4	201.8
Hungary	-	-	-	14.2	12.9	10.9
Poland	-	-	-	25.4	27.1	25.8
Romania	-	-	-	22.1	15.4	16.0
Russian Fed.	0.3	0.4	0.4	86.8	52.6	58.6
Ukraine	0.1	0.1	0.1	35.7	28.5	26.4
<b>OCEANIA</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>31.9</b>	<b>32.2</b>	<b>33.4</b>
Australia	1.4	1.3	1.4	30.8	31.3	32.5
<b>WORLD</b>	<b>577.3</b>	<b>581.8</b>	<b>592.9</b>	<b>2095.5</b>	<b>2088.4</b>	<b>2068.5</b>
Developing countries	551.1	556.8	566.7	1188.2	1223.8	1217.0
Developed countries	26.2	25.0	26.3	907.3	864.6	851.5

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)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>48.7</b>	<b>45.0</b>	<b>48.4</b>	<b>54.2</b>	<b>53.1</b>	<b>53.7</b>
Bangladesh	0.8	2.4	1.6	-	-	-
China <sup>2/</sup>	3.1	1.5	2.0	6.7	7.1	7.0
China, Hong Kong SAR	0.4	0.4	0.4	-	-	-
Georgia	0.6	0.6	0.6	-	-	-
India	2.3	1.4	1.6	0.2	0.2	0.2
Indonesia	4.0	2.9	3.1	1.3	0.4	0.4
Iran, Islamic Rep. of	4.0	3.2	6.0	1.7	1.5	2.1
Japan	6.0	5.8	5.9	21.0	20.8	20.4
Korea, Rep. of	3.9	4.6	3.9	8.0	7.6	8.3
Malaysia	1.1	1.2	1.3	2.3	2.2	2.3
Pakistan	4.3	2.9	3.2	-	-	-
Philippines	2.0	2.1	2.3	0.4	0.2	0.3
Saudi Arabia	-	-	-	6.0	6.0	6.0
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	0.9	0.9	-	0.1	0.1
Syria	0.2	0.1	0.1	0.5	0.5	0.5
Thailand	0.7	0.7	0.8	0.3	0.1	0.2
Uzbekistan	0.9	0.5	0.3	-	-	-
Yemen	2.5	2.0	2.5	0.2	0.1	0.2
<b>AFRICA</b>	<b>24.0</b>	<b>22.6</b>	<b>23.2</b>	<b>10.6</b>	<b>11.3</b>	<b>12.8</b>
<b>North Africa</b>	<b>17.1</b>	<b>15.7</b>	<b>16.4</b>	<b>6.2</b>	<b>7.8</b>	<b>7.7</b>
Algeria	4.6	4.3	4.5	1.0	1.5	1.5
Egypt	7.1	7.2	7.0	3.0	3.6	3.3
Morocco	2.8	2.1	2.8	0.9	1.5	1.6
Tunisia	1.3	0.8	0.8	0.6	0.6	0.6
<b>Sub-Saharan Africa <sup>3/</sup></b>	<b>6.9</b>	<b>6.9</b>	<b>6.7</b>	<b>4.4</b>	<b>3.5</b>	<b>5.1</b>
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.3	0.6	0.5	-	0.1	-
Kenya	0.5	0.3	0.3	1.1	0.4	0.8
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.1
Sudan	0.5	0.5	0.4	-	0.1	0.1
<b>CENTRAL AMERICA</b>	<b>4.7</b>	<b>5.8</b>	<b>5.7</b>	<b>9.6</b>	<b>11.6</b>	<b>11.4</b>
Mexico	2.2	2.4	2.5	7.1	8.6	8.4
<b>SOUTH AMERICA</b>	<b>9.8</b>	<b>12.2</b>	<b>11.6</b>	<b>5.8</b>	<b>7.0</b>	<b>6.8</b>
Brazil	5.6	7.0	6.3	1.2	1.4	1.6
Colombia	0.9	1.1	1.1	1.5	1.5	1.6
Peru	1.1	1.3	1.2	0.9	1.1	1.1
Venezuela	1.2	1.3	1.3	1.0	1.4	1.3
<b>NORTH AMERICA</b>	<b>2.5</b>	<b>2.9</b>	<b>2.6</b>	<b>4.3</b>	<b>3.8</b>	<b>3.5</b>
<b>EUROPE</b>	<b>10.0</b>	<b>7.9</b>	<b>10.7</b>	<b>5.4</b>	<b>6.1</b>	<b>7.6</b>
EC <sup>4/</sup>	3.7	2.7	2.5	2.4	3.5	3.1
Russian Fed.	3.0	2.1	4.0	0.8	0.8	1.8
<b>OCEANIA</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>
<b>WORLD</b>	<b>100.3</b>	<b>97.1</b>	<b>102.5</b>	<b>89.9</b>	<b>92.9</b>	<b>96.0</b>
Developing countries	76.9	75.7	78.6	57.6	60.5	62.1
Developed countries	23.4	21.4	24.0	32.3	32.5	33.9

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including wheat flour in wheat grain equivalent, but excluding semolina.<sup>2/</sup> Including Taiwan Province.<sup>3/</sup> Including the Republic of South Africa.<sup>4/</sup> Excluding trade between the fifteen EC member countries.

Table A.2 b) - WORLD IMPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>17.1</b>	<b>14.3</b>	<b>12.8</b>	<b>120.1</b>	<b>112.4</b>	<b>114.9</b>
Bangladesh	2.5	1.7	1.0	3.3	4.1	2.6
China 2/	0.2	0.2	0.3	10.1	8.8	9.3
China, Hong Kong SAR	0.3	0.3	0.4	0.8	0.8	0.8
Georgia	-	-	-	0.6	0.6	0.6
India	-	-	-	2.5	1.6	1.8
Indonesia	6.0	4.0	3.0	11.3	7.3	6.5
Iran, Islamic Rep. of	0.5	1.0	1.1	6.2	5.7	9.2
Japan	0.5	0.7	0.7	27.4	27.3	27.0
Korea, Rep. of	0.1	0.1	0.1	12.0	12.3	12.3
Malaysia	0.7	0.7	0.7	4.1	4.1	4.3
Pakistan	-	-	-	4.3	2.9	3.2
Philippines	2.1	1.2	0.9	4.5	3.5	3.5
Saudi Arabia	0.8	0.9	0.9	6.8	6.9	6.9
Singapore	0.3	0.3	0.3	0.7	0.8	0.8
Sri Lanka	0.2	0.1	0.2	1.1	1.1	1.1
Syria	0.2	0.2	0.2	0.9	0.8	0.9
Thailand	-	-	-	1.0	0.8	1.0
Uzbekistan	-	-	-	0.9	0.5	0.4
Yemen	0.2	0.2	0.2	2.8	2.3	2.9
<b>AFRICA</b>	<b>4.6</b>	<b>5.1</b>	<b>5.2</b>	<b>39.2</b>	<b>39.0</b>	<b>41.2</b>
<b>North Africa</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>23.5</b>	<b>23.7</b>	<b>24.3</b>
Algeria	-	0.1	0.1	5.7	5.9	6.1
Egypt	-	-	-	10.2	10.8	10.3
Morocco	-	-	-	3.7	3.6	4.4
Tunisia	-	-	-	2.0	1.4	1.4
<b>Sub-Saharan Africa 3/</b>	<b>4.4</b>	<b>4.8</b>	<b>5.0</b>	<b>15.6</b>	<b>15.2</b>	<b>16.8</b>
Cote d'Ivoire	0.5	0.6	0.6	0.8	0.9	0.9
Ethiopia	-	-	-	0.3	0.6	0.5
Kenya	0.1	0.1	0.1	1.7	0.8	1.2
Madagascar	-	0.1	0.1	0.1	0.2	0.2
Senegal	0.6	0.6	0.6	0.8	0.9	0.9
Sudan	-	-	-	0.6	0.6	0.4
<b>CENTRAL AMERICA</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>15.7</b>	<b>18.8</b>	<b>18.7</b>
Mexico	0.3	0.3	0.4	9.5	11.3	11.2
<b>SOUTH AMERICA</b>	<b>2.2</b>	<b>1.4</b>	<b>1.6</b>	<b>17.8</b>	<b>20.6</b>	<b>20.0</b>
Brazil	1.5	1.0	1.1	8.2	9.4	9.0
Colombia	0.3	0.1	0.2	2.7	2.7	2.9
Peru	0.2	0.1	0.2	2.3	2.6	2.5
Venezuela	-	-	0.1	2.3	2.7	2.6
<b>NORTH AMERICA</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>7.4</b>	<b>7.3</b>	<b>6.8</b>
<b>EUROPE</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>16.8</b>	<b>15.6</b>	<b>19.8</b>
EC 4/	0.7	0.7	0.6	6.7	6.8	6.2
Russian Fed.	0.3	0.4	0.4	4.0	3.2	6.1
<b>OCEANIA</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>
<b>WORLD</b>	<b>27.6</b>	<b>24.8</b>	<b>23.7</b>	<b>217.8</b>	<b>214.8</b>	<b>222.3</b>
Developing countries	24.4	21.2	20.0	158.9	157.3	160.7
Developed countries	3.2	3.6	3.7	59.0	57.5	61.5

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Including the Republic of South Africa.

4/ Excluding trade between the fifteen EC member countries.

5/ Highly tentative.



Table A.3 a) - WORLD EXPORTS OF CEREALS

	Wheat (July/June) <sup>1/</sup>			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>7.8</b>	<b>7.1</b>	<b>7.6</b>	<b>9.6</b>	<b>6.0</b>	<b>7.1</b>
China <sup>2/</sup>	0.5	0.3	0.2	7.0	3.4	5.2
India	-	0.1	0.5	-	-	-
Indonesia	-	-	-	0.5	0.4	0.2
Japan	0.4	0.4	0.4	-	-	-
Kazakhstan	3.4	2.1	4.0	0.8	0.4	0.8
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.1	0.3	0.3	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	-	0.2	0.1
Turkey	1.3	2.8	1.5	0.9	1.3	0.6
Viet Nam	-	-	-	0.2	0.2	0.2
<b>AFRICA</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>3.1</b>	<b>1.9</b>	<b>2.2</b>
Egypt	-	-	-	-	-	-
South Africa	0.2	0.1	0.1	1.3	0.9	0.9
Sudan	-	-	-	0.1	0.3	0.2
Zimbabwe	-	-	-	0.3	0.1	-
<b>CENTRAL AMERICA</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>SOUTH AMERICA</b>	<b>9.1</b>	<b>8.4</b>	<b>10.0</b>	<b>13.6</b>	<b>11.3</b>	<b>12.1</b>
Argentina	8.9	8.3	10.0	13.0	10.8	11.5
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
<b>NORTH AMERICA</b>	<b>49.2</b>	<b>43.0</b>	<b>47.5</b>	<b>47.1</b>	<b>55.3</b>	<b>55.0</b>
Canada	21.1	13.9	18.5	3.4	2.5	3.0
United States	28.1	29.0	29.0	43.6	52.8	52.0
<b>EUROPE</b>	<b>18.9</b>	<b>24.4</b>	<b>20.0</b>	<b>10.6</b>	<b>15.8</b>	<b>16.2</b>
EC <sup>3/</sup>	13.0	14.0	15.0	4.0	10.4	11.0
Hungary	1.6	1.5	0.6	2.1	2.0	1.9
Poland	-	0.5	0.1	0.1	0.3	0.3
Romania	0.9	0.5	0.3	1.2	0.5	0.5
Russian Fed.	1.0	1.4	0.5	1.5	0.2	-
Ukraine	1.6	4.4	2.1	1.0	1.5	1.0
<b>OCEANIA</b>	<b>15.1</b>	<b>16.1</b>	<b>17.0</b>	<b>3.0</b>	<b>4.9</b>	<b>3.3</b>
Australia	15.1	16.1	17.0	2.9	4.9	3.3
<b>WORLD</b>	<b>100.7</b>	<b>99.5</b>	<b>102.5</b>	<b>87.2</b>	<b>95.3</b>	<b>96.0</b>
Developing countries	13.4	13.4	13.5	24.3	18.0	19.9
Developed countries	87.3	86.0	89.0	62.9	77.3	76.2

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including wheat flour in wheat grain equivalent, but excluding semolina.<sup>2/</sup> Including Taiwan Province.<sup>3/</sup> Excluding trade between the fifteen EC member countries.

Table A.3 b) - WORLD EXPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>21.4</b>	<b>19.0</b>	<b>17.7</b>	<b>38.8</b>	<b>32.1</b>	<b>32.5</b>
China 2/	3.8	2.7	2.8	11.4	6.4	8.1
India	4.5	2.6	2.0	4.5	2.7	2.5
Indonesia	-	-	-	0.5	0.4	0.2
Japan	0.8	0.5	0.4	1.2	0.8	0.8
Kazakhstan	-	-	-	4.2	2.5	4.8
Myanmar	0.1	0.1	0.1	0.2	0.1	0.2
Pakistan	2.0	1.8	2.0	2.1	2.1	2.3
Saudi Arabia	-	-	-	-	-	-
Thailand	6.4	6.7	6.0	6.4	6.9	6.1
Turkey	-	-	-	2.2	4.1	2.1
Viet Nam	3.8	4.6	4.3	4.0	4.7	4.5
<b>AFRICA</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>4.0</b>	<b>2.5</b>	<b>2.8</b>
Egypt	0.4	0.3	0.4	0.4	0.3	0.4
South Africa	-	-	-	1.5	1.0	1.0
Sudan	-	-	-	0.1	0.3	0.2
Zimbabwe	-	-	-	0.3	0.1	-
<b>CENTRAL AMERICA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
<b>SOUTH AMERICA</b>	<b>1.6</b>	<b>1.9</b>	<b>1.8</b>	<b>24.3</b>	<b>21.6</b>	<b>23.9</b>
Argentina	0.5	0.6	0.6	22.5	19.8	22.1
Suriname	0.1	0.1	0.1	0.1	0.1	0.1
Uruguay	0.7	0.8	0.7	0.8	0.9	0.8
<b>NORTH AMERICA</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>99.5</b>	<b>101.0</b>	<b>105.5</b>
Canada	-	-	-	24.6	16.5	21.5
United States	3.2	2.8	3.0	74.9	84.6	84.0
<b>EUROPE</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>29.7</b>	<b>40.4</b>	<b>36.3</b>
EC 3/	0.2	0.2	0.2	17.2	24.6	26.2
Hungary	-	-	-	3.7	3.5	2.5
Poland	-	-	-	0.1	0.8	0.4
Romania	-	-	-	2.1	1.0	0.8
Russian Fed.	-	-	-	2.5	1.6	0.5
Ukraine	-	-	-	2.6	5.8	3.1
<b>OCEANIA</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>18.7</b>	<b>21.7</b>	<b>20.9</b>
Australia	0.6	0.7	0.6	18.6	21.6	20.9
<b>WORLD</b>	<b>27.6</b>	<b>24.8</b>	<b>23.7</b>	<b>215.5</b>	<b>219.6</b>	<b>222.3</b>
Developing countries	22.8	20.7	19.5	60.5	52.1	52.9
Developed countries	4.8	4.1	4.3	155.0	167.5	169.4

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

4/ Highly Tentative.

Table A.4 - WHEAT, COARSE GRAINS AND RICE: Supplies and utilization in main exporting countries, National Crop Years

	Wheat <sup>1/</sup>			Coarse Grains <sup>2/</sup>			Rice (milled basis)		
	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast
	(..... million tonnes .....)								
	<b>UNITED STATES (June/May)</b>			<b>UNITED STATES</b>			<b>UNITED STATES (Aug./July)</b>		
Opening stocks	12.1	19.7	25.7	27.0	38.2	51.4	0.9	0.9	0.7
Production	67.5	69.3	62.7	260.6	271.7	263.8	5.8	5.9	6.6
Imports	2.6	2.8	2.7	2.7	2.8	2.5	0.3	0.3	0.3
<b>Total Supply</b>	<b>82.2</b>	<b>91.8</b>	<b>91.1</b>	<b>290.3</b>	<b>312.6</b>	<b>317.7</b>	<b>6.9</b>	<b>7.1</b>	<b>7.7</b>
Domestic use	34.2	37.7	35.4	206.9	205.4	210.5	3.3	3.7	3.7
Exports	28.3	28.4	29.3	45.2	55.8	54.0	2.7	2.7	2.6
Closing stocks	19.7	25.7	26.5	38.2	51.4	53.2	0.9	0.7	1.4
	<b>CANADA (August/July)</b>			<b>CANADA</b>			<b>THAILAND (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	9.0	6.0	7.4	4.9	4.4	4.9	1.2	1.0	0.6
Production	24.3	24.1	26.9	25.3	26.8	26.9	15.0	15.1	15.4
Imports	0.1	0.1	0.0	1.5	1.0	0.9	0.0	0.0	0.0
<b>Total Supply</b>	<b>33.4</b>	<b>30.2</b>	<b>34.2</b>	<b>31.7</b>	<b>32.1</b>	<b>32.8</b>	<b>16.2</b>	<b>16.1</b>	<b>16.0</b>
Domestic use	7.4	8.0	8.2	23.7	24.1	24.1	8.9	8.8	9.0
Exports	20.0	14.8	18.7	3.6	3.1	3.5	6.4	6.7	6.0
Closing stocks	6.0	7.4	7.3	4.4	4.9	5.3	1.0	0.6	1.1
	<b>ARGENTINA (Dec./Nov.)</b>			<b>ARGENTINA</b>			<b>CHINA (Jan./Dec.) <sup>3/ 4/</sup></b>		
Opening stocks	1.2	0.7	0.4	0.1	0.4	1.9	12.3	14.2	14.5
Production	14.8	11.5	14.2	19.7	24.2	17.5	139.0	137.5	137.1
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3
<b>Total Supply</b>	<b>16.0</b>	<b>12.2</b>	<b>14.6</b>	<b>19.8</b>	<b>24.6</b>	<b>19.4</b>	<b>151.6</b>	<b>151.8</b>	<b>151.8</b>
Domestic use	4.9	5.4	5.2	7.6	9.1	8.8	133.6	134.6	135.3
Exports	10.4	6.5	9.0	11.7	13.6	10.1	3.8	2.7	2.8
Closing stocks	0.7	0.4	0.4	0.4	1.9	0.5	14.2	14.5	13.8
	<b>AUSTRALIA (Oct./Sept.)</b>			<b>AUSTRALIA</b>			<b>PAKISTAN (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	2.9	1.5	1.7	1.1	2.1	1.6	0.4	0.4	0.6
Production	19.4	21.1	22.8	10.0	8.9	8.4	4.3	4.7	4.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Supply</b>	<b>22.3</b>	<b>22.6</b>	<b>24.5</b>	<b>11.1</b>	<b>11.0</b>	<b>10.0</b>	<b>4.7</b>	<b>5.1</b>	<b>5.5</b>
Domestic use	5.1	5.0	5.0	5.6	5.6	5.9	2.4	2.7	2.8
Exports	15.7	15.9	17.5	3.4	3.8	3.6	2.0	1.8	2.0
Closing stocks	1.5	1.7	2.0	2.1	1.6	0.5	0.4	0.6	0.8
	<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	11.0	11.0	16.1	12.7	23.9	25.2	1.7	1.9	2.2
Production	95.1	102.6	97.3	110.7	106.2	101.9	18.8	20.1	20.0
Imports	3.7	2.7	2.5	2.4	3.5	3.1	0.0	0.0	0.0
<b>Total Supply</b>	<b>109.8</b>	<b>116.3</b>	<b>115.9</b>	<b>125.7</b>	<b>133.5</b>	<b>130.2</b>	<b>20.5</b>	<b>22.0</b>	<b>22.2</b>
Domestic use	85.6	85.9	86.1	100.4	98.0	98.4	14.8	15.3	15.7
Exports	13.2	14.3	15.8	4.0	10.4	11.0	3.8	4.6	4.3
Closing stocks	11.0	16.1	14.0	23.9	25.2	20.7	1.9	2.2	2.2
<b>TOTAL ABOVE</b>									
Opening stocks	36.2	38.9	51.3	45.7	68.9	85.0	16.5	18.3	18.6
Production	221.1	228.6	223.7	426.3	437.8	418.6	182.8	183.3	184.0
Imports	6.3	5.6	5.2	6.6	7.3	6.5	0.5	0.5	0.6
<b>Total Supply</b>	<b>263.7</b>	<b>273.2</b>	<b>280.3</b>	<b>478.6</b>	<b>513.9</b>	<b>510.1</b>	<b>199.9</b>	<b>202.1</b>	<b>203.2</b>
Domestic use	137.1	142.0	139.9	344.1	342.3	347.6	162.9	165.1	166.4
Exports	87.6	79.9	90.3	68.0	86.7	82.2	18.7	18.5	17.7
Closing stocks	38.9	51.3	50.1	68.9	85.0	80.3	18.3	18.6	19.2

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 refers 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 STOCKS: Estimated Total Carryovers of Cereals 1/

	Crop Years ending in:						
	1994	1995	1996	1997	1998	1999 estim.	2000 forecast
	( ..... million tonnes ..... )						
<b>TOTAL CEREALS</b>	<b>342.9</b>	<b>313.2</b>	<b>254.1</b>	<b>293.4</b>	<b>330.3</b>	<b>341.6</b>	<b>333.6</b>
held by:							
- main exporters 2/	119.5	110.8	74.7	98.4	126.2	154.9	149.6
- others	223.4	202.4	179.4	194.9	204.1	186.7	184.0
<b>BY GRAINS</b>							
<b>Wheat</b>	<b>145.3</b>	<b>115.4</b>	<b>101.8</b>	<b>112.7</b>	<b>135.2</b>	<b>139.2</b>	<b>134.2</b>
held by:							
- main exporters 2/	46.9	32.6	28.7	36.2	38.9	51.3	50.1
- others	98.5	82.9	73.2	76.4	96.2	88.0	84.1
<b>Coarse Grains</b>	<b>135.3</b>	<b>142.8</b>	<b>100.1</b>	<b>124.8</b>	<b>140.4</b>	<b>146.5</b>	<b>141.6</b>
held by:							
- main exporters 2/	53.5	63.8	31.6	45.7	68.9	85.0	80.3
- others	81.8	79.0	68.4	79.1	71.5	61.4	61.3
<b>Rice (milled basis)</b>	<b>62.1</b>	<b>55.0</b>	<b>52.1</b>	<b>55.9</b>	<b>54.7</b>	<b>55.9</b>	<b>57.7</b>
held by:							
- main exporters 2/	19.1	14.5	14.4	16.5	18.3	18.6	19.2
- others	43.0	40.5	37.8	39.4	36.4	37.3	38.6
<b>BY REGIONS</b>							
<b>Developed Countries</b>	<b>174.2</b>	<b>158.9</b>	<b>102.4</b>	<b>120.2</b>	<b>166.0</b>	<b>171.5</b>	<b>164.5</b>
<b>North America</b>	<b>59.9</b>	<b>69.3</b>	<b>35.2</b>	<b>53.9</b>	<b>69.1</b>	<b>90.2</b>	<b>93.8</b>
Canada	16.2	9.2	9.8	14.0	10.4	12.4	12.7
United States	43.7	60.2	25.5	39.9	58.7	77.9	81.1
<b>Others</b>	<b>114.3</b>	<b>89.5</b>	<b>67.2</b>	<b>66.3</b>	<b>96.9</b>	<b>81.3</b>	<b>70.8</b>
Australia	4.6	2.6	3.0	4.0	3.8	3.5	2.7
EC 4/	36.0	25.1	22.5	23.9	35.1	41.4	34.9
Japan	4.3	5.5	6.1	6.7	6.8	6.0	5.6
Russian Fed.	25.2	15.9	7.2	6.5	18.0	5.7	3.9
South Africa	2.3	3.2	1.3	1.8	3.4	1.6	1.5
<b>Developing Countries</b>	<b>168.6</b>	<b>154.4</b>	<b>151.6</b>	<b>173.2</b>	<b>164.3</b>	<b>170.1</b>	<b>169.1</b>
<b>Asia</b>	<b>138.5</b>	<b>122.2</b>	<b>125.4</b>	<b>139.9</b>	<b>133.2</b>	<b>137.9</b>	<b>137.8</b>
China 4/	56.4	48.2	53.3	63.8	56.2	55.7	54.2
India 5/	19.0	24.1	18.4	10.7	19.0	22.1	25.0
Indonesia	6.1	5.0	6.0	6.4	4.7	4.8	4.3
Iran, Islamic Rep. of	5.2	5.4	4.6	5.9	4.8	4.8	4.2
Korea, Rep. of	3.3	2.4	1.8	2.5	2.8	3.0	3.4
Pakistan	4.1	3.2	3.3	3.6	4.1	5.0	4.6
Philippines	2.1	1.2	1.9	2.0	2.0	2.6	2.8
Syria	2.8	3.0	3.3	3.2	2.2	2.1	1.0
Turkey	4.5	1.9	4.0	5.9	5.9	6.0	3.6
<b>Africa</b>	<b>15.1</b>	<b>17.9</b>	<b>11.4</b>	<b>19.9</b>	<b>17.4</b>	<b>18.8</b>	<b>17.7</b>
Algeria	2.3	2.7	1.5	2.0	1.0	1.7	1.3
Egypt	2.1	1.3	1.6	2.2	2.8	2.9	3.2
Morocco	0.2	2.9	0.6	3.8	2.5	3.3	2.1
Tunisia	1.4	1.5	1.0	2.1	1.9	1.7	1.7
<b>Central America</b>	<b>4.6</b>	<b>4.6</b>	<b>6.3</b>	<b>6.9</b>	<b>6.9</b>	<b>7.1</b>	<b>7.4</b>
Mexico	2.9	2.8	5.0	5.7	6.0	6.2	6.4
<b>South America</b>	<b>10.3</b>	<b>9.5</b>	<b>8.4</b>	<b>6.4</b>	<b>6.6</b>	<b>6.2</b>	<b>6.1</b>
Argentina	1.1	0.7	0.8	1.5	1.3	2.3	1.1
Brazil	5.2	5.8	5.0	2.5	2.8	1.6	3.1
<b>WORLD STOCKS</b>	( ..... percentage ..... )						
<b>as % of consumption</b>	<b>19.0</b>	<b>17.5</b>	<b>13.7</b>	<b>15.7</b>	<b>17.6</b>	<b>18.1</b>	<b>17.4</b>

SOURCE: FAO

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

1/ Stock data are based on an aggregate of carryovers at the end of national crop years and should not be construed as representing world stock levels at a fixed point in time. 2/ For a list of main exporters of wheat, coarse grains and rice see table A.4. 3/ From 1996, includes 15 member countries. 4/ Including Taiwan Province. 5/ Government stocks only.

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 2/	Argentina Trigo Pan 3/	U.S. No.2 Yellow 4/	Argentina 3/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 4/
	(..... US\$/tonne .....						
<b>July/June</b>							
1995/96	216	198	218	159	160	156	273
1996/97	181	158	157	135	133	124	299
1997/98	142	129	137	112	109	111	263
1998/99	120	100	118	95	98	92	202
1999 – January	126	104	112	98	93	96	208
July	106	86	127	87	94	84	170
August	115	95	130	92	97	94	183
September	119	103	114	89	92	88	190
October	111	100	113	88	90	84	184
November	109	99	97	88	87	84.0	179
December	105	93	81	89	90	85.0	181
2000 – January I	107	93	87	89	93	88.0	183
II	109	96	93	89	97	88	185
III	113	100	98	94	91	93	195
IV	114	101	94	98	92	95	201

SOURCES: International Grain Council, USDA, and Reuters.

1/ F.o.b. U.S. Gulf ports. 2/ F.o.b. U.S. Atlantic ports. 3/ F.o.b. Argentine ports. 4/ Delivered U.S. Gulf ports.

Table A.7 - WORLD PRICES AND PRICE INDICES FOR RICE AND OILCROP PRODUCTS

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 1/ 100% B	Thai broken 2/	U.S. Long grain 3/	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and meals
				High	Low				
<b>January/December</b>	(.... US\$/tonne ...)			( ... 1982-84=100 ... )			<b>Oct./Sept.</b>	( ... 1990-92=100 ... )	
1996	352	234	430	136	136	136	1989/90	93	97
1997	316	214	439	127	129	120	1990/91	97	100
1998	315	215	413	127	128	126	1991/92	103	104
1999	253	192	333	114	115	110	1992/93	103	97
1999 – January	307	230	395	125	126	123	1993/94	127	93
September	235	187	316	112	114	107	1994/95	153	94
October	220	170	308	107	109	100	1995/96	140	128
November	233	169	297	107	108	102	1996/97	134	133
December	240	153	283	105	107	99	1997/98 - Oct.-Mar.	150	130
2000 – January I	243	153	269	) 106	107	100	- Apr.-Sep.	157	103
II	243	168	269				1998/99 - Oct.-Mar.	141	90
III	243	161	275				- Apr.-Sep.	109	74
IV	245	154	275				1999/00 - Oct.-Dec.	102	86

SOURCES: FAO for indices. Rice prices: International rice brokers and trading companies.

**Note:** The FAO Indices are calculated using the Laspeyres formula. The rice export price indices are calculated for 15 export prices. In this table two groups representing "High" and "Low" quality rice are shown. The price indices for oilcrop products are calculated for international prices of ten selected oils and fats and seven selected cakes and meals. The weights used are the average export values of each commodity for the 1990-92 period.

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.a.s.

Table A.8 - WHEAT AND MAIZE FUTURES PRICES <sup>1/</sup>

	December		March		May		July	
	this year	last year	this year	last year	this year	last year	this year	last year
(..... US\$/tonne .....) )								
<b>WHEAT</b>								
December 21	90	102	94	106	98	110	101	113
28	91	104	95	107	98	111	102	115
January 4	91	103	95	106	98	110	102	114
11	93	105	97	109	101	113	105	116
18	97	99	101	102	105	106	109	110
25	97	99	101	103	105	106	109	110
<b>MAIZE</b>								
December 21	80	86	82	89	85	92	87	94
28	80	86	83	89	86	92	88	94
January 4	80	85	83	87	85	90	88	93
11	82	86	84	89	87	92	90	94
18	87	84	90	87	93	89	96	91
25	90	85	93	87	95	89	98	92

SOURCE: Chicago Board of Trade

<sup>1/</sup> Prices refer to Tuesday quotations.

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam <sup>1/</sup>	CIS Black Sea <sup>1/ 2/</sup>	Egypt (Alexandria) <sup>1/</sup>	Bangladesh <sup>1/</sup>	East Africa Sudan <sup>1</sup>	China <sup>1/</sup>	Japan <sup>1/</sup>
(..... US\$/tonne .....) )							
<b>July/June</b>							
1994/95	15.25	30.46	18.74	23.75	39.65	22.29	32.46
1995/96	12.95	30.00	16.83	21.67	41.65	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	-	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	-	27.00	28.00
1998/99	9.40	25.45	9.25	18.75	-	27.00	29.17
1999 – January	7.50	22.00	8.50	18.50	-	27.00	30.00
June	14.75	22.00	11.00	18.50	-	27.00	30.00
July	14.75	n.q.	11.00	18.50	-	27.00	30.00
August	14.75	40.97	12.00	18.50	-	27.00	31.00
September	12.00	40.97	11.00	18.50	-	27.00	31.50
October	12.00	40.97	13.00	18.50	-	27.00	32.00
November	12.00	40.97	15.00	18.50	-	27.00	32.25
Decmder	11.75	40.97	13.00	18.50	-	27.00	32.25
2000 – January	13.00	40.97	15.00	18.50	-	27.00	32.50

SOURCE: International Grain Council

**Note:** Estimated mid-month rates based on current chartering practices for vessels ready to load three to four weeks ahead.<sup>1/</sup> Size of vessels: Rotterdam over 40 000 tons; CIS 20-40 000 tons; Egypt over 30 000 tons; Bangladesh over 40 000 tons; East Africa 15-25 000 tons; China 20-35 000 tons; Japan 15-24 999 tons.<sup>2/</sup> Excludes CIS and United States flag vessels.

Table A.10 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 1999

	1997	1998	1999	Change 1999 over 1998
	( . . . . . million tons . . . . . )			( . . . percentage . . . )
Wheat	67.5	69.3	62.7	-9.6
of which: winter	(50.2)	(51.2)	(46.3)	-9.6
Coarse grains	260.8	271.9	263.8	-3.0
of which: maize	(233.9)	(247.9)	(239.7)	-3.3
Rice (paddy)	8.3	8.5	9.5	11.9
Soybeans	73.2	74.6	71.9	-3.6

SOURCE: USDA: Crop Production, 12 January 2000

Table A.11- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 1999

	1997	1998	1999	Change 1999 over 1998
	( . . . . . thousand tonnes . . . . . )			( . . percentage . . . )
Wheat	24 280	24 076	26 850	11.5
Oats	3 485	3 958	3 641	-8.0
Barley	13 527	12 709	13 196	3.8
Rye	320	398	397	-0.3
Maize	7 200	8 952	9 096	1.6
Mixed Grains	603	548	447	-18.4
Linseed	895	1 081	1 049	-3.0
Rapeseed	6 393	7 643	8 798	15.1

SOURCE: Statistics Canada, 3 December 1999.

Table A.12- AUSTRALIA: CEREAL PRODUCTION FOR 1999

	1997	1998	1999	Change 1999 over 1998
	( . . . . . thousand tonnes . . . . . )			( . . percentage . . . )
Wheat	19 417	21 108	22 758	7.8
Oats	1 580	1 560	1 530	-1.9
Barley	6 400	5 380	4 360	-19.0
Sorghum	1 210	1 070	1 660	55.1
Maize	370	340	320	-5.9
Triticale	410	480	470	-2.1
Rice (paddy)	1 380	1 331	1 390	4.4

SOURCE: Australian Bureau of Agricultural and Resources Economics, 14 December 1999.

Table A.13 - 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	27.01.00	5.4	6.0	6.9	11.4
Coffee (I.C.O. daily price)	US cents per lb	27.01.00	80.7	88.6	93.5	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	27.01.00	41.6	41.3	64.3	56.0
Tea (all tea, London, weekly)	US\$ per kg.	27.01.00	1.8	1.9	1.7	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	27.01.00	1 678 <sup>1/</sup> 1 369 <sup>2/</sup>	1 474 <sup>1/</sup> 1 202 <sup>2/</sup>	2 026 <sup>1/</sup> 1 436 <sup>2/</sup>	1 107
Rubber (RSS 1, spot London)	Pence per kg.	27.01.00	45.5	49.5	52.8	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	27.01.00	47.2	44.0	55.7	78.5
Wool (64's, London)	Pence per kg	27.01.00	270	270	315	466

SOURCE: FAO

<sup>1/</sup> EC duty paid, estimated. <sup>2/</sup> 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.

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.

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Issue No. Release Date <sup>1/</sup>	1 14 February	2 10 April	3 12 June	4 18 September	5 13 November
<b>Contents</b>					
<b>Cereals</b>					
Cereal supply/demand roundup <sup>2/</sup>	●	●	●	●	●
Cereal production, trade, stocks & prices	●	●	●	●	●
Extended report on cereal utilization		●		●	
Food Aid					●
Ocean Freight Rates		●		●	
<b>Other Commodities</b>					
Cassava		●			●
Fertilizer	●	●	●	●	●
Fish				●	
Meat	●			●	
Milk and milk products		●			●
Oilseeds, Oils and Oilmeals	●				
Sugar			●		●
<b>Special Features<sup>3/</sup></b>					

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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