

food outlook

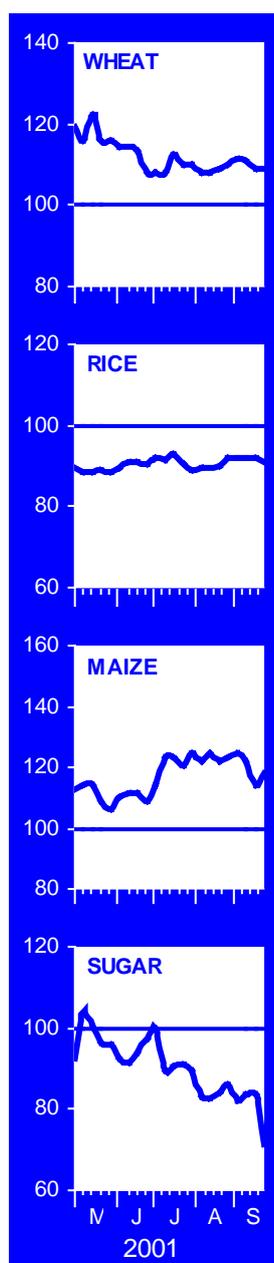
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highlights

EXPORT PRICES

(July 2000=100)



The outlook for 2001 cereal output has deteriorated since June due to persisting drought in some important producing countries. The latest forecasts put world production well below anticipated utilization in 2001/02, pointing to a substantial decline in stocks.

Food emergencies of varying intensity persist for 62 million people worldwide, according to FAO estimates in September, about the same number as at this time last year.

Cereal production in 2001 is now forecast at 1 842 million tonnes, 14 million tonnes or about 0.7 percent below the estimate for 2000. Output of wheat is forecast at 565 million tonnes, 3.4 percent down from the previous year while that of coarse grains is now put at 885 million tonnes, 1.4 percent up on last year's level. The global rice crop is forecast at 392 million tonnes (milled basis), 1.5 percent down from 2000.

World cereal trade in 2001/02 is now forecast at 230 million tonnes, virtually unchanged from the previous season. Stronger demand for wheat and rice would be offset by a reduction for coarse grains.

International export prices for most cereals showed some recovery since the previous report in June. However, the economic and the political uncertainty triggered by the tragic events of 11 September in the United States has put some prices under downward pressure again in recent weeks.

Global cassava production in 2001 is forecast to increase by only 1 percent. Despite a further contraction in imports by the EC, global trade in cassava products is expected to recover this year, owing mainly to large purchases by China. International prices might also start a recovery, following the announcement of a tightening of cassava supplies in exporting countries and expectations of firm grain prices in the EC.

International meat prices continue to strengthen in 2001. However, a deterioration in economic conditions around the globe and the first reported case of BSE in Asia may limit gains in meat prices.

Global pulse production in 2001 is forecast at 58 million tonnes, 3 million tonnes up from the previous year. Strong import demand from the Middle East, North Africa, Central America and the Indian subcontinent could lead to increased trade and higher international pulse prices this season.



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BASIC FACTS OF THE WORLD CEREAL SITUATION

	1997/98	1998/99	1999/2000	2000/2001	2001/02 forecast	Change 2001/02 over 2000/2001
WORLD PRODUCTION ^{1/}	(. million tonnes)					(percentage)
Wheat	613	598	591	585	565	-3.4
Coarse grains	904	915	887	873	885	1.4
Rice, milled	387	390	409	398	392	-1.5
(paddy)	(579)	(584)	(612)	(596)	(587)	-1.5
All cereals (incl. milled rice)	1 905	1 903	1 887	1 856	1 842	-0.7
Developing countries	1 005	1 043	1 038	999	998	-0.1
Developed countries	900	859	849	856	844	-1.5
WORLD IMPORTS ^{2/}						
Wheat	102	98	109	103	104	1.0
Coarse grains	89	97	102	105	103	-1.6
Rice (milled)	28	25	22	22	23	2.5
All cereals	218	220	233	230	230	-0.1
Developing countries	159	161	168	168	171	2.0
Developed countries	59	59	65	63	59	-5.7
FOOD AID IN CEREALS ^{3/}	6.2	11.3	11.1	10.0		
WORLD UTILIZATION						
Wheat	589	589	591	597	606	1.5
Coarse grains	890	893	894	906	917	1.2
Rice (milled)	381	390	404	407	410	0.8
All cereals	1 860	1 872	1 889	1 910	1 933	1.2
Developing countries	1 104	1 129	1 147	1 160	1 174	1.2
Developed countries	756	743	742	750	759	1.2
Per Caput Food Use	(. kg/year)					
Developing countries	168	168	169	169	169	0.0
Developed countries	131	131	131	132	132	-0.2
WORLD STOCKS ^{4/}	(. million tonnes)					
Wheat	258	265	262	250	207	-17.0
Coarse grains	270	288	280	249	218	-12.4
Rice (milled)	152	156	163	155	137	-11.6
All cereals	681	709	705	654	562	-14.0
Developing countries	512	535	541	490	426	-13.1
Developed countries	169	174	164	164	137	-16.6
EXPORT PRICES ^{5/}	(. US\$/tonne)					
Rice (Thai, 100%, 2nd grade) ^{1/}	316	315	253	207	177 ^{6/}	-16.9 ^{7/}
Wheat (U.S. No.2 Hard Winter)	142	120	112	128	127 ^{8/}	7.6 ^{7/}
Maize (U.S. No.2 Yellow)	112	95	91	86	92 ^{8/}	18.8 ^{7/}
OCEAN FREIGHT RATES ^{5/}						
From U.S. Gulf to Egypt	11.7	9.3	13.7	15.0	15.0 ^{8/}	-8.0 ^{7/}
LOW-INCOME FOOD- DEFICIT COUNTRIES ^{9/}	(. million tonnes)					
Roots & tubers production ^{1/}	388	414	422	428	430	0.4
Cereal production (milled rice) ^{1/}	780	810	813	774	761	-1.6
Per caput production (kg.) ^{10/}	216	220	218	205	199	-2.8
Cereal imports ^{2/}	78.6	73.5	72.9	70.6	72.8	3.1
of which: Food aid	5.5	8.4	7.5	7.7		
Proportion of cereal import covered by food aid	(. percentage)					
	7.0	11.4	10.3	10.9		

Source: FAO

Note: Totals and percentages computed from unrounded data.

^{1/} Data refer to the calendar year of the first year shown. ^{2/} July/June except for rice for which the data refer to the calendar year of the second year shown. ^{3/} July/June shipments. ^{4/} Stock data are based on aggregate of national carryover levels at the end of national crop years. ^{5/} July/June. ^{6/} Average of quotations for January-September 2001. ^{7/} Change from corresponding period of previous year for which figures are not shown. ^{8/} Average of quotations for July-September 2001. ^{9/} Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$ 1 445 in 1999), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid. ^{10/} Including milled rice.

Cereals

GLOBAL OUTLOOK^{1/}

Wheat	2001/02	2002/03 ^{2/}
Production	▼	▲
Trade	▲	■
Stocks	▼	▲
Prices	▲	■
Coarse Grains	2001/02	2002/03 ^{2/}
Production	▲	■
Trade	▼	■
Stocks	▼	▼
Prices	▲	■
Rice	2001	2002 ^{2/}
Production	▼	■
Trade	■	▲
Stocks	▼	▼
Prices	▼	▲

■ stable ▲ up ▼ down

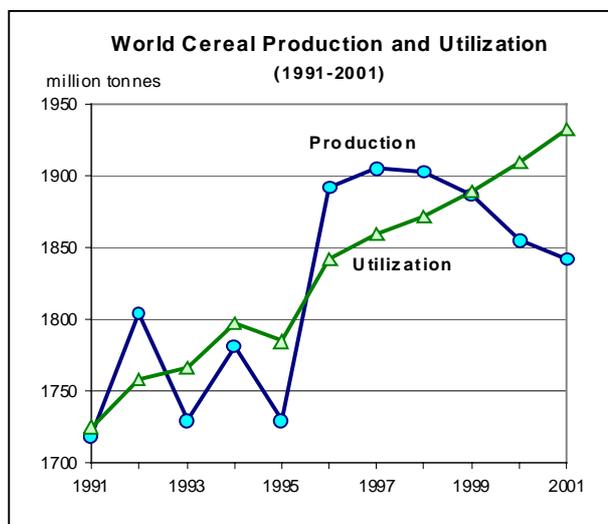
^{1/} The signs refer only to the direction of change from the previous year. ^{2/} Tentative.

Supply/Demand Roundup

With the bulk of the 2001 cereal harvests drawing to a close, overall production for the year is likely to be significantly less than reported in the June issue of Food Outlook, confirming the outlook for a tighter cereal supply/demand situation in 2001/02. Since June, the forecast for production in 2001 has been reduced by 36 million tonnes, to 1 842 million tonnes (including rice in milled equivalent), 14 million tonnes or about 1 percent below the estimate for 2000. The latest revision mostly reflects drought in parts of Asia and North America, which have had adverse impact on the yields of some of the later wheat crops, the main coarse grain crops, and some rice crops, many of which have still to be harvested. In view of this, and given the forecast for a 1.2 percent increase in total cereal utilization in 2001/02, stocks would need to be drawn down even more than the decline expected earlier.

FAO's forecast for world wheat **production** in 2001 has been lowered by a further 13 million tonnes since June to about 565 million tonnes. The latest revision is largely the result of significant reductions in the estimates for China and several EC countries, where harvests are mostly complete and yields have turned out to be poorer than expected earlier, and downward adjustments to the forecasts for the spring crop still being harvested in Canada and the coming winter crop in Australia, due to weather problems earlier in their seasons. These downward revisions more than offset increases in the estimates for Africa and several central and eastern European countries, and improved prospects for the coming harvest in South America. At the current forecast level, world wheat output in 2001

would be 3.4 percent down from last year, well below the average of the past five years and the smallest crop since 1995. At the regional level, output would be up this year in Africa, Europe and South America, but these gains are more than offset by declines in all other regions. Planting of the winter wheat crops for harvest in 2002 is already well underway in the major northern hemisphere producers. Early indications in the United States point to a possible slight recovery in the winter wheat area after last year's exceptionally low plantings. Although international wheat prices continue to provide little incentive to producers, the hardness of winter wheat and the relatively low production costs associated with it, combined with the disappointing results many farmers have experienced with this summer's maize, beans and sorghum crops, are weighing in favour of wheat in the Plains. In addition, favourable weather conditions are providing the potential for a good start to the crop and by late September about 32 percent of the expected overall area had been sown, somewhat ahead of the average by that time. In Europe, conditions are generally favourable for winter grain planting across the north of the region and down into the western Balkans. However, further to the south in Romania and Bulgaria, where dry weather continues to limit topsoil moisture, more rain would be welcome for the winter crop fieldwork.



FAO's forecast for the 2001 world coarse grain output has been revised downward substantially by almost 20 million tonnes since June, to 885 million tonnes, mostly as a result of weather-related adjustments for Asia and North America. Persisting hot and dry conditions in the major producing areas in China and the United States have had a severe effect on the maize yields in particular. By contrast, the forecasts for South America and Europe have been revised upward somewhat since the last report, reflecting recently improved conditions for the summer crops in these regions. At the forecast level, global output of coarse grains in 2001 would be 1.4 percent above the 2000 crop and

similar to the 1999 level, but below the average of the past five years. At the regional level, output is forecast up this year in Africa, South America and Europe, offsetting declines in all other regions.

By mid-September, most paddy crops in the northern hemisphere were at an advanced stage of development or were already being harvested. In the southern hemisphere, the 2001 season has come to an end and farmers are preparing to plant or have already started planting the 2002 crop. FAO's forecast for rice production in 2001 is 392 million tonnes, 4 million tonnes less than earlier anticipated and 6 million below last season's outcome. The reduced forecast reflects mainly a revised outlook for China, stemming from persistent drought problems that have dampened yield prospects.

World cereal **trade** in 2001/02 is now forecast at 230 million tonnes, slightly more than earlier expectations due to upward adjustments for coarse grains and rice in the past few months. At the current forecast level, the volume of global cereal trade would be virtually unchanged from that in the previous season. World trade in wheat and wheat flour (in wheat equivalent) in 2001/02 (July/June) is currently put at 104 million tonnes, up 1 million tonnes from 2000/01. Global coarse grain imports in 2001/02 are now forecast at 103 million tonnes, up 1 million tonnes from earlier expectations, although almost 2 million tonnes lower than in the previous season. World trade in rice in 2002 (calendar year basis) is tentatively forecast to increase somewhat although at this early stage the outlook remains very uncertain. Global rice trade in 2001 is now forecast at 22.4 million tonnes (in milled equivalent), unchanged from the volume traded in 2000.

The forecast for world cereal **utilization** in 2001/02 has been raised since June to 1 933 million tonnes. At this level, world cereal utilization would be 22 million tonnes, or 1.2 percent, more than the previous season and close to its 10-year trend for the first time since 1998/99. Among major cereals, wheat and coarse grain utilization could surpass the trend, albeit slightly. The growth is likely to be strongest for wheat, especially for lower quality wheat, prices of which are currently competitive. For coarse grains, higher demand for industrial use combined with larger anticipated feed use especially for maize in view of the weakness of its price, would boost utilization. While growth in rice consumption is likely to keep pace with the increase in population, the contraction in global output could result in an overall reduction in non-food use of rice, especially in China.

The forecast for world cereal **stocks** by the close of crop years ending in 2002 has been reduced significantly since June to 562 million tonnes, 92 million tonnes, or 14 percent, below their already reduced opening levels. However, the bulk of this decline is accounted for by China, where despite reduced production, the Government continues to pursue downsizing strategies as the country's stocks remain

World Cereal Supply and Demand

	1999/00	2000/01 estimate	2001/02 forecast
	(. million tonnes)		
Production ^{1/}	1 887	1 856	1 842
Wheat	591	585	565
Coarse grains	887	873	885
Rice (milled)	409	398	392
Supply ^{2/}	2 595	2 560	2 496
Utilization	1 889	1 910	1 933
Trade ^{3/}	233	230	230
Ending Stocks ^{4/}	705	654	562

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

abundant, representing more than 50 percent of world total inventories. World wheat stocks by the close of the seasons ending in 2002 are forecast to fall to 207 million tonnes, down 14 million tonnes from the June forecast and 43 million tonnes, or 17 percent, below their opening levels. Global coarse grain inventories for crop years ending in 2002 are now put at 218 million tonnes, down 25 million tonnes from the June forecast and 31 million tonnes, or some 12 percent down, from the previous year. For rice, stocks are expected to fall to about 137 million tonnes, almost 18 million tonnes below their opening level and 3 million tonnes less than earlier anticipated.

In view of the tighter world market, international export **prices** for most cereals showed some recovery since June. Wheat prices have remained above last year's levels so far this season but, in recent weeks, with the evidence of large exportable supplies in a number of non-traditional exporting countries, prices weakened and the gap narrowed considerably. Overall, the sharp decline in this year's wheat production in major exporting countries coupled with initial expectations of an increase in world import demand could have proven more supportive to wheat prices but the economic and the political uncertainty triggered by the tragic events of 11 September in the United States, made this prospect less certain. Any disruptions in shipping channels or a sudden surge in freights could result in some reduction in this year's purchases, especially by the important wheat importing countries of the Near East, and hence lower import demand in world markets. Similar conditions confront the maize market, which in recent weeks also came under downward price pressure. International rice prices have generally strengthened since the last report in June, with the FAO Export Price Index rising to 91 points in July and August, up from 88 points in May and June. However, in September, the index fell back by 1 point to 90, mainly on account of lower prices for Myanmar rice due to competitive marketing policy and in the United States due to lacklustre demand and higher production estimates for this season than earlier expected.

62 Million People Affected by Food Emergencies^{1/}

As of mid-September 2001, the number of people affected by food emergencies is estimated at 62 million, compared to an average of 57 million over the past three years.

In **eastern Africa**, despite improved prospects for the 2001 cereal crops, floods, erratic rains and escalation of conflict in parts have dimmed optimism of an overall strong recovery from the impact of the recent severe drought in the subregion. Successive poor rains in most pastoral areas have severely affected livestock and resulted in acute food shortages and migration of thousands of people in search of water and food. In Sudan, extensive floods in parts have displaced tens of thousands of people, destroyed crops and aggravated the already precarious food supply situation in the affected areas. The number of people in need of urgent food assistance, estimated at some 3 million earlier in the year due to drought and/or civil war, is set to increase. In Somalia, an estimated 500 000 people face severe food difficulties due to poor 2001 main season crops. Despite satisfactory harvests in the previous two cropping seasons, slow recovery from a succession of droughts in recent years and long-term effects of years of insecurity have undermined households' ability to withstand shocks. In Eritrea, despite good main season rains from June, the food outlook in 2001 remains bleak with large numbers of displaced farmers unable to return to their farms and large tracts of land still inaccessible due to landmines. In Kenya, despite an overall improvement in food supply, inadequate rains in May and June, particularly in pastoral districts, have slowed recovery from the effects of the recent devastating drought. In Ethiopia, abundant rains in major agricultural areas have significantly improved the food supply situation. However, food shortages persist in the pastoral areas. In Tanzania and Uganda, the overall food supply situation is adequate but food difficulties remain in parts due to localized drought and/or insecurity. In **western Africa**, the tight food supply situation in Burkina Faso, Chad and Niger should improve with expected favourable harvests shortly. However, Sierra Leone and Liberia remain heavily dependent on international food assistance. In Guinea, refugees continue to arrive from Liberia into the eastern part of the country. In **central Africa**, despite an improved overall food supply situation in Burundi, large numbers of IDPs continue to be seriously food insecure. It is estimated that some 600 000 IDPs and other vulnerable people will continue to need emergency food assistance for the remainder of the year. In the Democratic Republic of Congo, the number of IDPs due to civil conflict is estimated at 2 million and increasing. Less than half have access to relief assistance due to insecurity. In **southern Africa**, excessive rains, floods and dry spells resulted in a substantially reduced cereal harvest in Zambia. The Government has appealed for international food assistance for an estimated 1.3 million people. In Angola, despite an improved harvest, emergency food assistance continues to be needed for about 1.34 million of IDPs. Shortages in the food aid pipeline are anticipated towards the end of the year and more pledges are urgently needed.

In **Asia**, several countries face food shortages mainly due to adverse weather. Korea, DPR continues to have serious food supply difficulties due to a combination of natural disasters and severe economic problems. Last spring the country was hit by a severe drought that sharply reduced the maize harvest. In Mongolia, the food supply situation of vulnerable groups such as nomadic herders continues to be precarious following two consecutive severe winters which particularly affected livestock. In Cambodia, international food assistance continues to be provided as a result of severe floods this year and last year. In the low income food deficit **CIS** countries in Asia, drought and water shortages two years in succession have caused severe losses of summer and rainfed crops. Tajikistan, Uzbekistan, Georgia, Armenia and to a lesser extent Azerbaijan have been particularly hard hit and a large number of people need emergency food assistance.

In the **Near East**, three consecutive years of drought have severely reduced food production in several countries. In Afghanistan, the drought and persistent civil strife have resulted in a very serious food crisis. Over 7 million people depend on international food assistance. The already grave food supply situation is set to deteriorate as fresh waves of population displacements are currently underway, exposing the increasing number of IDPs and refugees to extreme hardship. The evacuation of staff of international aid agencies from the country will have very serious implications for the food security of large numbers of vulnerable people. In Iraq, Jordan and Syria the three-year drought has seriously reduced crop and livestock production, leaving thousands of herders in need of assistance. The food supply situation in the West Bank and the Gaza Strip also gives cause for serious concern. In **Latin America and the Caribbean**, the already precarious food situation of nearly one and a half million people has deteriorated due to adverse weather conditions and low international commodity prices. In Central America a recent drought affected mainly El Salvador and Honduras, although the effects were also felt in Nicaragua, Guatemala, Costa Rica and Panama. In Europe, food assistance continues to be needed for refugees, IDPs and vulnerable populations in the Federal Republic of Yugoslavia (Serbia and Montenegro) and in Chechnya in the Russian Federation.

^{1/} This updates information published in the September 2001 issue of Foodcrops and Shortages. Countries facing exceptional food emergencies are underlined.

Current Production and Crop Prospects

Position by Region

- **Asia**

Far East: In China, **wheat** production in 2001 is officially forecast at 93.9 million tonnes, almost 6 million tonnes less than last year and about 16 percent below the average of the past five years. The decline is mainly due to lower than expected yields, particularly of winter wheat, due to severe dry weather conditions in key producing northern areas. In India, wheat output is estimated at an average 68.5 million tonnes, 7 million tonnes lower than last year's bumper crop, mainly due to unfavourable weather conditions in the main producing areas in Haryana and Punjab. Production in Pakistan is also down after last year's good crop and is now estimated at an average 18.7 million tonnes. The decline has been principally due to the severe drought which has affected the rainfed crops in various parts of the country. Aggregate **coarse grain** production in China is provisionally estimated at 123.7 million tonnes, some 5.2 million tonnes above last year's drought affected crop but well below the 134.5 million tonnes average of the past 5 years. Maize output is officially estimated at 111.5 million tonnes, lower than formerly forecast as a consequence of the early season drought.

The monsoon pattern has been generally favourable so far for this season's **paddy** crops. In China (mainland), harvesting of the early rice crop was completed at the beginning of August, while it is in progress for the semi-late rice and is due to start in October for the late rice crop. Rainfall in July brought relief to the rice fields in the northeastern provinces, which had endured severe drought during spring. However, dry conditions persisted in the eastern province of Sichuan and in the Jiangsu and Anhui provinces, adversely affecting yields. As a result, the outlook for the country's production in 2001 has been further lowered by close to 6 million tonnes from the previous forecast to 179 million tonnes, substantially less than the revised 188 million tonnes official estimate for 2000 and the lowest level since 1994. Most of the contraction stems from a sizeable reduction in the plantings of the early rice and semi-late rice crops, brought about by falling market prices in the previous two seasons and reduced government support. Further changes in policies are likely to be introduced shortly, with large potential impacts for the rice sector. In particular, a liberalization of the domestic grain and rice markets is currently being considered in all but the poorest production areas, ahead of China's accession to WTO. Under the current proposal, cereal prices would be subject to market forces except in the northeast provinces and in the middle reaches of the Yangtze River where the Government would continue to support producer prices.

The outlook for rice production in Cambodia also worsened in recent months in the wake of dry spells

and flooding that have affected the country since the onset of the season in June. Following reports that about 48 000 hectares had been destroyed and 120 000 hectares adversely affected by the vagaries of the weather, the official forecast for this season's output was reduced from 4.6 million tonnes to 4.3 million tonnes. At this level, paddy production in 2001 would still exceed the 2000 crop by 300 000 tonnes, which is consistent with the government efforts to expand production, especially through the promotion of irrigated paddy crops for cultivation in the dry season. In Viet Nam, heavy floods were reported at the end of August in the Central Highlands and in the Mekong Delta. Their impact on the summer/autumn paddy crop, the last of the 2000 season, was negligible, since harvesting had been virtually completed. Nonetheless, the size of this crop was assessed to be substantially smaller than earlier anticipated, as low farm prices had discouraged planting and fertilizer application, leading to a lower revised estimate of paddy production in 2000. FAO's tentative forecast for the 2001 season, which just started with the planting of the 10-month crop, has also been reduced by nearly 1 million tonnes, to 31.8 million tonnes.

In Pakistan, after severe drought during the first half of the year, the official estimate of this season's rice crop has been lowered to about 5.8 million tonnes, 0.7 million tonnes less than previously anticipated and the lowest level since 1994. Water shortages affected rice plantings in the Sindh region, which accounts, together with the Punjab, for most of the country paddy production. However, abundant rains in June and July have reportedly improved the condition of the new crop, the bulk of which should reach the market in November.

In India, the June-September monsoon rains, which arrived one week early this season, have been assessed as the most abundant in the past five years, both in terms of intensity and geographical distribution. As a result, production is expected to rise by some 2 percent from the previous season to 131 million tonnes, unchanged from the earlier forecast. In Bangladesh, although flooding was reported in August, prospects for the country's production this year continue to be positive with the crop put at 36.6 million tonnes, 1 million tonnes more than previously forecast. At this level, output in 2001 would match the revised Government estimate for the 2000 rice season, which ended in May with the harvesting of the irrigated Boro crop.

In the Philippines, torrential rains provoked by typhoon "Feria" hit major rice growing regions in June. However, the damage to paddy fields was limited given the early stage of the crop, which had just been planted. Special assistance was also provided in the affected areas to encourage replanting. FAO's forecast for the country's production in 2001 currently stands at 12.8 million tonnes, 200 000 tonnes more than previously reported and the highest on record. The increase is consistent with the expansionary policy

World Cereal Production – Provisional Estimate for 2001

	Wheat		Coarse grains		Rice (paddy)		Total	
	2000	2001	2000	2001	2000	2001	2000	2001
	(..... million tonnes)							
Asia	250.4	232.3	195.9	199.4	542.1	533.1	988.3	964.9
Africa	14.2	17.2	79.4	78.5	17.2	17.2	110.7	112.8
Central America	3.4	3.2	26.6	29.3	2.4	2.2	32.5	34.7
South America	20.5	24.2	62.5	71.8	21.0	19.9	104.0	115.9
North America	87.3	75.6	299.2	280.3	8.7	9.4	395.2	365.3
Europe	187.3	191.8	198.5	215.2	3.1	3.2	388.9	410.2
Oceania	21.5	20.3	10.6	10.4	1.1	1.8	33.2	32.6
WORLD	584.5	564.6	872.7	885.0	595.6	586.8	2 052.9	2 036.4
					(398)1/	(392)1/	(1 856)2/	(1 842)2/
Developing countries	268.8	257.0	349.7	367.1	570.4	561.2	1 189.0	1 185.3
Developed countries	315.7	307.6	523.0	517.9	25.2	25.6	863.9	851.1

Source: FAO

1/ Milled rice. 2/ Including milled rice.

adopted by the Government in pursuance of rice self-sufficiency, a goal it aims to achieve by 2004. Abundant precipitation in July improved substantially the outlook for the Republic of Korea paddy crop this season, which had been dampened by the severely dry conditions that prevailed during spring. The official production forecast for this season has been raised accordingly from 7.2 to 7.7 million tonnes, almost 0.5 million tonnes more than in 2000. Rains also brought relief to the Democratic Republic of Korea, which has experienced one of the worst droughts on record. Improved weather conditions, together with a better distribution of basic inputs, have helped raise prospects for this season's paddy production to 1.8 million tonnes. Although this would be a moderate increase compared with the 2000 season, paddy output remains considerably below the levels achieved in the early 1990s.

Flooding in northern Thailand in early August does not appear to have had a major impact on the country's main paddy crop, which is to be harvested between November and December. FAO's production forecast for the 2001 season has been slightly raised and set at 24.1 million tonnes, close to the Government's revised estimate for 2000. In Indonesia, the harvest of the main paddy crop has been completed and the second paddy season is underway. Concerns are rising over the possibility of a recurrence of El Niño weather-related problems by the end of 2001 or early 2002. Moreover, falling farm prices last season have discouraged plantings and led farmers to reduce fertilizer usage this season, with negative impact on yields. Consequently, official forecasts currently put paddy production this season at 50.2 million tonnes, 1.7 million tonnes below the exceptional outturn in 2000. Dry spells could also hinder paddy production in Sri Lanka, where the season is about to commence. Much reduced water availability has already led the authorities to announce a 10 percent year-to-year contraction of the main Maha crop, which will not be harvested until early next year.

FAO's forecast for 2001 has accordingly been lowered from 2.8 to 2.6 million tonnes, 0.2 million tonnes less than in the past season.

Favourable growing conditions were reported in Japan as of August, with status of the crop rated above normal in most of the rice districts. Output, however, is still forecast to be down from last year, mainly on account of a decline in plantings, consistent with a 100 000 hectares increase in the paddy land diversification programme announced last year as part of the emergency measures to cut rice surpluses.

Near East: Three consecutive years of drought and insecurity continue to affect agricultural production in several countries of the Near East. In Afghanistan, aggregate 2001 cereal production is estimated at 2 million tonnes, a slight recovery from last year but about 36 percent below the average of the past five years. In Iraq, the 2001 cereal crop, estimated at about 1.8 million tonnes, is about 12 percent below average. Similarly, production was well below average in Jordan and Syria due to drought conditions. In Saudi Arabia, cereal production is estimated at 2.2 million tonnes, similar to last year and the average. In Turkey, by contrast, production fell compared to last year due to adverse weather. In the Islamic Republic of Iran, the season's rice crop was affected by lack of precipitation at planting time between May and June and low water availability in dams and reservoirs. As a result, FAO's output forecast has been revised downward from 2.4 to 2.3 million tonnes, similar to the last two year's drought-reduced levels.

CIS in Asia: In the CIS countries in Asia, with the exception of Kazakhstan, water shortages, drought and exceptionally hot and dry weather conditions have severely impacted summer and rainfed cereal crops for the second year in succession. Natural calamities have compounded the effects of chronic economic problems, dilapidated irrigation systems, shortages of

agricultural inputs and other structural problems. The worst affected countries are Tajikistan, Uzbekistan and Georgia. The food supply position remains tight in Armenia despite significant efforts to increase area under cereals, and in Turkmenistan, Azerbaijan and Kyrgyzstan. An FAO/WFP mission to Tajikistan in July estimated total cereal production at 296 000 tonnes, only 63 percent of the 1996-2000 average. In Uzbekistan, cereal output declined from the drought-reduced harvest in 2000 by 13 percent. The worst affected areas in Uzbekistan are Karakalpakstan and Khorzham where most of the summer crops have failed or could not be planted. In Georgia, cereal production this year nearly doubled compared with last year. However, western Georgia suffered crop losses due to drought. In Armenia, cereal production has recovered from a drought-reduced harvest the previous year. But, food supply remains tight as the country largely depends on food imports while economic constraints have compromised the capacity to import. By contrast, Kazakhstan this year has witnessed favourable weather conditions with ample soil moisture and virtually disease and locust free cropping season. FAO tentatively forecasts total cereal output at 11.8 million tonnes from 12.4 million hectares, slightly higher than the improved harvest in 2000. Kazakhstan is seen to export more than 4 million tonnes of wheat in 2001/02 marketing year. Cereal production in Azerbaijan and Kyrgyzstan is satisfactory and slightly above average.

A marked contraction in **rice** production this season is foreseen in Uzbekistan, reflecting a resolution adopted by the Government last December to devote less land to rice. In light of the drought which continued to prevail this year, actual plantings did not even reach the reduced Government target, bringing the prospect for production this season down to 64 000 tonnes, compared with 128 000 tonnes last year and an average of over 400 000 tonnes in the 1990s.

- **Africa**

Northern Africa: The subregion's **wheat** production in 2001 is estimated at about 12.6 million tonnes, which is well above the 2000 drought-affected level, and comparable to the five-year average. In Algeria, wheat output is estimated to have reached 2 million tonnes, more than double last year's crop, and well above the average of the past five years. In Egypt, the irrigated wheat crop was slightly above average at 6.3 million tonnes, while in Morocco, production was above average at 3.3 million tonnes, and more than twice the 2000 output. In Tunisia, wheat production improved somewhat from the previous year but was still well below the 5-year average of 1.3 million tonnes, due to two consecutive years of drought, which affected key producing areas. Latest information regarding the subregion's 2001 **coarse grain** crops indicate that harvesting has been completed in most parts. The aggregate coarse grain output is tentatively estimated at about 9.9 million tonnes, which is well above the 2000 drought-affected crop but some 300 000 tonnes below average. **Paddy** output in Egypt, the main producer in the subregion, is due to decline this year.

Official estimates put the paddy area at 575 000 hectares, somewhat less than previously anticipated and some 10 percent lower than in 2000. The decline reflects the fall in prices that hit producers last season, encouraging them to diversify towards alternative crops. The prospects for output have accordingly been cut by some 200 000 tonnes to 5.4 million tonnes, substantially below the 6 million tonnes harvested in 2000.

Western Africa: Prospects for **cereal** crops are generally favourable in western Africa. In the Sahel, following regular and widespread rains from July over the main producing areas, harvest prospects are favourable in Burkina Faso, Chad, Guinea Bissau, Mali and Niger. In The Gambia, Mauritania and Senegal, crop conditions improved following reduced rains in mid-August. During a regional pre-harvest assessment meeting in mid-September, national delegations indicated that above average to record crops are anticipated in most countries of the region. A series of FAO/CILSS Crop Assessment Missions are scheduled in October to estimate 2001 cereal production with national statistical services. In the countries along the Gulf of Guinea, overall growing conditions were also favourable. The output of the first maize crop was normal and prospects for the second maize, millet and sorghum crops are generally good. The cereal output in Sierra Leone is expected to exceed last year's level due to increased area planted and improved conditions for input distribution. Favourable weather conditions have improved the outlook for **paddy** crops, some of which are already being harvested. Upward adjustments have been made to FAO's production forecasts for a number of countries, including Côte d'Ivoire, Liberia and Sierra Leone, all of which should record a moderate increase compared with last year. In the latter two countries, the rise is largely a result of a return of farmers to their fields, together with improved availability of inputs. Production gains are expected to be particularly pronounced in Mali, following a large increase in plantings. Prospects for Nigeria are also bright, with an expected 6 percent increase from last year's revised output of 3.3 million tonnes.

Central Africa: Growing conditions are favourable so far in Cameroon and the Central African Republic. The security situation has improved in the Republic of Congo following the peace agreement but food production has not yet recovered. In the Great Lakes regions, civil strife persists in the Democratic Republic of Congo, pointing to another reduced cereal harvest.

Eastern Africa: Harvesting of the 2001 **wheat** crop has been completed in Sudan. Latest estimates indicate an output of about 303 000 tonnes, 41 percent above last year's crop but below the average of the past five years. In Kenya, prospects for the wheat crop are favourable reflecting adequate rains in the main growing areas. Similarly, in Ethiopia, good rains in the main growing areas in the past months have favoured establishment and development of the wheat crop. Harvesting of the 2001 **coarse grain** crops is almost completed in the southern countries of the subregion,

while in northern parts harvest is scheduled from November. In Somalia, erratic and below-normal rains in the main growing areas in the south have affected crops. Preliminary forecasts point to a sorghum output of about one-third the previous year's "gu" production and less than half of the post-war average. In Kenya, the total output of the maize crop is forecast at 2.7 million tonnes, about 27 percent above the average of the past five years. In Tanzania, latest coarse grains production forecasts indicate an output of 2.98 million tonnes, about 4 percent above last year's crop but 9 percent below average. In Uganda, where harvest of the 2001 first season coarse grains is well advanced, output is forecast to be about average. In Eritrea, despite good main season rains from June, the outlook for coarse grains production in 2001 remains bleak with large numbers of the displaced farmers unable to return to their farms and large tracts of land still inaccessible due to landmines. In Ethiopia, abundant rains in major agricultural areas have improved prospects for the developing main "meher" season crops. The preceding 2001 short rains "belg" crop, has also significantly improved over the last few years affected by severe drought. In Sudan, despite recent floods and pockets of drought affected areas, overall prospects for this year's coarse grains are favourable. The harvesting of the subregion's 2001 **paddy** crop has been concluded. Overall, production is estimated to have risen by 4 percent, mainly on account of good harvests in Tanzania.

Southern Africa: Latest FAO's estimates of the recently harvested 2001 **coarse grains** indicate an output of 14.4 million tonnes, one-quarter lower than in the previous year. The main maize crop is estimated at 13.3 million tonnes, a decline of 25 percent from 2000 and 18 percent below the average of the past five years. The subregion's production was affected by a decrease in the area planted and a prolonged mid-season dry spell that sharply reduced yields. The maize output declined in all countries, with the exception of Angola, Mozambique and Madagascar. In South Africa, final official estimates put the maize crop at 7.2 million tonnes, against last year's above average output of 10.1 million tonnes. This is due to a decrease of 17 percent in the area planted and lower yields following dry weather. However, grain quality is reported to be high. In Zimbabwe, maize production was estimated by an FAO/WFP Mission at 1.5 million tonnes, 28 percent below last year's level and well below average. This mainly reflects a decline of 54 percent in the area planted on the large-scale commercial farms, as a result of disruptions by land acquisitions activities. In Malawi, latest production estimates have been revised downwards to 1.71 million tonnes, one-third or 788 000 tonnes lower than in 2000. Excessive rains throughout the country adversely affected production. Heavy rains during the season also reduced the maize crop in Zambia, where FAO's preliminary estimates point to a crop of 950 000 tonnes, 28 percent lower than last year's crop. In Botswana, Lesotho and Namibia coarse grain outputs, adversely affected by prolonged dry weather, are estimated to have declined 57 percent, 46 percent and

24 percent respectively from last year. In Swaziland, the coarse grain harvest remained at the very reduced level of 2000.

The outlook for the 2001 **wheat** crop to be harvested from next month is satisfactory following an increase in plantings and adequate irrigation water supplies. FAO's preliminary forecast indicates an output of 2.6 million tonnes, 4 percent higher than last year. In South Africa, production is forecast at 2.2 million tonnes, 5 percent above the level of 2000. In Zimbabwe, production is expected to increase by 10 percent to 275 000 tonnes, reflecting a 14 percent expansion in the area planted. However, renewed hostilities in the commercial farms, which account for the total wheat production, could disturb agricultural activities and adversely affect the final outturn. The 2001 **rice** season is over, with production estimated to have mostly recovered in Madagascar and Mozambique after last year's reduced levels due to adverse climatic conditions.

- **Central America and the Caribbean**

Harvesting of Mexico's autumn/winter **wheat** crops was completed in July. Spring/summer wheat crops are now maturing and their harvest is due to start shortly. Wheat production in 2001 is provisionally forecast at 3.2 million tonnes, which is slightly below average. Harvesting of Mexico's spring/summer **coarse grain** crops started in September and planting of the irrigated autumn/winter maize crop, which accounts for 20 percent of annual maize production, starts in November. Provided normal weather conditions prevail, maize production in 2001 is anticipated to reach 19.2 million tonnes, a 16 percent increase from last year's drought affected crop. Sorghum production is also forecast to increase 8 percent from last year. In other Central American countries, harvesting of first season coarse grain crops is complete and planting of second season crops is underway. A dry spell in June and July dampened earlier forecasts of a normal crop, and production in 2001 is anticipated to be 2.4 million tonnes, similar to last year's drought affected crop and some 8 percent lower than the average of the past five years. The countries most affected by the drought are Guatemala, El Salvador, Honduras and Nicaragua. The rains resumed in August throughout the subregion and the outlook is favourable for the second season crop.

Harvesting of the 2001 **paddy** crop in the region has begun. Despite a timely arrival of rains in May, several Central America countries were subsequently hit by a long dry spell in June and July, the critical period for the crop vegetative development. El Salvador was particularly affected, with losses resulting in a 44 percent downward revision of output this year. Erratic or insufficient rainfall has also adversely affected paddy production in Cuba, Honduras, Mexico, Nicaragua and Panama, all of which are expected to record a decline in output, compared with 2000.

- **South America**

Planting of **wheat** was virtually complete in September in Argentina, Brazil and Chile, the main producers of the subregion. Following increased plantings, low temperatures and moderate rains are helping the development of the crop, and a bumper harvest is in prospect, provided favourable conditions continue to persist. Total wheat production in South America is provisionally forecast at 24.2 million tonnes, 18 percent higher than last year's average crop. Argentina, the largest producer, is forecast to obtain 18 million tonnes, some 9 percent higher than last year's level, while Brazil could double its 2000 output and produce 3.4 million tonnes. In Chile, despite delayed plantings by intensive rains in June and July, wheat production is forecast at 1.78 million tonnes, 22 per cent higher than average of the past five years.

The **coarse grain** crops harvested in April/June in the MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay) is estimated at 64.3 million tonnes, 16 percent higher than last year. Maize production in Brazil has been revised upwards to 41.4 million tonnes following a good second season maize crop (*safrinha*). In the Andean countries, in Ecuador the maize crop benefited from a normal summer weather, although drought affected crops in the highlands of Pichincha and Azuay. In southern Peru, a strong earthquake in June damaged the irrigation infrastructure and compromised the water supply of the forthcoming summer crops campaign. In Bolivia, water reservoir levels are adequate for the needs of the forthcoming irrigated summer crops. In Colombia, weather conditions of recent months have been adequate for the normal development of crops, while in Venezuela, dry and very dry weather conditions have moderately affected white maize crops currently being harvested.

Harvesting of the main **paddy** crops has been completed in most of the region. Although the aggregate paddy output is estimated to have fallen by 5 percent to 19.9 million tonnes from last year, this would be 0.2 million tonnes above the previous forecast, reflecting upward revisions in several countries. In particular, official figures for paddy area and yields in Argentina were raised, bringing output in 2001 up from 640 000 tonnes to 750 000 tonnes, still substantially lower than the past season. Upward adjustments in 2001 production were also made for Colombia, Peru and Uruguay. By contrast, the production figure for Brazil has been officially lowered following a recent crop assessment mission by Conab. Production estimate for the country now stands at 10.4 million tonnes, 9 percent smaller than in 2000, with the decline imputable to the low prices received by producers in the past two seasons.

- **North America**

In the United States, the September USDA Crop Production report put total **wheat** production in 2001 at 54.2 million tonnes, some 10 percent down from the previous year and well below average, mostly

reflecting a further decline in plantings to the smallest area since 1971. As of mid-September, the winter wheat planting for the 2002 crop was well underway in some southern states and the overall planting pace was slightly ahead of normal reflecting favourable conditions. In Canada, prospects for the 2001 cereal crops deteriorated significantly during July and August due to drought in the main producing areas. As of late August, the winter wheat harvest was well underway and yields so far are reported to be well below average. Latest official estimates now put the aggregate wheat output in 2001 at 21.5 million tonnes, 23 percent down from last year's good crop and below average, despite a similar area sown.

The 2001 maize harvest in the United States was just getting underway as of mid-September. Aggregate **coarse grains** output in 2001 is now forecast at 256.5 million tonnes, 10 million tonnes down from the forecast in the previous report and about 7 percent down from 2000. Of the total, maize would account for 235 million tonnes, compared to 253 million tonnes a year earlier. Barley output is also expected to be down, by more than 1 million tonnes, to 5.7 million tonnes, but the sorghum crop is forecast to increase, by about 1.7 million tonnes, to 13.6 million tonnes. In Canada, barley plantings were reduced and yields are estimated to be down. As a consequence, the 2001 crop is estimated well below last year's and the average at just 11.6 million tonnes. By contrast, an increase in the maize crop is forecast, by over 20 percent, to about 8.4 million tonnes.

By mid-September, about half of the **paddy** crop had been harvested in the United States. Latest government estimates put the crop at close to 9.4 million tonnes, up from the previous forecast of 8.4 million tonnes, with the bulk of the increase corresponding to long grain rice. At that level, output would outstrip by 8 percent the previous year outcome and reach an all time high.

- **Europe**

In the EC, rain showers and warm temperatures in late August and early September have been favourable for the summer maize crop but caused some disruptions to small grains harvesting, which is still not complete in some parts, particularly in the north. Latest information continues to point to a smaller aggregate **cereal** harvest for the Community in 2001 of 204 million tonnes, compared to 217 million tonnes last year. Total wheat production is now estimated at about 93 million tonnes, 4 million tonnes down from the 97 million tonnes forecast before the summer, and almost 13 million tonnes less than the 2000 crop. The bulk of the decrease in **wheat** output has occurred in France, the United Kingdom, Spain and Italy due to a combination of reduced plantings and adverse weather. With regard to **coarse grains**, the forecast of the Community's aggregate output in 2001 has been revised upward slightly over the past two months, to about 109 million tonnes, similar to the previous year's level. The latest revision mostly reflects the relatively favourable

weather conditions for the summer maize crops in recent weeks. The good yield prospects for maize, and the increased area sown are expected to lead to an almost 5 percent increase in maize output, while outputs of barley and oats are expected to be down this year. Harvesting of the 2001 **paddy** crops is underway in the Community. The forecast for this season's output has been revised upward and now points to a 8 percent increase from last year's depressed level. The rise mainly reflects an expansion in Spain and Italy, due to increased plantings and better weather conditions respectively than in the previous season.

Elsewhere in Europe, the 2001 cereal crops have generally recovered from the drought-reduced crop last year after weather conditions returned closer to normal. Conditions have been particularly favourable in the northern countries such as Poland, the Czech Republic and the Slovak Republic, but further to the south harvesting of the winter wheat crop was disrupted in several parts of the Federal Republic of Yugoslavia, Hungary and Romania due to excessive rainfall in June. The summer rainfall was, however, beneficial for the spring-planted maize crop.

The 2001 cereal harvest in the Czech Republic is estimated to reach 7 million tonnes in 2001, about 12 percent up from last year and the largest crop since 1991. Increased plantings and generally favourable weather conditions through the growing season are the main reasons for the increase. In Hungary wheat production is now estimated at about 5 million tonnes this year, compared to 3.7 million tonnes in 2000. However, it is reported that a period of heavy rainfall during harvest has brought down the quality of much of this year's crop and the percentage of feed wheat in the overall harvest is larger than normal. Maize output this year is expected to exceed 7 million tonnes, after a reduced crop of less than 5 million tonnes last year. In aggregate the 2001 cereal output is expected to exceed 14 million tonnes, one of the largest crops in the past decade. In Poland, where crops have also recovered after drought last year, the total wheat crop is estimated at 9.4 million tonnes, some 10 percent up from 2000. The country's important rye crop has also recovered significantly to over 5 million tonnes, compared to just 4 million tonnes last year, and barley output is put 29 percent up at about 3.6 million tonnes. In aggregate, total cereal production is estimated at about 26 million tonnes, some 16 percent up from 2000 and above the average of the past five years. In the Slovak Republic, aggregate cereal output is expected to exceed 3 million tonnes. Of the total, wheat is expected to account for about 2 million tonnes.

In the Balkans countries, the outlook for crops is somewhat mixed. Although weather conditions generally improved over the area as a whole, after last year's widespread drought, predominantly dry conditions again this year continue to affect cereal production in some areas. In Bosnia and Herzegovina, floods and hail in late June affected wheat and maize crops, thus output is expected to remain close to 1

million tonnes, similar to the drought-reduced harvest in 2000. In Bulgaria, where weather conditions, and thus crop yields, have been very varied across the country, the 2001 wheat output is now tentatively estimated at about 3.5 million tonnes. Regarding the summer maize crop, there is uncertainty over the final area to be harvested after drought wiped out some areas again this year but, overall, final output could be slightly up from last year at about 1.1 million tonnes. In Croatia, cereal output is estimated at 3.1 million tonnes compared with 2.4 million tonnes in 2000. In the Federal Republic of Yugoslavia, cereal production is estimated to have risen by almost 69 percent in 2001, to 8.8 million tonnes, compared with 5.2 million tonnes in 2000. Apart from improved weather, increased availability and access to inputs contributed towards increased yields. In the Former Yugoslav Republic of Macedonia, continuing dry weather in 2001 has reduced cereal output further from last year's already low level. Aggregate output could fall below 500 000 tonnes with wheat accounting for about 200 000 tonnes, barley 100 000 tonnes and maize 100 000 tonnes. In Romania, the latest official estimate puts the total 2001 wheat crop at 7.8 million tonnes, more than 3 million tonnes up from 2000 as a result of increased plantings as well as much more favourable weather conditions. Some unofficial sources indicate that the wheat crop may not be quite this large but, nevertheless, all quote figures representing an increase of at least 50 percent from the previous year. The summer maize crop has again been affected by dry conditions, which set-in from early July. However, apart from the most affected areas in southeastern parts of the country, the damage has not been as large as last year when drought affected the entire cropping season. Unofficial estimates put the maize crop at about 6 to 7 million tonnes this year compared to just 4.2 million tonnes in 2000.

In the Baltics, the outlook is for generally above average harvests. The aggregate cereal output in the three countries could reach 4 million tonnes similar to the good harvest collected last year, including 1.5 million tonnes of wheat and 2.6 million tonnes of coarse grains.

In the CIS countries west of the Ural Mountains (Belarus, Moldova, the Russian Federation and Ukraine), a sharp increase in **cereal** production is in prospect, mainly due to favourable weather conditions and improved availability of farm inputs. The Russian Federation is expected to produce nearly 73 million tonnes of cereals from about 47 million hectares of land (2000: 70 million tonnes, 45 million hectares). At this level, the aggregate cereal output, which includes 40 million tonnes of wheat (2000: 38 million tonnes) and 32 million tonnes of coarse grain (2000: 31.6 million tonnes), would be above the 1995-2000 average but still below the production levels prior to 1995 when the Russian Federation was a significant cereal exporter in the world market. Ukraine is set to produce some 30.8 million tonnes of cereals, nearly 8 million tonnes more than in 2000. Of the total, wheat is expected to account for 17.9 million tonnes (2000: 11

million tonnes) from an area of 6.7 million hectares (2000: 5 million hectares) and 12.8 million tonnes of coarse grains (2000: 11.9 million tonnes). Cereal production in Belarus is expected to reach 4.7 million tonnes (2000: 4.5 million tonnes), including 750 000 tonnes of wheat and 4 million tonnes of coarse grains. In Moldova, cereal output this year is expected to increase by about 500 000 tonnes from just over 2 million tonnes in 2000. The estimate of this season's **rice** production in the Russian Federation has been reduced following the release of lower official estimates for plantings. As a result, the output forecast is now set at 460 000 tonnes, 65 000 tonnes less than last anticipated and some 20 percent below the bumper crop achieved in 2000.

• **Oceania**

In Australia, favourable rains in July and August improved prospects for the winter **cereal** crops after a prolonged period of dry weather during the latter stages of planting and the establishment period. Latest official forecasts tentatively put the 2001 **wheat** crop at 20.1 million tonnes, compared to 21.2 million tonnes in 2000. The latest forecast is based on significantly smaller yields than those projected at the onset of planting. Regarding barley, the second most important winter cereal crop, output is forecast to increase marginally to 5.9 million tonnes, about 6 percent up from last year, as a result of expanded area. Barley has an extended planting window and is normally favoured by farmers when the planting season is late as in the case of this year. The latest assessment of the **rice** crop in Australia, which has been already gathered, confirms a record harvest, as abundant water supplies and ideal growing conditions respectively boosted plantings and yields this season. Based on the latest estimate, production would be 60 percent above 2000.

Trade^{1/}

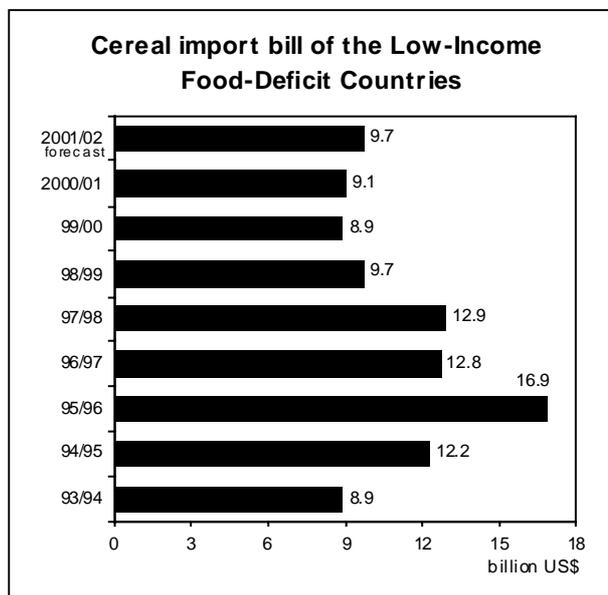
World cereal trade to remain unchanged from the previous season

World **cereal** trade in 2001/02 is forecast to remain unchanged at previous season's level of around 230 million tonnes, though the forecast has been raised by 1 million tonnes since the previous report in June. The small increase from last report reflects higher expectations for rice and coarse grain imports. Compared to their previous seasons, trade in wheat and rice are expected to increase slightly but the likely reduction in coarse grain imports would keep world cereal trade volume unchanged.

At the current forecast level, total cereal imports by the developing countries in 2001/02 point to an increase of around 3 million tonnes, most of which would be on account of larger wheat imports. Based on the current

expectations of a small rise in overall cereal prices in 2001/02 and no significant variation in the volume of food aid from last year, the cereal import bill of the developing countries could increase by nearly US\$1 billion to US\$23 billion. In the LIFDCs, cereal imports are forecast to increase by 2 million tonnes, to 73 million tonnes. This increase would be mostly on account of larger imports by China, which would more than offset the decline in imports by LIFDCs in North Africa. Elevated import volume coupled with higher prices would result in the cereal import bill of the LIFDCs, as a group, to rise for the second consecutive year, reaching US\$9.7 billion, up US\$700 million, or 7 percent, from 2000/01.

World trade in **wheat** and wheat flour (in wheat equivalent) in 2001/02 (July/June) is currently put at 104 million tonnes, up 1 million tonnes from the reduced imports in 2000/01. However, at 82 million tonnes, wheat imports by the developing countries would be 2.6 million tonnes higher than last year and also exceed the previous record in 1999/2000. The estimated value of this year's imports by the developing countries would approach US\$12 billion, some US\$600 million more than in the previous season. Total wheat imports by the LIFDCs are expected to reach 40 million tonnes, up 2 million tonnes from the previous year but slightly below the average of the past 5 years. At this level, the wheat import bill of the LIFDCs could reach US\$5.5 billion, some US\$400 million more than in the previous season.



^{1/} 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 are calculated based on estimated shipments and deliveries during the July/June trade season and thus they may not be equal for any given year due to time lags between shipments and deliveries. Trade in rice is reported on a calendar year basis for the first year shown.

Changes in Cereal Import Bill of LIFDCs by Region and Commodity

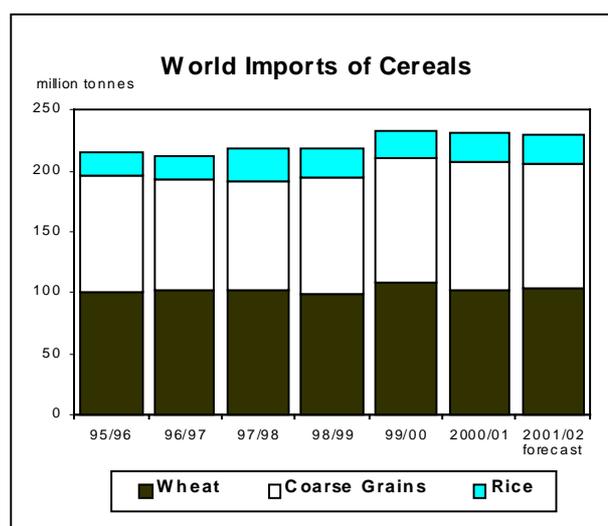
	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate	2001/02 forecast
	(.....US\$ million.....)								
LIFDCs	8 857	12 239	16 877	12 790	12 864	9 708	8 937	9 058	9 732
Africa	2 973	3 264	4 758	4 545	4 261	3 935	3 608	4 154	4 085
Asia	5 153	8 106	11 171	7 337	7 780	4 976	4 559	4 093	4 806
Latin Am. and Carib.	552	686	724	711	638	647	632	657	688
Oceania	69	77	95	78	81	83	67	67	70
Europe	110	106	130	118	104	68	71	87	82
Wheat	5 761	6 894	10 747	8 094	6 594	5 103	4 822	5 026	5 468
Coarse grains	1 934	2 089	3 780	2 799	2 340	2 009	2 324	2 320	2 310
Rice	1 162	3 257	2 350	1 897	3 930	2 596	1 790	1 712	1 955

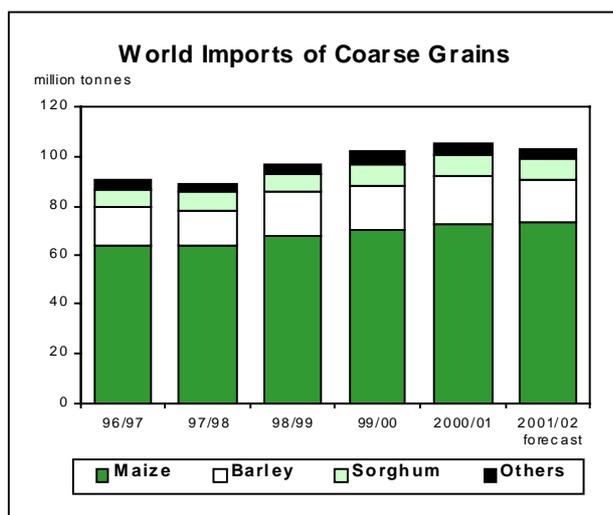
The increase in this year's wheat trade is mostly driven by higher demand in **Asia**. China would account for most of the increase. Imports by China (Mainland) are forecast to rise from less than 400 000 tonnes in 2000/01 to 2 million tonnes in 2001/02. Although this increase represents a significant year-to-year jump, given the sharp decline in production for two consecutive years, imports would have been expected to rise even more drastically, had it not been for the continuing offtake from stocks. Imports by the Islamic Republic of Iran could also increase this year, following three years of devastating drought. Turkey is expected to become a net wheat importer this season for the first time since 1998/99, also because of a much smaller crop. By contrast, in **Africa**, the overall wheat imports are likely to decline as several countries harvested larger crops this season. Imports by most countries in northern Africa, however, are forecast to remain close to last year's high volume as drought continued to affect several countries.

Wheat imports into **Europe** are put at 7.6 million tonnes, down 3 million tonnes from the previous year and 1 million tonnes lower than was reported in June. The decline from last year would be mostly due to a strong production recovery in several countries in the CIS and in eastern Europe, especially in Poland, Bulgaria, Romania and Ukraine. Total imports into **Latin America and the Caribbean** are expected to rise slightly above the previous year, to 18.7 million tonnes. Most of this increase would reflect larger expected purchases by Brazil because of strong demand from the domestic milling sector.

Turning to this year's export prospects, among the five major exporters, only Argentina and the United States

are forecast to export more this season. A record crop in Argentina and large stocks in the United States are among the main reasons. By contrast, relatively low production levels in Australia, Canada and the EC could result in much smaller exports from those origins. Among other exporters, sales from Turkey are likely to drop sharply because of tighter domestic supplies. However, Romania is forecast to return to the export market after almost two years absence because of a sharp recovery in production. Among the CIS countries, Ukraine is forecast to sharply increase its exports because of improved production. Similarly, India is likely to export more wheat this year although exports could fall short of the Government target of 5 million tonnes.





Global **coarse grain imports** in 2001/02 (July/June) is forecast at 103 million tonnes, up 1 million tonnes from the previous report, though almost 2 million tonnes lower than in the previous season. Trade in barley is forecast to decline to just less than 18 million tonnes and sorghum imports could also decline marginally, to 8 million tonnes. However, maize imports are forecast to rise to 73 million tonnes. Overall, total coarse grain imports by the developing countries are put at 69 million tonnes, similar to previous season. In value terms, this would be around US\$7.5 billion, also unchanged from 2000/01 as coarse grain prices are anticipated to remain at last year's levels. For the LIFDCs, this year's import volume could decline slightly to 22 million tonnes; because of the reduction, their import bill would decline to US\$2 billion.

Coarse grain imports into **Africa** are expected to decline to 13.5 million tonnes in 2001/02, down 700 000 tonnes from the previous year. The decline would be mostly on account of smaller purchases by countries in North Africa, especially by Egypt and Morocco. However, imports by countries in sub-Saharan region are forecast to increase, mostly due to larger requirements in several countries in southern Africa, especially Zambia and Zimbabwe.

In **Asia**, total coarse grain imports could exceed last year's volume by 1 million tonnes and approach 58 million tonnes. Most countries in Asia are forecast to increase their imports this season as demand from animal feed sectors continue to remain strong in major markets.

By contrast, in **Europe**, total imports are likely to decline by 2 million tonnes, to around 7 million tonnes, following a strong recovery in domestic production in several countries in Eastern Europe as well as in the CIS. Poland and Romania would account for most of the decline. In **Central America**, due to continuing strong demand, imports by Mexico are expected to increase even though domestic maize and sorghum production is also expected to rise. In **South America**, this year's record maize crop in Brazil would mean the

country would export instead of import. In 2000/01, Brazil imported over 1 million tonnes of maize and sorghum.

On the export side, overall sales from the United States, the world's largest maize exporter could still rise above the previous season despite the expected decline in world trade. Shipments from the EC are forecast to decline for the third consecutive year mostly due to lower sales of barley. In addition, maize exports from China are likely to be halved to about 5 million tonnes compared to nearly 10 million tonnes last year while the Republic of South Africa is also likely to have less export availability this season. However, large exports by Brazil and Hungary are also likely to make up for some of the reductions in sales from other exporting countries.

The world **rice** market continues to be dominated by the weakness of global import demand. With many countries having completed or about to complete the harvesting of their main season crop and the resulting arrival of fresh supplies onto the market, the prospect for a turnaround in the short term appears unlikely, unless external factors interfere with the market fundamentals. A very different situation, however, may emerge as of next year, with market conditions expected to tighten.

FAO's latest forecast puts world trade in rice in **2001** (calendar year basis) at 22.4 million tonnes (in milled equivalent), very close to the earlier estimate and unchanged from the volume in 2000. Developing countries should account for the bulk of the imports, with 18.8 million tonnes, marginally below the level in 2000. The decline in international prices this year, however, should lower the value of their imports from US\$3.1 billion in 2000 to US\$3.0 billion in 2001. The volume of rice shipments to the LIFDCs is expected to remain of the order of 10.9 million tonnes, unchanged from last year, but lower prices should cut their import bill from US\$1.8 billion in 2000 to US\$1.7 billion in 2001.

As the assessment of the size and quality of the crops gathered this season becomes firmer and information on actual rice shipments is made available, some revisions in the expected volume of rice trade this year have been effected for a number of countries.

In **Asia**, forecast imports by the Philippines have been raised by 100 000 tonnes to 850 000 tonnes, 22 percent more than in 2000. Domestic prices during the lean months in August and September were reported to be unusually low. Such a weakness has been associated to a surge in illegal inflows of rice to the country, which have induced the National Food Authority (NFA), the organization responsible for rice domestic distribution and imports, to propose a set of measures to tighten the control over inter-island rice movements. Indonesia's import agency BULOG negotiated a 500 000 tonnes import deal with Viet Nam, in August 2001 for delivery next year. Forecast shipments into the country have accordingly been kept

at 1.2 million tonnes in 2001, as earlier envisaged, but 800 000 tonnes less than in 2000. However, the possibility of an upward revision still remains. By contrast, imports by the Islamic Republic of Iran have been lowered by 200 000 tonnes to 1 million tonnes this year, compared with 1.1 million tonnes in 2000, with much uncertainty still surrounding this estimate, especially because of a surge in shipping costs in the Persian Gulf.

Overall, expectations for rice imports into **Africa** point to a record of 6.5 million tonnes, half a million tonnes more than in 2000 and 300 000 tonnes above the earlier forecast. At that level, the region, which is providing a major stimulus to the international rice market in an otherwise depressed environment, would account for nearly 30 percent of global trade in rice. Among the largest importers in the region, expected shipments to the Côte d'Ivoire have been subject to an upward revision, as major exporters, especially China, reported high deliveries to the country so far this year. Likewise, the outlook for Senegal has been raised from 580 000 to 650 000 tonnes, close to the record achieved in 1999. In the first eight months of the year, the country's imports had already reached 428 000 tonnes, or 52 percent more than in the corresponding period in 2000. By contrast, purchases envisaged by Nigeria remain at 1 million tonnes, unchanged from 2000.

In **Latin America and the Caribbean**, the outlook for rice imports has changed little. In Central America, the crop shortfall is not expected to trigger a surge in imports until next year. Thus, the forecasts for Cuba and Mexico remain of the order of 440 000 tonnes, unchanged from last year in the former country but somewhat higher in the latter. Official estimates in Peru also point to an increase from last year. By contrast, shipments into Brazil, the major rice market in the region, are anticipated to fall, since high stocks and a good 2001 crop, the second best on record, have considerably trimmed the country's import requirements.

With regard to rice exports, although little changed on an aggregate basis, several adjustments from the previous outlook have been made on individual countries' expected volume of exports.

In **Asia**, shipments from China (mainland), originally put at 2.5 million tonnes, have been cut to 1.9 million tonnes, 1 million less than last year, in view of the anticipated crop shortfall and the price strength witnessed since the beginning of the year. Indeed, although the country holds large rice inventories, the bulk is kept by farmers for food security reasons, rather than for market sale. Export performance up until August also pointed to a sharp contraction of 44 percent compared with the same period in 2000.

Rice shipments from Viet Nam have also been subject to a downward revision to 3.8 million tonnes from the original 4 million tonnes targeted by the Government, in view of the disappointing outcome of the summer/autumn crop. At that level, sales to foreign markets would still exceed those recorded last year by some 400 000 tonnes. To some extent, this positive performance reflects government relaxation of controls over rice exports and the granting of favourable credit conditions to importers, an example of which was a recent 100 000 tonnes deal for sale to Indonesia, the payment of which would be deferred to 720 days.

Export forecasts for Thailand, India, Myanmar and Argentina have all been raised from the previous outlook. In Thailand, strong import demand, in particular from western Africa has boosted the country's shipments by 5 percent during the first nine months compared with the same period in 2000. Based on this early performance, the country might strike a new trade record of 6.8 million tonnes, although this would imply that large shipments are made during the last quarter, as was the case last year.

Very competitive prices have also bolstered shipments from Myanmar, which have been raised to 350 000 tonnes this year, up from an earlier 200 000 tonnes, and the highest level since 1996.

By contrast, prices in India still appear too high to give a significant boost to exports. However, following the relaxation of the minimum quantity purchase requirement and the lowering of prices on rice sales from Government stores, some transactions, especially for parboiled rice, have been made for shipment to Africa in recent months. Expectations of a bumper crop have added pressure on the Government to facilitate exports. The forecast for India's exports this year has accordingly been raised by 200 000 tonnes, to 1.5 million tonnes, about the same level as last year.

Prospects for sales from Pakistan are uncertain. Exports during the first semester totaled nearly 1.6 million tonnes, compared with 1.1 million tonnes in same period in 2000. Nonetheless, FAO forecast for 2001 remains at 1.9 million tonnes, somewhat less than in 2000, because of a belated harvest and the anticipated contraction in production this season. Moreover, a reported rise in transportation insurance premiums in the area, could erode the freight comparative advantage Pakistan holds on exports to the Near East and Africa.

Shipments from Egypt are anticipated to rise to 450 000 tonnes, up from 350 000 tonnes in 2000, but unchanged from the previous forecast. The year-to-year increase reflects the depreciation of the local currency and the granting, from July to September, of export subsidies by the Government of some US\$20 per tonne for medium rice and US\$45 per tonne for long rice.

Overview of World Cereal Imports - Forecast for 2001/02

	Wheat		Coarse grains		Rice (milled)		Total	
	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02
	(..... million tonnes)							
Asia	47.1	50.8	56.8	57.8	11.0	11.7	114.9	120.3
Africa	24.9	23.8	14.2	13.5	6.5	6.2	45.6	43.5
Central America	6.4	6.5	13.2	14.2	1.6	1.7	21.2	22.4
South America	11.8	12.2	7.4	6.5	0.9	0.9	20.1	19.6
North America	2.5	2.5	4.3	4.0	0.6	0.6	7.4	7.1
Europe	9.8	7.6	8.8	6.9	1.5	1.5	20.0	16.0
Oceania	0.5	0.5	0.1	0.1	0.3	0.3	1.0	1.0
WORLD	103.0	104.0	104.7	103.0	22.4	23.0^{1/}	230.1	230.0
Developing Countries	79.6	82.2	69.2	69.4	18.8	19.3	167.5	171.0
Developed Countries	23.4	21.8	35.5	33.5	3.6	3.7	62.5	59.0

Source: FAO

^{1/} Highly tentative.

The forecast for the United States' exports remains at 2 650 000 tonnes, 100 000 tonnes below the level achieved last year, reflecting relatively high domestic prices and fierce competition in Latin America and the Caribbean. Shipments from Argentina and Uruguay are also anticipated to decline compared with 2000, in the light of the poor demand from Brazil, despite efforts by the two countries to find alternative outlets in Africa and the Near East. By contrast, Government sales from public stocks, should lift exports from Brazil, usually a major importer, to some 150 000 tonnes.

On balance, the outlook for the **2002** season is for a tighter market situation and some increase in the volume of world trade. However, this outlook is still subject to a high degree of uncertainty. Firstly, there are some fears of a recurrence of El Niño and of its potentially negative impact on production in a number of countries. Second, the accession of China and of the Chinese Province of Taiwan to WTO is likely to influence the rice economy next year. Finally, a worsening in the general political and economic environment would also have important implications for commodity markets.

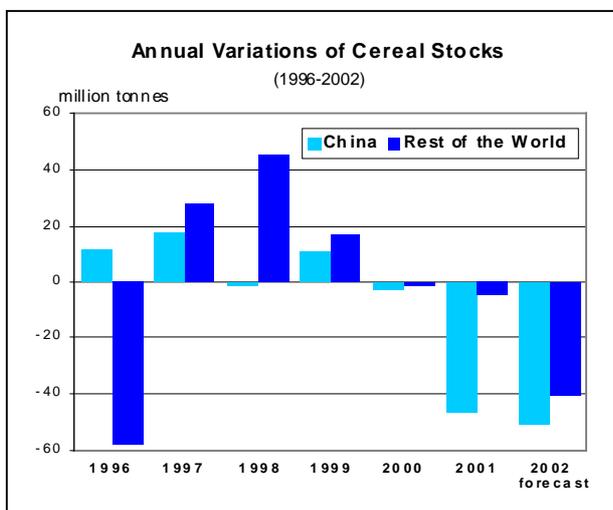
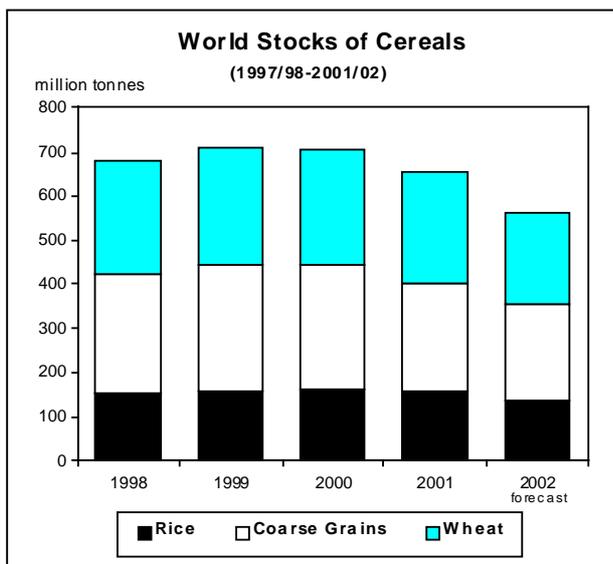
Import requirements in 2002 are expected to rise for a number of countries, which harvested poor harvests during the current season, including Indonesia and a number of states in Central America. Two successive years of production shortfalls may also induce China (mainland) to step up its rice purchases. In addition, under its WTO commitments, the country has agreed to open a 2.6 million tonnes preferential import quota for rice, half of which should be handled by the private sector. Although shipments to the country are unlikely to reach such a high volume, the coincidence of reduced domestic supplies and of the country's new WTO membership may result in increased imports next year. Similarly, rice purchases by the Chinese Province of Taiwan, which have so far been subject to an import ban, are expected to rise substantially in view of the commitments taken to allow the entry of some 147 000 tonnes under the minimum access quota. By contrast,

under the current prospects of a satisfactory 2001 season, a number of countries might cut their imports, including Bangladesh and the Philippines. Similarly, the good crops harvested this season in Africa might slow down the growth of imports into the region, especially if a strengthening in world prices is witnessed. Overall, developing countries are forecast to import 19.3 million tonnes in 2002, some 600 000 tonnes more than in the current year. The rise in the volume of imports combined with an expected strengthening in prices could accordingly push the value of this trade up by 13 percent to US\$3.4 billion in 2002. A similar situation is expected to arise for the LIFDCs, whose imports next year might rise by 4 percent while their import bill could soar by 14 percent.

Under the current production prospects, major exporters are anticipated to benefit from the expected surge in import demand, with the exception of Pakistan which might run short of supplies. A firming of prices could also boost India's exports. Very good crops in Bangladesh might encourage the country to look for some high-price markets, such as the EC, to try and sell high quality rice.

Carryover Stocks**World cereal stocks to fall sharply as global production contracts**

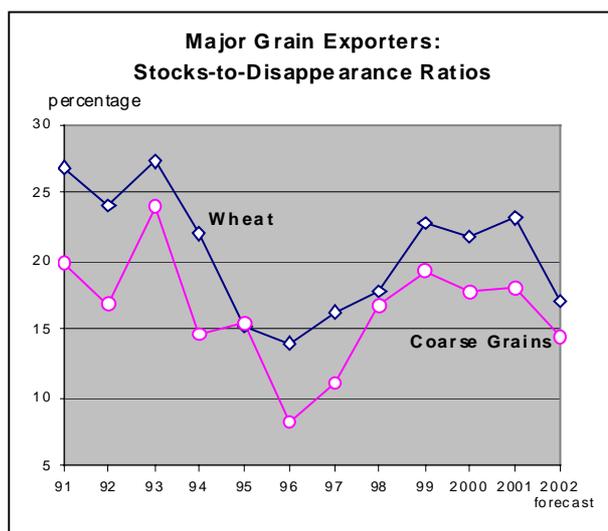
World **cereal** carryovers for crop years ending 2002 are forecast to fall to 562 million tonnes, 92 million tonnes, or 14 percent, below their already reduced opening levels, and 40 million tonnes less than was reported in June. Since the previous report, the forecast for cereal production in 2001 (including rice in milled terms) has been lowered by 36 million tonnes and this has given way to a further cut in the forecast for this season's ending stocks. Overall, this year's sharp decline in cereal stocks mostly stems from smaller crops in China as well as in a number of major cereal exporting countries. In China, cereal stocks are



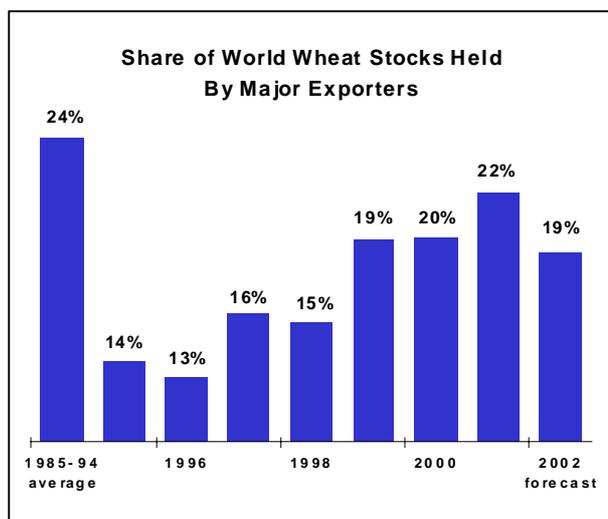
likely to contract by as much as 51 million tonnes. Despite substantial reductions in recent years, cereal stocks in China remain bountiful, representing more than 50 percent of world total inventories. Large stocks in China have prompted the Government to pursue downsizing strategies in recent years and it is for this reason that despite lower output, procurement prices have been lowered, imports remain small and export sales continue.

World **wheat** stocks by the close of the seasons ending in 2002 are forecast to reach 207 million tonnes, down 14 million tonnes from the June forecast and 43 million tonnes, or 17 percent, below their opening levels. With this season's projected utilization again outstripping supplies, global wheat inventories would have to be drawn down further in order to meet the anticipated demand. Most of the decline is expected in China (down 12 million tonnes) and in major wheat exporting countries (down 15 million tonnes). Among the major exporters, smaller wheat crops in the EC, Canada and the United States could lead to a sharp stock draw-down to levels not seen

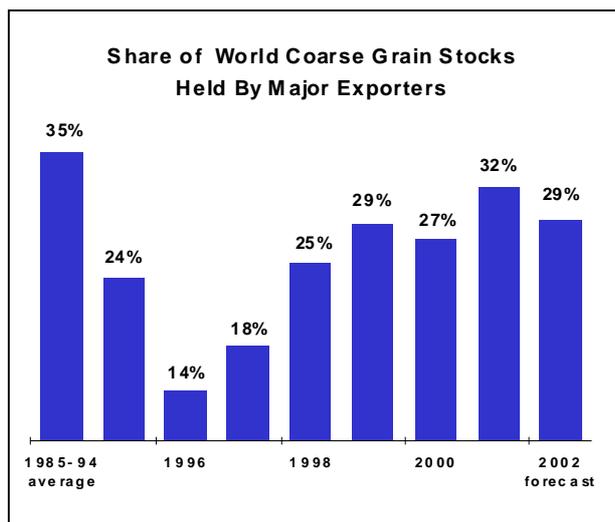
since 1998, although still well above the level of the mid-nineties. The decline in wheat inventories of the major exporters would also entail a drop in the ratio of their aggregate wheat stocks to their total disappearance (the sum of their domestic consumption and exports), which is currently envisaged to reach 17 percent, down considerably from 23 percent in 2000/01 and lowest in four years. In addition, the global share of total wheat stocks held by major exporters would also be smaller; around 19 percent as compared to 22 percent in the previous season.



Among other countries, higher wheat stocks are anticipated in several eastern European and CIS countries because of larger crops, but stocks in India, which at the start of the current season stood at a record level, are expected to decline; the extent of the decline would largely depend on whether the Government could achieve its ambitious export target of 5 million tonnes. The Government has also cut the price of wheat sold through the public distribution system in order to reduce surplus stocks. Elsewhere, wheat stocks are likely to be reduced in Turkey and the Islamic Republic of Iran because of lower production.



Global **coarse grain** inventories for crop years ending in 2002 are now put at 218 million tonnes, down 24 million tonnes from the June forecast and 31 million tonnes, or 12 percent down, from the previous year. As for wheat, the bulk of the decline is accounted for by China, where stocks are now forecast to fall by as much as 22 million tonnes. The forecast for ending stocks in major exporting countries has also been lowered significantly since the previous report. Most of the decline would be in the United States where, because of smaller production, ending stocks could fall to 39 million tonnes, 11 million tonnes smaller than was reported earlier and 14 million tonnes below last year.



At the current forecast levels, total coarse grain stocks held by major exporters would represent 29 percent of the world total, which is above the average of the past five years but lower than the 32 percent reached in the previous year. More significantly however, is the decline in the ratio of major exporters' stocks to their total disappearance, which is expected to drop to 14.4 percent, down from 18 percent in 2000/01 and smallest since the mid-1990s when grain prices surged in response to tight world supplies.

Among other countries, this year's bumper maize crop in Brazil is expected to boost that country's stockpile despite large exports. Higher stocks are also anticipated in Nigeria, mostly in anticipation of a record sorghum output. By contrast, reduced maize production in the Republic of South Africa is expected to lead to a decline in stocks in that country. Among the CIS and eastern European countries, the rise in this year's output would result in higher stocks in most countries, especially in Hungary, where this year's bumper maize crop could result in a significant increase in stocks despite a likely surge also in exports.

Since **rice** consumption is again expected to outpace production, world rice stocks at the close of the marketing seasons in 2002 are forecast to decline to 136.9 million tonnes, almost 18 million tonnes below their opening level and 3 million tonnes less than earlier anticipated. The latest downward revision is

mainly on account of China where closing stocks have been reduced by 4 million tonnes from the previous forecast. In this country alone 12.5 million tonnes would have to be drawn down from inventories to meet the production shortfall and maintain a relatively small level of imports. Based on the latest forecasts, most rice exporters are anticipated to end the current season with smaller rice inventories, including China, India, Pakistan, Thailand and Viet Nam, but excluding Argentina, Australia and the United States. Several major importers are also likely to resort to a draw-down from stocks to cover their requirements, including Brazil, Indonesia, the Islamic Republic of Iran and Japan.

World Carryover Stocks of Cereals

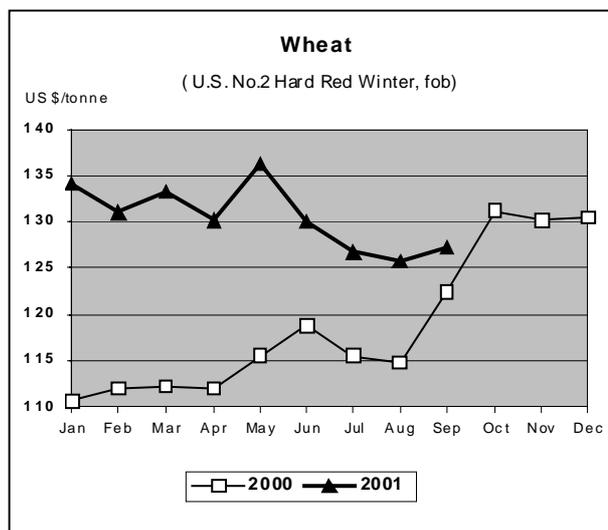
	Crop year ending in:		
	2000	2001 estimate	2002 forecast
	(. . . million tonnes . . .)		
Wheat	261.8	250.0	207.4
Coarse grains	280.3	248.9	218.1
of which:			
Maize	229.6	207.0	180.8
Barley	27.5	23.2	19.0
Sorghum	8.9	6.4	6.7
Others	14.3	12.4	11.6
Rice (milled)	162.6	154.7	136.9
TOTAL	704.8	653.6	562.4

Source: FAO

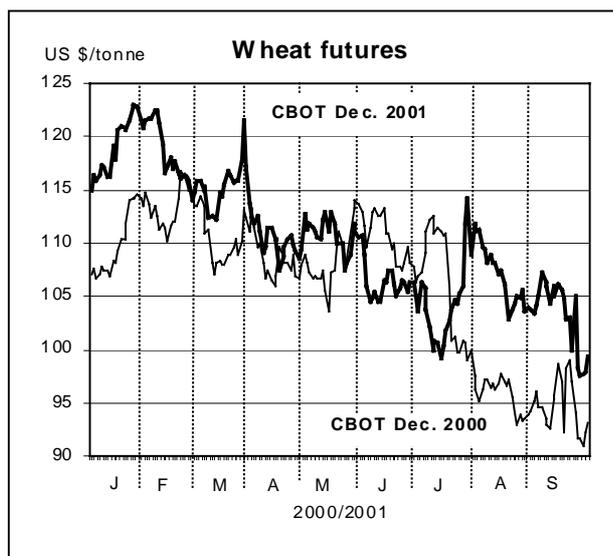
Export Prices

Small rise in prices for most cereals this season but the outlook remains uncertain amid political tensions and economic slowdown

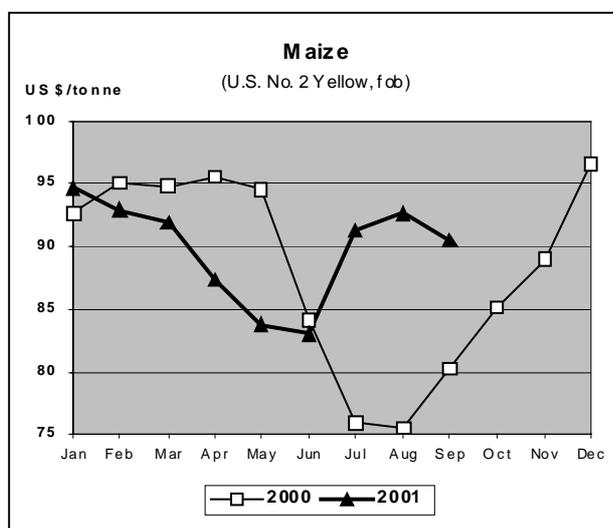
As with prices for most other commodities, cereal prices remain mostly under downward pressure. International grain prices showed some signs of



recovery after the start of the current marketing season in July, but the economic and the political uncertainty triggered by the tragic events of September 11th seems to have put a damper on any further price gains, at least in the short-term. In September, the US **wheat** No. 2 (HRW, fob) averaged US\$127 per tonne, slightly up from the corresponding period last year. Wheat prices have remained above last year's levels so far this season, but as harvesting in wheat producing countries in the northern hemisphere receded and it became clear that large exports from a number of non-traditional exporting countries, such as India, could also make it to world markets, export prices weakened and the gap narrowed considerably.

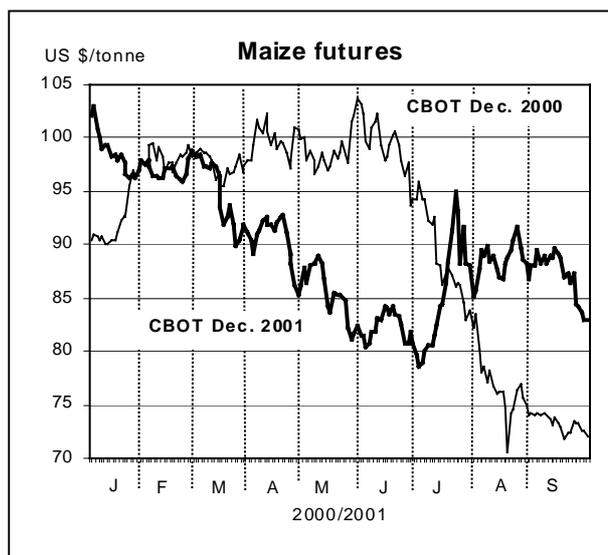


In additions, spillover from troubled equity markets could also dampen the market sentiment should the current conditions continue for long. Recent price movements in the US wheat futures at the Chicago Board of Trade (CBOT) indicate a sliding trend in recent weeks. Wheat futures remain above the levels registered in the corresponding period last year but, by late September, the CBOT December wheat futures fell to US\$84 per tonne, down US\$5 per tonne from the beginning of the month.



Similar conditions confront the **maize** market, which in recent weeks also came under downward price pressure. By late September, the US maize export prices (US No.2 Yellow, fob) fell to US\$90 per tonne, down from the previous month but still up US\$6 per tonne since May and above last year. Although with the harvesting underway in many producing countries, prices could weaken during this time of the year, the expected sharp decline in production in the United States, the world's largest coarse grain producer, and a further cut in the estimates for this year's output in China are seen as supportive to prices.

On the other hand, while sales from China are expected to be much smaller than in the previous year, Brazil is seen to have ample maize surplus for exports, after this year's record harvest, and large shipments are also anticipated from Hungary. Overall, therefore, the price prospects remain somewhat uncertain, especially in view of contracting world trade and a possible economic slowdown, which could further exasperate demand for feed grains. In fact, December maize futures on CBOT have declined considerably in recent weeks, although remaining well above last year.



International **rice** prices rose somewhat in July and August, with the FAO Export Price Index rising to 91 points in July and August, up from 88 points in May and June. The firming reflected delays in the arrival of new crop rice supplies in Viet Nam and the announcement of new purchases from Indonesia and African countries. The price strength in August was dampened somewhat by a slide in prices for rice from the United States.

In September, the index fell back by 1 point to 90, mainly on account of low prices for rice from Myanmar, where the Government is conducting an aggressive price policy to boost exports, and of a further drop in the quotations of all rice qualities from the United States, which were negatively influenced by poor demand and by the release, in mid-September, of a

Cereal Export Prices *

	2001		2000
	Sept.	May	Sept.
	(. US\$/tonne)		
United States			
Wheat ^{1/}	127	136	123
Maize	90	84	80
Sorghum	98	96	82
Argentina ^{2/}			
Wheat	120	124	109
Maize	89	84	74
Thailand ^{2/}			
Rice white ^{3/}	176	170	182
Rice, broken ^{4/}	151	126	142

Source: FAO, see Appendix Table A.6

- * 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.

higher than expected production estimate for the country this season. By contrast, prices of most qualities of rice exported from Thailand rose in September, with the Thai 100 B quoted at US\$176 per tonne, US\$2 per tonne more than in August. The increase was particularly pronounced for both the low quality and parboiled rice, which were sustained by a strong demand by African countries, with the price of the Thai A1 Super moving up from US\$143 per tonne in August to US\$151 per tonne in September, a level unreached since March 2000, while the price of the Thai parboiled rice strengthened from US\$209 per tonne in August to US\$222 per tonne in September. The divergence of price movements in Thailand and the United States has made quotations for similar qualities in the two countries converge. The price differential on parboiled rice, for instance, narrowed from US\$125 per tonne in August to only US\$76 per tonne in September. Price prospects for the short term remain dull, especially since large supplies will reach the market this fall in Northern Hemisphere countries. However, an expected tightening of the market next year might pave the way for a price recovery.

Ocean Freight Rates

The slowdown in world economic activity influenced the trend of freight rates over recent months. Activity in the dry bulk sector remained quiet due to subdued demand for iron ore, coal and grains. This, together with the high volume of newly built deliveries has led to greater sales for breaking since May 2001. India accounts for the greater part of demolition activity, and it is also expanding in Bangladesh, China and Pakistan. A two-tier market is emerging with new or recently built vessels obtaining more favourable rates.

Logistical problems affected various grain supply routes. In the United States, stretches of the Mississippi River were closed at different times between April and June because of flooding,

hampering movement of grain to some US Gulf ports. India's major port of Kandla was closed temporarily following forecasts of a severe cyclone. Heavy rains and a two-week strike by stevedores delayed movement of most cargoes at major ports in Brazil, including Santos, creating congestion.

The terrorist attack on the United States in September caused freight rates to rise across most sectors of the market, because of firmer fuel prices and a possible increase in insurance costs.

The outlook for world grain trade suggests somewhat lower volumes of seaborne transportation of coarse grains to Near East and Far East Asia. Better crops in eastern and central European countries and the CIS will result in larger exports, and an increase in shipping activity on some less frequented routes. The first shipments of the new crop barley have been reported from the Black Sea to Near East Asia. Exports of maize from China could be larger than previously expected. Increased shipments of soyabeans and meal from Brazil to Western Europe are expected to replace meat and bone meal (MBM) in animal feeds.

A steady pace of fixtures for new crop grains and oilseeds from South America lent firm support to freight rates from April. Handysize vessels captured most of this business, with transactions reported to a wide range of destinations. After their big crops, shipments of maize and soyabeans from Argentina and Brazil were running at record levels. Argentina's sales of wheat are also likely to be well up on last season. Owners both of Handysize and Panamax vessels were able to secure profitable long-term business, since much was fixed on timecharter arrangements. Competition for spot cargoes from South America was heightened by the large number of Handysize vessels, which had ballasted to the region in June. In contrast to South America, enquiry from other major exporting regions was relatively modest.

Grain rates in the Panamax market continued to slide both in the Atlantic and Pacific, reflecting the seasonal dip in the dry cargo trade in April/May. However, contrary to most expectations, demand for Panamax tonnage appeared to be firm during much of June. Activity was most pronounced in the Pacific sector, with several fixtures for grains and oilseeds from North America to Far East Asia.

Despite occasional flurries for spot tonnage, prospects for Panamax carriers in both the Atlantic and the Pacific sectors remained bearish during the summer months. The large number of new vessels on order continued to limit any recovery in rates. Shipowners looked to the grain market to provide employment for a growing surplus of tonnage in prompt positions. A brief period of recovery in Panamax timecharter rates was recorded in the middle of August, when earnings increased from US\$6 500 to US\$7 000/ day, as ships for nearby positions were in short supply. The rate on the major US Gulf to Japan route declined from US\$19.50 at the end of July to US\$17.75 in mid-

August, then recovered to US\$18.90 and dropped again to US\$17.60 by mid-September.

The Baltic Dry Index (BDI), which measures the movement of representative rates in the dry cargo

sector, dropped from 1 430 at the beginning of April to 908 in the first decade of September. After the terrorist attacks on the United States the index rose to 974 as at 19 September, reflecting higher fuel and insurance costs.

Cassava

Global cassava production rises by 1 percent

Global cassava production in 2001 is forecast at 178 million tonnes, only 1 percent more than in the previous year. Most of the expansion reflects increases in Africa and Latin America and the Caribbean, while little change is currently foreseen in Asia.

World Cassava Production ^{1/}

	1999	2000 prelim.	2001 forecast
	(. million tonnes)		
WORLD	172.7	175.6	178.0
Africa	92.3	94.0	95.0
Congo Dem. Rep.	16.5	16.0	15.4
Ghana	7.8	8.1	8.5
Madagascar	2.5	2.5	2.4
Mozambique	5.4	4.6	4.7
Nigeria	32.7	33.9	34.0
Tanzania	7.2	5.8	5.0
Uganda	3.3	5.0	5.5
Asia	51.0	49.4	49.5
China	3.6	3.6	3.8
India	6.1	6.3	7.0
Indonesia	16.5	16.1	15.6
Philippines	1.9	1.8	1.8
Thailand	20.3	18.8	18.3
Viet Nam	1.8	2.0	2.0
Latin America and Caribbean	29.2	31.9	33.3
Brazil	20.9	23.3	24.2
Colombia	1.8	1.8	2.0
Paraguay	3.5	3.5	3.7

Source: FAO

^{1/} In fresh roots

In **Africa**, cassava continues to be a central crop for food security programmes in several countries, especially because of its resistance to drought. In most cases, the emphasis is put on enhancing productivity, through the introduction of improved varieties. For instance, in Ghana current new varieties yield 2.3 times higher than the local varieties. These new varieties yield between 25 to 32 tonnes per hectares. However, countries such as Cameroon are now shifting their attention towards post-harvest activities that aim to reduce marketing losses. FAO forecasts for the region currently put cassava production at 95 million tonnes, 1 percent more than last year, sustained by an expansion in Angola, Benin, Burundi, Ghana, Liberia, Mozambique, Nigeria and Uganda. In these countries, the sector has benefited from an

expansion in plantings and from favourable climatic conditions, which have boosted yields. By contrast, a contraction is anticipated in the Democratic Republic of Congo, where persistent insecurity problems have continued to disrupt agricultural activities. In addition, production is likely to fall in Malawi and Zambia, where flooding seriously damaged the crop, but also in Tanzania and Rwanda, where drought has reportedly affected cassava growing areas, and in Cameroon, because of the spread of pests and diseases, which have dimmed crop yield prospects.

In **Latin America and the Caribbean**, cassava output is forecast at 33.3 million tonnes, 1.4 million tonnes higher than in 2000, with much of the increase concentrated in Brazil. In this country, the cassava harvest is anticipated to grow by 4 percent to 24.2 million tonnes, lifted by larger plantings in the centre-south and middle-western states. Since 1998, rising cassava market prices in the country have encouraged producers to modernise the sector and to grow cassava under irrigation. Production is anticipated to expand also in Colombia, Paraguay, Haiti, Nicaragua and Peru, in response to an increasing domestic demand for food and other usages. The crop is the object in the region of a comprehensive programme, sponsored by both public and private organizations, to enhance cassava production, processing and utilization in the region (see box on page 24).

In **Asia**, cassava production in 2001 is likely to stagnate around 49 million tonnes. Thailand and Indonesia, the two major regional producers, have both reported reductions in outputs of about 3 percent. In Thailand, the decline reflects the slide in cassava root prices since 1999, which has encouraged farmers to switch to other crops. The diversification process was limited, to some extent, by large intervention purchases by the Government in the past two years, which helped dampen the price fall. Between November 2000 and January 2001 the government purchased about 3 million tonnes of roots directly from the farmers at a price of 0.85 Baht/kg to produce tapioca chips and starch for export. In Indonesia, the expected contraction would stem from a decline in plantings, as falling prices of rice, which competes directly with cassava in human consumption, depressed domestic demand for cassava products. By contrast, output is anticipated to rise by 11 percent in India, sustained by growth in plantings in Tamil Nadu and Andhra Pradesh. Production is forecast to expand also in Myanmar and Cambodia due to increases in plantings and yields.

Prices of Cassava, Soybean meal and Barley in the EC

	Cassava pellets ^{1/}	Soybean meal ^{2/}	Cassava soybean meal mixture ^{3/}	Barley ^{4/}	Barley/Cassava mixture
	(. US\$/tonne)				(. ratio)
1991	178	197	186	222	1.19
1992	183	204	187	235	1.26
1993	137	208	151	197	1.30
1994	144	192	154	182	1.18
1995	177	197	181	209	1.15
1996	152	268	175	194	1.11
1997	108	276	142	161	1.13
1998	107	170	120	145	1.21
1999	102	152	112	143	1.28
2000	84	189	105	144	1.37
2001 ^{5/}	81	181	101	145	1.44

Source: FAO, Oil World and Agra-Europe.

^{1/} F.o.b. Rotterdam (barge or rail), including 6% levy. ^{2/} Argentina (45/46 % proteins) c.i.f. Rotterdam until September 1999. As from October 1999 Argentina (44/45% proteins) c.i.f. Rotterdam. ^{3/} Consisting of 80% of cassava pellets and 20% of soybean meal. ^{4/} Selling price of barley in Spain. ^{5/} January-August average.

World trade in cassava products in 2001 is tentatively forecast at 7.3 million tonnes (in product weight of chips and pellets) 6 percent above last year and substantially more than earlier anticipated. Of the total, 4.7 million tonnes are estimated to be traded in the form of chips and pellets and 2.6 million tonnes (1.3 million tonnes in product weight) in the form of starch and flour^{1/} for food and industrial use. Imports by the EC are forecast to fall by 1 million tonnes to 2.7 million tonnes, depressed by a slackening of demand^{2/} in the Netherlands and Spain, where the occurrence of BSE and FMD have led to a fall in meat production. The contraction in EC imports should be more than compensated by larger purchases by countries in the Far East, in particular China. In the first eight months of 2001, this country bought 1.5 million tonnes of chips and pellets from Thailand, compared with only 14 000 tonnes a year earlier, at prices ranging from US\$50 per tonne to US\$60 per tonne. The rise was mainly in response to unfavourable sweet potato crops in the main growing regions, which has encouraged a shift towards cassava utilization in feeds. Increased cassava purchases are also anticipated to be made by the Philippines, the Republic of Korea, Japan, China, Hong Kong SAR.

Between January and August this year, Thailand shipped 3.6 million tonnes of chips and pellets, compared with 2.6 million tonnes in the same period last year. Much of the increase reflects a surge in sales of chips and pellets to China, mainly from stocks held by the Thai Public Warehouse Organization after the government launched, last year, a purchasing programme for cassava chips, pellets and flour in support of producer prices. As a result, overall exports of cassava products by Thailand this year are forecast at 7 million tonnes, about 0.5 million tonnes more than in 2000. By contrast, sales of cassava products from Indonesia, which are mostly destined to China and the Republic of Korea, are anticipated to remain below the 150 000 tonnes exported last year. Other exports are mostly limited to border or intra-regional transactions, which are often not recorded in the official statistics.

Some instances of officially reported sales in Africa include Ghana with some 10 000 tonnes and Côte d'Ivoire with 2 000 tonnes. Within the Far East, India officially forecast 1 700 tonnes of exports of tapioca starch, sago, flours and meals. In Latin America and the Caribbean, shipments from Costa Rica were reported at 11 000 tonnes this year down from 42 000 tonnes in 2000. Lastly, about 10 000 tonnes were expected to be shipped by Brazil, mainly in the form of cassava flour. Overall, shipments from exporters other than Thailand and Indonesia are put at some 170 000 tonnes in 2001, somewhat less than last year.

World Trade in Cassava ^{1/}

	1999	2000 prelim.	2001 forecast
	(. million tonnes)		
World Exports	7.0	6.9	7.3
Thailand	6.4	6.5	7.0
Indonesia	0.3	0.2	0.1
Others	0.2	0.2	0.2
World Imports	7.0	6.9	7.3
EC ^{2/}	4.3	3.7	2.7
China ^{3/}	1.1	0.9	2.4
Japan	0.5	0.6	0.6
Korea, Rep. of	0.1	0.1	0.3
Others	0.9	1.6	1.3

Source: FAO.

^{1/} In product weight of chips and pellets. Since the June issue of Food Outlook, trade in flour or starch has been added in pellets equivalent (1 tonne of flour or starch equal to two tonnes of pellets). ^{2/} Excluding trade between EC members. ^{3/} Including Taiwan Province.

^{1/} Since the June issue of Food Outlook trade in starch and flours has been added in pellets equivalent (1 tonne of flour or starch is equivalent to two tonnes of pellets). ^{2/} Under Agenda 2000, the cereal intervention prices have been reduced from the starting level of Euro 119.19/tonne to Euro 110.25/tonne in the previous season and to Euro 101.31/tonne for the current 2001/02 season.

Cassava pellets prices remain depressed while they recover for starches/flours

International cassava prices have continued to fall during most of the year mainly reflecting a weak import demand in the EC. In the first eight months of the year, the EC import prices for cassava pellets averaged US\$81 per tonne or 8 percent less than in the corresponding period in 2000. By contrast, Thai export prices of cassava starch and flours recovered to US\$185 per tonne in July-August 2001, up from US\$159 per tonne in the corresponding period of last year.

Outlook for 2002

Global cassava production in 2002 is forecast to experience a moderate expansion again next year, assuming normal growing conditions. In Africa, production could increase, stimulated by rising demand and the positive effects of on-going programmes to promote the cultivation of high-yielding, pest and disease resistant varieties. In Latin America and the Caribbean, further gains in output could also be achieved. In particular, in Brazil and Colombia a rise in cassava market prices this year should induce producers to expand cassava cultivation. By contrast, cassava production is expected to contract further in Asia. Results from a recent survey conducted in Thailand, point to a 2.5 percent contraction in output to 17.8 million tonnes next season. Such a fall would stem from a drop in plantings of nearly 6 percent, which is expected to be partially compensated by a 3 percent boost in yields, following a greater usage of improved varieties.

Current prospects for cassava trade in 2002 remain uncertain. On the one hand, a possible strengthening in cereal prices next season in the EC might support a recovery in import demand for cassava products by

member countries. On the other, this might be dampened by the contraction in livestock herds in some of the major EC cassava users. There is also considerable uncertainty regarding the maintenance of large purchases by China, which were made, this year under specially favourable price conditions. Given the prospects of a smaller crop in Thailand, domestic prices could indeed recover from the extremely low levels that have prevailed since 1999. As for cassava pellet export prices, current forecasts point to some recovery next season, consistent with the prospects for firm cereal prices in the Community. Likewise, prices of cassava flour could continue on an upward trend, mainly reflecting a tightening of supplies in Thailand.

Cassava and Cassava Products Prices in Thailand

	Tapioca flour/ starch Super H. G., Fob Bangkok	Domestic market prices	
		Roots	Hard pellets
	(. US\$/tonne)		
1988	166	47	136
1995	358	65	127
1996	289	49	113
1997	244	34	72
1998	276	44	75
1999	172	26	66
2000	158	21	53
2001 – Jan.-March	158	21	50
Apr.-June	177	32	47
July-August	185	31	57

Source: Thai Tapioca Trade Association, Market Review.

INFORMATION ON CLAYUCA^{1/}

In April 1999, an International Consortium, known by the Spanish acronym CLAYUCA, was established to promote cassava, strengthen the transfer of improved technologies and enhance exchange of experiences, information and technologies on cassava among Latin America and the Caribbean countries (LAC). Founder members of the consortium are Bolivia, Colombia, Cuba, Ecuador, Venezuela, the International Centre for Tropical Agriculture (CIAT) and the International Co-operation Centre for Agriculture Development (CIRAD). In each country, the participants in activities promoted by the Consortium can range from institutions from public and private sector, universities, and non-governmental organizations, to farmers groups and other sectors involved in cassava production, processing, marketing, utilization, training, research and technology transfer. The potential members are all cassava producing countries in LAC with the capacity to contribute, finance and execute activities of the Consortium.

So far, the regional network has started different programmes for enhancing the use of cassava and products in the animal feed industries in substitution for imported feedstuffs. One example is a project recently presented for submission to the Common Fund for Commodities for evaluation and subsequent financing. The project, *“Enhanced Use of Cassava in the Animal Feed Industries of Latin America and the Caribbean: a Market Development Approach for improved Competitiveness”*, is at present being reviewed by FAO.

^{1/} Consorcio Latino Americano y del Caribe de Apoyo a la Investigación y Desarrollo de la Yuca.

Meat and Meat Products

While the international meat market is witnessing a gradual recovery in beef demand, animal disease concerns continue to cast uncertainty about meat trade and price prospects in 2001. Global meat trade is expected to rise by less than 1 percent above the previous year's estimated volume. However, even this marginal increase, along with the meat price gains thus far in 2001, could be put in jeopardy by the first reported Asian case of bovine spongiform encephalopathy (BSE) announced in early September by Japan, the world's largest meat import market. This announcement might prompt consumer reaction away from beef in the region, with negative implications for global import demand and world prices.

Since the start of 2001, the FAO meat price index has moved up by more than 5 percent, rising from 79 to 85 points, mostly driven by an impressive 11 percent jump in the poultry prices. This is a pattern that should persist in the near term, as animal disease concerns contribute to a global move away from beef consumption towards other meats, particularly poultry. In addition, any deterioration in global economic conditions could also trigger a further slowdown in meat consumption and result in a shift in consumer preferences to lower-priced meat cuts and poultry, a phenomenon already evident in some importing countries.

Gains in meat production and consumption concentrated in developing countries

Meat production in 2001, estimated at 237 million tonnes, is up less than 2 percent from 2000 with an estimated 1 percent drop in beef production offset by expected growth of 3 percent and 2.2 percent, respectively, in the poultry and pigmeat sectors. Developing countries are expected to continue to expand their share of the global meat sector to 56 percent in 2001, as their production grows by 3.5 percent to 134 million tonnes. This is in stark contrast to developed countries where herd rebuilding and disease-induced animal culls are expected to lead to a 1 percent drop in overall meat production, mainly as a result of a substantial decline in beef output of 4 percent.

The strongest gains are anticipated in South America and Asia with annual regional meat output growth estimated to surpass 3 percent in 2001. In South America, FMD outbreaks in Argentina and Uruguay have limited output gains. In Brazil, however, the region's largest meat exporter and the world's 4th largest meat producer, output is set to expand nearly 5 percent in 2001, with exports as a share of production expected to surge from 10 percent to nearly 13 percent. In Asia, strong output gains, particularly of pig and poultry, are expected in China, Indonesia, the

Philippines, Thailand, and Viet Nam. Regional consumption gains, on the other hand, are slower than those of production, driven mainly by lucrative export opportunities for some countries, particularly for poultrymeat from China and Thailand.

Food safety concerns regarding meat, combined with economic slowdown in some countries, are limiting growth in global meat consumption in 2001 to 1.3 percent. The expected stagnation of global per capita meat consumption in 2001 at 38.4 kg per caput, however, masks extreme regional variability.

World Meat Production

	1999	2000	2001 estimate
	(. . . . million tonnes)		
WORLD TOTAL	228.8	233.4	236.9
Poultry meat	64.7	66.6	68.6
Pig meat	89.9	91.1	93.1
Bovine meat	58.9	60.0	59.4
Sheep & goat meat	11.1	11.4	11.5
Other meat	4.2	4.3	4.3
DEVELOPING COUNTRIES	124.0	129.1	133.7
Poultry meat	33.3	34.8	36.1
Pig meat	51.5	53.9	56.4
Bovine meat	28.7	29.7	30.2
Sheep & goat meat	7.8	8.0	8.2
Other meat	2.6	2.7	2.7
DEVELOPED COUNTRIES	104.8	104.2	103.2
Poultry meat	31.4	31.8	32.5
Pig meat	38.4	37.2	36.7
Bovine meat	30.2	30.2	29.1
Sheep & goat meat	3.3	3.4	3.2
Other meat	1.6	1.6	1.6

Source: FAO

Note: Total computed from unrounded data.

Relatively robust growth in developing countries is pushing up per caput averages from 27.7 kg to 28.2 kg; however, a nearly 2 percent growth in Asian meat consumption to 27.5 kg per caput contrasts with an estimated 2 percent decline in Africa to 14.1 kg. Meanwhile, consumers in developed countries, for the second year in a row, are set to reduce their meat utilization by over 1 percent, to an estimated 76.3 kg per caput in 2001. This results from lower beef consumption, as slow growth in meat availabilities, rising prices and BSE concerns lead to per caput declines from 23.2 kg in 1999 to 22.4 kg in 2000 and to an estimated 21.7 kg in 2001.

Meat trade prospects sluggish as consumption falters

Meat importers, bound by animal disease restrictions limiting product sourcing, are scrambling to identify alternative meat product suppliers in 2001, thus bidding up product prices from disease-free regions. These factors, in the context of only slow growth of supply availabilities in 2001, are expected to limit meat trade to 17 million tonnes, only about half a percent from the previous year. Thus 2001 will mark the slowest meat trade gains in 15 years, in stark contrast to the 6 percent average annual gain over the past five years. Meanwhile, the composition of meat trade has continued to change, with poultry's share of global trade surging to an estimated 44 percent in 2001, up from 41 percent in 1999. Furthermore, meat suppliers are changing as developing countries move to expand meat exports by nearly 8 percent in 2001 in response to the more than 2 percent decline expected in developed countries.

World Meat Exports ^{1/}

	1999	2000	2001 forecast
	(. . . thousand tonnes . . .)		
WORLD	16 517	16 909	17 002
Poultry meat	6 827	7 263	7 545
Pig meat	3 259	3 250	3 248
Bovine meat	5 483	5 363	5 166
Sheep meat and goat meat	695	768	777
Other meat	252	266	266

Source: FAO

Note: Total computed from unrounded data.

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

In contrast to favourable trade prospects for poultry meat, import demand for both bovine and pigmeat is expected to decline. A 1 percent decline in global consumption of bovine meat in 2001 is contributing to an estimated 4 percent drop in bovine meat exports to 5.2 million tonnes. Beef import demand is estimated down in all regions, except North America where lower domestic beef supply is stimulating demand for imports. Despite expectations of fairly robust pigmeat consumption in 2001, imports by Asia, the recipient of more than half of world pigmeat imports, are expected to fall by an estimated 5 percent. Consequently, despite higher imports by some countries such as Mexico and Canada, global pigmeat trade is likely to stumble marginally in 2001. Japan's imposition of an import safeguard which raises the average import price for pigmeat - authorized when import levels exceed certain levels - should lead to declining deliveries in the last half of the year. Excess pigmeat supplies in the Republic of Korea, as a result of an FMD outbreak in early 2000, are reducing import demand, while deliveries to Russia, the second largest pigmeat market, remain constrained by high domestic prices in the EC, their traditional supplier of preferred meat cuts for processing. Lower red meat supplies in this market has induced strong demand for lower-priced poultry products, pushing up global poultry trade to 7.5 million tonnes, up 4 percent over 2000. Meanwhile, volume of trade in ovine meat is expected to increase only by 1 percent due to tightening supplies in Oceania. This is despite strong demand from Europe and the immanent lifting by the United States of its restrictions on Australian and New Zealand lamb in response to a lost WTO appeal.

Constrained supply availabilities in developed countries are leading to a estimated 1 percent drop in meat shipments in 2001, allowing developing countries to increase their share of international meat exports to 30 percent, up from 28 percent in 2000. The inability of

International Meat Prices

	FAO index of international meat prices	Average international meat prices			
		Chicken ^{1/}	Pork ^{2/}	Beef ^{3/}	Lamb ^{4/}
	(. . 1990-92=100 . .)	(. US\$/tonne)			
1995	99	922	2 470	1 947	2 621
1996	96	978	2 733	1 741	3 295
1997	96	843	2 724	1 880	3 393
1998	83	760	2 121	1 754	2 750
1999	84	602	2 073	1 894	2 610
2000	85	592	2 073	1 957	2 619
2001	83 ^{5/}	613 ^{5/}	2 047 ^{5/}	2 097 ^{6/}	2 756 ^{7/}

Source: FAO

^{1/} Chicken parts, United States export unit value. ^{2/} Frozen pork, United States export unit value. ^{3/} Manufacture cow beef, Australia, cif prices to the United States. ^{4/} Lamb frozen whole carcass, New Zealand, wholesale prices London. ^{5/} January-July. ^{6/} January-September. ^{7/} January-August

the EC, the world's second largest meat exporter, to move meat to many markets in 2001 due to animal disease concerns and escalating domestic prices for poultry and pigmeat, has led to an estimated 13 percent drop in shipments. While supply constraints and rising export demand for disease free meat products have pushed up domestic prices in the traditional meat exporting countries such as the United States, Australia, and Canada, these markets have moved to only partially fill the market gaps left by the EC. Favourable export prospects for Brazil, which is expected to increase meat shipments by nearly 30 percent in 2001, is in part due to a nearly 40 percent currency devaluation since early 2001. Meanwhile, in Asia, India and Thailand have increased their respective shipments of bovine and poultry meat. China, despite the short-lived ban on chicken shipments to both the Republic of Korea and Japan, its largest market, is also expected to register export gains in 2001.

Mixed outlook in 2002

Supply shortages in the beef market, as major beef exporters finally show tentative signs of herd rebuilding, raise expectations of continued strength in international beef prices in 2002. However, as market disruptions due to animal diseases stabilize in 2002,

particularly in Europe, some of the price pressure induced by strong demand by consumers around the world for alternatives to EC beef may abate. Certainly, stabilizing consumption and prices in the EC, as well as prospects for higher EC meat exports in 2002, may limit gains in international meat prices. However, other traditional meat exporters, such as Argentina and Uruguay will still face difficulties in exporting as long as they lack the certification of FMD-free vaccination status from the World Animal Health Organization.

Meanwhile, favourable producer returns for the pig and poultry meat sectors in 2001, particularly in North America and Europe, combined with expectations of continued weak feed prices, could lead to an expansion in output in 2002, thus curbing the upward pressure on meat prices in 2002. By contrast, in the sheep meat market, limits on supply availabilities in Australia and New Zealand and robust import demand from Europe and the United States are the key factors supporting strong prices for both lamb and mutton. Critical to the outlook for international meat markets in 2002 will be the global response to the recent discovery of the first reported BSE case in Asia. In addition, prospects for stronger demand and prices could be potentially compromised by deteriorating economic conditions around the globe.

Pulses

Pulses are the edible dry seeds of leguminous plants. They are of special nutritional and economic importance due to their contribution to the diets of millions of people worldwide. The main importance of pulses lies primarily in their high protein content (two to three times higher than most cereals) as well as in being a valuable source of energy. In addition, pulses contain good amounts of nutritionally essential minerals such as calcium and iron. The use of pulses as food is concentrated in developing countries, accounting for about 90 percent of global human pulse consumption. In most low income countries, pulses contribute about 10 percent of the daily protein and about 5 percent of energy intakes in the diets of people.

World **production** of pulses has exhibited an upward trend in recent years with most of the increase coming from North America and Asia. In 2000, however, production dropped by nearly 2 million tonnes from the previous year to around 55 million tonnes, with the bulk of the reduction accounted for by Australia, France and India. Global production in 2001 is forecast to recover from the previous year and reach 58 million tonnes. Global pulse **utilization** would also rise and, in 2001, is forecast to reach some 57 million tonnes. World **trade** in pulses in 2001 is forecast to expand, driven by higher demand from the Middle East, North Africa, Central America and the Indian subcontinent. This could lead to higher international pulse **prices** this

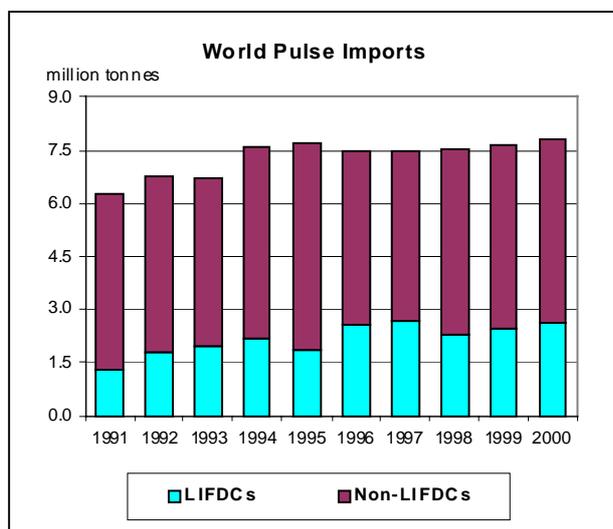
season, though the price outlook would also depend on economic conditions and the prospects for any significant recovery in cereal prices.

Pulses are of special importance for the low-income food-deficit countries (LIFDCs) where the major sources of proteins and energy are non-animal products. Pulse production in LIFDCs in 2001 is expected to increase, with the bulk of the rise accounted for by major producing countries like India and China. Other countries like Egypt, Nigeria and Burundi are also expected to post some production gains. In contrast, smaller crops are expected in countries like Pakistan and Syria due to drought. LIFDCs' 2001 pulse use is expected to outpace production, especially in such traditional consuming countries as India and Pakistan. With demand exceeding production, total pulse imports by LIFDCs are seen to rise in 2001.

Recent market developments in LIFDCs

Between 1991 and 2000, LIFDCs' pulse **production** grew by an annual rate of 1.9 percent to reach a record of nearly 31 million tonnes in 1999 before dropping to 29 million tonnes in 2000. India and China lead the world in pulse production with 24.6 and 8.4 percent shares, respectively. Without India and China, the share of LIFDCs in global pulse production falls from some 50 percent to about 20 percent. The growth in

LIFDCs' pulse production was due more to expansion in area (1.3 percent per annum) than gains in yields (0.6 percent per annum). LIFDCs account for large shares in the production of several major pulses: chick-peas and broad beans (80 percent each) and dry beans and lentils (50 percent each). They also increased their share in global dry pea production from 15 to 20 percent. Minor pulses like cow peas and pigeon peas are almost exclusively grown in LIFDCs.



During the 1990s, LIFDCs pulse **utilization** increased by an annual rate of 2 percent, reaching 32 million tonnes in 1999. This compares to a global growth rate of 0.3 percent per annum. About 75 percent of pulse utilization in LIFDCs is for human consumption, while feed use represents less than 15 percent. Per caput consumption of pulses as food in LIFDCs has remained almost unchanged over the past decade at about 6.5 kg per year, against an average of 7.2 kg per year during 1989/90. The drop in per caput pulse consumption is due to several factors including slow growth of production, inadequate imports and increased availability of other commodities like cereals and animal products at more affordable prices. Between 1991 and 1999, pulse consumption as food in LIFDCs increased by 1.7 million tonnes, or 8 percent, to 23.5 million tonnes. Dry beans and chick-peas

account for the largest share of pulses consumed as food in LIFDCs, with figures of 6.3 million tonnes each in 1999, followed by pigeon peas (2.5 million tonnes).

Imports of pulses by the LIFDCs are estimated at some 2.5 million tonnes, representing over 30 percent of global pulse imports. Between 1990 and 1999, total pulse imports by this group of countries grew by 6 percent annually, reflecting the slow growth of domestic production relative to the rising demand. Dry beans used to be the largest imported pulse by LIFDCs until recently when dry peas took this position. The increase in dry pea imports resulted mostly from larger purchases by India and Bangladesh. Lentils, chick-peas and broad beans also are significant items in the LIFDCs' pulse purchases. Among LIFDCs, Bangladesh, India and Pakistan are the major pulse importers, with Myanmar being their main supplier. Egypt is a large importer of broad beans, mostly from Australian origin. On the export side, a major development has been the emergence of China as a strong exporter of dry beans in particular, overtaking Myanmar who use to dominate the world market. Cuba, Egypt and Indonesia have become important export markets for China's products.

Nutritive Value of Certain Pulses and Other Foods

Food	Calories (per100g)	Protein (%)	Calcium (mg/100g)	Iron (mg/100g)
Kidney Beans	341	22.1	137	6.7
Broad Beans	343	23.4	90	3.6
Chick-peas	358	20.1	149	7.2
Cow Peas	342	23.4	76	5.7
Pigeon Peas	343	20.9	129	5.8
Lentils	346	24.2	56	6.1
Wheat (flour)	370	10.9	16	1.0
Rice (milled)	360	6.7	10	0.9
Maize (flour)	360	9.3	6	1.8
Cassava	338	1.5	12	1.0
Beef	198	19.0	11	2.3
Eggs	163	12.4	50	2.5
Milk	360	36.0	1235	0.9

Source: FAO

Fertilizers

Urea spot prices in international markets remained stable over the past few months. Prices are between 15 and 20 percent lower than a year ago. However, there are some regional urea supply shortages and in those parts prices remain firm. Production in the Arab Gulf, Argentina and Venezuela is low due to plant turnarounds. The domestic market in Indonesia is very tight and exports may resume only in December. Demand in Latin America is strong. Producers from the Baltic Sea region and the Black Sea region are

supplying Latin America. The government of India is reportedly planning to approve an import allocation of 300 000 to 400 000 tonnes of new purchases. Viet Nam has entered the market for large quantities of urea from various sources. China will become a full member of WTO in January 2002 and permit fertilizer imports by state and non-state purchasers. A more market driven fertilizer sector should emerge within the next five years. At present urea exports from China are low, however, exports could increase in the fourth

quarter of the year. The Arab Gulf producers are expected to meet demand from India, Viet Nam and Sri Lanka. The United States increased domestic production due to lower gas prices.

Ammonia prices decreased slightly in the Caribbean and the Near East, while prices increased by about 20 percent in eastern European countries over the past few months although they are between 10 and 30 percent lower than last year. India is in the market for a tender of 15 000 to 20 000 tonnes. The European fertilizer season is imminent and European buyers envisage purchasing not only from the Black Sea but also from Trinidad. Jordan is supplying considerable quantities of ammonia to fertilizer producers in Turkey and South Africa. The United States has taken up production again, which affects ammonia imports.

International spot market prices for **ammonium sulphate** in the last few months have been stable. Prices are, however, up 20 to 28 percent compared to a year ago.

Diammonium phosphate (DAP) prices remained stable from August to September. DAP prices are between 15 and 20 percent lower when compared to prices in the same period in 2000. Buyers in India will reportedly enter the market only in the fourth quarter as imports reached some 1 million tonnes in the first half of 2001. Pakistan imported 400 000 tonnes DAP,

which is sufficient to cover the expected demand in the Rabi season and importers focus on the sale of existing stocks. DAP now also attracts a 15 percent sales tax on all locally produced and imported fertilizers. China established a DAP import quota of 700 000 tonnes DAP for the second half of 2001. The United States maintains low production levels in view of adequate existing stocks. Near East and North African suppliers have scheduled exports to France, Pakistan and Turkey. CIS producers supply the European market, but demand in Europe is slow and demand in Latin America is decreasing.

Prices for **triple superphosphate** (TSP) are stable and remain 8 to 12 percent lower in comparison with prices in 2000. Tunisia exports TSP to France. Italy is importing 20 000 tonnes more than last year.

Muriate of potash (MOP) prices have remained relatively stable over the past few months, although there is a slight decline compared to a year ago. Unofficial Chinese sources report a MOP import quota of about 2.1 million tonnes. Although Brazil has reportedly been purchasing large quantities, shipments will slow down to avoid having large stocks at the year-end. Japan has negotiated MOP supply with producers from Canada; imports will be at the same level as last year. Demand in Indonesia and Malaysia started to increase since the recovery of palm oil prices mid 2001, when the palm oil prices rebounded, however, MOP demand fell.

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

	August 2001	September 2001	September 2000	Change from last year ^{1/}
	(. US\$/tonne)			(. percentage .)
Urea				
eastern Europe	89-91	90-93	105-109	-14.5
Near East	97-99	101-104	128-130	-20.5
Ammonium Sulphate				
eastern Europe	50-52	51-54	42-45	20.7
Far East	71-73	73-76	41-64	19.2
U.S. Gulf	60-65	60-65	47-51	27.6
western Europe	70-75	70-75	55-60	26.1
Diammonium Phosphate				
Jordan	154-157	150-154	175-182	-14.8
North Africa	144-150	144-150	179-168	-19.2
U.S. Gulf	137-140	135-137	166-168	-18.6
Triple Superphosphate				
North Africa	119-124	119-125	131-135	-8.3
U.S. Gulf	121-124	121-125	137-142	-11.8
Muriate of Potash				
eastern Europe	91-106	91-108	92-111	-2.0
Vancouver	111-130	113-130	117-131	-2.0
western Europe	115-122	115-122	115-122	0.0

Source: Compiled from Fertilizer Week and Fertilizer Market Bulletin. ^{1/} From mid-point of given ranges.

A.1 a) - WORLD CEREAL PRODUCTION – Estimates for 2001 as of September 2001

	Wheat			Coarse Grains		
	1999	2000 estim.	2001 f'cast	1999	2000 estim.	2001 f'cast
	(..... million tonnes))					
ASIA	258.9	250.4	232.3	217.0	195.9	199.4
Bangladesh	1.9	1.8	2.0	0.1	0.1	0.1
China ^{1/}	113.9	99.6	93.9	140.6	118.5	123.7
India	70.8	75.6	68.5	29.4	31.4	31.5
Indonesia	-	-	-	9.2	9.2	9.2
Iran, Islamic Rep. of	8.7	8.0	7.5	3.2	2.3	2.3
Japan	0.6	0.7	0.7	0.2	0.2	0.2
Kazakhstan	11.2	9.1	9.2	2.8	2.3	2.3
Korea, D. P. R.	0.2	0.1	0.1	1.4	1.2	1.4
Korea, Rep. of	-	-	-	0.4	0.3	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	17.9	21.1	18.7	2.2	2.3	1.9
Philippines	-	-	-	4.6	4.5	4.1
Saudi Arabia	2.0	1.8	1.8	0.4	0.4	0.4
Thailand	-	-	-	4.6	4.6	4.8
Turkey	16.5	18.0	15.0	9.5	11.0	8.5
Viet Nam	-	-	-	1.8	1.9	1.7
AFRICA	15.2	14.2	17.2	78.9	79.4	78.5
North Africa	11.3	9.7	12.6	9.8	8.7	9.9
Egypt	6.3	6.6	6.3	7.2	7.5	7.4
Morocco	2.2	1.4	3.3	1.7	0.6	1.4
Sub-Saharan Africa	4.0	4.5	4.6	69.0	70.7	68.6
Western Africa	0.1	0.1	0.1	32.5	31.2	32.3
Nigeria	-	-	-	18.7	19.3	20.1
Central Africa	-	-	-	2.7	2.6	2.6
Eastern Africa	1.7	1.9	1.9	17.7	17.7	19.2
Ethiopia	1.2	1.4	1.2	6.6	7.6	7.0
Sudan	0.2	0.3	0.4	2.9	3.0	3.9
Southern Africa	2.2	2.5	2.6	16.2	19.1	14.4
Madagascar	-	-	-	0.2	0.1	0.2
South Africa	1.7	2.1	2.2	8.3	10.6	7.7
Zimbabwe	0.3	0.3	0.3	1.7	2.2	1.6
CENTRAL AMERICA	3.1	3.4	3.2	28.6	26.6	29.3
Mexico	3.1	3.4	3.2	25.0	23.2	26.0
SOUTH AMERICA	20.3	20.5	24.2	59.4	62.5	71.8
Argentina	15.7	16.5	18.0	17.9	21.4	19.8
Brazil	2.4	1.7	3.4	33.7	33.0	43.0
Colombia	-	-	-	1.5	1.5	1.5
NORTH AMERICA	89.5	87.3	75.6	290.7	299.2	280.3
Canada	26.9	26.8	21.5	27.0	24.5	23.9
United States	62.6	60.5	54.2	263.6	274.7	256.5
EUROPE	178.3	187.3	191.8	203.1	198.5	215.2
Bulgaria	3.1	3.3	3.5	2.5	1.7	2.0
EC ^{2/}	97.6	105.3	92.6	103.7	109.1	109.3
Hungary	2.6	3.7	5.2	8.8	6.2	9.5
Poland	9.1	8.5	9.4	16.7	13.8	16.6
Romania	4.7	4.3	7.8	12.4	5.3	9.2
Russian Fed.	34.0	38.0	40.0	24.6	31.6	32.1
Ukraine	15.0	11.0	17.9	11.3	11.9	12.8
OCEANIA	25.3	21.5	20.3	9.5	10.6	10.4
Australia	25.0	21.2	20.1	8.9	10.1	9.8
WORLD	590.6	584.5	564.6	887.2	872.7	885.0
Developing countries	276.3	268.8	257.0	370.8	349.7	367.1
Developed countries	314.3	315.7	307.6	516.4	523.0	517.9

Source: FAO

Note: Totals computed from unrounded data.

^{1/} Including Taiwan Province.^{2/} Fifteen member countries.

Table A.1 b) - WORLD CEREAL PRODUCTION – Estimates for 2001 as of September 2001

	Rice (paddy)			Total Cereals 1/		
	1999	2000 estim.	2001 f'cast	1999	2000 estim.	2001 f'cast
	(..... million tonnes)					
ASIA	556.6	542.1	533.1	1 032.5	988.3	964.9
Bangladesh	34.6	36.5	36.6	36.6	38.5	38.7
China 2/	200.4	189.8	181.0	454.9	407.9	398.6
India	134.4	128.8	131.0	234.5	235.8	231.0
Indonesia	50.9	51.9	50.2	60.1	61.1	59.4
Iran, Islamic Rep. of	2.3	2.3	2.3	14.2	12.6	12.1
Japan	11.5	11.9	10.9	12.3	12.8	11.8
Kazakhstan	0.2	0.2	0.2	14.3	11.6	11.8
Korea, D. P. R.	2.3	1.7	1.8	3.9	3.0	3.4
Korea, Rep. of	7.2	7.2	7.7	7.6	7.6	8.1
Myanmar	20.1	20.1	20.6	20.8	20.7	21.2
Pakistan	7.7	7.2	5.8	27.8	30.5	26.5
Philippines	12.0	12.5	12.8	16.5	17.0	16.9
Saudi Arabia	-	-	-	2.5	2.2	2.2
Thailand	24.2	24.1	24.1	28.8	28.7	28.9
Turkey	0.3	0.3	0.3	26.3	29.3	23.8
Viet Nam	32.7	31.7	31.8	34.5	33.6	33.5
AFRICA	17.3	17.2	17.2	111.4	110.7	112.8
North Africa	5.9	6.0	5.4	26.9	24.4	27.9
Egypt	5.8	6.0	5.4	19.4	20.0	19.1
Morocco	-	-	-	3.9	2.0	4.8
Sub-Saharan Africa	11.4	11.2	11.8	84.4	86.3	84.9
Western Africa	7.3	7.3	7.8	39.9	38.6	40.1
Nigeria	3.3	3.3	3.5	22.0	22.7	23.6
Central Africa	0.4	0.4	0.4	3.2	3.0	3.0
Eastern Africa	0.8	0.9	0.9	20.1	20.4	22.0
Ethiopia	-	-	-	7.8	8.9	8.2
Sudan	-	-	-	3.1	3.3	4.3
Southern Africa	2.9	2.6	2.7	21.3	24.2	19.7
Madagascar	2.6	2.3	2.4	2.8	2.5	2.6
South Africa	-	-	-	10.0	12.8	9.9
Zimbabwe	-	-	-	2.0	2.4	1.9
CENTRAL AMERICA	2.4	2.4	2.2	34.1	32.5	34.7
Mexico	0.4	0.4	0.3	28.4	26.9	29.5
SOUTH AMERICA	21.9	21.0	19.9	101.6	104.0	115.9
Argentina	1.7	0.9	0.8	35.2	38.8	38.5
Brazil	11.6	11.4	10.4	47.7	46.1	56.8
Colombia	2.2	2.1	2.1	3.7	3.6	3.7
NORTH AMERICA	9.3	8.7	9.4	389.5	395.2	365.3
Canada	-	-	-	53.9	51.3	45.3
United States	9.3	8.7	9.4	335.6	343.9	320.0
EUROPE	3.3	3.1	3.2	384.8	388.9	410.2
Bulgaria	-	-	-	5.6	5.0	5.5
EC 3/	2.7	2.4	2.6	204.0	216.8	204.4
Hungary	-	-	-	11.4	10.0	14.6
Poland	-	-	-	25.7	22.3	26.0
Romania	-	-	-	17.0	9.6	17.1
Russian Fed.	0.4	0.6	0.5	59.0	70.2	72.6
Ukraine	0.1	0.1	0.1	26.4	22.9	30.8
OCEANIA	1.4	1.1	1.8	36.2	33.2	32.6
Australia	1.4	1.1	1.8	35.3	32.3	31.6
WORLD	612.1	595.6	586.8	2 090.0	2 052.9	2 036.4
Developing countries	586.0	570.4	561.2	1 233.1	1 189.0	1 185.3
Developed countries	26.1	25.2	25.6	856.9	863.9	851.1

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) ^{1/}			Coarse Grains (July/June)		
	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	49.8	47.1	50.8	56.4	56.8	57.8
Bangladesh	1.7	1.3	1.3	-	-	-
China	2.0	1.4	3.1	8.3	7.4	8.2
Taiwan Province	1.1	1.1	1.1	5.6	5.1	5.4
Georgia	0.5	0.7	0.5	-	-	-
India	1.6	0.1	-	0.4	0.2	0.2
Indonesia	3.5	3.9	3.8	0.8	1.3	1.4
Iran, Islamic Rep. of	7.0	7.2	7.4	1.8	2.5	2.6
Iraq	2.7	3.2	3.1	0.2	0.4	0.1
Israel	1.7	1.6	1.6	1.4	1.3	1.4
Japan	5.8	5.7	6.0	20.6	20.4	20.3
Korea, D. P. R.	0.5	0.6	0.7	0.3	0.5	0.4
Korea, Rep. of	3.4	3.8	4.0	7.5	8.5	8.5
Malaysia	1.3	1.3	1.3	2.4	2.4	2.5
Pakistan	1.8	0.1	-	-	0.1	0.1
Philippines	2.7	3.0	3.0	0.7	0.6	0.6
Saudi Arabia	0.1	-	-	5.8	6.1	6.2
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	1.0	0.9	0.9	0.1	0.1	0.1
Syria	0.1	-	0.1	1.1	0.9	0.9
Thailand	0.8	0.8	0.8	0.4	0.3	0.3
Yemen	1.7	1.8	1.9	0.2	0.2	0.2
AFRICA	23.8	24.9	23.8	12.5	14.2	13.5
North Africa	14.8	16.6	16.2	8.6	10.4	8.9
Algeria	4.4	4.8	4.3	1.8	2.2	2.0
Egypt	5.9	6.2	6.6	3.8	4.5	3.8
Morocco	2.2	3.3	3.0	1.5	2.1	1.5
Tunisia	1.0	1.0	1.0	0.8	0.9	0.9
Sub-Saharan Africa	9.0	8.3	7.6	3.9	3.7	4.6
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	1.1	0.5	0.3	0.1	0.1	0.1
Kenya	0.7	0.5	0.6	0.7	1.2	0.5
Nigeria	1.3	1.5	1.5	-	-	0.1
Senegal	0.2	0.2	0.3	-	-	-
Sudan	1.2	1.3	1.1	0.1	0.1	0.1
South Africa	0.8	0.7	0.5	0.7	0.6	0.8
CENTRAL AMERICA	6.5	6.4	6.5	13.7	13.2	14.2
Cuba	1.0	0.9	1.0	0.3	0.3	0.3
Dominican Rep.	0.3	0.3	0.3	0.7	0.7	0.7
Mexico	2.8	3.0	3.0	10.4	9.8	10.8
SOUTH AMERICA	12.8	11.8	12.2	7.6	7.4	6.5
Brazil	7.4	6.5	7.0	1.6	1.1	0.2
Chile	0.8	0.5	0.3	1.1	1.2	1.2
Colombia	1.2	1.2	1.3	2.1	2.3	2.4
Peru	1.4	1.2	1.3	1.0	0.9	1.1
Venezuela	1.3	1.3	1.3	1.3	1.4	1.3
NORTH AMERICA	2.6	2.5	2.5	3.7	4.3	4.0
Canada	-	0.1	0.1	1.0	1.9	1.4
United States	2.5	2.4	2.4	2.7	2.5	2.6
EUROPE	12.8	9.8	7.6	7.7	8.8	6.9
Belarus	1.0	0.6	0.6	0.5	0.2	0.1
EC ^{2/}	3.4	3.4	3.4	2.3	2.4	2.3
Poland	0.2	0.7	0.3	0.8	1.1	0.7
Romania	0.2	0.3	-	0.1	1.7	1.0
Russian Fed.	5.2	1.6	1.5	2.5	0.8	0.7
Ukraine	0.5	0.7	0.1	0.1	0.1	-
OCEANIA	0.5	0.5	0.5	0.1	0.1	0.1
New Zealand	0.2	0.2	0.2	0.1	0.1	0.1
WORLD	108.6	103.0	104.0	101.8	104.7	103.0
Developing countries	81.7	79.6	82.2	67.5	69.2	69.4
Developed countries	26.9	23.4	21.8	34.3	35.5	33.5

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

Table A.2 b) - WORLD IMPORTS OF CEREALS

	Rice (milled)			Total Cereals ^{1/}		
	2000	2001 estim.	2002 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	11.4	11.0	11.7	117.6	114.9	120.3
Bangladesh	0.5	0.3	0.2	2.1	1.6	1.5
China	0.2	0.3	0.7	10.6	9.1	11.9
Taiwan Province	-	-	0.1	6.7	6.1	6.5
Georgia	-	-	-	0.5	0.7	0.5
India	0.1	0.1	0.1	2.1	0.3	0.3
Indonesia	2.0	1.2	1.6	6.3	6.4	6.9
Iran, Islamic Rep. of	1.1	1.0	1.1	9.9	10.7	11.1
Iraq	1.2	1.2	1.2	4.1	4.8	4.4
Israel	0.1	0.1	0.1	3.1	2.9	3.0
Japan	0.7	0.7	0.7	27.1	26.8	27.0
Korea, D. P. R.	0.4	0.6	0.6	1.1	1.7	1.7
Korea, Rep. of	0.1	0.1	0.1	10.9	12.4	12.6
Malaysia	0.7	0.7	0.6	4.4	4.4	4.4
Pakistan	-	-	-	1.8	0.2	0.1
Philippines	0.7	0.9	0.7	4.1	4.4	4.3
Saudi Arabia	0.8	0.8	0.9	6.7	7.0	7.1
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	-	0.1	0.1	1.1	1.2	1.1
Syria	0.2	0.2	0.2	1.4	1.2	1.1
Thailand	-	-	-	1.2	1.1	1.1
Yemen	0.2	0.2	0.3	2.2	2.2	2.4
AFRICA	6.0	6.5	6.2	42.3	45.6	43.5
North Africa	0.2	0.2	0.2	23.6	27.2	25.3
Algeria	-	-	-	6.2	7.1	6.3
Egypt	-	-	-	9.7	10.7	10.4
Morocco	-	-	-	3.7	5.4	4.5
Tunisia	-	-	-	1.8	1.9	1.9
Sub-Saharan Africa	5.7	6.2	6.0	18.6	18.2	18.1
Côte d'Ivoire	1.0	1.0	0.9	1.2	1.3	1.2
Ethiopia	-	-	-	1.2	0.6	0.4
Kenya	0.1	0.1	0.1	1.5	1.7	1.2
Nigeria	1.0	1.0	1.0	2.3	2.5	2.5
Senegal	0.5	0.7	0.6	0.8	0.9	0.9
Sudan	-	-	-	1.3	1.4	1.2
South Africa	0.5	0.6	0.6	2.0	1.8	1.9
CENTRAL AMERICA	1.5	1.6	1.7	21.8	21.2	22.4
Cuba	0.4	0.4	0.5	1.7	1.6	1.7
Dominican Rep.	-	-	-	1.0	1.1	1.1
Mexico	0.4	0.4	0.5	13.6	13.3	14.3
SOUTH AMERICA	1.0	0.9	0.9	21.3	20.1	19.6
Brazil	0.7	0.6	0.6	9.7	8.2	7.8
Chile	0.1	0.1	0.1	2.0	1.8	1.5
Colombia	0.1	0.1	0.1	3.4	3.6	3.8
Peru	0.1	0.1	0.1	2.5	2.3	2.5
Venezuela	-	0.1	-	2.6	2.7	2.6
NORTH AMERICA	0.6	0.6	0.6	6.9	7.4	7.1
Canada	0.3	0.3	0.3	1.3	2.2	1.8
United States	0.3	0.3	0.3	5.6	5.2	5.3
EUROPE	1.5	1.5	1.5	22.0	20.0	16.0
Belarus	-	-	-	1.6	0.7	0.7
EC ^{2/}	0.6	0.6	0.6	6.3	6.4	6.2
Poland	0.1	0.1	0.1	1.1	1.9	1.1
Romania	0.1	0.1	0.1	0.4	2.1	1.1
Russian Fed.	0.4	0.4	0.4	8.1	2.7	2.5
Ukraine	0.1	0.1	0.1	0.6	0.9	0.2
OCEANIA	0.4	0.3	0.3	1.0	1.0	1.0
New Zealand	-	-	-	0.3	0.3	0.3
WORLD	22.4	22.4	23.0 ^{3/}	232.8	230.1	230.0
Developing countries	18.9	18.8	19.3	168.0	167.5	171.0
Developed countries	3.5	3.6	3.7	64.7	62.5	59.0

Source: FAO**Note:** Totals computed from unrounded data.^{1/} Trade in rice refers to the calendar year of the second year shown.^{2/} Excluding trade between the fifteen EC member countries.^{3/} Highly tentative.

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	11.0	9.9	10.0	9.2	11.8	6.4
China 2/	0.2	0.2	0.2	7.2	9.8	5.0
India	0.5	2.3	3.0	-	-	-
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.4	0.4	-	-	-
Kazakhstan	6.0	3.8	4.2	0.9	0.4	0.4
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	-	0.3	0.5	-	-	-
Saudi Arabia	-	-	-	-	-	-
Syria	0.1	-	-	-	-	-
Thailand	-	-	-	-	0.3	0.2
Turkey	2.0	1.5	0.5	0.2	0.8	0.2
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.2	0.2	1.3	2.9	1.5
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.1	0.2	0.1
Nigeria	-	-	-	0.1	0.1	0.1
South Africa	0.1	0.1	0.1	0.2	1.9	1.0
Sudan	-	-	-	-	-	-
Uganda	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	0.5	0.4	0.3	-	-	0.5
SOUTH AMERICA	10.3	11.5	12.0	9.1	13.2	15.4
Argentina	10.3	11.5	12.0	8.6	12.8	12.3
Brazil	-	-	-	-	-	2.5
Paraguay	-	-	-	0.3	0.3	0.3
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	47.9	45.2	44.5	60.3	58.1	60.0
Canada	18.5	17.4	15.5	3.2	3.0	3.0
United States	29.5	27.9	29.0	57.1	55.1	57.0
EUROPE	22.5	18.3	21.3	17.8	13.5	15.0
Bulgaria	0.5	0.5	0.5	0.3	0.2	0.1
Czech Rep.	0.9	0.5	0.7	0.3	0.1	0.2
EC 3/	16.7	15.0	13.0	12.9	10.5	9.8
Hungary	0.7	1.2	1.5	1.9	0.6	1.8
Poland	-	-	-	-	-	-
Romania	0.6	-	1.0	0.3	-	0.1
Russian Fed.	0.6	0.7	0.9	0.1	0.5	0.6
Ukraine	2.0	0.1	3.0	1.0	1.6	1.8
OCEANIA	17.3	16.5	15.7	3.9	4.3	4.2
Australia	17.3	16.5	15.7	3.9	4.3	4.2
WORLD	109.9	102.0	104.0	101.6	103.9	103.0
Developing countries	15.3	17.5	17.8	18.6	25.7	22.3
Developed countries	94.6	84.4	86.2	83.1	78.3	80.7

Source: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals ^{1/}		
	2000	2001 estim.	2002 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	17.2	17.0	17.6	37.5	38.6	34.1
China ^{2/}	3.1	2.0	2.1	10.4	11.9	7.3
India	1.4	1.5	1.8	1.9	3.8	4.8
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.5	0.5	1.0	0.9	0.9
Kazakhstan	-	-	-	6.9	4.2	4.7
Myanmar	0.1	0.4	0.4	0.2	0.4	0.5
Pakistan	2.0	1.9	1.8	2.0	2.2	2.3
Saudi Arabia	-	-	-	-	-	-
Syria	-	-	-	0.1	-	-
Thailand	6.6	6.8	6.7	6.6	7.1	6.9
Turkey	-	-	-	2.2	2.3	0.7
Viet Nam	3.4	3.8	4.1	3.5	4.0	4.3
AFRICA	0.4	0.5	0.4	1.9	3.5	2.1
Egypt	0.4	0.5	0.4	0.4	0.5	0.4
Ethiopia	-	-	-	0.1	0.2	0.1
Nigeria	-	-	-	0.1	0.1	0.1
South Africa	-	-	-	0.3	2.0	1.1
Sudan	-	-	-	-	-	-
Uganda	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	-	-	-	0.5	0.4	0.8
SOUTH AMERICA	1.5	1.4	1.3	20.9	26.2	28.7
Argentina	0.4	0.2	0.3	19.2	24.5	24.6
Brazil	-	0.2	0.1	-	0.2	2.6
Paraguay	-	-	-	0.3	0.3	0.3
Suriname	0.1	0.1	0.1	0.1	0.1	0.1
Uruguay	0.7	0.6	0.6	0.9	0.7	0.7
NORTH AMERICA	2.8	2.7	2.7	111.0	106.0	107.2
Canada	-	-	-	21.7	20.4	18.5
United States	2.8	2.7	2.7	89.3	85.7	88.7
EUROPE	0.2	0.2	0.2	40.6	32.1	36.5
Bulgaria	-	-	-	0.8	0.8	0.6
Czech Rep.	-	-	-	1.2	0.5	0.9
EC ^{3/}	0.2	0.2	0.2	29.8	25.7	23.0
Hungary	-	-	-	2.6	1.8	3.3
Poland	-	-	-	-	-	-
Romania	-	-	-	1.0	-	1.1
Russian Fed.	-	-	-	0.7	1.3	1.5
Ukraine	-	-	-	3.0	1.7	4.8
OCEANIA	0.5	0.7	0.7	21.7	21.5	20.6
Australia	0.5	0.7	0.7	21.7	21.5	20.6
WORLD	22.6	22.4	23.0 ^{4/}	234.2	228.3	230.0
Developing countries	18.6	18.3	18.8	52.5	61.5	59.0
Developed countries	4.0	4.1	4.1	181.7	166.8	171.0

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 – CEREALS: Supply and Utilization in Main Exporting Countries (National Crop Years)

	Wheat ^{1/}			Coarse Grains ^{2/}			Rice (milled basis)		
	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	25.7	25.9	23.8	51.4	48.9	53.1	0.7	0.9	0.9
Production	62.6	60.5	54.2	263.6	274.7	256.5	6.5	6.0	6.5
Imports	2.6	2.4	2.4	2.5	2.5	2.4	0.3	0.3	0.3
Total Supply	90.9	88.8	80.4	317.5	326.0	312.0	7.5	7.2	7.7
Domestic use	35.4	36.2	34.6	212.2	216.0	216.2	3.8	3.7	3.8
Exports	29.7	28.9	28.6	56.5	56.8	57.0	2.8	2.6	2.7
Closing stocks	25.9	23.8	17.2	48.9	53.1	38.9	0.9	0.9	1.2
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) ^{3/}		
Opening stocks	7.4	7.7	8.5	5.0	5.9	5.4	1.1	1.2	0.9
Production	26.9	26.8	21.5	27.0	24.5	23.9	16.0	16.0	16.0
Imports	0.0	0.1	0.1	1.1	2.2	1.4	0.0	0.0	0.0
Total Supply	34.3	34.6	30.1	33.1	32.5	30.8	17.1	17.2	16.9
Domestic use	8.3	8.6	8.3	23.6	24.0	23.8	9.4	9.4	9.4
Exports	18.3	17.5	15.0	3.5	3.1	2.9	6.6	6.8	6.7
Closing stocks	7.7	8.5	6.8	5.9	5.4	4.1	1.2	0.9	0.8
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) ^{3/ 4/}		
Opening stocks	1.5	1.3	1.7	1.9	2.3	1.6	113.2	112.9	106.4
Production	15.7	16.5	18.0	17.9	21.4	19.8	137.4	130.1	124.0
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.7
Total Supply	17.2	17.8	19.7	19.8	23.7	21.4	250.8	243.3	231.2
Domestic use	5.1	5.1	5.2	8.9	9.2	9.1	134.8	134.9	135.1
Exports	10.8	11.0	12.5	8.5	12.9	11.5	3.1	2.0	2.1
Closing stocks	1.3	1.7	2.0	2.3	1.6	0.8	112.9	106.4	94.1
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) ^{3/}		
Opening stocks	2.0	3.7	3.2	1.3	1.0	0.8	0.6	1.0	1.0
Production	25.0	21.2	20.1	8.9	10.1	9.8	5.2	4.8	3.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	27.0	24.8	23.3	10.2	11.0	10.6	5.7	5.8	4.9
Domestic use	5.5	5.6	5.4	5.8	6.2	5.8	2.7	2.9	2.8
Exports	17.8	16.0	16.0	3.5	4.0	4.1	2.0	1.9	1.8
Closing stocks	3.7	3.2	1.9	1.0	0.8	0.8	1.0	1.0	0.3
	EC (July/June) ^{5/}			EC ^{5/}			VIET NAM (Nov./Oct.) ^{3/}		
Opening stocks	14.8	12.5	16.9	23.7	18.9	18.8	2.2	3.3	3.3
Production	97.6	105.3	92.6	103.7	109.1	109.3	21.3	20.6	20.7
Imports	3.4	3.4	3.4	2.3	2.4	2.3	0.0	0.0	0.0
Total Supply	115.8	121.2	112.9	129.8	130.4	130.3	23.5	23.9	24.0
Domestic use	86.4	89.0	88.6	98.0	101.1	101.4	16.8	16.8	17.0
Exports	16.9	15.3	13.3	12.9	10.5	9.8	3.4	3.8	4.1
Closing stocks	12.5	16.9	11.0	18.9	18.8	19.1	3.3	3.3	2.9
TOTAL ABOVE									
Opening stocks	51.5	51.1	54.0	83.2	76.9	79.8	117.7	119.2	112.5
Production	227.8	230.2	206.3	421.2	439.7	419.2	186.3	177.5	171.1
Imports	6.0	5.9	5.9	6.0	7.0	6.1	0.6	0.6	1.1
Total Supply	285.2	287.2	266.3	510.4	523.6	505.1	304.6	297.4	284.7
Domestic use	140.7	144.5	142.0	348.5	356.7	356.2	167.5	167.7	168.1
Exports	93.5	88.7	85.4	84.9	87.2	85.2	17.8	17.1	17.4
Closing stocks	51.1	54.0	38.9	76.9	79.8	63.6	119.2	112.5	99.2

Source: FAO**Note:** Totals computed from unrounded data.^{1/} Trade data include wheat flour in wheat grain equivalent. For the EC semolina is also included.^{2/} **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.^{3/} Rice trade data refer to the calendar year of the second year shown.^{4/} Including Taiwan province.^{5/} Excluding trade between the fifteen EC member countries.

Table A.5 - WORLD STOCKS: Estimated Total Carryovers of Cereals ^{1/}

	Crop Years ending in:						
	1996	1997	1998	1999	2000	2001 estim.	2002 f'cast
	(..... million tonnes)						
TOTAL CEREALS	590.3	636.8	680.7	708.5	704.8	653.6	562.4
Wheat	219.6	231.8	257.8	265.1	261.8	250.0	207.4
held by:							
- main exporters ^{2/}	28.9	37.0	39.9	51.5	51.1	54.0	38.9
- others	190.7	194.8	217.9	213.6	210.7	195.9	168.5
Coarse Grains	226.0	253.5	270.4	287.7	280.3	248.9	218.1
held by:							
- main exporters ^{2/}	31.9	46.3	68.8	83.2	76.9	79.8	63.6
- others	194.0	207.1	201.6	204.5	203.4	169.1	154.5
Rice (milled basis)	144.7	151.5	152.5	155.7	162.6	154.7	136.9
held by:							
- main exporters ^{3/}	106.9	111.8	115.8	117.7	119.2	112.5	99.2
excl. China ^{4/}	4.0	4.5	4.6	4.6	6.3	6.1	5.1
- others	37.9	39.7	36.7	38.0	43.4	42.2	37.7
BY REGIONS							
Developed Countries	103.4	122.5	169.1	173.9	163.5	163.9	136.7
Australia	3.1	4.1	3.7	3.4	4.8	4.1	2.8
EC	22.7	24.4	35.1	38.8	31.9	36.2	30.6
Canada	9.8	14.0	10.4	12.5	13.7	14.0	10.9
Hungary	1.2	2.3	3.2	3.4	2.9	2.0	3.8
Japan	6.1	6.8	6.9	6.3	6.2	5.9	5.4
Poland	1.9	4.2	4.0	4.2	3.7	1.6	1.8
Romania	3.3	1.2	4.5	2.7	2.7	0.8	1.6
Russian Fed.	7.2	6.5	18.0	5.8	4.9	6.5	7.5
South Africa	1.0	2.4	3.7	2.4	1.7	2.7	1.4
Ukraine	7.6	3.6	4.5	2.2	2.2	1.9	2.3
United States	25.5	39.9	58.7	77.8	75.6	77.8	57.3
Developing Countries	486.9	514.3	511.6	534.6	541.2	489.7	425.7
Asia	455.9	477.2	478.9	495.8	501.9	457.5	391.4
China ^{4/}	384.7	401.9	400.7	411.3	409.1	362.4	311.6
India	31.7	32.0	37.3	40.2	49.0	54.1	49.4
Indonesia	6.0	6.4	4.7	5.0	5.3	5.1	3.3
Iran, Islamic Rep. of	2.5	2.8	1.6	1.5	1.8	1.8	1.5
Korea, Rep. of	1.8	2.3	2.8	2.8	3.3	3.3	3.4
Pakistan	3.4	3.7	4.1	4.6	4.2	4.4	0.8
Philippines	1.9	2.0	2.0	2.6	2.0	2.4	2.3
Syria	4.9	5.1	4.0	4.2	3.3	2.4	1.8
Turkey	4.0	6.3	6.8	7.9	5.4	5.0	2.0
Africa	16.0	22.6	20.2	24.6	21.9	18.0	16.2
Algeria	2.0	2.6	1.9	2.4	1.6	1.1	1.3
Egypt	1.8	2.6	3.2	3.9	3.5	3.9	3.3
Ethiopia	1.1	1.4	0.7	0.8	0.9	1.0	0.5
Morocco	0.6	3.8	2.5	4.7	2.9	1.3	1.2
Nigeria	1.8	1.9	1.9	1.9	1.6	1.8	2.3
Tunisia	1.0	2.1	1.9	1.9	2.1	1.7	1.3
Central America	5.8	6.7	4.7	5.5	6.1	4.7	6.1
Mexico	4.5	5.4	3.6	4.3	4.5	3.2	4.6
South America	9.2	7.6	7.7	8.5	11.3	9.4	11.9
Argentina	1.0	2.3	2.2	3.4	3.8	3.4	2.9
Brazil	5.5	3.0	2.7	1.8	4.1	3.1	5.6

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/} The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EC and the United States. See Table A.4 for country details.

^{3/} The major rice exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details.

^{4/} Including Taiwan Province.

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. <u>1/</u>	U.S. Soft Red Winter No.2 <u>1/</u>	Argentina Trigo Pan <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	Argentina <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	U.S. No.2 Yellow <u>1/</u>
	(..... US\$/tonne)						
July/June							
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
1999/2000	112	97	104	91	88	89	190
2000 - September	123	97	109	80	74	82	191
October	131	104	123	85	76	92	182
November	130	104	126	89	79	96	187
December	130	105	109	97	88	102	199
2001 - January	134	109	120	95	83	104	191
July	127	106	126	91	90	93	199
August	126	104	121	93	89	97	196
September I	129	111	119	94	89	97	189
II	128	109	122	92	89	98	185
III	126	105	119	86	88	97	186
IV	126	106	122	89	86	99	181

Sources: International Grain Council, USDA, Bolsa de Cereales and Reuters.

1/ Delivered U.S. Gulf ports. 2/ Buenos Aires, indicative traded prices.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 100%B <u>1/</u>	Thai broken <u>2/</u>	U.S. Long grain <u>3/</u>	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and Meals
				High	Low				
January/December	(.... US\$/tonne ...)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
1997	316	214	439	127	129	120	1991/92	103	104
1998	315	215	413	127	128	126	1992/93	103	97
1999	253	192	333	114	115	110	1993/94	127	93
2000	207	143	271	98	101	89	1994/95	153	94
2000 - September	182	142	268	94	96	86	1995/96	140	128
2001 - May	170	126	264	88	90	79	1996/97	134	133
June	175	133	282	88	91	81	1997/98	154	116
July	175	140	280	91	93	83	1998/99 - Oct.-Mar.	141	90
August	174	143	268	91	93	87	- Apr.-Sep.	109	74
Sept. I	177	149	264	90	91	88	1999/00 - Oct.-Mar.	98	87
II	177	150	241				- Apr.-Sep.	84	90
III	175	155	241				2000/01 - Oct.-Mar.	76	98
IV	174	150	236				- Apr.-Sep.	86	94

Sources: Rice Indices: FAO ; 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

	December		March		May		July	
	this year	last year						
(..... US\$/tonne)								
WHEAT								
August 21	104	94	109	100	111	103	112	107
28	104	96	109	102	110	106	112	109
September 4	106	99	105	105	110	108	112	112
11	103	98	107	104	109	107	110	111
18	98	94	103	100	105	104	107	108
25	99	93	104	99	106	103	108	107
MAIZE								
August 21	88	73	90	74	91	76	94	79
28	88	73	90	74	94	76	96	79
September 4	89	76	91	78	93	79	96	83
11	87	76	89	77	91	79	94	82
18	84	73	86	75	87	76	91	79
25	83	74	85	76	86	78	90	81

Source: Chicago Board of Trade

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
(..... US\$/tonne)						
July/June						
1995/96	12.95	30.00	16.83	21.67	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	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.60	40.97	13.65	18.50	27.00	32.83
2000 - September	16.00	40.97	16.50	18.50	27.00	36.00
2001 - February	12.00	40.97	13.75	18.50	27.00	36.50
March	11.50	40.97	14.00	18.50	27.00	36.50
April	11.50	40.97	15.50	16.25	27.00	36.50
May	12.00	40.97	14.75	18.50	27.00	36.50
June	12.00	40.97	15.00	18.50	27.00	35.75
July	12.00	40.97	15.00	18.50	27.00	35.75
August	12.00	40.97	15.00	18.50	27.00	35.75
September	11.50	40.97	15.00	18.50	27.00	35.75

Source: International Grain Council

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

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

2/ Excludes CIS and United States flag vessels.

Table A.10 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2001

	1999	2000	2001	Change 2001 over 2000
	(..... million tons)			(... percentage ...)
Wheat	62.6	60.5	54.2	-10.5
of which: winter	46.2	42.5	37.7	-11.4
Coarse grains	263.6	274.7	256.5	-6.6
of which: maize	239.5	253.2	234.7	-7.3
Rice (paddy)	9.3	8.7	9.4	8.1
Soybeans	72.2	75.4	77.1	2.3

Source: USDA: September 2001.

Table A.11- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2001

	1999	2000	2001	Change 2001 over 2000
	(..... thousand tonnes)			(.. percentage ...)
Wheat	26 900	26 804	21 454	-20.0
Oats	3 641	3 389	3 049	-10.0
Barley	13 196	13 468	11 602	-13.9
Rye	387	260	207	-20.4
Maize	9 161	6 827	8 400	23.0
Mixed Grains	447	382	404	5.8
Linseed	1 022	693	746	7.6
Rapeseed	8 798	7 119	5 071	-28.8

Source: Statistics Canada, August 2001.

Table A.12 - AUSTRALIA: CEREAL PRODUCTION FOR 2001

	1999	2000	2001	Change 2001 over 2000
	(..... thousand tonnes)			(.. percentage ...)
Wheat	25 012	21 168	20 070	-5.2
Oats	1 092	1 290	1 420	10.1
Barley	5 043	5 560	5 920	6.5
Sorghum	1 891	2 163	1 550	-28.3
Maize	338	381	348	-8.7
Triticale	521	601	513	-14.6
Rice (paddy)	1 350	1 098	1 756	59.9

Source: Australian Bureau of Agricultural and Resources Economics, September 2001.

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	24.09.01	6.9	8.1	9.7	11.4
Coffee (I.C.O. daily price)	US cents per lb	07.09.01	41.8	42.2	57.2	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	07.09.01	44.3	47.0	40.2	56.0
Tea (total tea, Mombasa)	US\$ per kg.	28.09.01	1.4	1.4	2.1	1.5
Bananas (Central America, f.o.b., Hamburg)	DM per tonne	07.09.01	1 861 ^{1/} 1 508 ^{2/}	1 418 ^{1/} 1 177 ^{2/}	1 397 ^{1/} 1 263 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	28.09.01	44.5	46.0	51.5	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	28.09.01	40.4	42.5	61.5	78.5
Wool (64's, London)	Pence per kg	28.09.01	355	375	324	466

Source: FAO

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

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

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

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Issue No. Release Date ^{1/}	1 22 February	2 11 April	3 13 June	4 17 October	5 12 December
Contents					
Cereals					
Cereal supply/demand roundup ^{2/}	●	●	●	●	●
Cereal production, trade, stocks & prices	●	●	●	●	●
Extended report on cereal utilization		●			
Food Aid					●
Ocean Freight Rates		●		●	
Other Commodities					
Cassava			●	●	●
Fertilizers	●	●	●	●	●
Meat and Meat Products	●		●	●	●
Milk and milk products			●		●
Oilseeds, Oils and Oilmeals	●		●		●
Pulses				●	
Sugar			●		●
Fish	●				

^{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.

This month's issue is based on information available up to 14 September 2001. Contributors to this issue are as follows:

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