



HIGHLIGHTS

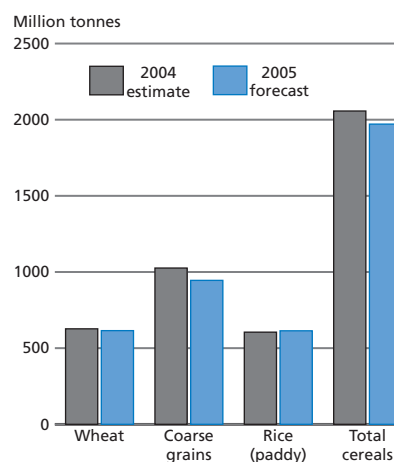
- **Another good world cereal crop is forecast in 2005**, although lower than the exceptional harvest in 2004.
- **Dry weather in several Asian countries since late last year** has negatively impacted the 2004 secondary paddy crop season, which is nearing its conclusion. Nevertheless, the 2004 aggregate rice production is still estimated to be the second highest on record.
- **World cereal stocks at the end of crop seasons ending in 2005** are expected to be almost 10 percent higher than their opening levels.
- **International prices of rice have increased following concerns about the secondary paddy season.** By contrast, prices for wheat and coarse grains remain below last year reflecting large availabilities in the major exporting countries, generally favourable prospects for the 2005 crops and relatively slack demand.
- **The forecast for global cereal trade in 2004/05 has been revised up since the previous report**, mainly on account of higher wheat imports.
- **Meat trade in 2005 is expected to recover** from the exceptional decline in 2004 but market uncertainties persist, mainly over food safety concerns.
- **World banana and sugar prices recovered in 2004**, mainly reflecting sustained import demand.

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Food Outlook is issued by FAO under the Global Information and Early Warning System with the collaboration of the Basic Foodstuffs Service of the Commodities and Trade Division. Contributions are drawn from other technical units of the Organization. It provides information on latest developments in agricultural markets and sets the global and regional commodity production, utilization, trade and price context for food security.

World cereal production: 2004 estimates and forecasts for 2005



- **World cereal production in 2005 is forecast to decrease from last year's record level but will remain above the average of the past five years.** Wheat output is seen to decline marginally, that of coarse grains could drop by about 8 percent, while production of rice may increase slightly.

Roundup

CEREALS SUPPLY AND DEMAND

A good cereal crop is expected in 2005

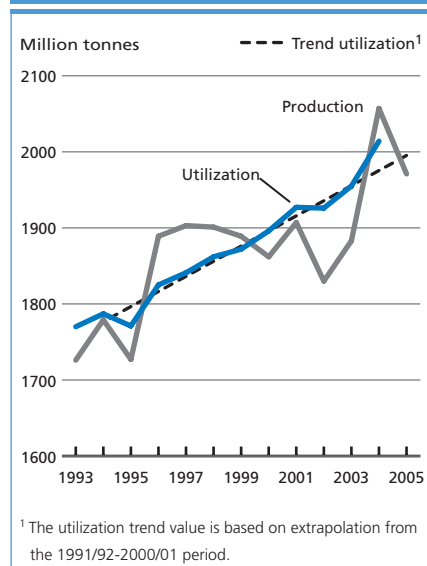
Early prospects for the 2005 cereal crops point to a decline from last year's record level, but output is nevertheless expected to remain above the average of the past five years. Based on conditions of crops already in the ground and planting intentions for those still to be sown later this year and assuming normal weather for the remainder of the 2005 cropping seasons, FAO's first forecast puts world cereal production at 1 971 million tonnes (including rice in milled terms), some 4 percent down from 2004. Virtually all of the decline is expected among the major producing (and exporting) countries in North America and Europe, where, despite generally satisfac-

tory conditions so far for the crops already in the ground, the overall cereal area is expected to be down slightly, and yields are assumed to drop from last year's record levels. Cereal production in the developing countries is expected to remain virtually unchanged. An increased output is tentatively forecast in Asia, but this could be offset by slight reductions elsewhere among the developing countries.

Tighter supply and demand is foreseen for 2005/06

If current production forecasts materialize, world cereal output in 2005 may not be sufficient to meet next year's expected utilization without a drawdown of world carryover reserves. On the assumption that world cereal utilization in 2005/06 would be close to its trend, at 1 955 million tonnes, the deficit would have to be met by a notable reduction of about 16

Figure 1. World cereal production and utilization (rice in milled terms)



million tonnes in world stocks. If so, world cereal stocks by the end of the seasons in 2006 could decline to 425 million tonnes. At this level, the global cereal stocks-to-use ratio would be around 21 percent which is similar to the current season when production is at record but utilization above trend. In fact, should next season's cereal utilization also exceed trend, the drawdown on world reserves may become even more significant, which could result in sharp price increases.

Further upward revision of the 2004 production estimate

With the harvest of the last of the 2004 crops now near completion, FAO's latest estimate of the 2004 global cereal output has been revised further upward to 2 057 million tonnes, an increase of 9.2 percent over the previous year and a record level. The latest revision reflects increased estimates for wheat and coarse grains, which more than offset a reduction for rice in the light of drought impact on the secondary 2004 paddy crops in Asia. Most of the increase in 2004 cereal production occurred among the developed countries, particularly in the EU and the United States. However, output also rose in the developing countries, although less sharply, growing by 3.1 percent.

Table 1. Cereal production: first forecast for 2005, rice in milled terms (million tonnes)

	2004 estimate	2005 forecast	2005 over 2004 (%)
Asia	850.2	855.0	0.6
Far East	747.5	748.6	0.1
Near East in Asia	66.8	68.3	2.2
CIS in Asia	26.8	29.2	9.0
Africa	122.9	122.4	-0.4
North Africa	34.4	32.9	-4.4
Western Africa	39.1	39.5	1.0
Central Africa	3.2	3.2	0.0
Eastern Africa	25.0	23.6	-5.6
Southern Africa	21.3	23.2	8.9
Central America & Caribbean	38.1	35.5	-6.8
South America	113.6	114.3	0.6
North America	438.5	387.1	-11.7
Europe	461.6	424.2	-8.1
EU 25	288.0	266.2	-7.6
CIS in Europe	124.1	118.8	-4.3
Oceania	32.1	32.8	2.2
World	2 057.1	1 971.0	-4.2
Developing countries	1 076.9	1 076.0	-0.1
Developed countries	980.1	895.0	-8.7

In the 84 Low-Income Food-Deficit countries, the aggregate cereal output in 2004 is estimated 4.4 percent higher than in the previous year, with a strong increase of 10 percent in China more than compensating for declines in other countries. Excluding China and India, the aggregate production of the rest of the LIFDCs is seen to have declined marginally. By contrast, production of roots and tubers, the second most important staple in developing countries, is estimated slightly up in 2004/05.

Global cereal utilization to rise above trend, mainly for feed

For the first time in a decade, world cereal utilization in 2004/05 is forecast to exceed the trend by a significant margin of almost 2 percent. Mainly as a result of record world production, food, feed and other uses of cereals are all forecast to rise in 2004/05, reaching a total of 2 013 million tonnes. This would be about 58 million tonnes (3 percent) above the previous season and also 9 million tonnes more than was reported in December. Food consumption of cereals is forecast to rise by about the same rate as population growth, to about 973 million tonnes, resulting in almost unchanged per caput consumption in both developing and developed countries.

The amount of cereals used for feed is forecast to reach 753 million tonnes. This represents a strong growth of almost 5 percent from the previous season, driven mainly by record feed grain production in the United States and large supplies also in Europe. Industrial use of cereals is also forecast to expand sharply, although most of the increase is expected in the United States where grain-based ethanol production is booming.

Substantial build-up of world cereal stocks

World cereal stocks for crop seasons ending in 2005 are now forecast to reach 450 million tonnes, up 39 million tonnes, or about 10 percent, from their reduced

Table 2. Basic facts of the world cereal situation (million tonnes)

	2002/03	2003/04	2004/05	Change: 2004/05 over 2003/04 (%)
PRODUCTION¹	1 830.3	1 883.0	2 057.0	9.2
Wheat	569.5	560.7	626.8	11.8
Coarse grains	878.8	932.8	1 025.8	10.0
Rice, (milled)	382.0	389.4	404.5	3.9
Developing countries	996.9	1 045.0	1 076.9	3.1
Developed countries	833.4	838.0	980.1	17.0
SUPPLY²	2 405.5	2 366.7	2 467.6	4.3
Wheat	805.2	763.1	786.5	3.1
Coarse grains	1 075.9	1 095.7	1 173.7	7.1
Rice, (milled)	524.4	507.9	507.4	-0.1
Developing countries	1 403.2	1 384.3	1 364.8	-1.4
Developed countries	1 002.3	982.4	1 102.8	12.3
UTILIZATION	1 926.4	1 955.1	2 013.5	3.0
Wheat	604.0	601.6	618.9	2.9
Coarse grains	916.4	946.7	983.7	3.9
Rice, (milled)	405.9	406.8	411.0	1.0
Developing countries	1 163.6	1 189.0	1 200.7	1.0
Developed countries	762.7	766.0	812.8	6.1
Per caput cereal food use (kg per year)				
Developing countries	158.3	159.3	158.9	-0.3
Developed countries	131.2	130.5	130.5	0.0
TRADE³	243.6	235.9	231.3	-
Wheat	108.9	103.4	103.0	-
Coarse grains	107.0	106.1	102.5	-
Rice, (milled)	27.7	26.5	25.8	-
Developing countries	75.7	75.6	60.1	-
Developed countries	167.9	160.3	171.2	-
STOCKS⁴	483.7	410.6	449.5	9.5
Wheat	202.4	159.7	163.6	2.4
Coarse grains	162.8	147.9	189.2	27.9
Rice, (milled)	118.5	103.0	96.7	-6.1
Developing countries	339.3	287.9	276.8	-3.9
Developed countries	144.4	122.7	172.7	40.8
Low-Income Food-Deficit countries⁵				
Cereal production ¹	766.8	783.4	817.9	4.5
excluding China and India	252.0	272.0	270.0	-0.7
Cereal imports ⁶	81.0	78.6	87.6	11.4
of which: food aid deliveries ⁷	6.7	6.1	6.2	1.6
Proportion of cereal imports covered by food aid (%)	8.3	7.8	7.1	-9.0
Per caput cereal food use (kg per yr)	157.8	158.9	158.4	-0.3
Roots and tubers production ¹	442.9	440.3	447.5	1.7

¹ Data refer to calendar year of the first year shown. ² Production plus opening stocks. ³ For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown. Up to 2003/04 includes EU15, 2004/05 includes EU25.

⁴ May not equal the difference between supply and utilization because of differences in individual country marketing years. ⁵ For definition, see country classification note on page 29. ⁶ For wheat and coarse grains, imports based on July/June marketing season. For rice, imports based on the calendar year of the second year shown. ⁷ July/June.

opening level. This is the first build-up of stocks in five years. The anticipated expansion is mainly driven by a record world cereal output in 2004.

On the basis of individual cereals, the most significant increase is expected for maize followed by wheat, while rice carry-over stocks are expected to decline again this season. Most of the forecast accumulation in world cereal inventories would be among the major exporters, with their combined stocks rising to 230 million tonnes, representing over 50 percent of world inventories. This would also constitute a notable improvement from the previous season when aggregate stocks of

levels in the previous season. Rice prices have risen since last November reflecting adverse weather conditions for the secondary paddy crop in several major producing countries. As of February, Thai rice prices were well above their level a year ago.

World cereal trade higher than anticipated in December

Based on the latest indications, international trade in cereals in 2004/05 is forecast at 231 million tonnes, up 3 million tonnes from the previous report but still slightly below the previous season. The upward revision since the previous report mostly reflects changes to the forecasts for wheat imports. Compared to the previous season, the developed countries are expected to import less, particularly the EU. The reduction in this group of countries would more than offset an expected increase in shipments to developing countries, mainly of wheat to China where demand is strong.

NON-CEREAL BASIC FOODS

Meat market to recover in 2005 but uncertainties persist

Early indications for 2005 point to some recovery in meat consumption as markets open up and exportable meat supplies increase. However, meat markets in 2005 could still be influenced heavily by food safety concerns, in the wake of Asian human fatalities due to AI and BSE, as well as by shifting exchange rates, and production and trade policy developments.

Prices of meat rose throughout 2004 reaching the highest levels recorded since the early 1990s. The FAO international meat price index averaged 102 points in 2004, against an average of 90 in 2003, with the poultry and beef prices up 22 and 14 percent respectively from their levels of a year ago. Prices of meat decreased

somewhat in late 2004 but in early 2005 received upward pressure from limited exportable supplies in some of the major Asian markets. However, the expected opening of markets and increase in export supplies, could lead to an easing of some meat prices in 2005.

OTHER RELEVANT AGRICULTURAL COMMODITIES

International prices of **banana** recovered in 2004 reflecting higher demand in the northern hemisphere and changes in the import of system of the 10 countries that joined the EU in 2004.

Sugar prices strengthened in 2004 and early 2005 reflecting shortfalls in supplies, which are forecast to continue in 2005 reflecting strong import demand and unfavourable production prospects in India.

Coffee prices have recovered somewhat from record low levels. Whether structural changes in the coffee sector and markets can sustain the current upward trend, however, remains to be seen.

Uncertainty about West African production and exports of **cocoa** weigh heavily on the sector; wide swings in production and prices for the remainder of 2005 are not to be discounted.

Despite record production in the past three years, a combination of factors, including currency, industry shifts and strong demand, is sustaining **tea** prices at stable levels.

Reduced plantings of **cotton** are expected among the world's largest producers (Brazil, China, India, Pakistan, the United States) in response to last year's depressed levels. This could lead to some recovery in cotton prices. However, to induce a significant uptrend the shift out of cotton production would have to be so large that only a modest price effect may be anticipated.

Table 3. Cereal export prices (US\$ per tonne)¹

	2005		2004	
	Mar.	Nov.	Nov.	Mar.
United States				
Wheat	157	162	162	171
Maize	100	94	94	129
Sorghum	99	96	96	132
Argentina				
Wheat	128	116	116	153
Maize	85	86	86	110
Thailand				
Rice white	295	265	265	253
Rice, broken	230	215	215	213

¹ Prices refer to the monthly average. For sources, see tables A6 and A7 in the Statistical appendix.

cereals held by the major exporters stood at 154 million tonnes, or about 37 percent of the world total.

Wheat and coarse grain prices remain weak while rice prices are on the rise

Against this backdrop of ample exportable wheat and coarse grains supplies, and the likelihood of this situation continuing also in 2005, international prices for these grains are generally weak and below the

Basic food commodities

WHEAT

PRODUCTION

Favourable prospects for the 2005 crop

FAO's first forecast for world wheat production in 2005 is 612 million tonnes, 15 million tonnes lower than the record in 2004 but still well above the average of the past five years. Although the global wheat area may exceed that of the previous year, yields are expected to return closer to the five-year average after exceptionally high levels in 2004. At the regional level, only in Asia is output forecast to increase, but not sufficiently to offset reductions expected in all other regions.

With the harvest of the last of the 2004 crops now completed in the southern hemisphere, FAO's latest estimate of

the 2004 global wheat output has been further revised upward to 626.8 million tonnes, which would be 12 percent up from 2003, and a new record.

In Far East Asia, winter weather conditions have been favourable for the 2005 wheat crop in China. The winter wheat area is estimated to have expanded by some 5 percent, or 1 million hectares from last year as a result of attractive prices and favourable planting conditions. In India, the winter wheat area is reported to be marginally lower than in the previous year due to diversification towards oilseeds. Widespread rains in northern India in the past month were beneficial for the crop, which will be harvested from April. Assuming normal weather for the remainder of the season, output in 2005 is expected to rise to 74-75 million tonnes.

Wheat output in Pakistan is also expected to increase, reflecting a larger area sown in response to government price support and good yield prospects due to recent widespread rains. Latest forecasts point to a crop of almost 21 million tonnes.

In the Asian CIS countries, the aggregate wheat area is estimated at 15.4 million hectares, just marginally up from the previous year, and crops are reported to be in good condition. Based on the current area, weather and crop condition information, aggregate output of these countries is expected to increase somewhat this year from last year's 21.6 million tonnes.

In Near East Asia, prospects for the 2005 wheat crop to be harvested from April/May have improved over the winter reflecting widespread snow and rains. Output in Afghanistan is expected to increase significantly after last year's drought-reduced crop. In the Islamic Republic of Iran, output is expected to remain close to last year's record level: apart from very favourable weather conditions, plantings increased further in response to the government wheat self-reliance policy¹. Larger crops this year also seem likely in Iraq and Turkey, given the favourable growing conditions.

In North Africa, prospects for the 2005 winter wheat crop, to be harvested from May/June, are generally favourable. In Morocco, recent rains improved conditions in the south and west of the country previously affected by a prolonged dry spell. The subregion's 2005 aggregate wheat output is forecast to decline from last year's record level of 17.5 million tonnes but would remain well above the five-year average.

In Eastern Africa, the 2005 season crop is about to be harvested in Sudan. Output is expected to decline somewhat from the previous year's good crop largely due to the constraint on production of higher fuel costs. Although it is too early to forecast the 2005 production elsewhere in

Table 4. Wheat production (million tonnes)

	2004 estimate	2005 forecast	2005 over 2004 (%)
Asia	254.1	264.0	3.9
Far East	185.9	192.7	3.7
Near East in Asia	45.1	46.4	2.9
CIS in Asia	22.1	23.8	7.7
Africa	23.1	21.5	-6.9
North Africa	17.5	16.7	-4.6
Eastern Africa	3.6	2.4	-33.3
Southern Africa	1.9	2.3	21.1
Central America & Caribbean	2.4	3.0	25.0
South America	25.3	21.6	-14.6
North America	84.6	79.4	-6.1
Europe	216.7	205.2	-5.3
EU 25	135.1	126.0	-6.7
CIS in Europe	64.7	63.0	-2.6
Oceania	20.7	20.3	-1.9
World	626.8	614.9	-1.9
Developing countries	280.2	283.2	1.1
Developed countries	346.6	331.8	-4.3

¹ See special feature on page 9.

the subregion, a return to normal conditions after a particularly favourable season last year, especially in Ethiopia the main producing country, would likely mean a significant reduction in output from the bumper aggregate crop of 3.5 million tonnes in 2004.

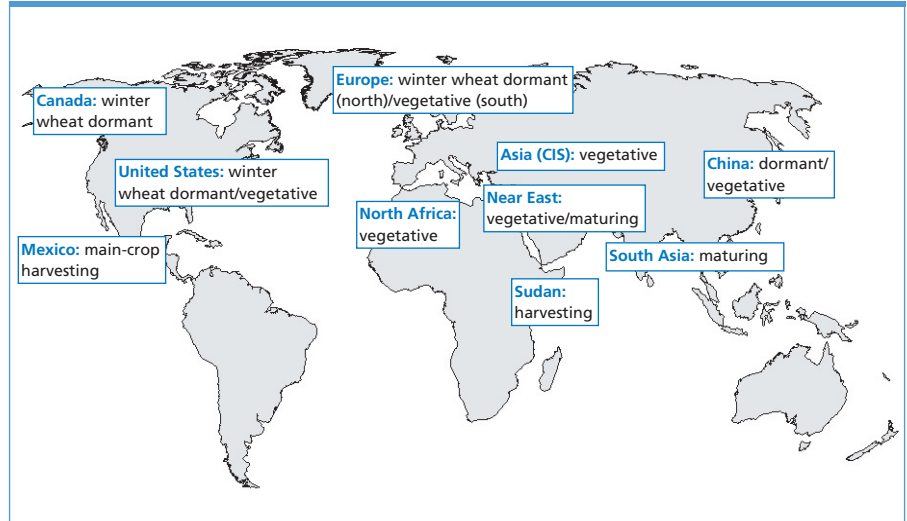
In **Southern Africa**, prospects for planting of the 2005 season from May are uncertain, reflecting relatively low domestic prices. FAO's final estimate of the 2004 wheat crop, harvested last November, is put at 1.9 million tonnes, indicating a recovery of some 4 percent over the previous year's drought-affected production. About 90 percent of the total was accounted for by South Africa, where output increased by nearly 10 percent over last year's production, although it still remained below the average of the past five years.

In **Central America and the Caribbean**, harvesting of the main 2005 irrigated winter wheat crop in Mexico is about to start in the north-western producing states of Sonora and Baja California. Production in Mexico is tentatively forecast at 2.7 million tonnes, slightly above the same season's output last year, reflecting an increase in both areas planted and yields.

In **South America**, the aggregate 2004 wheat crop, harvested until February in the main southern growing areas of the subregion, is estimated at a record level of over 25 million tonnes, about 7 percent above the good result of the previous year. Record or bumper crops were obtained in Argentina, Brazil, Chile and Uruguay following an increase in the areas planted and generally favourable weather during the growing season.

In **North America**, early prospects point to a decline in wheat output in 2005. In the United States, the USDA's 31 March Prospective Plantings Report put the winter wheat area down by 4 percent on the previous year, mostly due to adverse weather during planting last autumn. However, farmers have indicated that they will increase spring wheat area by about 4 percent and durum area by

Figure 2. World wheat calendar - March situation



about 2 percent. As a result, the total United States wheat area is expected to be about 2 percent down on the previous year. Assuming yields are about the average of the past five years, which is a likely scenario based on the conditions so far, FAO forecasts aggregate output at about 55 million tonnes compared to the 58.7 million tonnes crop in 2004.

In Canada, the wheat crop is mostly spring sown in May/June. Early forecasts point to an increase in the overall wheat area. However, a return to average yields is expected after last year's high levels, and the aggregate wheat output in 2005 is tentatively forecast to fall by about 6 percent to some 24 million tonnes.

In **Europe**, early indications point to a reduction in the aggregate 2005 wheat output by about 5 percent from the bumper crop last year, assuming that yields will return to average levels.

In the **European Union**, with the exception of Spain and Portugal, winter weather has been satisfactory so far. In Spain and Portugal, where drought conditions have prevailed since planting last autumn, the arrival of some rain in late February and March has improved moisture conditions slightly. The aggregate wheat area of the 25 member countries for the 2005 harvest is forecast to decrease marginally from the previous year, with an increase in soft wheat plantings

nearly offsetting a significant reduction in the durum area.

In the **Balkan** subregion, winter weather conditions were reported as generally satisfactory. However, in Romania, severe frosts in early March caused some crop damage. Larger winter wheat plantings were estimated in both Bulgaria and Romania but the final area for harvest in the latter country is now somewhat uncertain. Yields in both countries are expected to decline from bumper levels last year.

In the **European CIS** countries, winter weather conditions have been generally favourable for dormant crops. Above-average snowcover protected the winter cereals from winterkill and will provide ample moisture for spring crop development. The aggregate area under wheat (winter and spring) for the 2005 harvest is forecast to cover a total of 31.2 million hectares, nearly 1 million hectares up on last year. Early indications also point to the likelihood of yields remaining above the five-year average and thus all indications currently point to another good output in the subregion, similar to last year's level of about 65 million tonnes.

In **Australia**, the recently completed 2004 wheat harvest is officially estimated at 20.4 million tonnes, about 20 percent down from the previous year's record. Planting for the 2005 wheat crop in Australia will begin in April/May.

TRADE

Larger imports by the developing countries to sustain world trade

World trade in wheat¹ in the current 2004/05 marketing year (July/June) is now forecast to reach 103 million tonnes, 2.5 million tonnes higher than was earlier anticipated and now much closer to the previous season's level. This month's upward revision mostly reflects higher forecasts of imports by Afghanistan, the EU, and the Russian Federation. For the developing countries as a group, total wheat imports are put at 82 million tonnes, 7 million tonnes higher than in the previous season.

In Asia, aggregate wheat imports are put at nearly 50 million tonnes, up almost 9 million tonnes, or 21 percent, from the previous season and marginally below the record reached in 1999/2000. Wheat imports by China (Mainland), which are forecast to double this season, account for almost one-half of the expected rise in imports by all the countries in Asia. In spite of an increase of 6 percent in China's wheat production in 2004, strong demand for quality wheat as well as relatively low international prices continue to favour larger foreign wheat purchases. Wheat imports by Afghanistan are forecast to approach 1.6 million tonnes, up 1.3 million tonnes from 2003/04. The reason for higher imports this season is the sharp drop in domestic wheat production after a record harvest in 2003. Pakistan is another country in Asia where imports are forecast to rise sharply this season, by 1.3 million tonnes to 1.5 million tonnes, which is the highest since 1999/2000. This is mostly due to low carryover stocks from the previous season and a below-target production in 2004. By contrast, wheat imports by the Islamic Republic of Iran, traditionally among the world's leading importers, are likely to remain negligible due to another bumper harvest in 2004 (see special feature on page 9).

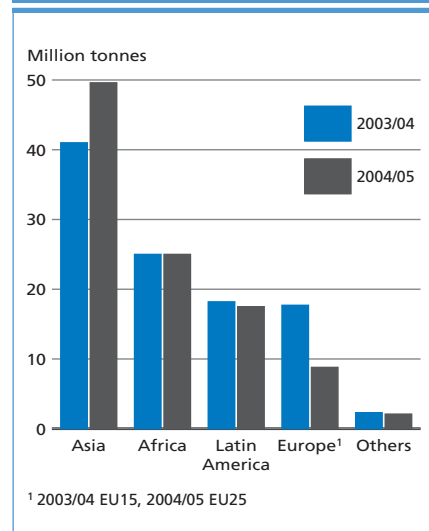
Contrary to the situation in Asia, wheat imports in Europe are forecast to decline significantly this season, following a strong recovery in production in several countries in addition to the EU enlargement from 15 to 25 countries². Total imports into EU25 are forecast at 5.5 million tonnes, up 1 million tonnes from the previous report. The increase since the previous report is based on higher import commitments, which by early March approached 5 million tonnes.

In Africa, total wheat imports are put at 25 million tonnes, unchanged from 2003/04. As a result of generally good harvests in nearly all major wheat producing countries, imports by most countries in Africa are seen to remain at below the level of the previous year. One exception is Kenya, where higher wheat imports are evidenced in the significant wheat purchases from Argentina (400 000 tonnes) so far this season.

In Central America and the Caribbean, slightly higher imports by Mexico are likely to offset smaller purchases by Brazil. In Mexico, lower output in 2004 is the main reason for higher imports this season. In Brazil, where production declined from the previous year's record, imports are expected to reach 4.8 million tonnes, down 300 000 tonnes from the previous report and 800 000 tonnes below the previous season. Reduced wheat exports from Brazil are expected to keep its domestic market in balance even with lower imports and production.

Wheat shipments from the five major wheat exporters are forecast to recover significantly this season, with larger exportable supplies in all countries with the exception of Australia and the United States, where production fell sharply in 2004. Exportable supplies in the EU have increased significantly in view of a strong recovery in all wheat producing member countries. However, a strong Euro coupled with high transport costs has made EU wheat less competitive in world markets, prompting a steady increase in EU export subsidies.

Figure 3. Wheat imports by region



Exports from Argentina have surged this season due to larger supplies. Wheat sales from Australia are likely to decline slightly from the previous year because of lower production but would still remain high due to very large carryover stocks from the previous season. Among other exporters, Ukraine and the Russian Federation are able to export more wheat this season, following a strong rebound in their production after poor harvests in 2003.

UTILIZATION

Food consumption to remain stable

The forecast for total wheat utilization in 2004/05 has been raised by 4 million tonnes since the previous report to 618 million tonnes, up 17 million tonnes from the previous season and now slightly above the 10-year trend. Total food use remains unchanged from the previous report, at around 434 million tonnes, but up more than 1 percent from the previous

¹ Including wheat flour in grain equivalent.

² EU imports show a decline from the previous season also because of the EU enlargement. The impacts of the EU enlargement on trade numbers were discussed in June 2004 issue of Food Outlook.

season, thus resulting in the average per caput food consumption remaining stable at 68 kg for the world as a whole, 61 kg for the developing countries and 95 kg for the developed countries. Feed usage of wheat is expected to reach 114 million tonnes, nearly 10 percent higher than in the previous season. The increase is mostly driven by larger supplies of lower quality feed, following an increase in world production and lower prices.

STOCKS

Higher wheat stocks in Europe lift world levels for the first time in 5 years

The forecast for global wheat stocks for crops ending in 2005 has been raised by 2.2 million tonnes since the previous report to 164 million tonnes. This would represent nearly 4 million tonnes increase from the reduced opening levels and point to the first global stock expansion in 5 years.

Total wheat stocks of the 5 major exporters are put at close to 49 million tonnes, up 2 million tonnes from the previous report. At this level, the global share of major wheat exporters' stocks by the close of the seasons in 2005 approaches 30 percent against only 24 percent at the start of the seasons, pointing to a considerable improvement in world supplies.

It is in Europe that most of this season's increase in wheat stocks is expected to occur, following a recovery in wheat production in several countries. Total wheat stocks held in Europe are forecast to reach 32 million tonnes, up 12 million tonnes from the previous season. In the EU alone, wheat inventories are forecast to reach 20 million tonnes. Large wheat production among the new EU Members, Hungary in particular, has given rise to increased offers to the EU intervention, which by early March exceeded 5 million tonnes.

Higher ending stocks are also anticipated in Ukraine and the Russian Federation in view of bumper crops. By contrast,

wheat stocks in China are likely to reach 49 million tonnes, some 5 million tonnes lower than their reduced opening levels. The recovery in China's wheat production in 2004 and increased imports may not be sufficient to meet total domestic demand, hence requiring a further drawdown of its inventories this season.

PRICES

Rising world supplies and subdued demand put downward pressure on prices

This season's large exportable supplies following a record world wheat crop coupled with generally subdued world import demand continue to depress international prices. In March, the US wheat No. 2 (HRW, fob) averaged US\$157 per tonne, down US\$5 per tonne since November and also US\$14 per tonne, or 8 percent, below the corresponding period in 2004. In the EU, following a rapid increase in offers to the intervention, the EU Commission reintroduced export refunds (subsidies) for the first time in two years. The EU export refunds were initially (in early February) granted at €4 per tonne, but, with world prices remaining low and the Euro strengthening, were increased to €6 per tonne and then €10 per tonne by early March. Following a slight strengthening in the US dollar later in the month, the EU lowered the export refund to almost €4 per tonne.

Wheat futures at the Chicago Board of Trade (CBOT) continued to trade below the previous year's levels. However, a generally tighter supply and demand wheat balance in the United States lent some support to wheat futures in more recent weeks. By late March, the July 2005 wheat futures contracts were quoted at US\$126 per tonne, still US\$25 per tonne below the corresponding period in 2004.

Figure 4. Wheat production, food use and stocks

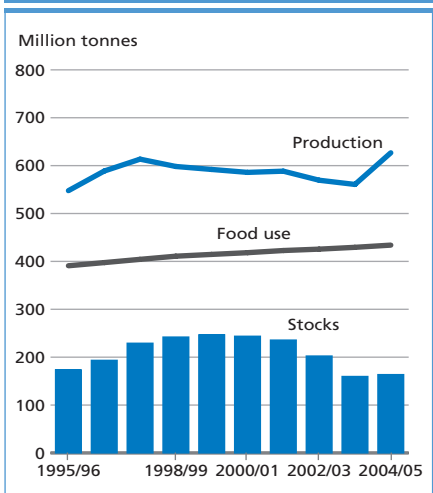


Figure 5. Wheat export price (US No. 2 Hard Winter, Gulf)

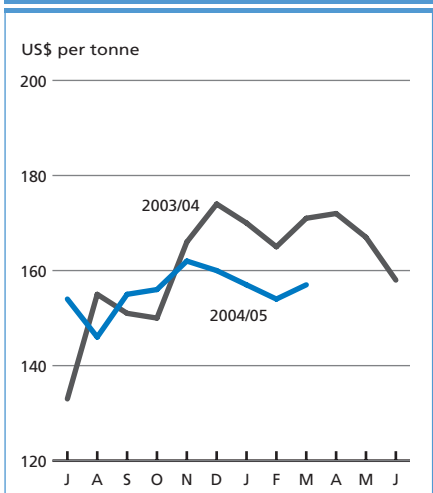
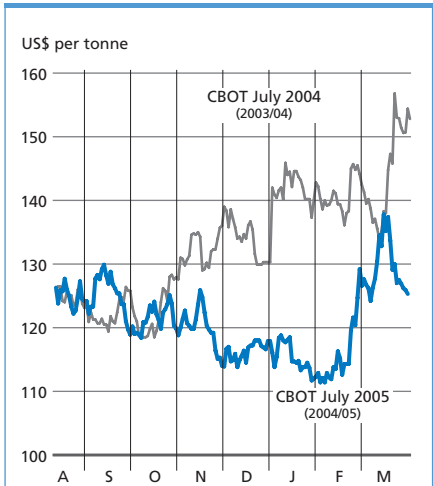


Figure 6. Wheat futures prices



Islamic Republic of Iran: a major wheat importer turning self-sufficient?

For the first time in recent memory, the Islamic Republic of Iran has approached self-sufficiency in wheat, the main food staple of the country. A record production in 2004, following an already bumper crop in 2003 has raised hopes that the long-awaited self-sufficiency has become a norm rather than an exception. However, sustaining production at levels sufficient to meet the growing domestic consumption requirements will be a difficult and challenging task. Although strong government support for wheat production has played a large part in raising output, favourable weather in the past two years has also contributed towards the bumper results, and both will be needed if Iran is to remain close to wheat self-sufficient in the future.

Until recently, Iran relied on large wheat imports to meet its growing domestic demand. This made Iran rank among the world's leading wheat importers, with an annual intake ranging from 2.5 to 7.5 million tonnes over the past two decades. The 2002/03 marketing season marked an important break in a long-lasting drought that hampered domestic production for several years, initiating the start of sharp declines in foreign wheat purchases. By 2004/05, wheat imports were forecast to have fallen to only 200 000 tonnes; relatively insignificant for a country where as much as 12 million tonnes of wheat is destined for food, mostly in the form of bread. In fact, in terms of per caput wheat consumption, Iran's estimated 165 kg per annum is among the highest in the world.

Water availability is central to Iran's ability to produce wheat, as is often the case for most drought-prone countries with erratic climatic conditions. At least 40 percent of Iran's wheat is rainfed with an average yield of only 0.8 tonnes/ha. However, even under the irrigated land, the average wheat yield in Iran rarely exceeds 3.0 tonnes/ha, less than half that of Egypt's 6.4 tonnes/ha. In 2004, good and timely precipitation lifted the average wheat yield (irrigated and rainfed) to 2.3 tonnes/ha, slightly below the world average of around 2.6 tonnes/ha.

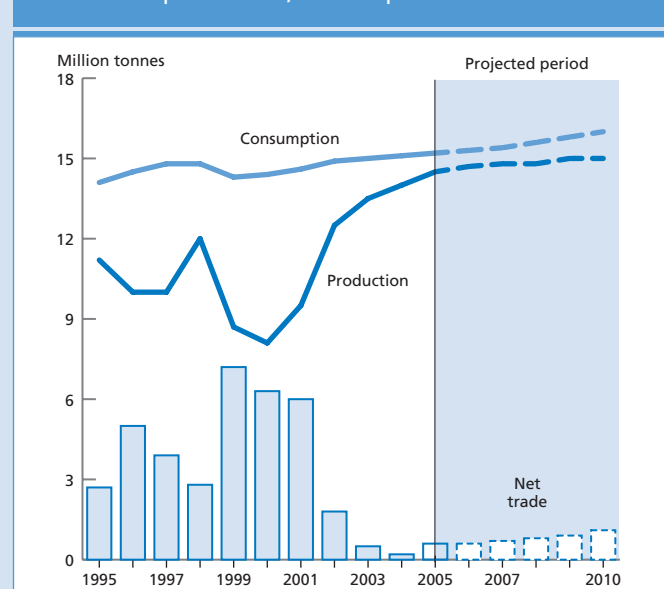
In recent years, the Government has made wheat self-sufficiency a very high priority and stepped up efforts to increase wheat productivity. Over the past two years, the Government sharply raised spending on wheat farming by supplying higher yielding seeds, improving machinery services, augmenting fertilizer usage and enhancing water systems and pest management

practices. In addition, to increase farmers' incentives, the guaranteed procurement prices have been raised significantly, up another 10 percent again this year for 2005 crops. While in US\$ terms, the domestic prices have usually remained above world levels, the transport cost, and more specifically the recent surge in ocean freight rates, increases the actual cost of imports, resulting in wheat import prices to approach or even exceed the domestic guaranteed levels.

Official indications are that the country will continue with its self-sufficiency target also in the coming years, by trying to raise productivity further. In the short-term, very favourable weather conditions again this winter, coupled with continuing government support, point towards above-average production also in 2005. This would enable Iran to remain virtually self-sufficient for at least another season.

Looking further ahead, the preliminary results generated by FAO's newly-created Commodity Simulation Model (COSIMO) indicate that under a normal weather assumption, average yield in 2010 is unlikely to exceed the 2.3 tonnes/ha high achieved in 2004. As a result, and in view of the fact that further expansion of area is generally constrained because of water scarcity, domestic production is projected to approach 15 million tonnes by 2010. However, at the same time, total domestic consumption is also projected to expand, mainly driven by population growth. The anticipated rise in income seems unlikely to deter bread consumption in favour of more value added food unless the Government decides to reduce the long-standing bread subsidy. With food consumption rising and other uses (including feed, seed and post harvest losses) also increasing, total domestic consumption seems to stay persistently above the projected production throughout the medium-term. As a result, importing wheat may become necessary again although not in such significant quantities as in the 1990s.

Iran: wheat production, consumption and trade



COARSE GRAINS

PRODUCTION

Another good crop in 2005 to follow last year's record

World coarse grains output in 2005 is forecast at 944 million tonnes, 8 percent down from last year's record level but still slightly above the average of the past five years. This first forecast is very tentative, however, as the bulk of the world's crops have yet to be planted in the main producing northern hemisphere countries.

The estimate of world coarse grains output in 2004 has been revised up to 1 026 million tonnes, 10 percent higher than the good level of the previous year. This outcome mainly reflects bumper crops in the United States, the EU and China.

In **Far East Asia**, the 2005 crops are about to be planted in China and India, the largest producing countries. However, very early indications point to another increase in maize plantings in China

(Mainland) as the government continues to implement agricultural support policies to increase grain production and farmers' income. It is also too early to make a forecast of India's output in 2005 because so much depends on the performance of monsoon rains, which are still to come. However, should weather conditions be favourable, the area planted is likely to increase because strong feed demand and high maize prices are expected to be an incentive to farmers to sow and increase the use of hybrid seeds. In the Philippines, the secondary season maize crop is currently in the ground and a good output is expected. The country achieved a record maize output in 2004 attributed to the increased use of better quality seeds.

In the **Asian CIS** countries, the area planted to winter coarse grains (mainly barley) has increased from 2004 to just over 3.3 million hectares and crops are reported to be in good condition. Maize and barley are the two main coarse grains

in the subregion. Last year, the subregion harvested a below average crop of 4.2 million tonnes of coarse grains and early indications point to a larger harvest this year.

In **North Africa**, growing conditions for the 2005 winter barley crop, to be harvested from April, have been satisfactory in most countries so far. A threat to crops from Desert Locust infestation was avoided by control operations. Planting of maize is expected to start in April in Egypt, the largest maize producer in the subregion.

In **Western Africa**, land is under preparation for planting of the 2005 coarse grain crops in the coastal areas along the Gulf of Guinea. The 2004 coarse grains season was characterized by serious Desert Locust infestations in the Sahel, which caused severe localized damage to crops and pastures, notably in the northern areas. In Mauritania, the most affected country, 2004 cereal production is estimated to be down by 44 percent compared to the previous year. Aggregate output in the nine CILSS countries was estimated at nearly 12 million tonnes, 15 percent below the previous year's record crop but still average. By contrast, growing conditions have been generally favourable in the coastal countries along the Gulf of Guinea, where harvesting of the 2004/05 second maize crop has been completed. Coarse grains production is estimated to be above average in all countries, except in Côte d'Ivoire, Liberia and Sierra-Leone, where past or present civil strife hampered or continues to hamper agricultural activities.

In **Central Africa**, planting of the 2005 coarse grains is about to start. Harvesting of the 2004 second maize crop was completed and the subregion's aggregate coarse grains output is estimated to be above normal. In Central African Republic, cereal production is expected to recover somewhat, as a result of increased plantings following an improved security situation and agricultural inputs distribution.

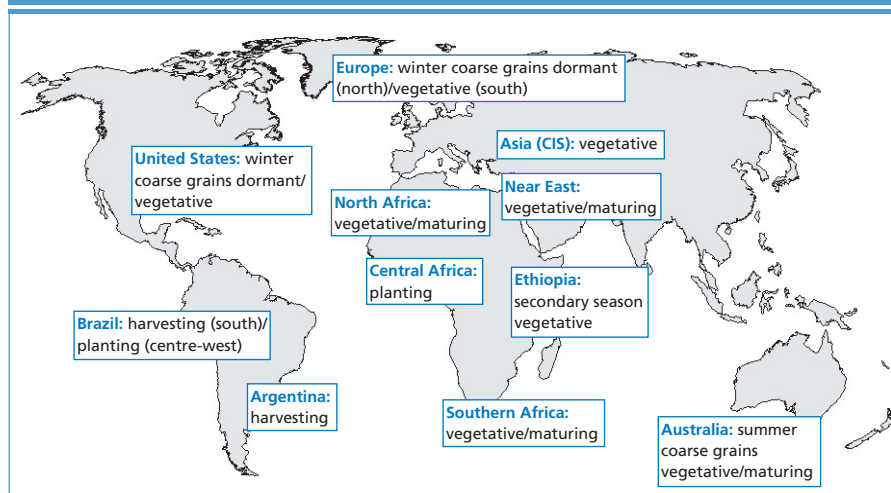
Table 5. Coarse grains production (million tonnes)

	2004 estimate	2005 forecast	2005 over 2004 (%)
Asia	230.5	219.1	-4.9
Far East	207.1	195.0	-5.8
Near East in Asia	18.8	18.9	0.5
Africa	87.7	88.3	0.7
North Africa	12.4	11.7	-5.6
Western Africa	34.4	34.7	0.9
Central Africa	2.9	2.9	0.0
Eastern Africa	20.8	20.5	-1.4
Southern Africa	17.2	18.4	7.0
Central America & Caribbean	34.1	30.8	-9.7
South America	73.3	77.9	6.3
North America	346.6	300.7	-13.2
Europe	242.3	216.7	-10.6
EU 25	150.9	138.3	-8.3
CIS in Europe	59.1	55.5	-6.1
Oceania	11.0	12.0	9.1
World	1 025.8	945.4	-7.8
Developing countries	410.7	399.9	-2.6
Developed countries	615.1	545.5	-11.3

In **Eastern African**, the 2004 aggregate coarse grains output is estimated at some 21 million tonnes, about 5 percent below the previous year but still above the average of the past five years. In Ethiopia, although the secondary "belg" crop has still to be gathered, the main season output was good and aggregate production is forecast to increase by 13 percent over the previous year to an above-average 8.9 million tonnes. In Tanzania, the aggregate 2004 coarse grains output is estimated at about 4 million tonnes, well above the previous year's level and about 17 percent above average. Prospects for the 2005 main maize crop season on the ground in the uni-modal rainfall areas have improved with favourable rainfall. In Sudan, the 2004 main coarse grains crop declined by nearly 45 percent from the well above average level in 2003 due to erratic rains and civil unrest. In Kenya, the aggregate 2004/05 maize crop is estimated at about 2.1 million tonnes, 21 percent below the previous year as a result of unfavourable weather. In Eritrea, the 2004 coarse grains output, estimated at 80 000 tonnes is about 22 percent below average, mainly due to drought and displacement. In Somalia, latest estimates put the aggregate coarse grains output at 265 000 tonnes, 2 percent below the previous year. In Uganda, provisional estimates indicate a 2004 coarse grains output of about 1.8 million tonnes, slightly above 2003 but 4 percent below the average.

In **Southern Africa**, the outlook for the subregion's aggregate 2005 coarse grains crop, to be harvested from April-May, is favourable, and output is forecast at 18.4 million tonnes, the largest crop since 2000 and above the average of the past five years. This mainly reflects a good harvest in South Africa, the subregion's largest producer, where the first official forecast for maize, the main staple crop, is put at 10.5 million tonnes, 11 percent above the five-year average. Elsewhere, prospects are mixed with below normal harvests expected in Botswana, Lesotho, Namibia, Swaziland and Zimbabwe, but

Figure 7. World coarse grain calendar - March situation



normal to above normal in the rest of the subregion.

In **Central America and the Caribbean**, harvesting of the 2004 secondary season coarse grains crops has been completed. The aggregate output in 2004 is estimated at a record 33.4 million tonnes, mainly due to a good maize crop in Mexico. By contrast, in Cuba, Guatemala, Honduras and Nicaragua reduced outputs are estimated as a result of periods of prolonged dry weather.

In **South America**, harvesting of the 2005 coarse grains crop is underway in the important producing countries in the south of the subregion. FAO's latest forecast points to an output of some 78 million tonnes, well above last year's level and close to the record of 2003. In Argentina, the official forecast for the main maize crop has been revised upward to 18.5 million tonnes, reflecting improved weather conditions after earlier dry spells in some parts. At this level, maize production would be very close to the record output of 1998. In Brazil, harvesting of the main season maize crop is underway in southern key producing states of Rio Grande do Sul, Parana and Minas Gerais and the output is expected to decline by about 7 percent compared to the same season crop last year. Meanwhile, planting of second season (safrinha) maize crop has started in centre-west state of Mato Grosso and planting intentions point to a below-aver-

age area of 2.7 million hectares. In aggregate, the 2005 maize output is provisionally forecast at about 39 million tonnes, well below last year's good crop. In the Andean countries, limited soil moisture in coastal areas of Ecuador and Peru is delaying planting activities of the 2005 main season maize crop. Farmers' concern about a second consecutive drought season has also negatively affected planting prospects.

In **North America**, planting of the bulk of the 2005 maize crop in the United States will begin from April. The USDA's 31 March Prospective Plantings report indicates a 1 percent increase in the maize area. However, a forecast return to trend yields after bumper levels last year would still mean a significant drop in output from the record level in 2004. In Canada, production of coarse grains (mostly still to be sown later this year) is also expected to decrease somewhat in 2005, as the combined result of reduced barley plantings and a return to average yields after bumper levels last year for all coarse grains in general.

In **Europe**, following last year's bumper crop, early indications for 2005 point to an overall reduction in area, which, compounded with a return to normal yields after exceptionally high levels in 2004, could pull production back to about the average of the past five years. In the EU, the overall coarse grains area is expected

to decline in response to policy changes which re-instated the 10 percent set-aside requirement and caused a shift of some land from coarse grains to wheat production. In the Balkans, reduced areas are also expected after last year's surpluses. In the European CIS countries, the aggregate coarse grains area is tentatively forecast to reach 29 million hectares, about 3 percent down on 2004.

In **Australia**, prospects for the 2005 summer coarse grains crop (mostly sorghum) are very favourable, reflecting good rains in the main producing areas. The combined sorghum and maize area is estimated to have risen by about 24 percent to almost 800 000 hectares.

TRADE

Imports by the developing countries are forecast to rise

The forecast for world trade in coarse grains in 2004/05 (July/June) has not changed since the previous report, remaining at 102.5 million tonnes. This amount is less than in the previous season, although the EU enlargement, and hence the exclusion of intra-trade among the new EU member countries, accounts

for most of this apparent decline¹. Total imports by the developing countries are forecast to increase by 2.3 million tonnes to 70 million tonnes. Among individual coarse grains, total world maize imports are forecast at around 77 million tonnes, of which imports by the developing countries are put at 53 million tonnes, up 1 million tonnes from the previous season. Trade in barley is forecast to approach 16 million tonnes, with the developing countries importing about 12.5 million tonnes, also 1 million tonnes more than in the previous season. For other coarse grains, imports by the developing countries are expected to remain largely unchanged from the previous season.

More abundant supplies of feed wheat, higher 2004 production and slower growth in feed demand have, together, driven down import demand for coarse grains in several countries in Asia, including: Indonesia, Israel, Japan and the Republic of Korea. However, Saudi Arabia is expected to raise its purchases of barley, while higher maize imports are expected by the Islamic Republic of Iran and China.

In Africa, maize imports in Kenya are forecast to double this season to 1.2 million tonnes, as a result of a below-average maize production and a tighter domestic supply and demand balance. Imports by most other countries in Africa are likely to remain steady at the previous year's levels. Also in most of Latin America and the Caribbean, coarse grain imports are likely to remain at the previous season's levels or increase only slightly. By contrast, in Europe, total imports are forecast to decline sharply. The forecast is based on a sharp decline in the EU as a result of this season's strong recovery in production as well as large supplies of low quality wheat destined for animal feed. However, imports by the Russian Federation are forecast to increase, driven by larger purchases of rye because of a very low domestic production.

The overall exportable supplies of coarse grains have rebounded this season because of larger world production in

2004. In the EU, rising surpluses are likely to drive up exports of barley and rye in particular. Exports of maize from Argentina are also expected to rise. In spite of this year's record maize crop in the United States, the world's largest maize exporter, and although the country's shipments may increase slightly on July/June basis, they are expected to decline on the basis of its August/September marketing season; in part due to subdued world demand and competition with other exporters.

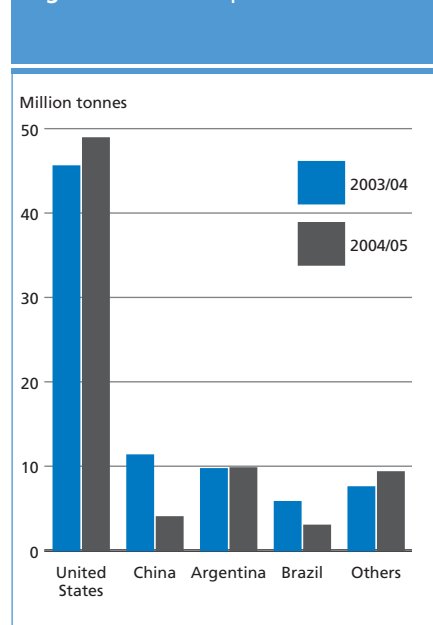
By contrast, sharp falls in sales are forecast for China and Brazil. Between them, the two countries exported 17.5 million tonnes of coarse grains in 2003/04, but with tighter domestic supply and demand balances, their combined exports are forecast to reach only 9 million tonnes this season, representing a drop of nearly 50 percent. Among other countries, larger barley and rye sales are anticipated from Ukraine, where supplies are large and nearby demand strong, but sales of maize from the Republic of South Africa are likely to decline despite falling prices partly reflecting a strong South Africa Rand.

UTILIZATION

Total utilization to rise, boosted by higher feed and industrial usage

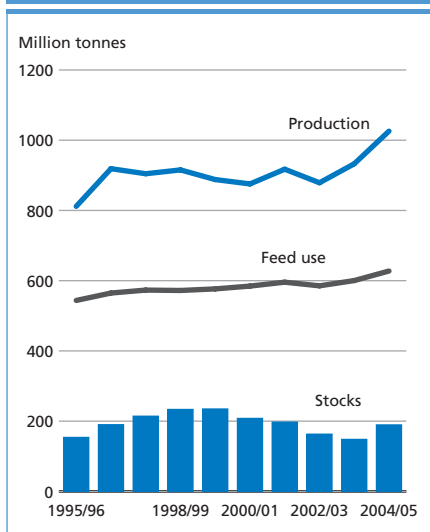
Total utilization of coarse grains world wide is forecast to reach 983 million tonnes in 2004/05, up 37 million tonnes, or almost 4 percent, from the previous season. Food use is forecast at 176 million tonnes, up slightly from the previous season, permitting the average global per caput level to remain unchanged at about 28 kg. Feed usage accounts for the bulk of total utilization and is forecast to reach 627 million tonnes, 27 million tonnes more than in the previous season. Most of this growth in feed use is likely to take place in

Figure 8. Maize exports



¹ The impacts of the EU enlargement on trade numbers were discussed in June 2004 issue of Food Outlook.

Figure 9. Coarse grains production, food use and stocks



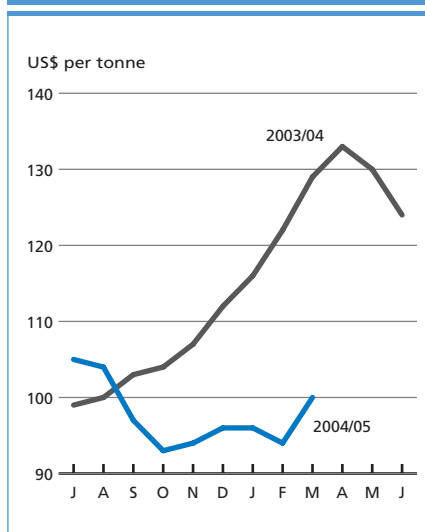
the United States, the EU and Ukraine, following a strong recovery in their domestic supplies. Another major growth area is industrial use, most notably the continuing rapid expansion of ethanol production in the United States, the largest grain-based ethanol producer, which derives 98 percent of its ethanol production from maize and the remainder from sorghum. Over the past few years, total grain usage for production of fuel ethanol in the country has risen at such an unprecedented rate that by 2004/05, the domestic ethanol industry has emerged as the third largest market for maize, after domestic feed and exports. In 2004, the country's production of ethanol soared to almost 3.5 billion gallons, requiring a record 40 million tonnes of maize (and over 1 million tonnes of sorghum). This represented almost 17 percent of domestic maize usage and would account for about 9 percent of global maize utilization.

STOCKS

Higher production leads to bigger stocks

World coarse grains stocks for crop years ending in 2005 are now forecast to reach 189 million tonnes, 41 million tonnes, or 29 percent, above the much reduced

Figure 10. Maize export price (US No. 2 Yellow, Gulf)



opening levels and also 9 million tonnes more than was reported in December. The increase since the previous report reflects the sharp rise in the estimates for 2004 production. Above-average or bumper crops in several major producing countries/regions are behind the expected increase in world inventories this season. The largest build-ups are forecast for the United States and several countries in Europe and China. At the current forecast levels, aggregate coarse grains stocks held by the five major exporters are expected to almost double from the previous season to 84 million, representing 45 percent of the world total.

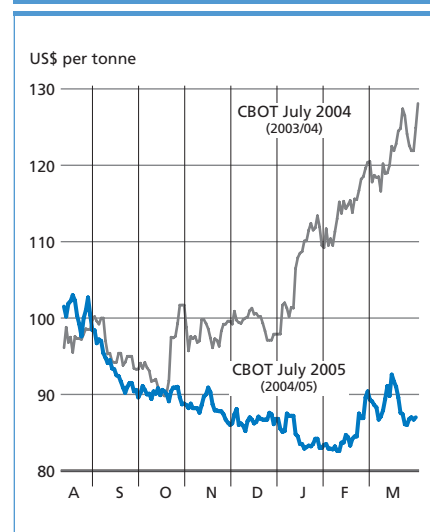
Another notable development is the expected increase in stocks in China for the first time in 4 years. Following a rebound in 2004 production in China, stocks in that country are also expected to rise, approaching 51 million tonnes, some 4 million tonnes more than their opening level.

PRICES

Maize prices rise but remain below last year

Maize prices gained somewhat since the previous report but still remain lower than in the previous season. Large crops and

Figure 11. Maize futures price



ample exportable supplies continued to weigh on international maize prices this season. In March, the price of United States maize (US No.2 Yellow) averaged US\$100 per tonne, up US\$6 per tonne since November but US\$29 per tonne, or almost 22 percent, below the corresponding month last year. Also in the United States futures market, Chicago maize futures continue to move on lower levels than last year in spite of receiving occasional supports from soybeans and a weak US dollar. By late March, July 2005 futures were quoted at US\$87 per tonne, some US\$35 below the corresponding values last year.

RICE

PRODUCTION

The 2004 second paddy season nears conclusion in the northern hemisphere

Since the last report, FAO's production forecast for the aggregate 2004 paddy crop has been cut by 5 million tonnes to 605 million tonnes (404 million tonnes in milled rice equivalent), as the effects of weather problems late last year were better quantified, particularly in Cambodia, China (Mainland) and Laos. However, despite the recent reduction, world paddy production in 2004 would still be 3.8 percent larger than in 2003 and the second highest on record. Among the main producers, China will end the season with a 12 percent rise in output despite the recent drought-incurred losses to the late rice crop. By contrast, in India the crop is forecast to decline slightly from 2003 due to localized droughts and floods.

Only a modest increase in 2005 global paddy production currently anticipated

The 2005 season is well advanced in the southern hemisphere and along the equatorial belt, where a number of countries have already started gathering their 2005 paddy crops. FAO's preliminary forecast for 2005 output stands at 614 million tonnes, 1.5 percent more than the revised estimate for 2004. In the northern hemisphere, where the bulk of world rice is produced, the 2005 season is yet to commence, so the current outlook for global production is highly tentative.

In **Asia**, despite paddy losses to the tidal wave in Sumatra last December (see Special feature on Tsunami), the Government production target in Indonesia in 2005 has been set only marginally below the record performance of last year. Production in Sri Lanka, another country hit by the Tsunami, is anticipated

to recover in 2005, due to favourable weather. The main Maha crop, being harvested, is put at 1.9 million tonnes, 16 percent higher than the same crop in 2004, which was drought-affected. The outlook is also positive in Malaysia.

In southern and eastern **Africa**, output in Madagascar is expected to grow to 3.4 million tonnes, reflecting an increase in plantings in response to a surge in domestic prices and abundant rains in the past two months. In Malawi and Mozambique, dry spells in southern parts during February have worsened prospects for a recovery in paddy production from the drought-affected levels of 2004. In Tanzania, late and erratic rains in the northern highlands major producing areas have adversely affected rice plantings and yields.

In **South America**, official surveys in Argentina point to a 4 percent increase in the area planted, which together with better yields, would boost production by 8 percent. In Brazil, official forecasts indicate a paddy output similar to last year's bumper crop, with increased plantings compensating a return to normal yields.

Limited water availability for irrigation in Uruguay is reported to have resulted in a 10 percent decline in planting, which may depress production to 1.1 million tonnes. In Ecuador and Peru, current dry weather is delaying planting operations of the 2005 paddy crop. In Guyana, the sector, which is highly dependent on exports to the EU market, is likely to be negatively affected by expectations of falling export prices under the new EU rice policy regime implemented in September 2004.

In **Australia** official forecasts point to a 20 percent contraction in paddy output in 2005, as insufficient rainfall in growing areas constrained rice cultivation again this year.

In the major producing countries in Asia, where the 2005 paddy crop is still to be planted, a recovery in production in 2005 is anticipated in those countries affected by major weather anomalies in 2004, in particular Bangladesh, Cambodia, India, Nepal, and Thailand, often spurred by the need to rebuild domestic rice reserves. In the Islamic Republic of Iran, Pakistan and the Philippines, production is expected to continue the increasing trend of the past years. In Viet Nam, the Government, which has pledged to keep the area un-

Table 6. Rice production (*million tonnes*)

	2004 estimate	2005 forecast	2005 over 2004 (%)
Asia	547.1	556.6	1.7
Africa	18.4	19.1	3.8
North Africa	6.4	6.4	0.0
Western Africa	7.3	7.6	4.1
Southern Africa	3.3	3.7	12.4
Central America & Caribbean	2.5	2.6	4.0
South America	22.7	22.5	-0.9
North America	10.5	9.9	-5.7
Europe	3.4	3.3	-2.9
EU 25	2.8	2.7	-3.6
Oceania	0.6	0.4	-33.3
World	605.2	614.5	1.5
Developing countries	579.1	589.5	1.8
Developed countries	26.1	25.0	-4.2

der rice about constant, is aiming at only a marginal increase of output to 36 million tonnes. Similarly, a modest 1.4 percent increase in output to 182.5 million tonnes is anticipated in China, as rising input costs may limit price incentive effects. By contrast, official forecasts already indicated a reduction of production in 2005 in Japan, in line with current government policies. Similarly, the widening of market access to imports is expected to depress the sector in the Republic of Korea.

Among African countries located north of the equator, production is set to recover in Chad and Mali. Further increases are anticipated in Egypt, Nigeria and Senegal, while little change is foreseen elsewhere as a surge in the costs of basic inputs, especially fertilizers, may erode the positive impact of attractive domestic prices.

Elsewhere, in Costa Rica, Cuba, Nicaragua and Panama, production in 2005 should recover from last year's drought/pest-reduced levels, while official forecasts in Mexico point to a marginal decline. Based on official forecast, production is also set to drop in the United States, reflecting expectations of lower producer prices and of less favourable growing conditions.

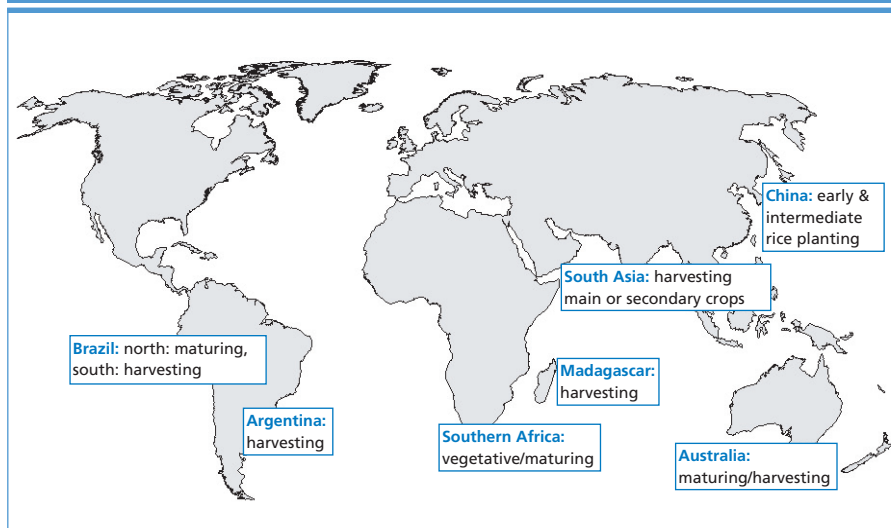
TRADE

Trade in rice to fall by 3 percent in 2005

FAO has slightly increased its forecast for rice trade in 2005 to 25.8 million tonnes, which would mean a 3 percent fall from the amount traded in 2004.

Much of the contraction in rice trade this year should arise from a sharp reduction in Thailand's exports, from the exceptionally high 10.1 million tonnes shipped in 2004. Given the reduced 2004 production and the resulting tightening of prices, the country is anticipated to export 8.5 million tonnes, still its second highest performance on record. Shipments from Viet Nam are forecast to increase slightly to 4.1 million tonnes this year, despite an on-go-

Figure 12. World rice calendar - March situation



ing drought which is affecting the second crop. The good 2004 season should allow Pakistan to raise its sales abroad, despite a recent hike of import tariffs in its traditional eastern African markets. Exports from China (Mainland), which were severely constrained by reduced availabilities in 2004, may rebound this year. However, the 1.4 million tonnes forecast is below average export volumes, given the relatively modest production outcome in 2004. Exports from the United States are also set to rise in 2005, sustained by an expected fall in domestic prices, improved access to Central America and the Caribbean and weak competition from Australia. Despite the disappointing 2004 harvest, sales from India are anticipated to be about 2.5 million tonnes, only marginally lower than last year, as the expected strength of world prices must enable the country to remain competitive, especially on the parboiled market. Among the other traditional exporters, Egypt is anticipated to keep exports high, at 750 000 tonnes. In South America, Argentina may step up shipments, although this might imply its gaining new markets outside the region. By contrast, exports may decline in Guyana and Uruguay. Australia's rice sales will continue to be constrained by very limited domestic availability, following 3 years of below-normal precipitation in rice

growing areas.

Import demand is expected to remain strong in several of the major rice importing countries in the course of the year, in some cases in spite of the prevalence of import restrictions. Deliveries to Indonesia, in particular, are anticipated to rise to 1.2 million tonnes. Even though the Government has extended its ban on rice imports until June, the state trading enterprise Bulog was reported to be considering buying rice on the world market to avert scarcities arising from current dry conditions affecting the secondary crop. Similar concerns are anticipated to boost imports to Bangladesh, where strong increases in prices have been reported. In the Philippines, the National Food Corporation has contracted large purchases in recent months. Overall, the country is forecast to buy 1.1 million tonnes in 2005, up from 1 million tonnes last year. According to the official sources, imports to the Republic of Korea are expected to rise to 226 000 tonnes. Early this year, the Government concluded an agreement with nine WTO country members to retain rice under the WTO "Special treatment provision" for another 10 years. In exchange, it pledged to widen progressively the minimum import quota to the equivalent of 7.9 percent of domestic consumption, or 408 700 tonnes, by 2014 and to immediately let 10 percent

of imports be marketed at retail shops. By contrast, imports to China (Mainland) are set to fall to some 500 000 tonnes, down from a reported 761 700 tonnes in 2004. They are also likely to be somewhat lower in the Islamic Republic of Iran.

Current prospects for imports to African countries also point to an overall contraction, induced mainly by rising world prices and freight rates compounded, in several instances, by the devaluation of domestic currencies. Under the current outlook, declining rice deliveries are expected to be made to Benin, Cameroon, Madagascar, Nigeria and South Africa. With the implementation of the East Africa Customs Union protocol on 1 January 2005, Kenya, Tanzania and Uganda raised tariffs on rice imports to 75 percent, a move which is anticipated to depress their shipments this year.

Most countries in Central America and the Caribbean are anticipated to maintain a relatively high level of imports, in particular Cuba, Haiti, and Nicaragua, which were affected by weather problems in 2004. By contrast, based on higher inventories and current expectations of an above-average crop, Brazil is set to import less this year, with the country also announcing it would engage in exports.

Smaller purchases by the United States are also foreseen, while Australia might need to come onto the market to buy at least 100 000 tonnes to cover its domestic needs while at the same time maintaining a minimum level of exports. In the rest of the world, imports to the EU are set to rise to almost 1 million tonnes. The EU's tariffs on imports of milled and husked rice were sharply reduced last September to €65 per tonne and €175 per tonne respectively, following a 50 percent cut in the official paddy procurement price. Ensuing negotiations with some trading partners led the EU to agree to further tariff cuts as of 1 March 2005. According to the agreement, tariff rates on imports of husked rice will be reviewed on the base of recorded imported volumes over a six month period.

Imports to the Russian Federation are

expected to remain at about 470 000 tonnes this year, despite the recent announcement that the country will impose a tariff of €70 per tonne for nine months. This replaces the previous tariff of 10 percent, which until January was also subject to a minimum value of €30 per tonne.

STOCKS

Stocks still falling in 2005

World rice inventories at the close of the 2004/05 marketing seasons are estimated at 97 million tonnes, slightly lower than the previous estimate of 99 million tonnes. The revision mainly reflects the deterioration of production prospects in China, which resulted in a lower estimate of the country's rice stocks at the end of the 2004 season. Compared with their opening levels, global inventories would be 6 million tonnes smaller, meaning that production in 2004 was insufficient to meet consumption and that reserves had to be drawn down to cover the gap. Most of the traditional exporters are expected to reduce their stockpiles over the 2004/05 season, including China, Egypt, India, Pakistan and Thailand, although Viet Nam might keep them close to their opening

levels and the United States raise them to a record 1.3 million tonnes. Among importers, inventories are likely to end lower in Indonesia and Nigeria but to change little in the Philippines and the Islamic Republic of Iran and to increase in Brazil, Japan and the Republic of Korea.

PRICES

World prices in 2004 reach their highest level since 1998

International rice prices strengthened in 2004, with the FAO all Rice Price Index (1998-2000=100) averaging 104 for the whole year, the highest level since 1998 and 22 points more than in 2003. Among the various categories, quotations of the high quality Indica rice rose by 20-30 percent compared with 2003. The rise was even stronger in the case of the lower quality Indica rice, with prices of Thai A1 Super rising by US\$56 per tonne, or 37 percent, between 2003 and 2004. Gains were more contained in the case of Japonica and Aromatic rice.

Prices have remained on a rising trend since November 2004, with the index stable at 106 between January and March, 5 points more than last November and

Figure 13. Rice export price (Thai 100% B, fob)

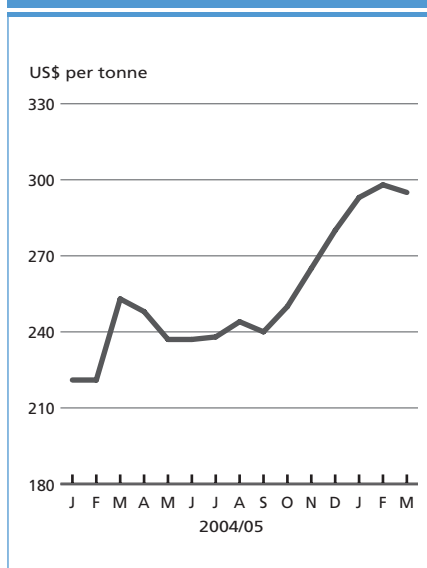
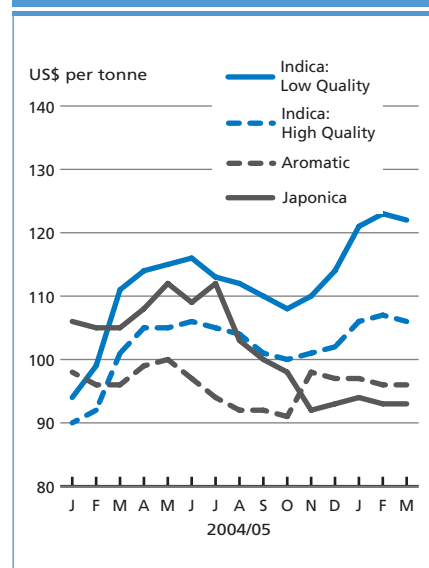


Figure 14. FAO price indices for rice (1990-2000=100)



3 points more than last December. The strength reflected adverse weather conditions for the secondary paddy crop in several major producing countries, which raised fears over the possible tightening of market conditions in the coming months.

In the high quality Indica rice sector,

the price of Thai 100%B rice rose from US\$265 per tonne last November to US\$294 per tonne in the first three weeks of March. The Thai A1 Super quotations also gained about US\$15 over the period. In contrast with most other origins, price quotations for rice from the United States

fell in the past four months, in the wake of a 2004 bumper harvest and rising domestic inventories. International rice prices are expected to keep rising in the coming months, as supplies in several of the major exporting countries appear rather tight.

MEAT AND MEAT PRODUCTS

Moving to levels not registered since the early 1990s, the FAO trade-weighted international meat price index reached an average of 102 points in 2004, up from 2003's average of 90 points. Early year price pressure resulted from animal disease and food safety concerns which limited exportable supplies from some of the major Asian markets, affected by Avian Influenza (AI), and North America in the wake of both AI outbreaks and reports of Bovine Spongiform Encephalopathy (BSE). As markets gradually opened over

the course of the year, international meat prices, particularly for poultry and beef, witnessed some price easing; however, the 2004 average poultry and beef prices were up 22 and 14 percent respectively from their levels of a year ago.

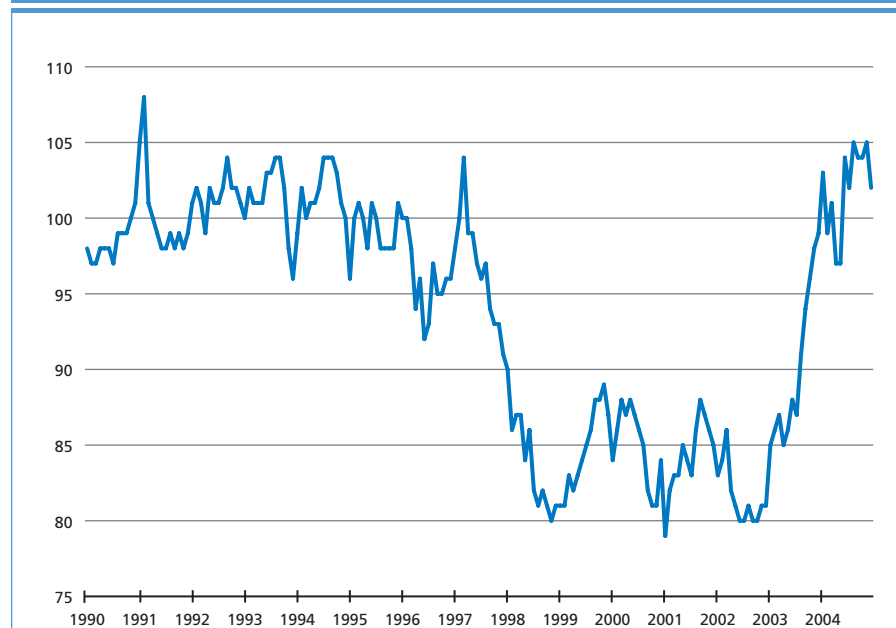
Meat market to recover in 2005 but uncertainties persist

In 2004, global meat markets were characterized by considerable instability, as animal disease outbreaks led governments to adopt policies to protect their livestock

sectors, including import bans, tighter sanitary border control measures, and stronger domestic regulations. While global production grew 2 percent, the wide extent of market closures led to an estimated 1 percent drop in global meat trade, the first decline since the mid-1980s. Animal disease outbreaks, combined with exchange rate movements, prompted a significant shifting in trading patterns which have favoured increasing meat trade from South America. Meanwhile, food safety concerns led to shifts in product composition of trade with countries with Avian Influenza, increasing their exports of cooked product to avoid trade bans on fresh/chilled meat.

In 2005, some recovery in consumption is expected, as markets open and exportable meat supplies increase, leading to a potential easing of some meat prices. However, the meat market outlook for 2005 will still be heavily influenced by the status of food safety concerns in the wake of Asian human fatalities due to AI and BSE, the animal disease status of many countries, shifting exchange rates, and production and trade policy developments. In particular, the trade outlook will depend on the satisfactory resolution of some current trade impasses which include: quota administration in the Russian Federation; the US BSE minimal risk regulations, which will influence US-Canada cross border cattle trade; the US trade action involving the imposition of anti-dumping duties against Canadian hogs; and the regulatory framework for resuming beef trade between the United States and Japan. In addition, poultry trade will be influenced by the imminent preliminary

Fig. 15. Monthly meat price index (1990-92=100)¹



¹The index is derived from a trade-weighted average of a selection of representative internationally-traded meat products. See table A14 in the Statistical appendix for selected meat prices.

WTO ruling on EU duties for salted chicken imports which were raised from 15.4 percent to 75 percent in 2003.

Higher meat production forecast, following high prices and easing food safety concerns

Supported by strong meat prices and weak feed prices, which are more than 20 percent lower than levels in early 2004, global meat production is estimated to rise by 2.8 percent in 2005 to 264.7 million tonnes. While meat supplies are projected to grow in both developed and developing countries, nearly 80 percent of the 7 200 tonne increase in production in 2005 is expected to be realized in developing countries, mainly concentrated in Asia, which accounts for more than 40 percent of global meat production. The developing countries' share of global meat output is expected to increase, reaching 58 percent, up from 43 in the early 1990s.

Bovine meat is expected to witness the strongest output gains in 2005, up 3.1 percent to 63.5 million tonnes. This increase after stagnant growth in 2004, is expected despite record low cattle inventories for developed countries. While cattle numbers remain constrained in North America and Australia, strong prices are expected to prompt a slight recovery in their beef slaughter and output, while output in the EU is expected to decline due to CAP reform that has lowered payments to producers. This, however, could be partially compensated by the EU's proposed phasing out of the Over Thirty Month Scheme (OTMS)¹ in the United Kingdom which could expand overall production by more than 185 000 tonnes.

Poultry production is also expected to increase significantly in 2005, but Avian Influenza still persists in Asia. Global poultry production in 2005 is expected up by 2.8 percent. Poultry meat consumption in Asia, which registered an unprecedented drop in 2004 to 27.2 million tonnes, is expected to recover in 2005, pushing up regional per capita intake to 2003's pre-

Table 7. World meat statistics¹

	2003	2004 estimate	2005 forecast
	<i>million tonnes</i>		
Production	253.3	257.6	264.7
Poultry meat	76.2	77.8	80.0
Pig meat	98.5	100.8	103.4
Bovine meat	61.5	61.5	63.5
Sheep & goat meat	12.2	12.4	12.8
Other meat	5.0	5.1	5.1
Exports	19.5	19.3	20.1
Poultry meat	8.2	7.8	8.2
Pig meat	4.2	4.5	4.5
Bovine meat	6.1	6.0	6.3
Sheep & goat meat	0.7	0.7	0.8
Other meat	0.2	0.2	0.2
	<i>kg</i>		
Per caput Consumption	40.3	40.5	41.7
Poultry meat	12.2	12.2	12.6
Pig meat	15.7	15.9	16.3
Bovine meat	9.8	9.7	10.0
Sheep & goat meat	1.9	2.0	2.0
Other meat	0.8	0.8	0.8

¹ More detailed meat statistics are available on the Internet as part of the FAO World Wide Web (www.fao.org) at the following URL address: <http://www.fao.org/es/ESC/en/20953/21014/index.html>

² Includes meat (fresh, chilled, frozen prepared and canned) in carcass weight equivalent; excludes live animals, offals and EU (15) intra-trade.

Note: Total computed from unrounded data.

Avian Influenza level of 7.4 kg per caput. However, persistent outbreaks of N5N1 Avian Influenza, which spreads more rapidly in cooler weather, continues to be problematic in several of the 8 Asian countries that have officially reported outbreaks to the World Organization for Animal Health (OIE) since late 2003. Over 140 million birds in the region, (or an estimated 20-25 percent of inventories in Viet Nam and Thailand), have died or been culled since early 2004, resulting in a decline of 3 percent in Asian production. Meanwhile, human health issues continue to cause global concern as the virus has killed at least 47 people since first erupting in Asia at the end of 2003.

Pigmeat output is forecast to increase to 2.6 percent to 103.4 million tonnes. The global market will be supported by a robust Asian economic outlook prompting 3-4 percent output increases in China,

Japan, the Philippines and Viet Nam. In developed countries, the output is expected to remain stable with an increase in North America offset by lower European production. Meanwhile, global sheep meat production is likely to increase also by 3.3 percent, supported by strong gains in developing countries that account for nearly three-quarters of global supplies.

After two years of limited growth, per caput meat consumption may reach 41.7 kg per caput in 2005 supported by relatively strong economic growth and recovering consumer confidence, particularly in developing countries. However, there is considerable uncertainty related to Asian meat consumption

¹ OTMS is a UK programme implemented in response to the BSE crisis which effectively prohibits from human consumption meat from cattle ages over 30 months at the time of slaughter.

prospects due to Japan's confirmation of its first case of the human variant of mad cow disease (variant Creutzfeldt-Jakob disease - the human manifestation of Bovine Spongiform Encephalopathy).

Trade to recover after the first decline in 25 years in 2004

Prospects for a recovery in meat consumption, combined with increased market access as some countries gradually reopen borders to both North American beef and some Asian heat treated product, are expected to support global meat trade in 2005. Meat trade is forecast to grow by 4 percent to 20.1 million tonnes after a decline of 1 percent in 2004. In general, the pervasive market impact of animal diseases will continue to accelerate the shift in exporter market shares toward South American products. In particular, the continuing market suspension of beef products from North America (due to BSE) and of poultry products from AI-affected Asian countries will support market diversion. The global market share for South American meat exports in 2004, after expanding to 29 percent (37 percent for beef and 35 percent for poultry), is expected to rise an additional percentage point. Brazil, accounting for 24 percent of global meat exports in 2004, will likely maintain its position as the largest meat exporter, taking the lead in the beef sector and competing with the United States as the largest poultry exporter.

Despite tight supplies in developed countries and expectations of a continued Japanese ban on imported **beef** from the United States, exports in 2005 are projected up 5 percent to 6.3 million tonnes. Stronger demand is expected from the EU, Mexico, the Republic of Korea and the United States. The United States is

the world's largest and fastest growing beef importer, accounting for almost half of the more than 1.3 million tonnes increase in imports since the mid-1990s. While they account for a quarter of global imports in 2004 and 2005, they are traditionally also the second largest exporter, though their exports in 2005 will stay at near record lows in the absence of an agreement with Japan on the provision of cattle birth records for beef exported from the United States.

The continued absence of competition from the United States in key beef markets in 2005 will likely strengthen exports from Australia, South America and smaller exporters such as India and Nicaragua. Meanwhile, high beef prices in the EU, combined with a strong currency and restricted quotas into the Russian Federation, their major market, will not only preclude any recovery in their exports but expand their position as a net importer.

The share of developing countries' exports is expected to reach 48 percent in 2005, nearly double that of 2000. However, the 8 percent projected increase in exports, is significantly below the average growth of nearly 25 percent witnessed over the past three years.

After falling by 4 percent in 2004, overall **poultry** trade is expected to increase by 5 percent in 2005, to 8.2 million tonnes, as the dominant exporting countries, such as the United States and Brazil, strengthen production and exports in response to robust domestic demand and relatively high international prices. In addition, non-traditional exporters, such as Chile, Malaysia and the Philippines will continue to ship poultry to high priced Asian markets, such as Japan, the Republic of Korea and Singapore, which are refusing fresh/chilled product from

the their major suppliers, Thailand and China. Importer bans will likely constrain the region's exports to less than 1 million tonnes, slightly above exports in 2004, but still nearly 50 percent below the 1.8 million tonnes shipped in 2002. Meanwhile, Asian imports, after dropping by an estimated 17 percent in 2004, are expected to recover to 3.3 million tonnes, which is less than the pre-AI outbreak level in 2003. Additional global import demand is also expected from the Central America and Caribbean region, where Mexico is positioned as the fourth largest poultry importer, and enhanced market access into Cuba.

As demand recovers for beef and poultry meat, the relatively strong trade gains witnessed by the **pigmeat** sector in 2004 are expected to erode. Global pigmeat trade is expected to remain virtually unchanged, rising by less than 1 percent in 2005 to reach 4.5 million tonnes. Indications that the Japanese safeguard for pigmeat will not be triggered will support the market; however, overall Asian import demand, after rising 13 percent in 2004, is expected to fall in response to stronger regional production prospects. While modest growth is expected for North American exports, shipments by others will likely be constrained by low quotas in the Russian Federation and rising prices.

Trade in **sheep** meat products is expected to reach 750 000 tonnes, up 4 percent, as robust demand in North America and Asia is matched by increased supplies in Oceania as a result of higher lamb numbers and increased carcass weights. Imports into the United States, however, may be limited by a weaker US dollar and a slight recovery in flock numbers.

Other relevant agricultural commodities

Forty three developing countries depend on exports of a single agricultural commodity for more than 20 percent of their total revenues from merchandise exports. Most of them suffer from widespread poverty, with more than three-quarters classified as least developed countries. Most common among the commodities they depend on are coffee, cocoa, cotton, sugar and bananas¹. For non oil-exporting countries, agricultural exports represent the mainstay of foreign exchange earnings. Nearly all of Malawi's agricultural exports, for example, come from tobacco and tea. Benin depends on cotton for over 80 percent of its merchandise export earnings. Ethiopia relies on coffee for over 70 percent of

agricultural exports. Cuba's agricultural exports are about one-third from sugar, while bananas make up 30 percent of Ecuador's agricultural export earnings. The following section of Food Outlook provides a brief overview of price trends and other developments for these commodities.

BANANA

World banana prices recovered in 2004 from their low level of 2003 due to a number of factors. Banana demand increased in the northern hemisphere because of cool weather and reduced competition from summer fruits in the wake of lower local harvests. The rise in the cost of sea transportation also contributed to increasing import prices.

Ten new-member countries joined the EU in May 2004 and their banana imports have become subjected to the EU's tariff-quota system. Whereas bananas entered these countries freely until then, they are now imported under a quota that is lower than historical imports. As a result, prices have substantially increased in Europe. Export prices further rose in the first quarter of 2005, as bad weather curtailed supply in several Latin American countries while demand remained high.

SUGAR

Monthly ISA prices averaged US 7.17 cents per pound from January to December 2004, and increased to an average US 9.10 cents per pound in February 2005 on the back of strong market fundamentals. Preliminary harvest returns indicate a continued shortfall in supplies during 2005 largely due to a second consecutive year of unfavourable weather in India and rising import demand for both India and China.

¹ The State of Agricultural Commodity Markets, FAO, 2004

The State of Agricultural Commodity Markets 2004

The first issue of "The State of Agricultural Commodity Markets 2004" (SOCO), a new FAO biennial publication, has been released. It aims to raise awareness of the impacts that developments on agricultural commodity markets have on the livelihoods and food security of hundreds of millions of people in the developing world, as well as on the economies of many developing countries that depend on commodity exports for a substantial portion of their export earnings. The issues covered in the report include trends and volatility in agricultural commodity prices, the changing pattern

of food imports as developing countries have shifted from being net exporters to net importers of food and the impact of international food price movements on the food import bills. SOCO 2004 also examines the implications of the long-term downward trend in agricultural commodity prices for commodity-dependent countries, warning that it threatens the food security of hundreds of millions of people, as many farmers and exporting countries still find themselves trapped by their dependency – producing and exporting more, but earning less than they did in the past. The report adds that these problems

are exacerbated by trade barriers and subsidies in developed and developing countries and urges the elimination of market distortions.



The New York Board of Trade contract No. 11 prices in January indicate a 20 percent increase over the annual average for 2004, further underpinning the expected supply shortfall for at least the first six months of 2005.

COFFEE

Significant oversupply and sluggish demand growth in the world market resulted in coffee prices falling by 58 percent between 1998 and 2001 to an all time low of US 45.67 cents per pound. Prices have remained weak since and although some rises occurred in the interim period, it was only until February 2005 that prices actually reached the same level they averaged in 1999 of more than US 85 cents per pound. Preliminary returns point to a similar crop size in 2004/2005 as that harvested in 2003/04, and a continued upward trend in prices. The challenge for the coffee industry is how to sustain these better market conditions to avoid a return to the boom and bust cycles. Structural changes have occurred in the coffee market as a result of depressed conditions including the exit from the industry of higher cost producers and several major developments in the retail sector, including auctions of gourmet beans and increasing quantities of fair traded coffee beans being sold. The challenge for the industry is to encourage such initiative in order to sustain remunerative returns to producers and stimulate global demand.

COCOA

After recovering from an all time low price of US 40 cents per pound in 2000, cocoa bean prices doubled in 2002 and remained steady at more than US 79 cents in 2003 as a result of reduced production and stock levels. A reversal in trend occurred in 2004 when an estimated surplus of 240 000 tonnes, the highest in 14 years, was realized. This led to prices declining to a

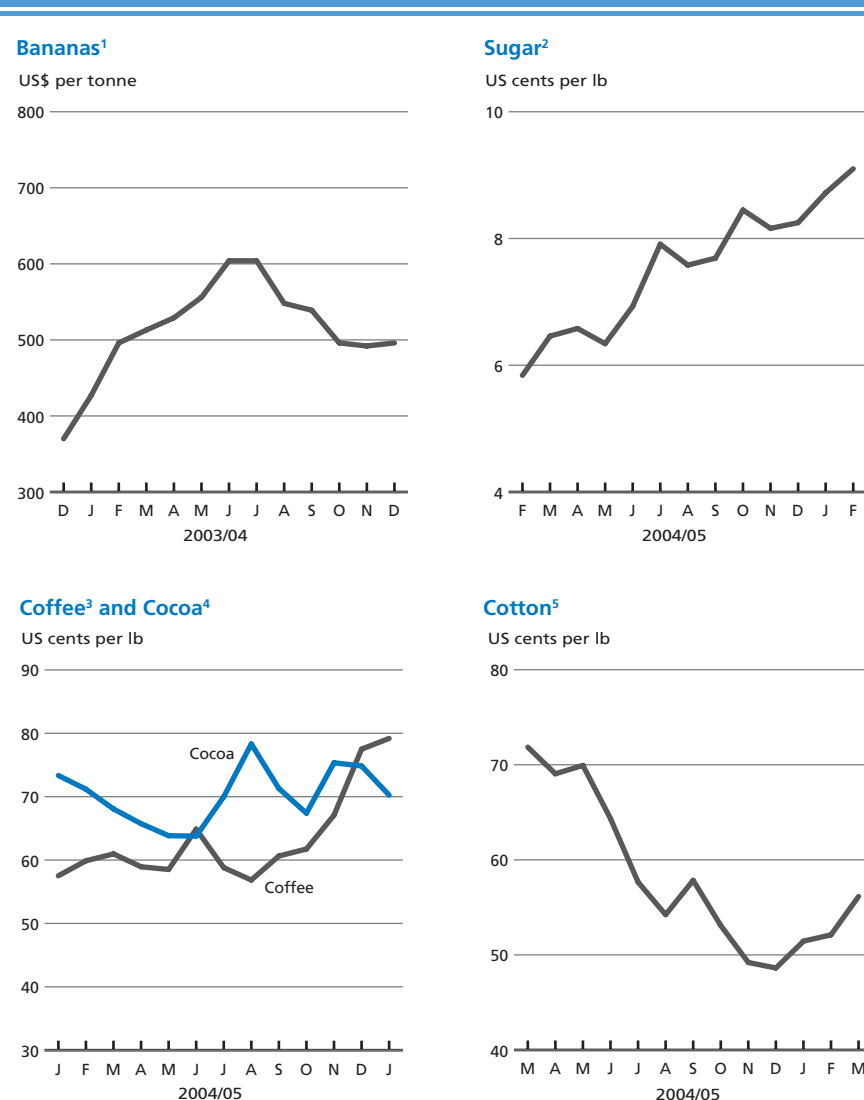
little over US 70 cents per pound in 2004. Crop forecast for 2004/2005 indicate a continued upward trend in production along with exports. However, recent difficulties with shipments from West Africa, have led to a slight strengthening in prices in February 2005.

TEA

Despite record production in the past three years, tea prices remained relatively stable.

Most of the gains were largely due to the strengthening of the Indian Rupee relative to the US dollar. The FAO Composite Price averaged US\$1.65 per kg in 2004, an increase of 9 percent over the 2003 average of US\$1.51 per kg. The highest monthly average was achieved in September 2004 when the FAO Composite Price reached US\$1.77 per kg. In January 2005 the FAO composite price fell slightly to US\$1.60 per kg, reflecting seasonal demand, but because of colder weather than normal in traditional tea markets of Europe and the

Fig. 16. Selected commodity prices



¹ Green, firts class, tropical pack, 40 lb box; from Central and South America, f.o.r.

² ISA price.

³ ICO price.

⁴ ICCO price.

⁵ COTLOOK, index 'A' 1-3 / 32, Friday

Russian Federation, prices trended higher and were 3 percent more than they averaged in January 2004. Tea processing and packaging is a growing trend among tea producing countries as part of the value addition strategy aimed at increasing foreign exchange earnings. Kenya has increased the volume of value-added tea exports from below 5 percent of global sales to about 12 percent between 2002 and 2004. Similarly, major supermarket chains in Europe seek to enter into partnerships to process their own branded tea in producing countries as demand for specialty

and high quality products is on the rise in major consuming developed countries.

COTTON

The Cotlook 'A' Index, an indicator of world cotton prices, further weakened in late 2004. In November and December in 2004, the price dropped below US\$0.5 per lb (US\$1.12 per kg) which was about 47 percent lower than its level in November 2003. The price decline was precipitated by record output in the major cotton

producing countries (Brazil, China, India, Pakistan and the United States – which together account for more than 70 percent of world production). Global output amounted to 25.6 million tonnes for the 2004/05 season, 20 percent more than the previous year with world supply significantly surpassing demand. World cotton prices have been recovering in the first three months of 2005 mostly due to expectations of lower production in 2005/06, following reduced plantings in response to low prices at sowing time.

Ocean Freight rates

(Contributed by the International Grains Council)

Dry bulk freight rates continued to rise in November due to sustained Asian demand for minerals and grains. A seasonal increase in grain and soyabeans shipments, especially in the northern hemisphere, together with the weakness of the US dollar, further contributed to the advance. By early December 2004, the **Baltic Dry**

Index (BDI) had surged to a new record of 6 200, surpassing the February 2004 peak. However, rates then fell back heavily on lower than previously expected Chinese demand, congestion in Asian ports and weaker crude oil prices. As a result, the BDI lost 30 percent in December - January, dropping to 4 307. After the Lunar New Year holidays, the market strengthened again on renewed Asian demand and good export prospects for the new South American grains and soyabeans crops. By the end of February the BDI had recovered to 4 878.

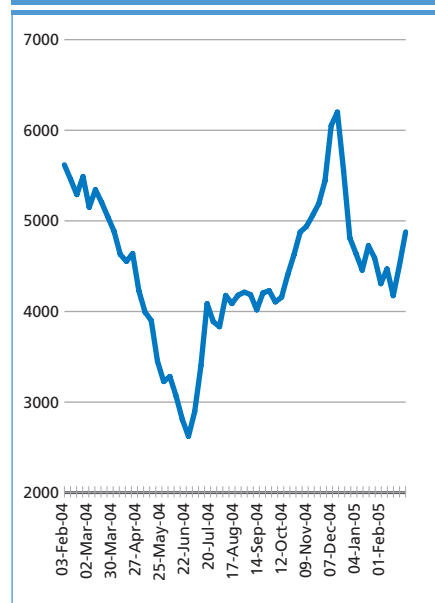
In the Atlantic, **Panamax** rates followed an upward trend until the second half of December, with support coming from the seasonal increase in maize and soyabeans shipments, following record crops in the United States. The major grain rate from the US Gulf to Japan went up from US\$53.75 to US\$70.00 per tonne. However, by mid-February the rate had fallen to US\$57.00 per tonne, due to a lack of demand, more recently recovering a little to US\$60.00 per tonne. Panamax rates in the Pacific followed the same pattern, climbing from US\$31 000 in early

November, to peak at US\$50 000 per day, then dropping to US\$30 000 before recovering to US\$40 000 daily by the end of February. Period Panamax rates from Europe to East Asia went up from US\$43 000 to US\$50 000 per day by mid-December, only to return to US\$43 000 daily by the end of February.

Rates in the **Capesize** market continued to improve in November, supported primarily by Chinese charterers. By the end of that month, voyage period rates from Brazil to Far East Asia were indicated at US\$100 000 per day. However, the market subsequently fell on reduced mineral demand, continuing congestion in China's ports and an anticipated drop in steel prices in 2005. Over the period, the voyage rate from Brazil to China fell from US\$42.00 to US\$38.00 per tonne.

The **Handysize** market followed the general dry bulk market trend, with typical voyage rates rising to US\$32 000 per day for short-term charters in early December, then dropping to US\$24 000 in mid-December and recovering to about US\$30 000 per day in February. The grain rate from Brazil to the EU (Antwerp-Hamburg), quoted in late February at US\$51.00 per tonne, followed a similar path, also staying well below the November peak.

Figure 17. Baltic Dry Index



Fertilizers

UREA

- Urea prices are still some 50 percent higher than one year ago, and although end-2004 levels, prices are not expected to decline in the near future as strong demand persists.
- Domestic demand for Urea in China has picked up. Urea exports from China will be considerably lower in 2005 compared to last year when the export tax and abolishment of the VAT rebate on urea exports is maintained to ensure adequate supply for the domestic market. Substantial additional imports of over 1 million tonnes are envisaged.
- Demand in Latin America is being met through imports from the Black Sea region and Europe.
- Nigerian imports are scheduled from the Black Sea region; while Ethiopian imports are arranged from the Arab Gulf.
- Urea prices in the United States peaked in early March and prices are expected to decline as the planting season progresses and demand eases. Imports in the United States and Canada are scheduled from the Arab Gulf.
- Demand in Asia is expected to increase, especially in India, Pakistan and Sri Lanka.

Substantial Indian imports are scheduled from the Black Sea and Arab Gulf regions. Pakistan is yet to establish its Kharif season's import requirements and Sri Lankan imports are scheduled for the coming three months.

DAP

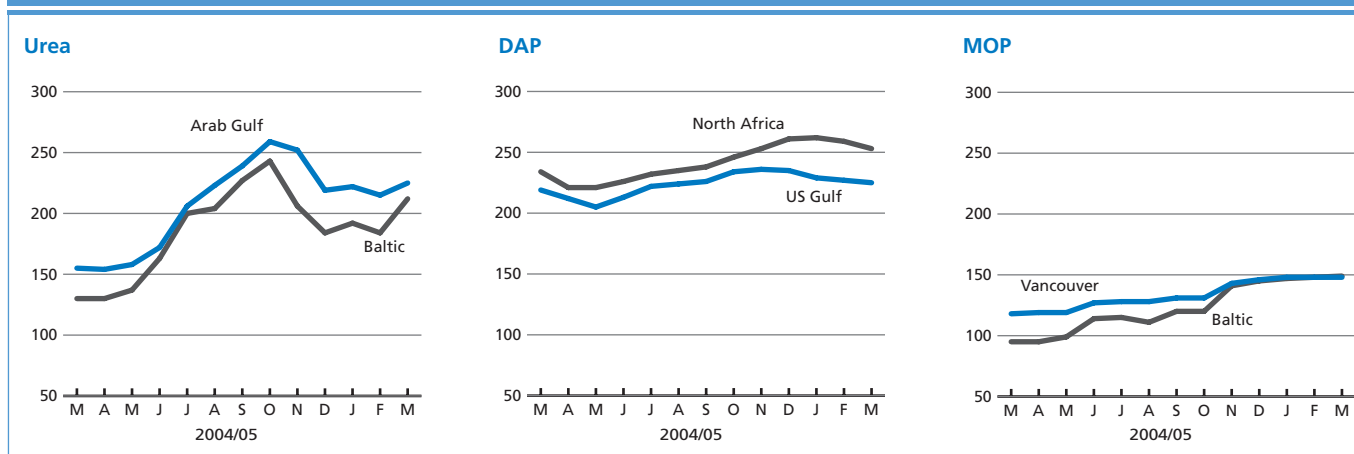
- DAP prices are declining from the peak at the end of 2004 but are over 10 percent higher than a year ago. Prices are expected to remain relatively unchanged in the short term.
- The United States' domestic market is yet to show signs of seasonal take-off; however, steady exports to India, amongst others, continue. Indian DAP subsidy rates have been established.
- Pakistan has arranged to import from the Russian Federation and North Africa. Demand in Viet Nam has been met through imports from China, although at present demand is low because of drought.
- Temporary production reductions are scheduled in the United States, Tunisia and Jordan.
- The import season in Mexico is now fully underway and imports will continue in the short term.

- In China, consumption is forecast to grow significantly and, in response, DAP exports are expected to decline.
- Ethiopia schedules its seasonal requirements from the Arab Gulf and the United States.

MOP

- MOP prices are 25-40 percent higher than a year ago and continue to increase. Japanese importers negotiated prices with Canadian exporters and further negotiations with CIS suppliers are scheduled. Potash markets show a firm demand in the United States, India and China.
- Brazilian demand is expected to be firm in response to improved soybean prices. India is importing large quantities of MOP to meet strong demand in South and East India.
- China is importing from the Russian Federation and Jordan. The Russian Federation's exports by rail to China are envisaged to increase, due to persistent high ocean freight rates.
- Demand in parts of Thailand, Viet Nam and southern China is adversely affected by drought and in Europe by late planting and high nitrogen fertilizer prices.

Fig. 18. Fertilizer spot prices (US\$ per tonne, bulk, f.o.b.)



Food supply and food security situation in countries affected by the Indian Ocean tsunami¹

The earthquake and tsunamis of late December 2004 that resulted in severe human losses and extensive damage to infrastructure, affected 12 countries in the Indian Ocean. The worst affected include **Indonesia, Sri Lanka, the Maldives, India and Thailand**, with other countries suffering relatively limited damages. Fisheries were the worst-hit by the tidal wave, while FAO's assessments of crop and livestock losses in affected coastal areas indicate that damage has been localized and that its impact on national food production and supplies is limited. Nevertheless, the extent of infrastructure collapse in the agricultural sector, as well as the land and forest degradation may have long-term impacts on crop production.

¹ The full assessment paper written by FAO's Economic and Social Department is available on the Internet as part of the FAO World Wide Web (www.fao.org) at the following URL address:
<http://www.fao.org/gjnews/english/shortnews/asiatsunami050114.htm>

Supplies at regional level adequate to cover food aid requirements

Overall food availability in the region appears adequate to cover the immediate food assistance needs. Among the countries most severely affected by the wave surges, Thailand and India are consistently large exporters of rice. Indonesia, while a food importer, gathered a bumper paddy crop in 2004 and carried adequate levels of stocks. Sri-Lanka had a relatively large rice deficit last year but a recovery in paddy production is forecast in 2005. The Maldives are a net importer, but their relief food needs could be covered by supplies in neighbouring countries.

Household food security affected

Even in cases where national food supply and food security impacts are limited, local communities will experience severe food security impacts in the short and long-term. It is estimated that 2 million people in different countries in the disaster region are in need of emergency food assistance, mostly in Indonesia, Sri Lanka and the Maldives. WFP plans to distribute 169 000 tonnes of food aid to 2 million neediest people over a period of six months. Some 1.3 million beneficiaries have received food aid since the advent of the disaster. Huge investments are needed for rehabilitation and reconstruction. FAO has appealed for US\$20 million to finance emergency fishery and agriculture projects, but plans to appeal for additional funds for the rehabilitation and reconstruction phase.

Statistical appendix

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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.

COUNTRY CLASSIFICATION

In the presentation and analysis of statistical material, countries are sub-divided, where appropriate, into the following two main economic groupings: "Developed countries" (including the developed market economies and the transition markets) and "Developing countries" (including the developing market

economies and the Asia centrally planned countries). The designation "Developed" and "Developing" economies is intended for statistical convenience and does not necessarily express a judgement about the stage reached by a particular country or area in the development process.

References are also made to special country groupings: Low-Income Food-Deficit Countries (LIFDCs), Least Developed Countries (LDCs) and Net Food-Importing Developing Countries (NFIDCs). The LIFDCs currently includes 84 countries that are net importers of cereals with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US\$1 415 in 2002). The LDCs and NIFDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. The LDCs group currently includes 49 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NIFDCs group includes 22 developing country WTO Members which notified their request to be listed as NFIDCs and have submitted relevant statistical data concerning their status as net importers of basic foodstuffs during a representative period. This list is reviewed annually by the WTO Committee on Agriculture.

DISCLAIMER

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

TABLE A1. World cereal production (million tonnes)

	Wheat			Coarse Grains		
	2002	2003 estimate	2004 forecast	2002	2003 estimate	2004 forecast
ASIA	251.9	245.3	254.1	212.5	217.1	230.5
Bangladesh	1.5	1.3	1.5	0.1	0.1	0.1
China ¹	90.3	86.5	91.3	133.8	126.5	141.2
India	71.8	65.1	72.1	25.7	34.7	33.5
Indonesia	-	-	-	9.7	10.9	11.4
Iran (Islamic Rep. of)	12.5	13.5	14.0	4.2	4.8	4.2
Japan	0.8	0.9	0.8	0.2	0.2	0.3
Kazakhstan	12.7	12.0	10.4	3.0	3.3	2.4
Dem. People's Rep. of	0.1	0.2	0.2	1.8	1.9	1.9
Korea, Republic of	-	-	-	0.4	0.4	0.4
Myanmar	0.1	0.1	0.1	0.8	0.9	0.8
Pakistan	18.2	19.3	19.4	2.2	2.1	2.2
Philippines	-	-	-	4.3	4.6	5.5
Saudi Arabia	2.0	2.0	1.6	0.3	0.2	0.2
Thailand	-	-	-	4.5	4.5	4.5
Turkey	19.5	19.5	20.5	10.9	10.7	11.3
Viet Nam	-	-	-	2.5	2.9	3.5
AFRICA	16.2	21.4	23.1	79.9	90.9	87.7
North Africa	11.7	17.0	17.5	9.9	12.7	12.4
Egypt	6.6	6.8	7.2	7.4	7.6	7.8
Morocco	3.4	5.1	5.5	1.9	2.8	2.9
Sub-Saharan Africa	4.6	4.4	5.6	70.1	78.2	75.3
Western Africa	0.1	0.1	0.1	33.2	36.1	34.4
Nigeria	0.1	0.1	0.1	18.6	19.2	19.2
Central Africa	-	-	-	2.8	2.8	2.9
Eastern Africa	1.9	2.4	3.6	18.2	22.3	20.8
Ethiopia	1.1	1.7	2.8	5.6	7.9	8.9
Sudan	0.3	0.4	0.5	3.5	5.6	2.9
Southern Africa	2.6	1.8	1.9	15.9	17.0	17.2
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.3	1.5	1.7	10.5	10.2	10.3
Zimbabwe	0.2	0.1	0.1	0.6	0.9	0.9
CENTRAL AMERICA	3.2	2.7	2.4	28.9	32.4	34.1
Mexico	3.2	2.7	2.4	25.3	28.6	30.5
SOUTH AMERICA	18.1	23.6	25.3	65.0	80.2	73.3
Argentina	12.3	14.6	16.0	18.7	19.2	17.6
Brazil	2.9	6.0	5.8	37.0	50.5	44.9
Colombia	-	-	-	1.4	1.6	1.7
NORTH AMERICA	59.9	87.4	84.6	264.0	302.0	346.6
Canada	16.2	23.6	25.9	20.1	26.6	26.7
United States of America	43.7	63.8	58.7	243.9	275.4	319.9
EUROPE	209.6	154.3	216.7	220.3	196.8	242.6
Bulgaria	3.6	2.0	4.0	2.5	1.9	3.2
European Union ²	104.0	91.3	135.1	107.1	96.0	150.9
Hungary ³	3.9	2.9	6.0	7.8	5.8	10.7
Poland ³	9.3	7.9	9.9	17.6	15.6	19.6
Romania	4.4	2.5	7.7	9.9	9.6	16.8
Russian Federation	50.6	34.0	45.3	33.7	30.2	29.6
Ukraine	19.8	4.3	17.5	16.4	15.5	23.2
OCEANIA	10.4	26.0	20.7	8.3	13.4	11.0
Australia	10.1	25.7	20.4	7.7	12.8	10.5
WORLD	569.5	560.7	626.8	878.8	932.8	1 025.8
Developing countries	262.4	267.1	280.2	370.6	404.9	410.7
Developed countries	307.1	293.6	346.6	508.2	527.9	615.1

¹ Including Taiwan Province.² Up to 2003 15 member countries, from 2004 25 member countries.³ From 2004 included in EU 25.

Note: Totals computed from unrounded data.

TABLE A1. (cont.)

	Rice (paddy)			Total Cereals		
	2002	2003 estimate	2004 forecast	2002	2003 estimate	2004 forecast
ASIA	517.7	530.2	547.1	982.0	992.6	1 031.7
Bangladesh	37.8	38.8	38.3	39.4	40.1	39.8
China ¹	176.3	162.3	181.5	400.4	375.3	414.1
India	109.0	130.5	127.5	206.5	230.2	233.0
Indonesia	51.5	52.1	54.1	61.1	63.0	65.4
Iran (Islamic Rep. of)	2.9	3.3	3.4	19.5	21.6	21.6
Japan	11.1	9.7	10.9	12.2	10.8	12.0
Kazakhstan	0.2	0.2	0.2	15.9	15.6	13.1
Dem. People's Rep. of	2.2	2.2	2.4	4.1	4.3	4.4
Korea, Republic of	6.7	6.0	6.8	7.0	6.4	7.2
Myanmar	22.8	22.9	22.0	23.7	24.0	22.9
Pakistan	6.7	7.3	7.5	27.2	28.6	29.0
Philippines	13.0	14.2	14.4	17.3	18.8	19.9
Saudi Arabia	-	-	-	2.3	2.2	1.8
Thailand	26.1	27.2	25.2	30.5	31.7	29.7
Turkey	0.4	0.4	0.4	30.7	30.6	32.2
Viet Nam	34.4	34.5	35.7	36.9	37.4	39.2
AFRICA	17.5	18.0	18.4	113.7	130.3	129.2
North Africa	6.0	6.2	6.4	27.6	35.9	36.4
Egypt	6.0	6.2	6.4	20.0	20.7	21.3
Morocco	-	-	-	5.3	8.0	8.5
Sub-Saharan Africa	11.4	11.8	12.0	86.1	94.3	92.8
Western Africa	7.2	7.4	7.3	40.5	43.6	41.8
Nigeria	3.4	3.4	3.5	22.0	22.6	22.7
Central Africa	0.4	0.4	0.4	3.2	3.2	3.3
Eastern Africa	0.9	0.9	1.0	21.0	25.6	25.3
Ethiopia	-	-	-	6.8	9.6	11.7
Sudan	-	-	-	3.8	5.9	3.4
Southern Africa	2.9	3.1	3.3	21.4	22.0	22.4
Madagascar	2.6	2.8	3.0	2.8	3.0	3.2
South Africa	-	-	-	12.8	11.7	12.0
Zimbabwe	-	-	-	0.7	1.0	1.0
CENTRAL AMERICA	2.7	2.6	2.5	34.8	37.7	39.0
Mexico	0.2	0.3	0.3	28.8	31.6	33.2
SOUTH AMERICA	19.8	19.9	22.7	103.0	123.6	121.3
Argentina	0.7	0.7	1.1	31.8	34.4	34.7
Brazil	10.6	10.4	12.8	50.5	66.9	63.5
Colombia	2.3	2.5	2.7	3.8	4.2	4.4
NORTH AMERICA	9.6	9.1	10.5	333.4	398.4	441.7
Canada	-	-	-	36.3	50.1	52.6
United States of America	9.6	9.1	10.5	297.2	348.3	389.1
EUROPE	3.2	3.2	3.4	433.2	354.4	462.7
Bulgaria	-	-	-	6.2	3.9	7.2
European Union ²	2.6	2.7	2.8	213.7	190.0	288.9
Hungary ³	-	-	-	11.7	8.8	16.7
Poland ³	-	-	-	26.9	23.4	29.5
Romania	-	-	-	14.3	12.1	24.5
Russian Federation	0.5	0.4	0.5	84.8	64.6	75.4
Ukraine	0.1	0.1	0.1	36.3	19.9	40.8
OCEANIA	1.3	0.4	0.6	20.0	39.8	32.2
Australia	1.3	0.4	0.5	19.1	38.9	31.4
WORLD	571.7	583.3	605.2	2 020.0	2 076.8	2 257.7
Developing countries	546.0	560.1	579.1	1 178.9	1 232.1	1 270.0
Developed countries	25.8	23.2	26.1	841.1	844.7	987.7

¹ Including Taiwan Province.² Up to 2003 15 member countries, from 2004 25 member countries³ From 2004 included in EU 25.

Note: Totals computed from unrounded data.

TABLE A2. World imports of cereals (million tonnes)

	Wheat (July/June) ¹			Coarse Grains (July/June)		
	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast
ASIA	42.2	41.0	49.6	58.2	58.7	58.1
Bangladesh	1.7	2.0	1.9	0.2	0.1	0.1
China	1.4	4.0	8.1	7.3	6.6	7.2
Taiwan Province	1.0	1.0	1.1	5.1	5.1	5.0
Georgia	0.5	0.5	0.5	-	-	-
India	0.1	-	0.1	0.1	0.2	0.1
Indonesia	4.0	4.4	4.4	1.7	1.4	1.2
Iran (Islamic Rep. of)	1.8	0.5	0.2	1.7	1.7	2.5
Iraq	2.2	2.0	2.5	0.1	0.3	0.2
Israel	1.6	1.0	1.5	1.4	2.0	1.5
Japan	5.4	5.6	5.6	20.4	20.3	19.8
Dem. People's Rep. of Korea	0.4	0.4	0.4	0.3	0.1	0.2
Korea, Republic of	4.1	3.2	3.9	9.0	9.1	8.9
Malaysia	1.4	1.4	1.4	2.4	2.5	2.6
Pakistan	0.2	0.2	1.5	-	0.2	0.2
Philippines	3.2	3.1	3.1	0.1	0.1	0.1
Saudi Arabia	0.2	0.1	0.3	7.2	7.4	7.9
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	1.0	1.0	1.0	0.1	0.1	0.1
Syria	0.6	0.2	0.2	1.2	1.4	1.6
Thailand	0.9	1.0	0.9	0.1	0.1	0.1
Yemen	2.0	2.1	2.5	0.2	0.3	0.2
AFRICA	28.8	25.0	25.0	16.4	14.3	15.4
North Africa	17.5	14.6	14.9	10.4	9.3	9.5
Algeria	5.5	3.3	3.5	1.8	2.0	1.8
Egypt	6.0	6.9	7.1	5.3	4.7	4.8
Morocco	2.7	2.2	2.0	1.4	1.0	1.2
Tunisia	1.7	0.7	0.8	1.1	0.8	0.9
Sub-Saharan Africa	11.3	10.4	10.2	6.0	5.0	5.9
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	1.8	0.5	0.2	0.1	0.1	-
Kenya	0.4	0.4	0.6	0.3	0.6	1.2
Nigeria	2.4	2.4	2.3	0.1	0.1	0.1
Senegal	0.3	0.3	0.3	0.1	-	-
Sudan	1.0	1.1	1.2	0.1	0.1	0.1
South Africa	1.0	1.0	0.9	1.0	0.7	0.7
CENTRAL AMERICA	6.9	7.3	7.6	12.1	12.1	12.7
Cuba	1.0	1.0	1.0	0.3	0.3	0.3
Dominican Rep.	0.3	0.3	0.3	0.7	0.7	0.9
Mexico	3.2	3.6	3.8	8.7	8.6	8.9
SOUTH AMERICA	11.4	10.8	9.9	6.0	5.7	5.9
Brazil	6.6	5.6	4.8	0.7	0.7	0.5
Chile	0.4	0.4	0.3	1.0	1.0	1.0
Colombia	1.2	1.2	1.3	2.3	2.1	2.2
Peru	1.3	1.3	1.4	0.9	0.8	1.0
Venezuela	1.0	1.4	1.4	0.7	0.7	0.7
NORTH AMERICA	2.2	1.8	1.5	7.1	5.0	4.7
Canada	0.2	0.1	-	4.5	2.5	2.5
United States of America	2.0	1.8	1.5	2.6	2.4	2.3
EUROPE	15.9	17.7	8.8	7.1	11.5	5.6
Belarus	0.4	0.4	0.2	0.2	0.2	0.2
European Union ²	11.9	5.8	5.5	4.2	6.9	3.0
Poland ³	0.1	0.8	-	0.4	0.7	-
Romania	0.6	2.1	0.1	0.2	0.4	0.1
Russian Federation	0.5	1.1	1.1	0.3	0.9	1.5
Ukraine	0.5	3.6	0.1	0.1	0.3	-
OCEANIA	0.8	0.5	0.6	0.1	0.1	0.1
New Zealand	0.2	0.2	0.3	0.1	0.1	0.1
WORLD	108.1	104.3	103.0	107.1	107.4	102.5
Developing countries	79.4	75.0	82.1	69.9	67.7	70.0
Developed countries	28.8	29.3	20.9	37.2	39.6	32.5

¹ Including wheat flour in wheat grain equivalent, but excluding semolina.² Excluding trade between the EU member countries. Up to 2003/04 15 member countries, from 2004/05 25 member countries.³ From 2004/05 included in EU 25.

Note: Totals computed from unrounded data.

TABLE A2. (cont.)

	Rice (milled)			Total Cereals ¹		
	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast
ASIA	13.5	11.7	11.8	113.8	111.4	119.5
Bangladesh	1.6	0.6	1.0	3.5	2.8	3.0
China	0.4	0.9	0.7	9.1	11.5	16.0
Taiwan Province	0.1	0.2	0.2	6.2	6.3	6.3
Georgia	-	-	-	0.5	0.5	0.6
India	-	0.1	0.1	0.2	0.3	0.3
Indonesia	2.5	1.0	1.2	8.2	6.8	6.8
Iran (Islamic Rep. of)	0.9	0.7	0.6	4.4	2.9	3.3
Iraq	0.8	1.1	1.1	3.1	3.4	3.8
Israel	0.1	0.1	0.1	3.1	3.1	3.1
Japan	0.7	0.7	0.7	26.5	26.6	26.1
Dem. People's Rep. of Korea	0.7	0.6	0.5	1.4	1.1	1.1
Korea, Republic of	0.1	0.2	0.2	13.2	12.5	13.0
Malaysia	0.6	0.7	0.6	4.3	4.6	4.5
Pakistan	-	-	-	0.2	0.4	1.7
Philippines	0.9	1.0	1.1	4.2	4.2	4.3
Saudi Arabia	0.8	0.9	0.8	8.2	8.4	9.0
Singapore	0.3	0.4	0.4	0.8	0.8	0.8
Sri Lanka	-	0.2	-	1.1	1.3	1.2
Syria	0.2	0.2	0.2	1.9	1.8	2.0
Thailand	-	-	-	1.0	1.1	1.0
Yemen	0.3	0.3	0.3	2.5	2.6	2.9
AFRICA	8.0	8.4	8.0	53.2	47.7	48.4
North Africa	0.2	0.2	0.2	28.1	24.1	24.6
Algeria	-	0.1	0.1	7.4	5.3	5.3
Egypt	-	-	-	11.3	11.6	11.9
Morocco	-	-	-	4.2	3.3	3.2
Tunisia	-	-	-	2.9	1.5	1.7
Sub-Saharan Africa	7.8	8.2	7.8	25.1	23.6	23.9
Côte d'Ivoire	0.8	0.8	0.8	1.1	1.1	1.2
Ethiopia	-	-	-	2.0	0.6	0.2
Kenya	0.2	0.2	0.2	1.0	1.3	2.0
Nigeria	1.5	1.5	1.3	4.0	4.0	3.7
Senegal	0.6	0.7	0.7	1.0	0.9	1.0
Sudan	-	-	-	1.1	1.3	1.3
South Africa	0.8	1.0	0.9	2.8	2.7	2.4
CENTRAL AMERICA	2.0	2.1	2.1	21.0	21.6	22.3
Cuba	0.6	0.6	0.6	1.8	1.9	1.9
Dominican Rep.	-	0.1	0.1	1.0	1.2	1.3
Mexico	0.5	0.5	0.5	12.4	12.7	13.2
SOUTH AMERICA	1.4	1.3	1.0	18.9	17.8	16.8
Brazil	1.1	0.9	0.7	8.4	7.1	6.0
Chile	0.1	0.1	0.1	1.5	1.5	1.4
Colombia	0.1	0.1	-	3.6	3.4	3.4
Peru	-	0.1	0.1	2.2	2.2	2.4
Venezuela	0.1	0.1	0.1	1.8	2.1	2.2
NORTH AMERICA	0.7	0.8	0.7	10.0	7.6	7.0
Canada	0.3	0.3	0.3	5.0	2.9	2.7
United States of America	0.5	0.5	0.5	5.0	4.7	4.2
EUROPE	1.8	1.9	1.8	24.7	31.1	16.2
Belarus	-	-	-	0.6	0.6	0.4
European Union ²	0.7	0.9	1.0	16.8	13.6	9.5
Poland ³	0.1	0.1	-	0.6	1.5	-
Romania	0.1	0.1	0.1	0.9	2.6	0.3
Russian Federation	0.5	0.5	0.5	1.2	2.5	3.1
Ukraine	0.1	0.1	0.1	0.7	3.9	0.2
OCEANIA	0.4	0.4	0.4	1.3	1.0	1.1
New Zealand	-	-	-	0.2	0.3	0.4
WORLD	27.7	26.5	25.8	242.9	238.2	231.3
Developing countries	23.3	21.8	21.3	172.6	164.5	173.4
Developed countries	4.3	4.7	4.5	70.3	73.7	57.9

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

² Excluding trade between the EU member countries. Up to 2003/04 15 member countries, from 2004/05 25 member countries.

³ From 2004/05 included in EU 25.

Note: Totals computed from unrounded data.

TABLE A3. World exports of cereals (million tonnes)

	Wheat (July/June) ¹			Coarse Grains (July/June)		
	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast
ASIA	16.9	16.6	9.1	17.7	15.3	6.6
China ²	1.0	2.1	0.8	15.0	11.3	4.0
India	5.4	5.0	0.8	0.1	0.8	0.3
Indonesia	-	-	-	0.1	0.1	0.3
Japan	0.4	0.4	0.4	-	-	-
Kazakhstan	5.7	5.4	3.8	0.5	0.5	0.3
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	1.7	0.2	0.1	-	-	-
Syria	0.8	1.0	0.7	0.3	0.3	0.2
Thailand	-	-	-	0.1	0.7	0.5
Turkey	0.6	0.8	0.8	0.5	0.5	0.1
Viet Nam	-	-	-	-	-	-
AFRICA	0.5	0.5	0.5	2.0	2.2	2.2
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	0.1
Nigeria	-	-	-	0.1	0.1	0.1
South Africa	0.2	0.2	0.2	1.1	1.2	0.9
Sudan	-	-	-	0.1	0.2	0.1
Uganda	-	-	-	0.2	0.1	0.2
CENTRAL AMERICA	0.5	0.4	0.5	0.5	0.4	0.3
SOUTH AMERICA	6.4	8.9	10.8	15.9	17.0	14.6
Argentina	6.3	7.5	10.0	12.3	10.1	10.4
Brazil	-	1.2	0.5	3.0	6.2	3.5
Paraguay	0.2	0.2	0.2	0.3	0.4	0.5
Uruguay	-	-	0.1	0.1	0.1	0.1
NORTH AMERICA	32.0	47.6	41.3	49.3	54.6	57.6
Canada	9.1	15.3	15.8	1.7	3.5	3.7
United States of America	22.8	32.3	25.5	47.6	51.1	53.9
EUROPE	41.8	12.4	24.8	18.0	11.5	16.8
Bulgaria	0.9	0.2	0.9	0.7	0.1	1.0
Czech Rep. ³	0.5	-	-	0.1	0.3	-
European Union ⁴	15.4	7.6	14.0	6.6	3.8	5.0
Hungary ³	1.3	0.5	-	1.5	0.4	-
Romania	0.1	-	0.5	0.4	0.2	1.8
Russian Federation	14.5	4.0	5.4	3.8	3.3	2.3
Ukraine	6.6	0.1	3.5	4.1	2.8	5.8
OCEANIA	10.9	17.0	16.0	3.6	5.0	4.3
Australia	10.9	17.0	16.0	3.6	5.0	4.3
WORLD	108.9	103.4	103.0	107.0	106.1	102.5
Developing countries	17.9	19.9	16.0	34.6	33.1	22.5
Developed countries	91.0	83.5	87.0	72.5	72.9	80.0

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

² Including Taiwan Province.

³ From 2004/05 included in EU 25.

⁴ Excluding trade between the EU member countries. Up to 2003/04 15 member countries, from 2004/05 25 member countries.

Note: Totals computed from unrounded data.

TABLE A3. (cont.)

	Rice (milled)			Total Cereals ¹		
	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast
ASIA	21.6	20.5	19.8	56.2	52.3	35.5
China ²	2.7	1.0	1.5	18.6	14.4	6.3
India	4.4	2.6	2.5	9.8	8.4	3.6
Indonesia	-	-	-	0.1	0.1	0.3
Japan	0.2	0.4	0.4	0.6	0.8	0.8
Kazakhstan	-	-	-	6.2	5.9	4.2
Myanmar	0.4	0.2	0.3	0.5	0.3	0.4
Pakistan	2.0	1.9	2.2	3.6	2.1	2.3
Syria	-	-	-	1.1	1.3	0.9
Thailand	7.6	10.1	8.5	7.7	10.8	9.0
Turkey	-	-	-	1.2	1.3	0.9
Viet Nam	3.9	4.1	4.1	3.9	4.1	4.1
AFRICA	0.6	0.8	0.8	3.0	3.5	3.5
Egypt	0.6	0.8	0.8	0.6	0.8	0.8
Ethiopia	-	-	-	-	-	0.1
Nigeria	-	-	-	0.1	0.1	0.1
South Africa	-	-	-	1.2	1.4	1.1
Sudan	-	-	-	0.1	0.2	0.1
Uganda	-	-	-	0.2	0.1	0.2
CENTRAL AMERICA	0.1	0.1	-	1.1	0.9	0.8
SOUTH AMERICA	1.2	1.7	1.6	23.5	27.5	27.0
Argentina	0.2	0.4	0.4	18.8	18.0	20.8
Brazil	-	0.1	0.1	3.0	7.5	4.1
Paraguay	-	-	-	0.5	0.5	0.7
Uruguay	0.6	0.8	0.7	0.7	0.9	0.9
NORTH AMERICA	3.8	3.2	3.4	85.1	105.3	102.3
Canada	-	-	-	10.8	18.7	19.5
United States of America	3.8	3.2	3.4	74.3	86.6	82.8
EUROPE	0.2	0.2	0.2	60.1	24.1	41.8
Bulgaria	-	-	-	1.7	0.3	1.8
Czech Rep. ³	-	-	-	0.6	0.3	-
European Union ⁴	0.2	0.2	0.2	22.2	11.6	19.2
Hungary ³	-	-	-	2.8	0.9	-
Romania	-	-	-	0.5	0.2	2.3
Russian Federation	-	-	-	18.3	7.3	7.8
Ukraine	-	-	-	10.7	2.9	9.3
OCEANIA	0.2	0.2	0.2	14.6	22.3	20.4
Australia	0.2	0.2	0.2	14.6	22.2	20.4
WORLD	27.7	26.5	25.8	243.6	235.9	231.3
Developing countries	23.2	22.5	21.7	75.7	75.6	60.1
Developed countries	4.4	3.9	4.1	167.9	160.3	171.2

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

² Including Taiwan Province.

³ From 2004/05 included in EU 25.

⁴ Excluding trade between the EU member countries. Up to 2003/04 15 member countries, from 2004/05 25 member countries.

Note: Totals computed from unrounded data.

TABLE A4. Cereal supply and utilization in main exporting countries (million tonnes)

	Wheat ¹			Coarse Grains ²			Rice (milled basis)		
	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast	2002/03	2003/04 estimate	2004/05 forecast
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	21.2	13.4	14.9	45.0	31.0	28.8	1.2	0.8	0.8
Production	43.7	63.8	58.7	243.9	275.4	319.9	6.5	6.4	7.3
Imports	2.1	1.7	1.8	2.3	2.2	2.2	0.5	0.5	0.4
Total Supply	67.0	78.9	75.4	291.2	308.6	350.8	8.2	7.7	8.5
Domestic use	30.5	32.5	32.3	214.5	226.0	241.6	3.5	3.7	3.9
Exports	23.1	31.6	27.9	45.8	53.8	53.1	3.9	3.3	3.3
Closing stocks	13.4	14.9	15.2	31.0	28.8	56.1	0.8	0.8	1.3
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.)³		
Opening stocks	6.7	5.7	6.1	3.5	3.2	4.2	3.4	3.5	2.0
Production	16.2	23.6	25.9	20.1	26.6	26.7	17.2	18.0	16.7
Imports	0.2	0.0	0.0	4.2	2.2	2.2	0.0	0.0	0.0
Total Supply	23.1	29.3	32.0	27.8	31.9	33.1	20.7	21.6	18.6
Domestic use	8.2	7.5	8.7	22.0	23.0	23.2	9.5	9.5	9.0
Exports	9.2	15.7	15.8	2.7	4.7	3.9	7.6	10.1	8.5
Closing stocks	5.7	6.1	7.5	3.2	4.2	6.0	3.5	2.0	1.1
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.)^{3,4}		
Opening stocks	1.0	2.1	2.0	1.2	1.1	1.3	83.4	73.7	60.2
Production	12.3	14.6	16.0	18.7	19.2	17.6	120.9	111.3	124.4
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.9	0.7
Total Supply	13.3	16.6	18.0	19.9	20.2	19.0	204.6	185.9	185.2
Domestic use	5.2	5.8	5.5	7.8	8.7	7.7	128.3	124.7	126.1
Exports	6.1	8.8	10.5	11.1	10.2	10.5	2.7	1.0	1.5
Closing stocks	2.1	2.0	2.1	1.1	1.3	0.8	73.7	60.2	57.6
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.)³		
Opening stocks	7.1	3.1	5.4	1.9	1.3	0.9	0.6	0.3	0.5
Production	10.1	25.7	20.4	7.7	12.8	10.5	4.5	4.8	5.0
Imports	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	17.6	28.8	25.8	9.6	14.1	11.4	5.0	5.2	5.5
Domestic use	5.4	5.5	5.4	5.7	6.4	6.3	2.7	2.8	2.9
Exports	9.1	17.9	16.2	2.6	6.7	4.4	2.0	1.9	2.2
Closing stocks	3.1	5.4	4.2	1.3	0.9	0.7	0.3	0.5	0.4
	EU (July/June)⁵			EU⁵			VIET NAM (Nov./Oct.)³		
Opening stocks	12.5	15.0	12.3	18.0	18.0	14.9	4.5	4.9	4.9
Production	104.0	91.3	135.1	107.1	96.0	150.9	23.0	23.0	23.8
Imports	11.9	5.8	5.5	4.2	6.9	3.0	0.0	0.0	0.0
Total Supply	128.4	112.1	153.0	129.3	120.9	168.8	27.5	27.9	28.7
Domestic use	97.9	93.8	118.0	104.7	105.3	143.0	18.7	19.0	19.6
Exports	15.5	7.8	15.0	6.6	3.8	5.0	3.9	4.1	4.1
Closing stocks	15.0	10.5	20.0	18.0	11.8	20.8	4.9	4.9	5.0
	TOTAL OF ABOVE			TOTAL OF ABOVE			TOTAL OF ABOVE		
Opening stocks	48.5	39.2	40.7	69.7	54.6	50.2	93.0	83.3	68.3
Production	186.3	219.0	256.1	397.5	429.9	525.5	172.1	163.6	177.2
Imports	14.5	7.5	7.3	10.8	11.3	7.4	0.9	1.4	1.1
Total Supply	249.3	265.8	304.1	477.9	495.8	583.1	266.0	248.3	246.6
Domestic use	147.1	145.2	169.8	354.6	369.4	421.7	162.8	159.7	161.6
Exports	63.0	81.7	85.4	68.7	79.3	77.0	19.9	20.3	19.5
Closing stocks	39.2	38.9	48.9	54.6	47.1	84.4	83.3	68.3	65.4

¹ Trade data include wheat flour in wheat grain equivalent. For the EU 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); **EU** (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 EU member countries. Up to 2003/04 15 member countries, from 2004/05 25 member countries.

Note: Totals computed from unrounded data.

TABLE A5. World cereal stocks¹

	Crop Years ending in:						
	1999	2000	2001	2002	2003	2004 estimate	2005 forecast
TOTAL CEREALS	611.5	631.7	600.1	575.2	483.7	410.6	449.5
Wheat	242.0	246.6	243.7	235.7	202.4	159.7	163.6
held by:							
- main exporters ²	50.4	50.2	52.3	48.5	39.2	38.9	48.9
- others	191.6	196.5	191.4	187.2	163.2	120.9	114.7
Coarse Grains	233.2	234.5	207.7	197.1	162.8	147.9	189.2
held by:							
- main exporters ²	80.5	78.0	76.6	69.7	54.6	47.1	84.4
- others	152.6	156.5	131.1	127.5	108.3	100.8	104.8
Rice (milled basis)	136.3	150.6	148.7	142.4	118.5	103.0	96.7
held by:							
- main exporters ²	95.5	101.2	99.1	93.0	83.3	68.3	65.4
excl. China ³	4.3	7.4	8.5	9.7	9.6	8.1	7.8
- others	40.9	49.4	49.7	49.4	35.2	34.7	31.3
Developed Countries	172.4	166.1	161.4	168.9	144.4	122.7	172.7
Australia	3.0	4.5	5.2	9.2	4.6	6.4	5.0
European Union ⁴	37.1	34.5	32.0	31.1	33.7	23.1	41.4
Canada	12.5	13.5	14.1	10.3	8.9	10.3	13.5
Hungary ⁵	2.9	2.2	1.5	2.0	1.4	1.0	-
Japan	6.4	6.2	6.0	5.7	5.3	4.7	4.9
Poland ⁵	4.3	3.8	2.2	3.0	3.1	2.6	-
Romania	3.5	3.7	0.4	2.5	2.0	1.2	4.6
Russian Federation	5.8	4.9	6.5	13.5	12.5	7.1	9.1
South Africa	2.5	1.8	2.9	1.9	3.8	3.5	3.4
Ukraine	2.2	2.2	2.3	5.2	5.1	2.9	4.4
United States	77.8	75.6	77.4	67.4	45.2	44.4	72.5
Developing Countries	439.1	465.6	438.7	406.3	339.3	287.9	276.8
Asia	399.1	425.9	401.6	366.1	305.1	247.1	235.1
China ³	299.3	311.3	281.1	249.2	210.2	165.3	159.4
India	47.3	57.4	62.3	60.3	40.4	31.1	28.4
Indonesia	6.6	7.0	6.3	4.4	5.1	5.2	4.3
Iran, Islamic Rep. of	2.2	3.8	3.5	4.4	3.8	3.0	2.1
Korea, Rep. of	2.8	3.3	3.0	3.2	3.1	2.9	2.9
Pakistan	9.2	8.7	9.4	6.6	2.8	1.8	1.7
Philippines	2.6	1.9	2.2	1.9	2.2	1.9	2.1
Syria	4.0	3.7	2.9	3.7	3.8	3.6	3.8
Turkey	9.4	8.3	8.7	7.9	8.1	7.7	7.7
Africa	27.4	25.1	23.6	24.2	21.3	23.1	23.2
Algeria	2.8	1.7	1.6	1.9	2.5	2.8	2.6
Egypt	4.6	4.3	4.3	4.2	3.4	2.9	3.0
Ethiopia	1.4	1.5	2.3	1.8	0.8	0.4	1.0
Morocco	5.2	3.7	2.1	2.0	2.0	3.4	4.5
Nigeria	1.9	1.7	2.2	2.2	2.1	1.7	1.5
Tunisia	1.9	2.1	2.1	2.3	2.0	2.4	2.4
Central America	6.2	6.5	6.1	5.9	4.6	5.8	7.1
Mexico	5.0	5.0	4.5	4.6	3.3	4.5	5.9
South America	6.2	7.9	7.3	9.9	8.2	11.9	11.3
Argentina	1.8	1.8	1.6	2.3	3.2	3.5	3.0
Brazil	1.5	2.7	1.7	3.6	1.6	5.3	5.5

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

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

³ Including Taiwan Province.

⁴ Up to 2003/04 15 member countries, from 2004/05 25 member countries.

⁵ From 2004/05 included in EU 25.

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

TABLE A6. Selected export prices of cereals and soyabeans (US\$/tonne)

Period	Wheat			Maize		Sorghum	Soybeans
	US No.2 Hard Red Winter Ord. Prot. ¹	US Soft Red Winter No.2 ¹	Argentina Trigo Pan ²	US No.2 Yellow ¹	Argentina ²	US No.2 Yellow ¹	US No.1 Yellow ¹
Annual (July/June)							
2000/2001	128	101	124	86	84	93.0	184
2001/2002	127	113	119	90	89	95.0	182
2002/2003	161	138	145	107	102	112.0	222
2003/2004	161	149	154	115	109	118.0	305
Monthly							
2004 – March	171	158	153	129	110	132	374
2004 – September	155	139	126	97	95	101	219
2004 – October	155	141	120	93	93	95	210
2004 – November	162	139	116	94	86	96	217
2004 – December	160	139	111	96	89	96	224
2005 – January	157	142	107	96	82	96	220
2005 – February	154	143	113	94	81	96	216
Weekly							
2005 – March wk1	159	154	128	101	86	101	240
2005 – March wk2	157	154	124	98	83	97	244
2005 – March wk3	163	161	128	104	88	104	262
2005 – March wk3	153	150	128	99	85	97	241
2005 – March wk5	152	143	130	98	85	95	241

¹ Delivered US Gulf ports.

² Up River f.o.b.

Sources: International Grain Council and USDA.

TABLE A7. Wheat and maize price indices

Period	Wheat ¹	Maize ²
	(1997/98-1999/00=100)	(1997/98-1999/00=100)
Annual (July/June)		
1999/2000	93	92
2000/2001	97	87
2001/2002	99	91
2002/2003	121	108
2003/2004	119	116
Monthly		
2004 – February	120	125
2004 – August	108	105
2004 – September	119	98
2004 – October	120	94
2004 – November	123	94
2004 – December	122	97
2005 – January	123	97
2005 – February	121	95

¹ The wheat price index has been constructed based on the IGC wheat price index, rebased to July/June 1997/98-1999/00 = 100. The IGC wheat price index is composed of a simple average of following price quotations, converted to an index, with base July/December 1986 = 1000:

a Australian Standard White, fob Eastern States - second position quoted

b Canadian No.1 CWRS 13.5%, fob St. Lawrence

c Canadian No.1 CWRS 12.5%, fob Vancouver

d United States No.2 HRW (Ordinary), Gulf

e United States No.2 SRW, Gulf

f United States No.2 DNS 14%, fob Lakes

g United States No.2 Western White, fob Pacific

² United States Maize No.2 Yellow (delivered Gulf ports) with base July/June, 1997/98-1999/00 = 100

Sources: FAO, International Grain Council, USDA

TABLE A8. Price indices and selected export prices for rice

Period	Export Prices (US\$ per tonne)				FAO Indices (1998-2000=100)				
	Thai 100% B ¹	Thai broken ²	US Long grain ³	Pakistani Basmati ⁴	Total	Indica		Japonica	Aromatic
						High quality	Low quality		
Annual (January/December)									
2001	177	135	264	332	74	74	74	76	69
2002	197	151	207	366	72	73	75	67	74
2003	201	151	284	358	82	79	81	82	91
2004	244	207	372	486	104	101	110	104	96
Monthly									
2004 – February	221	184	355	449	98	92	99	105	96
2004 – October	250	205	335	479	101	100	108	98	91
2004 – November	265	215	332	457	101	101	110	92	98
2004 - December	280	220	329	455	103	102	114	93	97
2005 - January	293	230	330	460	106	106	121	94	97
2005 - February	298	234	324	453	107	107	123	93	96
Weekly									
2005 – March wk1	291	228	324	450	106	106	122	93	96
2005 – March wk2	296	232	316	472					
2005 – March wk3	298	231	316	472					
2005 – March wk4	n.a.	n.a.	n.a.	470					

¹ White rice, 100% second grade, f.o.b. Bangkok, indicative traded prices.

² A1 super, f.o.b. Bangkok, indicative traded prices.

³ US No.2, 4% broken f.o.b.

⁴ Basmati: ordinary, f.o.b. Karachi.

Note: The FAO Rice Price Index is based on 16 rice export quotations. 'Quality' is defined by the percentage of broken kernels, with high (low) quality referring to rice with less (equal to or more) than 20 percent broken. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

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

TABLE A9. Price indices and selected international prices for oilcrop products

Period	FAO Indices (1990-92=100)			International Prices (US\$ per tonne)				
	Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals	Soybeans ¹	Soybean Oil ²	Palm Oil ³	Soybean Cake ⁴	Rapeseed Meal ⁵
Annual (October/September)								
1998/99	89	125	82	209	483	514	149	104
1999/00	83	91	89	209	355	337	180	124
Semestral								
2000/01 – Oct.- Mar.	82	76	98	206	314	254	198	146
2000/01 – Apr.- Sep.	82	86	94	197	356	289	178	135
2001/02 – Oct.- Mar.	83	95	100	188	378	323	175	135
2001/02 – Apr.- Sep.	90	107	104	213	445	392	174	122
2002/03 – Oct.- Mar.	103	124	106	241	543	442	186	133
2002/03 – Apr.- Sep.	104	123	110	246	535	414	197	149
2003/04 – Oct.- Mar.	140	144	138	351	653	512	274	199
2003/04 – Apr.- Sep.	121	140	126	294	612	464	240	157
2004/05 – Oct.- Mar.	111	134	115	264	539	420	205	133

¹ Soybeans (US, No.2 yellow, c.i.f. Rotterdam).

² Soybean oil (Dutch, fob ex-mill).

³ Palm oil (Crude, c.i.f. North West Europe).

⁴ Soybean cake (Pellets, 44/45%, Argentina, c.i.f. Rotterdam).

⁵ Rapeseed meal (34%, Hamburg, f.o.b. ex-mill).

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

Sources: FAO and Oil World.

TABLE A10. Wheat and maize futures prices (US\$/tonne)

	May		July		September		December	
	this year	last year	this year	last year	this year	last year	this year	last year
Wheat								
February 22	118	146	120	145	122	146	125	148
March 1	124	141	127	142	128	144	131	146
March 8	124	135	126	137	129	138	131	142
March 15	135	137	138	138	140	139	143	143
March 22	127	155	130	157	132	158	135	160
March 29	123	149	126	151	128	152	132	155
Maize								
February 22	85	116	87	117	90	114	93	113
March 1	86	119	89	120	91	118	94	117
March 8	84	115	87	117	89	114	93	113
March 15	90	121	93	123	95	119	97	118
March 22	84	125	87	127	90	126	93	125
March 29	84	120	87	122	89	120	92	118

Source: Chicago Board of Trade

TABLE A11. Ocean freight rates for wheat (US\$/tonne)

Period	From US Gulf ports to:			
	EU ¹	CIS Black Sea ^{1,2}	Egypt ¹	Bangladesh ¹
Annual (July/June)				
2000/2001	13.10	40.97	15.00	18.31
2001/2002	11.00	40.97	15.00	18.50
2002/2003	12.50	40.97	16.67	22.50
2003/2004	28.27	41.89	36.96	48.50
Monthly				
2004 – March	42.00	52.00	50.00	70.00
2004 – September	32.00	39.00	44.00	49.00
2004 – October	33.00	39.00	44.00	49.00
2004 – November	39.00	45.00	53.00	62.00
2004 – December	40.00	47.00	52.00	86.00
2005 – January	36.00	45.00	50.00	81.00
2005 – February	35.00	42.00	47.00	70.00
2005 – March	38.00	44.00	49.00	80.00

¹ Size of vessels: EU over 40 000 tonnes; CIS 20 000-40 000 tonnes; Egypt over 30 000 tonnes; Bangladesh over 40 000 tonnes.

² Excludes CIS and United States flag vessels.

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

Source: International Grains Council

TABLE A12. 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	25.02.05	9.01	9.07	6.14	11.4
Coffee (I.C.O. daily price)	US cents per lb	18.02.05	91.01	80.04	59.24	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	18.02.05	73.97	69.39	69.93	56.0
Tea (total tea, Mombasa)	US\$ per kg.	24.12.04	1.50	1.43	1.62	1.5
Bananas (Latin America, f.o.t., Benelux/Hamburg)	€ per tonne	06.12.04	1 026 ¹ 816 ²	828 ¹ 690 ²	894 696 ²	566
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	25.02.05	54.45	52.35	73.7	78.5
Jute "BWD" f.o.b. Mongla at sight	US\$ per Ton	25.02.05	350	350	245	391.2
Wool (64's, London)	Pence per kg	25.02.05	402	401	458	466

¹ EU duty paid, estimated.

² Estimated price for EFTA markets.

TABLE A13. Selected international meat prices

	FAO index of international meat prices (1990-92=100)	Indicative international meat prices (US\$ per tonne)			
		Chicken ¹	Pork ²	Beef ³	Lamb ⁴
Annual					
1994	102	921	2 659	2 384	2 975
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	2 083	1 957	2 619
2001	84	645	2 077	2 138	2 912
2002	82	579	1 830	2 127	3 303
2003	90	614	1 884	2 112	3 885
2004 ⁵	102	749	2 073	2 513	4 599
Monthly					
2004 - Jan.	103	700	1 706	2 380	4 391
2004 - Feb.	99	747	1 735	2 194	4 734
2004 - Mar.	101	859	1 980	2 144	4 633
2004 - Apr.	97	830	2 099	2 251	4 574
2004 - May	97	791	2 210	2 527	4 488
2004 - Jun.	104	835	2 342	2 571	4 552
2004 - Jul.	102	789	2 245	2 676	4 587
2004 - Aug.	105	741	2 009	2 807	4 532
2004 - Sep.	104	697	2 128	2 770	4 513
2004 - Oct.	104	702	2 176	2 629	4 578
2004 - Nov.	105	714	2 128	2 610	4 715
2004 - Dec.	n.a.	682	2 091	2 594	4 889

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 index: January-June 2004, chicken and pork: January-September 2004, beef and lamb: January-October 2004.

TABLE A14. Fertilizer spot price ranges (*bulk f.o.b., US\$/tonne*)

	February 2005	March 2005 ¹	March 2004	Change from last year ² (percentage)
Urea				
Baltic	183 – 186	210 - 215	129 – 131	41.9
Arab Gulf	214 – 217	223 - 227	153 - 157	38.9
Ammonium Sulphate				
eastern Europe	81 – 85	82 - 86	64 - 69	24.8
Diammonium Phosphate				
North Africa	257 – 260	248 - 258	230 - 237	10.7
US Gulf	226 – 227	225 - 226	218 - 220	3.5
Triple Superphosphate				
North Africa	187 – 189	187 - 188	162 - 165	15.0
US Gulf	202 – 202	201 - 202	176 - 179	13.8
Muriate of Potash				
Baltic	135 – 160	139 - 160	87 - 102	56.1
Vancouver	135 – 160	135 - 160	105 - 130	25.5

¹ Up till 10 March 2005.

² From mid-point of given ranges.

Source: Compiled from Fertilizer Week and Fertilizer Market Bulletin.

Calendar and contents of publication for 2005¹

	No. 1 7 April	No. 2 2 June	No. 3 15 Sept.	No. 4 1 Dec .
Overview	■	■	■	■
Basic food commodities				
Wheat	■	■	■	■
Coarse grains	■	■	■	■
Rice	■	■	■	■
Meat and Meat Products	■		■	
Milk and Milk Products		■		■
Oilseeds, Oils and Oilmeals		■		■
Pulses		■		
Roots and tubers		■		■
Sugar		■		■
Other relevant agricultural commodities	■	■	■	■
Ocean Freight Rates	■	■	■	■
Fertilizers	■	■	■	■
Statistical appendix	■	■	■	■
SPECIAL FEATURES				
Islamic Republic of Iran wheat trade prospects	■			
Tsunami: update on impact for food supplies in 2005	■			

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

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