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Alimentación y la Agricultura

منظمة  
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# COMMITTEE ON COMMODITY PROBLEMS

## Seventieth Session

Rome, 7-9 October 2014

## MAJOR MARKET DEVELOPMENTS AND SHORT-TERM OUTLOOK

### Executive Summary

This document provides an overall review of market developments of agricultural commodities over the last two years. For food commodities, international prices have edged somewhat lower since 2012, but their levels have remained high by historical standards. Measures of price volatility confirm that food markets have stabilized compared to the pre-2012 period. As regards raw materials, horticulture and tropical products, except for sisal and tea, international prices generally declined in 2012 and 2013, before recovering in early 2014, led by increases in the prices of coffee, cocoa and sugar.

### Suggested action by the Committee

The Committee is invited to take note of market developments of the various food and agricultural commodities over the last two years and their importance for world food security.

Furthermore, recognizing the importance of timely and good data for credible market review and assessment and for informing decisions, the Committee may wish to:

- Recommend that governments should increase their efforts to improve the quality and timeliness of data and estimates for production, utilization, trade, stocks and prices as a way to enhance market transparency and allow for timely, efficient and coordinated action.
- Ask governments to improve the response rate and quality of the data provided through the regular questionnaires submitted by the Food and Agriculture Organization of the United Nations (FAO).

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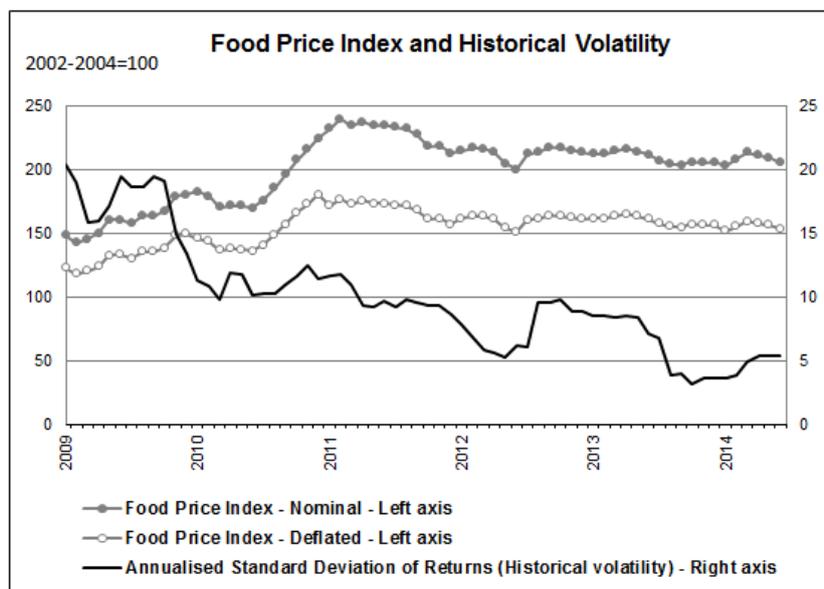
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## I. BASIC FOOD COMMODITIES

1. Since the holding of the last session of the Committee on Commodity Problems (CCP) in 2012, international food commodity prices have edged slightly lower, while staying well above their pre-2008 crisis levels. According to the FAO Food Price Index (2002-2004=100), which averaged an annual record of 230 points in 2011, prices dipped by 7.3 percent in 2012, but by only 1.6 percent in 2013. In the first six months of 2014, they remained under pressure, with the index slipping by 2.4 percent, year-on-year, to 209 points. Food prices in real terms<sup>1</sup> also fell over this period, although the drop was more contained. Furthermore, measures of volatility (either assessed as historic volatility<sup>2</sup> or implied volatility) indicated that food prices have stabilized since 2011.



2. The drop of world food prices in the past two years coincided with falling international quotations of fertilizers, in particular urea which was 43 percent cheaper in 2013 than in 2011. By contrast, crude oil prices remained firm around to the high levels prevailing in 2011. Additionally, the US dollar, the currency used as a world price denominator, generally firmed relative to the other major currencies, contributing, to some extent, to the lowering of international quotations.

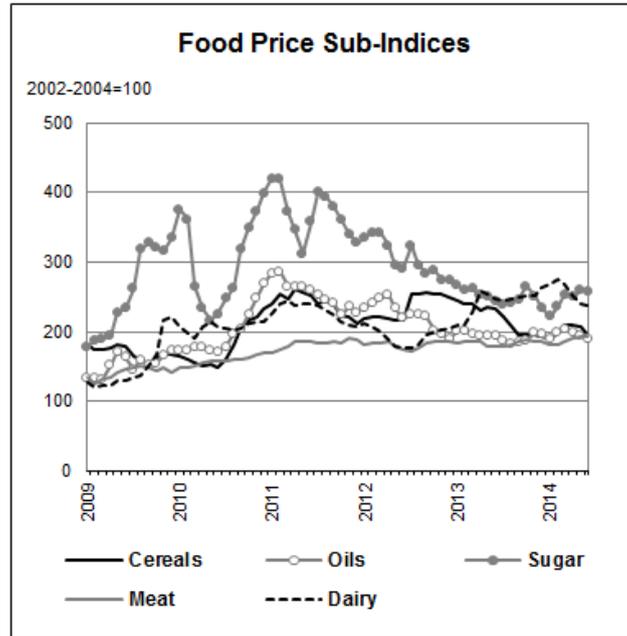
3. While, overall, international food prices weakened in 2012 and 2013, the decline stemmed only from cereals, vegetable oils and sugar, three of the five basic food commodity groups<sup>3</sup> forming the Index. By contrast, the price indices of meat and dairy products stayed firm around the 2011 record values. Dairy prices even surged to new highs in 2013, but have trended downwards in the first half of 2014.

4. Prospects for food markets in the next few months are subject to much uncertainty, especially under predictions of El Niño recurrence. Based on current expectations, the weather anomaly would manifest only during the late part of the year and be of an average intensity. As a result, it is unlikely to have major impacts on crops in 2014. Moreover, world inventories, especially of cereals, appear to be large enough to act as a buffer against possible production shortfalls, therefore reducing the risk of major market disturbances. However, changes in policies or an intensification of tensions and conflicts among countries pose an even more serious danger to the stability of food markets.

<sup>1</sup> Deflated by the World Bank Manufactures Unit Value (MUV) Index.

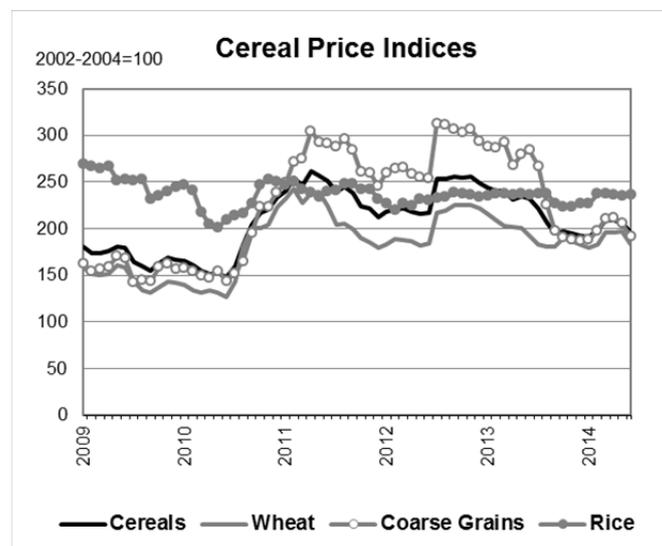
<sup>2</sup> Measured as the annualized standard deviation of returns.

<sup>3</sup> The FAO Food Price Index measures monthly changes in international prices of five commodity groups – cereals, oils, sugar, meat and dairy – through the monitoring of 55 quotations).



### A. Cereals

5. A tightening supply and demand balance in 2012/13, resulting from a 6 percent decline in global wheat production in 2012, pushed up international prices sharply, especially during the first half of the season, when prospects for maize crops also deteriorated. Elevated prices dampened world import demand, resulting in a 4 percent contraction of trade from the record in 2011/12. In addition, with overall usage exceeding production, world wheat stocks in 2013, fell by as much as 13 percent, to their lowest level in five years. Global wheat supplies improved in 2013/14, as world production rebounded by 8.6 percent to a new record in 2013, mostly driven by a recovery in the CIS countries from the previous year's drought-reduced levels, as well as larger planted area and higher yields in Australia, Canada and the United States. This increase in production helped replenish global wheat inventories to more comfortable levels in 2014. Good wheat harvests, coupled with promising prospects for coarse grains, weighed on international wheat prices throughout the 2013/14 season, although concerns over potential disruptions in grain exports from Ukraine, amid tensions in the Black Sea region, limited the price decline in the first half of 2014. In spite of the events in Ukraine, trade flows remained largely unaffected, which, combined with higher exportable supplies worldwide, boosted international trade in 2013/14 by nearly 10 percent.



6. Sharply reduced maize crops in the United States and lower barley production in the CIS countries, were behind a 1 percent decline in world production of coarse grains in 2012. While, globally, the drop was of little significance, with total production still the second largest ever after the record in 2011, shrinking exportable supplies from the United States sustained world prices at relatively high levels throughout the 2012/13 season. Despite an increased planted area, the devastating summer drought in the United States resulted in a nearly 13 percent dive in 2012 maize production in the country, which stands as the world's largest maize producer and exporter. As a result, maize exports and inventories fell significantly in the United States, also taking a toll on domestic coarse grain feed and fuel usages. To meet the continued growth in world demand, especially for feed, global stocks had to be drawn down, which resulted in the world stocks-to-use ratio of coarse grains plunging to 13.8 percent, the lowest level since 1980 when FAO started to compile such information. The market situation turned more favourable in the 2013/14 season, when improved weather conditions boosted output in the United States, resulting in a record maize production in that country, while above average-to-record harvests were also gathered by nearly all the other major producing countries. In sharp contrast to the previous season, world production exceeded utilization in 2013/14, boosting world inventories and lifting the global stocks-to-use ratio to over 17 percent. The recovery in global supplies kept international prices under downward pressure, a development which propelled trade to an all-time high, after the small contraction registered in 2012/13.

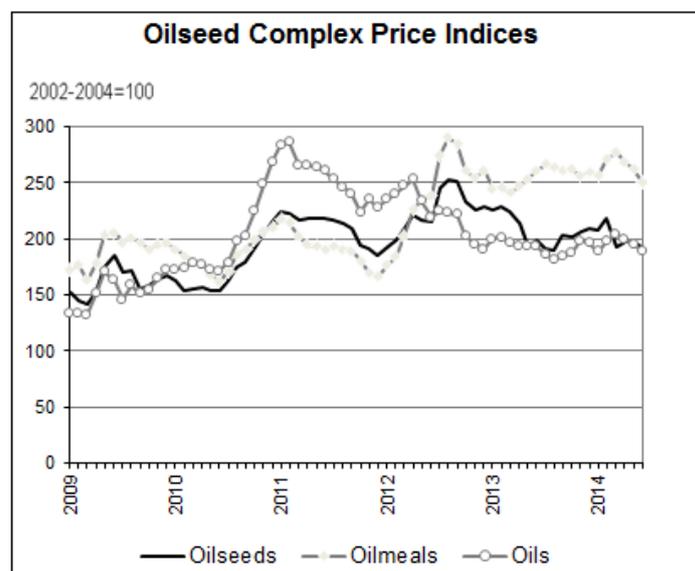
7. After several years of fast growth, global rice production expanded by less than 2 percent in 2012 and 2013, when several important producing countries were hit by erratic rains, droughts and floods, as well as pest attacks. Rising production costs also dampen growth in the sector. Despite its loss of momentum, world rice production continued to surpass utilization in both seasons, resulting in a sustained accumulation which brought world reserves to new highs. Part of the stockpiling concerned major exporting countries, especially Thailand, where a high producer price policy gave rise to large government purchases and growing public inventories. The volume of rice exchanged on world markets expanded vigorously in 2012, underpinned by strong import demands, especially from African countries, but also from China. However, trade contracted in 2013, when several traditional importers (Indonesia, Nigeria and the Philippines) reduced their purchases. As for the 2014 season, the outlook as of July is still uncertain, especially against the backdrop of a looming El Niño. By July, however, prospects for crops in 2014 were already marred by a low establishment of the seasonal rains. As a result, FAO foresees production in 2014 to grow by a meagre 0.5 percent. Expectations are more buoyant for trade, which may come close to an all-time high of 40 million tonnes in 2014, underpinned by rebounding import demand in Africa and, especially, Asia, where several countries are stepping up purchases to rebuild inventories and/or quell inflation.

## **B. Oilseeds, oils and meals**

8. The 2012/13 (October/September) season saw a strong rebound in global oilseed production. Nonetheless, total meal supplies expanded only moderately due to extraordinary low opening stocks. The persistent tightness in global meal supplies kept international meal prices firm, eventually contributing to poor growth in world imports of meal. The oils/fats sector was also characterized by a slow expansion in global demand (caused mainly by subdued world economic growth and only modest increases of the biodiesel sector), which resulted in a softening of prices.

9. In 2013/14, global oilseed production, especially soybean, was expected to rise steeply for the second consecutive season, thus pointing to a comfortable global supply situation for both oil meals and oils/fats and, hence, to a general relaxation of prices. However, during the first half of 2013/14, international quotations for oilseed and derived products remained firm. Oilseed and meal prices appreciated amid an unexpectedly tight United States soybean balance, following an exceptionally strong export pace that caused United States stocks to dwindle rapidly. This development, together with reports of poor weather conditions in parts of South America (threatening new-crop soybean yields) and limited export availabilities of other oilseeds, heightened concerns over world supplies. With regard to vegetable oils, the firmness in prices was strongly influenced by developments in the

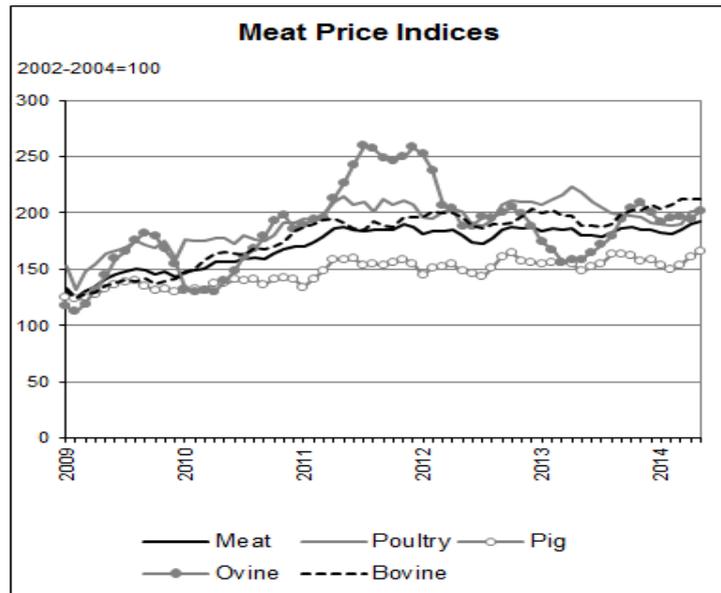
palm oil sector; prolonged dry weather caused palm oil output in Southeast Asia to remain unseasonably low, while global import demand for palm oil (as well as other oils) started to gain pace. Consequently, global palm oil inventories plunged, propelling palm oil prices to multi-months highs.



10. Eventually, in April 2014, South America started harvesting a bumper soybean crop. The resulting boost in global export supplies, together with a concurrent slowdown in China's import demand, allowed the global supply and demand picture to improve, eventually leading to an easing of international oilseed and meal prices. Vegetable oil prices also fell, led by palm oil. In April, palm oil production started to recover thanks to the arrival of beneficial rains; as this coincided with a weakening in global import demand (notably in the European Union), international palm oil prices started trending downward. As the end of the 2013/14 season came closer, the prospect of a further expansion in world oilseed production in 2014/15 provided additional relief to prices, especially of oilseeds and meals. In particular, another record-breaking soybean crop was anticipated in the United States, which, if confirmed, would allow a replenishment in United States stocks. The outlook for vegetable oils prices remained somewhat mixed due to a possible slowdown in palm oil production in Malaysia later this year and an expected surge of consumption in Indonesia, triggered by rising biodiesel demand, which would inevitably reduce global export availabilities.

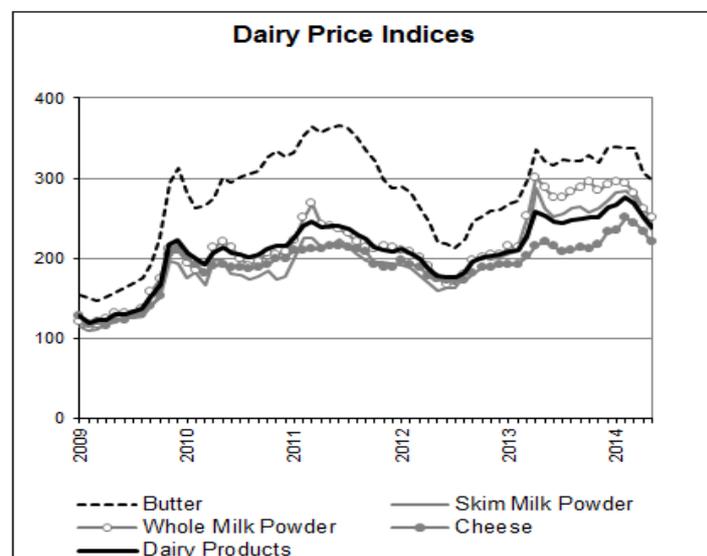
### C. Meat products

11. World meat production grew modestly during 2012 and 2013, increasing by slightly more than 1 percent annually. A trend which is expected to continue in 2014, when output is projected to reach 311.8 million tonnes. Growth has been concentrated in the developing countries, which are also the main centres of rising demand. In some countries, climatic setbacks – in particular drought – have affected beef and sheep meat production, while, in others, animal diseases have depressed pigmeat and poultry output. For example, prolonged dry conditions in Australia and the United States during 2012 and 2013 led to a reduction in the beef herd. Similarly, drought in New Zealand during late 2012 and the first part of 2013, produced a substantial decline in the national sheep flock. Trade in total meat grew by 4 percent between 2012 and 2013. However, production limitations in some major exporting countries were projected to slow trade growth to only 1.5 percent in 2014. The FAO Meat Price Index averaged 194 points in June 2014, 12.8 points, or 7 percent, above January 2012. In terms of the individual categories of meat over the same period, price changes were: an increase of 9 percent for bovine meat and 16 percent for pig meat; while poultry meat was 2 percent lower and ovine meat 16 percent less. Firm demand and tight export availability are anticipated to continue to underpin price levels for the remainder of 2014.



#### D. Dairy Products

12. International dairy prices experienced a strong upward movement from mid-2012 until the first months of 2014, as rising demand, especially from China, coincided with limited growth in production and export availabilities – in part as a result of sustained dry weather in Oceania. Since February 2014, prices have adjusted downwards, falling by 15 percent for the FAO Dairy Price Index overall (up to June 2014), and in the case of milk powders declining by almost 20 percent during the same period. Consequently, the Index has returned to its mid-2011 level. The main reasons for the recent price slide are a strong opening to the milk production season in the Northern Hemisphere and an unusually extended season in New Zealand, which caused a sudden rise in the availability of product for export. By mid-2014, as seasonal production began to shift from the Northern to the Southern Hemisphere, the outlook was for a favourable start to the season in Oceania, as abundant rain had facilitated pasture growth, with some indication that further price weakness might result. The absence of public stocks in major exporting countries and an unwillingness of private exporters to maintain substantial inventories, mean that international prices for dairy products are very sensitive to changes in supply. A possible reduction in China's imports of dairy commodities has led some processors in exporting countries to shift their focus from whole milk powder to skimmed milk powder/butter or cheese production, which offer better returns at current prices.



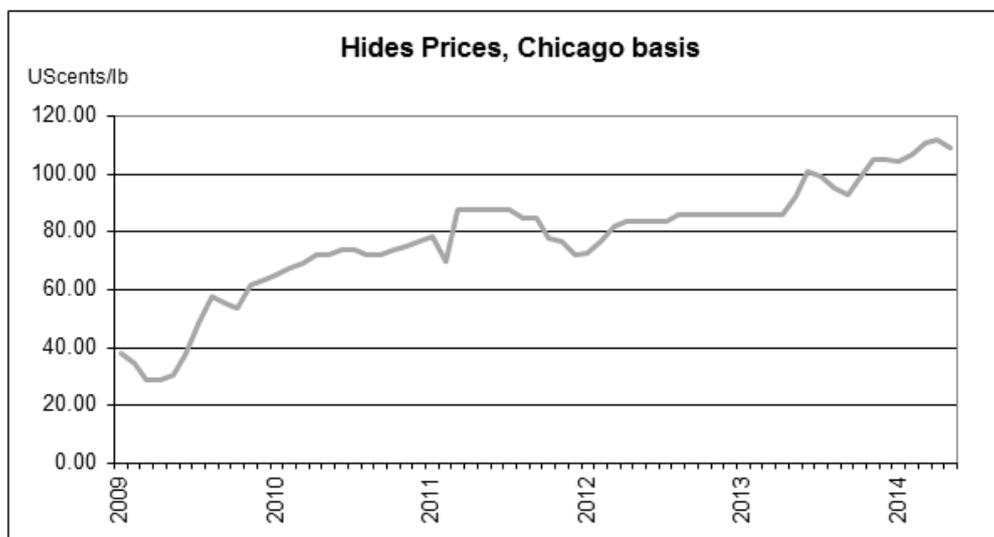
## II. RAW MATERIALS, HORTICULTURE AND TROPICAL PRODUCTS

13. The production and exports of Raw Materials, Horticulture and Tropical (RAMHOT) products are of major importance for developing countries. They generate employment, income and foreign exchange and provide a material base for national economic growth. In particular, they make significant contributions to food security by helping to cover food import bills. For example, in 2011, tea export earnings paid for 51 percent and 71 percent of Kenya's and Sri Lanka's food import bills, respectively, while pineapple exports covered about 60 percent and 57 percent of Costa Rica's and Ethiopia's food import expenses, respectively. Sugar export earnings covered 86 percent of Guyana and Swaziland's, as well as 66 percent of Thailand's food import bill. Therefore, monitoring and analysing the RAMHOT products markets is critical for policy makers involved with food security, trade, and rural development in developing countries.

14. The main drivers of the international prices of RAMHOT products are trends and changes in per capita consumption, trade preferences (e.g. EU preferential access for sugar and banana), the potential effects of pests and diseases on production, and changing dynamics between retailers, wholesalers and multinationals. Except for sisal and tea, prices broadly declined in 2012 and 2013, before rising back in early 2014, led by increases in coffee, cocoa and sugar.

### A. Hides and skins

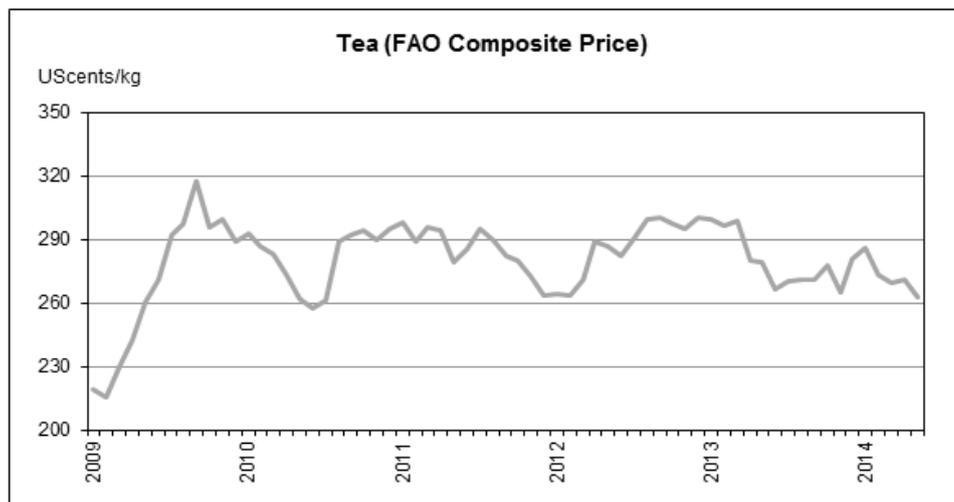
15. The global financial crisis of the late 2000s had a major impact on the hides and skins market, as the decline in world economic growth prompted a contraction in demand for consumer products, including shoes and other leather items. However, prices regained much of their loss in 2010, and have since been increasing steadily, surpassing the levels that had prevailed through most of the 2004 to 2008 period. The sustained increase in international quotations of hides has been supported by rising import demand for raw hides and skins from major markets, notably China and the EU, as an input for manufacturing leather-based products.



### B. Tea

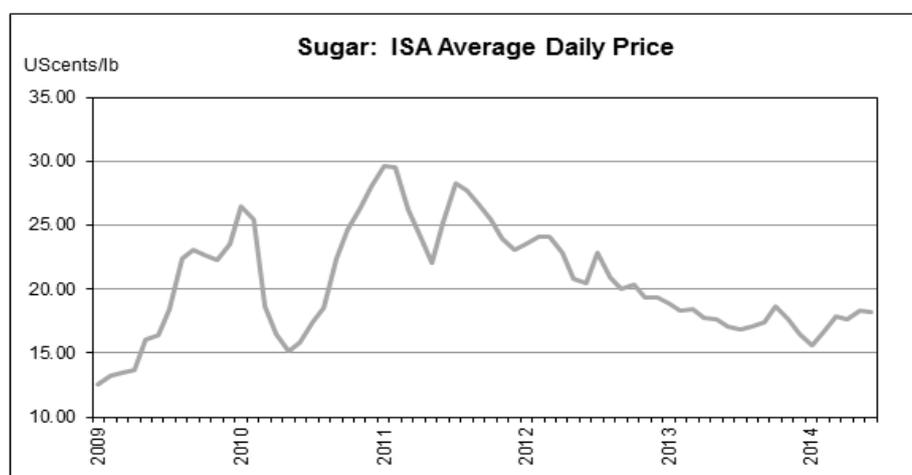
16. International tea prices, as measured by the FAO Tea Composite price, remained firm over the past five years, despite minor declines in late 2011, and the third quarter of 2013, due to periodic corrections in the market. Demand continued to be robust, led by strong consumption in developing countries, notably in China and India. The increase in tea prices resulted in an estimated 6 percent growth in export earnings in 2012 to USD5.2 billion at the global level, contributing to improved rural incomes and household food security in tea producing countries. At its recent session, the

Intergovernmental Group (IGG) on Tea cautioned producers not to overreact to the buoyant prices and advised that greater efforts be directed at expanding demand, particularly in producing countries where per capita consumption was low compared to traditional import markets. The IGG also encouraged diversification into other segments of the market, such as organic and value added teas, and greater support to the tea smallholder sub-sector.



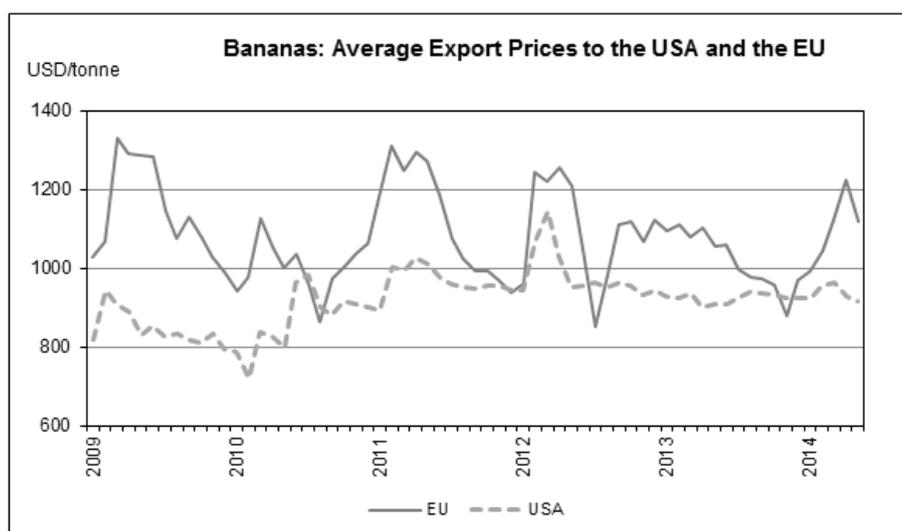
### C. Sugar

17. Since reaching a 29-year high in 2010, following two consecutive seasons of a production shortfall and a sustained increase in import demand, international sugar quotations embarked on a downward trend driven by large supply response from producers. The growth in sugar output was attributed to an expansion in area and input use, sustained by remunerative international sugar prices and a return to more normal weather patterns. In 2013/14, and for the fourth consecutive season, FAO estimates world sugar production will surpass consumption, but the expected surplus is likely to be smaller than in previous years. Although sugar production is set to decline marginally from 2012/13, for the first time since 2008/2009, it would still be sufficient to cover projected global consumption and allow some build-up in global stocks. On the policy front, the sugar sub-sector continues to be heavily influenced by public intervention in the form of export restrictions, high import tariffs and domestic subsidies. These policies exacerbate price volatility and hinder investment decisions in the sub-sector. In 2013, the EU introduced new sugar reforms under the Common Agricultural Policy (CAP), which call for the abolition of the sugar and isoglucos quotas, starting from 2017. These reforms are likely to have wide implications for the EU sugar market and the EU sugar trade partners, particularly those associated with the EPA and EBA initiatives.



## D. Bananas

18. 2012 and 2013 were exceptional years for the global banana trade, marked by ample supplies driven by favourable weather conditions, and strong demand in all major markets. Global exports reached a historic high of 17.4 million tonnes in 2013, 7.1 percent above the 2012 level. Exports from the Philippines showed a particularly strong expansion in both 2012 and 2013, while shipments from Ecuador declined after floods in 2012, but returned to normal the following year. A major feature in 2012 and 2013 was the expansion in exports from Central America and Mexico. Tariff preferences given by the EU as part of trade agreements negotiated with Central America, Colombia and Peru, could potentially divert exports away from Ecuador, which does not yet have a similar agreement with the EU. While import demand was subdued in the EU in 2012, per capita consumption increased from 10.2 kg in 2012 to 10.8 kg in 2013, the highest level since 2008, leading to a 6.5 percent increase in year-on-year imports. Consumption in the Russian Federation and the United States has been showing strong growth as well. However, growth in supplies in 2013 outpaced that of demand, putting downward pressure on prices. While import prices were high in both 2011 and 2012, especially in the United States, in 2013 prices stabilized at a somewhat lower level in both the EU and the United States.

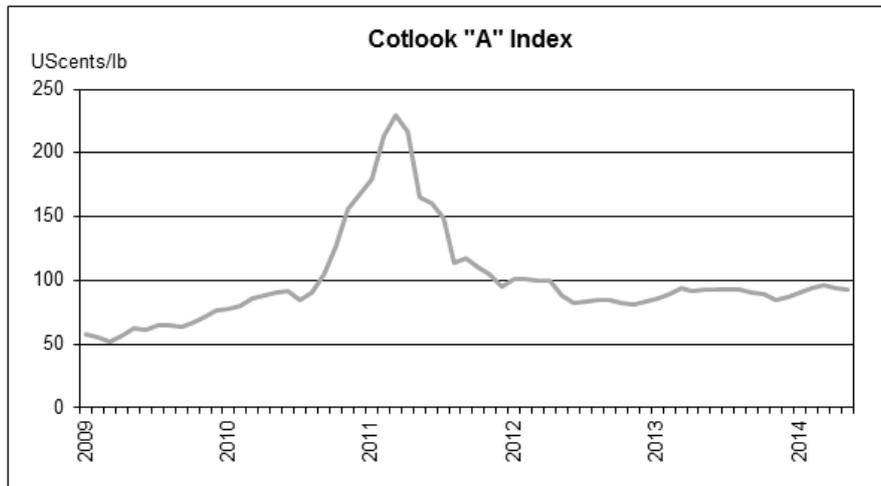


## E. Cotton

19. After a speculative surge during the 2010/11 season, when the Cotlook A Index peaked from USD1.65/kg in January 2010 to a historical high of USD5.06/kg in March 2011, world cotton prices have fallen considerably. Although prices had declined in January 2012 and May 2014, fluctuating around USD2.00/kg, they were about 30 percent higher than the five year average registered for the period from 2006 to 2010.

20. A new cotton support scheme was announced by the Chinese Government in 2014, under which a fixed price of about USD3.2/kg was set. The higher procurement price induced a sharp increase in state stocks due to increases in cheaper imports, and decreases in domestic cotton mill consumption. Elsewhere, exports by India spiked in November 2013, of which 85 percent were destined for China. While farm prices remain relatively firm in rupees, ex-gin prices in US dollars have dropped below the Cotlook A Index. On the contrary, export volumes from Brazil declined in 2013, but production in 2014 is expected to increase, reflecting the switch to cotton from corn, as domestic cotton prices were more favourable. Similarly, although projected prices indicate a 5 percent fall in 2014, production in the United States is forecast to increase due to farmers reacting to better forecast prices for cotton relative to corn. While the new cotton price policy in China would still be supportive to world cotton prices, the huge cotton stocks, about 1.5 times of domestic mill

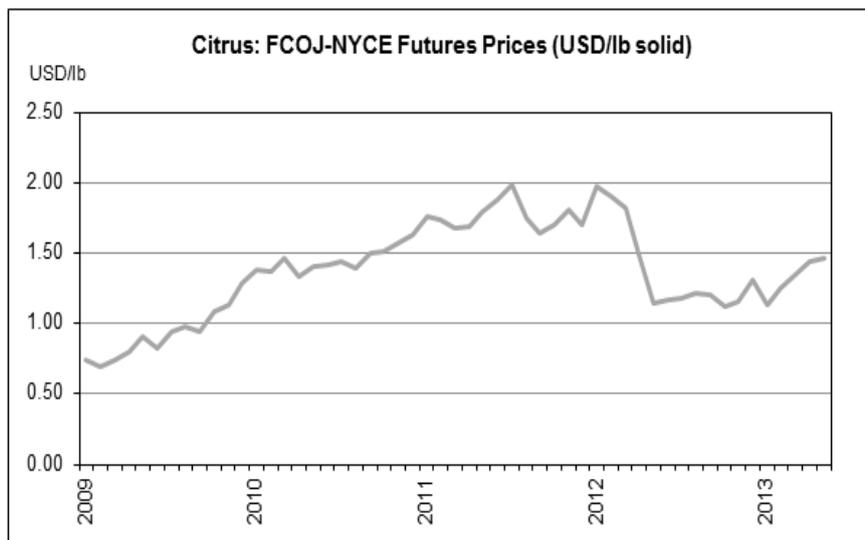
consumption, would cap any significant appreciation in the world cotton price in the near future, given that world cotton consumption for final uses has been flat over the past few years.



## F. Citrus

21. In 2013, world production of fresh citrus fruit reached 116 million tonnes, two million tonnes lower than 2012, reflecting a major decline in the output of fresh oranges destined for frozen concentrated orange juice (FCOJ) production in Brazil, the world's largest producer. Although citrus production in China and several other major producing countries increased, their output could not offset the 13 percent decline in Brazil. FCOJ prices have remained weak as demand in Europe continued to fall in favour of "not from concentrate" (NFC) juice.

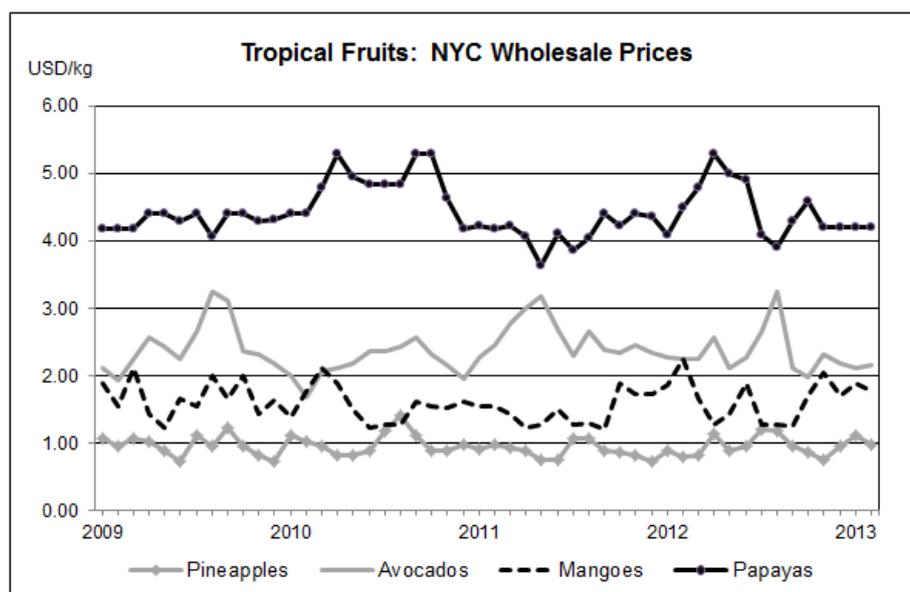
22. On the back of weak demand in Europe, preliminary returns for 2014 (first half of the year) indicate a 23 percent decline in Brazilian FCOJ shipments, the lowest "first half" achievement attained since the peak of 2007. The increase in Brazilian NFC output has compensated some of this fall, in value terms. On the contrary, lemon juice prices have reached record levels as a shortfall in production, due to adverse weather in Argentina, has caused a significant supply deficit in the marketplace. Similarly, a supply shortage of limes from Mexico, the main exporter to the United States, caused a surge in wholesale prices of lime in the United States by nearly seven times in the second quarter of 2014.



## G. Tropical fruits

23. World production of tropical fruits was estimated at over 71 million tonnes in 2012, with mango the dominant variety (39 percent of world production), followed by pineapples (23 percent), papaya (12 percent) and avocado (4 percent). Minor fruits, with export values less than 50 million annually, made up 22 percent. Global trade for fresh tropical fruits was estimated at 8.1 million tonnes, slightly above 10 percent of global production, with an export value of USD7.7 billion, almost totally generated in developing countries. Preliminary returns for 2013 indicate lower trade volumes.

24. The market for tropical fruit has evolved significantly and with increasing maturity, price premiums based on novelty have virtually disappeared, to be replaced by quality based premiums. The importance of quality, in an increasingly crowded international fruit market, has led to major initiatives to produce and pack fruit for specific export markets. These developments have enabled tropical fruits to compete at the upper end of the market, maximising earnings through the sales of fresh fruit in a segment where unit prices are at a premium and contributing to the rapid rise in trade values. The hikes in oil prices and their subsequent effects on inputs and freight rates have eroded profit margins along the value chain. Some of the costs have been passed on to retailers, who have in turn passed them on to consumers. However, because of the intense competition in the fruit trade, and the relatively higher price elasticity of tropical fruits in some developed markets, sudden increases in prices could result in tropical fruits being substituted by other fruits.

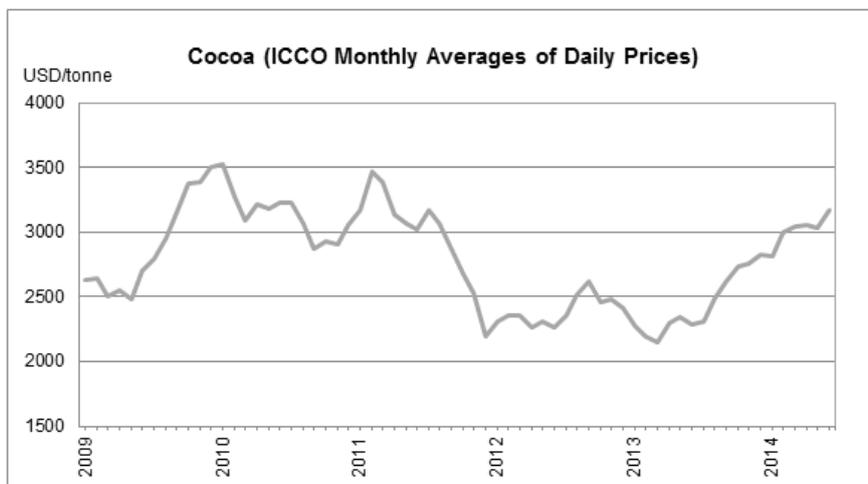


## H. Cocoa<sup>4</sup>

25. From October 2009 until September 2010, cocoa prices followed a downward trend. Thereafter, they began a gradual upward climb, with the ICCO daily indicator price hitting a 32 year-high in March 2011 at USD3 730 per tonne, despite a large production surplus in 2010/2011, resulting from exceptional weather conditions in West Africa. The main contributor to this price increase was the political crisis in Côte d'Ivoire, the world's leading cocoa producing country. When the crisis abated and ample supplies began to enter the market, prices weakened and traded at a lower level compared with the two years that followed. The current 2013/2014 season is expected to experience an almost even balance between supply and demand, with a strong increase in production in West Africa, compensated by rising demand for cocoa products in emerging markets. However, increasing demand may not keep pace with production in the 2014/2015 season, given the looming El Niño weather pattern in the background. Presently, prices are sitting near three-year highs in June 2014, and are

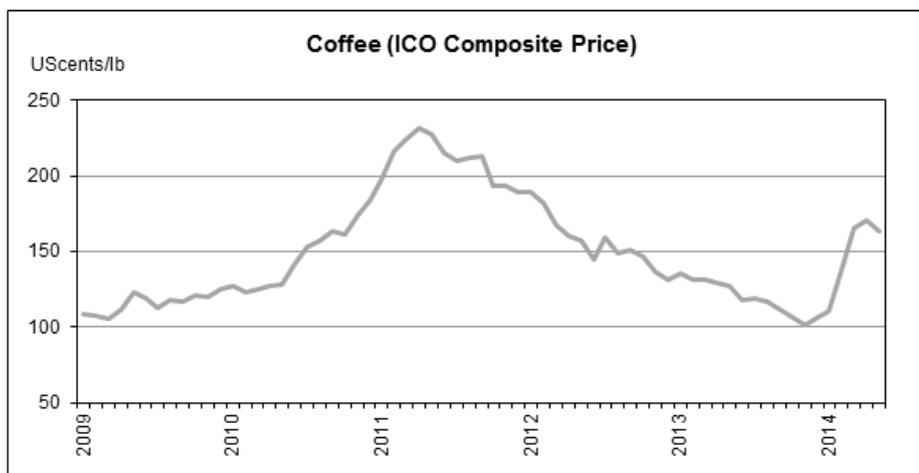
<sup>4</sup> Market note submitted by ICCO

averaging USD3 174 per tonne. In addition, over the short to medium terms, the cocoa and chocolate industry remains concerned that the market may experience successive supply deficits, which would bring prices to higher levels.



## I. Coffee

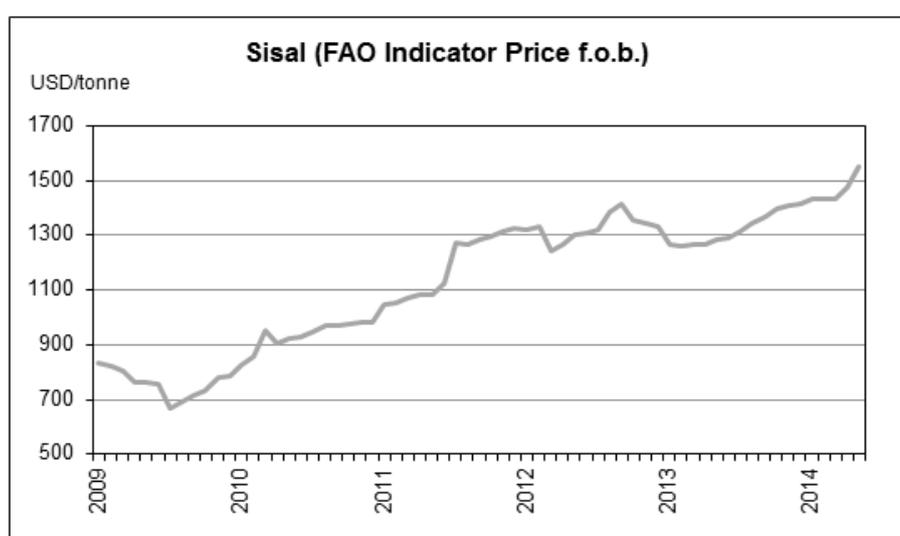
26. Since reaching a peak of US 238 cents per pound in April 2011, international coffee prices fell continuously until the beginning of 2014, when they started to recover. The sustained downward trend was attributed to the prevalence of large export availabilities in the main producing regions. In fact, coffee production in 2012/13 was the highest ever recorded, despite production declines in Central America, where output was affected by an outbreak of coffee leaf rust. Higher production in South America, notably Brazil and Columbia, and Africa, more than offset decreases in Central America and Mexico. Notwithstanding a steady increase in world coffee consumption in recent years, particularly in exporting and emerging countries, it was not sufficient to support international coffee quotations. However, concerns over drought that affected crops in Brazil, the world's largest coffee producer and exporter, prompted a recovery in prices by the beginning of 2014, when quotations surged to US 138 cents per pound and US 171 cents per pound in February and April 2014, respectively. In addition, falling coffee prices witnessed between 2011 and the end of 2013 led to a reduction in production areas and a drop in crop investment. The extent of the price increase may be dampened by relatively comfortable inventories' levels in the main exporting countries.



## J. Sisal

27. Sisal prices remain firm in 2014, reflecting the continued supply shortfalls in Brazil due to severe droughts over the past two consecutive years. The price of Brazilian sisal is considered to be unsustainably high increasing from USD791 per tonne in 2011 to USD899 per tonne averaged in 2012, and USD1 059 per tonne in 2013. Elsewhere, there was a slight downward price adjustment in 2013 due to a stronger than expected supply response from major suppliers to firm prices in 2012. East African prices fell to USD1 500 per tonne for 3L and USD1 400 per tonne for UG in September 2013, compared to USD1 710 per tonne for 3L and USD1 616 per tonne for UG in September 2012.

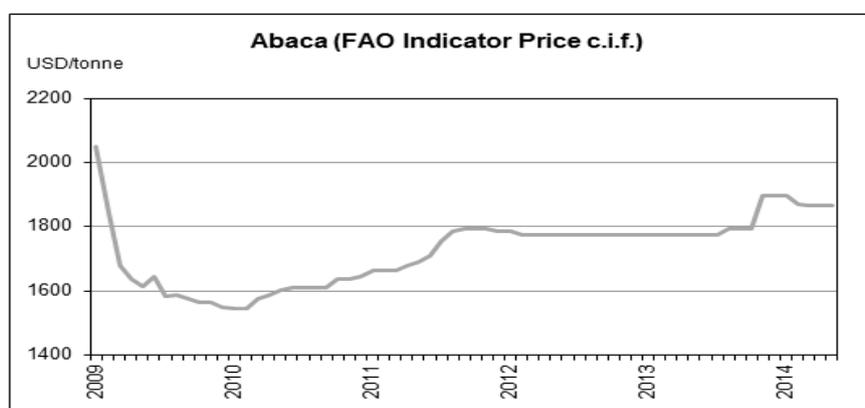
28. Exports of sisal fibre were 83 300 tonnes in 2012, a slight decline from the previous year reflecting smaller shipments from Brazil, while exports of sisal products, or sisal manufactures as known in trade, declined significantly to 79 900 tonnes from over 100 000 tonnes averaged at the beginning of the decade.



## K. Abaca

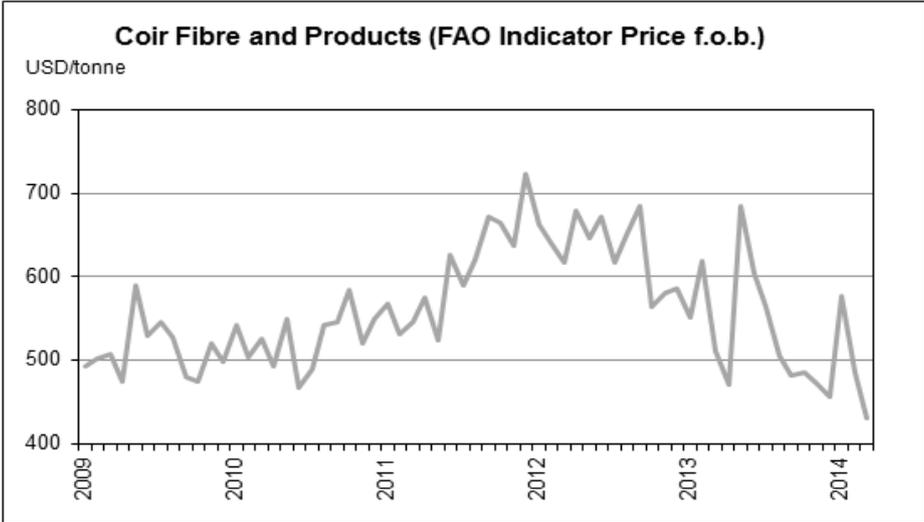
29. Abaca prices remained stable in 2012 and most of 2013 but increased after damages sustained from Typhoon Haiyan in the Philippines, the largest producer of abaca, in November 2013. A slight downward correction occurred in early 2014 as crop loss was not as extensive as initially estimated.

30. Abaca fibre remains largely for domestic consumption. Exports declined significantly between 2011 and 2012 reflecting the global weakening in demand after reaching their highest levels in 2010. In 2012, fibre exports declined to 18 863 tonnes, while pulp exports declined by 28 percent to 21 524 tonnes and exports of cordage declined by 21 percent to 14 294 tonnes.



**L. Coir**

31. Average coir prices increased from USD512 per tonne in 2009 to USD633 per tonne in 2012, stimulating supplies which expanded to 751 600 tonnes. However, with prices falling to USD534 per tonne in 2013, supply response weakened towards the end of the year. While substantial growth has taken place in imports into developed countries, it appears that the sharp growth in developing countries may be underestimated, particularly in recent years when the gap between reported exports and imports has widened considerably.



**M. Jute**

32. Jute prices declined in 2011 and 2012, from record levels attained in 2010 and adjusted slightly upwards in 2013 and early 2014, to remain above the average for the decade as market contraction appears to have been halted. World exports of jute fibre and products reached 389 661 tonnes and 847 885 tonnes respectively in 2012/13. Bangladesh accounted for 95 percent of total raw jute exports and was also the largest exporter of jute products, accounting for more than 70 percent of the total, followed by India, which is also a significant exporter, accounting for 20 percent of global shipments despite its vast domestic market requirements. Smaller volumes were exported from many other countries in the Far East, Near East and Latin America. Import demand for raw jute is dominated by Asia (China, India, and Pakistan the three largest), accounting for 88 percent of total raw jute imports, while the Near East remains by far the largest importing region of jute products, with Turkey, the major market, showing steady growth. Other smaller markets for jute goods include Europe, Africa, the Far East and North America.

