



联合国
粮食及
农业组织

Food and Agriculture
Organization of the
United Nations

Organisation des Nations
Unies pour l'alimentation
et l'agriculture

Продовольственная и
сельскохозяйственная организация
Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

منظمة
الأغذية والزراعة
للأمم المتحدة

COMMITTEE ON COMMODITY PROBLEMS

Seventy-first Session

Rome, 4–6 October 2016

COMMODITY MARKET SITUATION AND SHORT-TERM OUTLOOK 2014–2016

Executive Summary

This document provides an overall review of market developments of agricultural commodities since the last Session of the CCP in 2014.

Over the period, most food commodities saw steeper declines in international prices compared to those witnessed in 2012 and 2013. Although generally attributable to an easing of world supply and demand balances, the slide of food prices also reflected the general appreciation of the US dollar. On the other hand, international prices of raw materials, horticulture and tropical products followed diverging patterns over the past two years, with the prices of tea, banana, cotton, and hides and skins broadly declining under the pressure of ample supplies, while those of tropical fruits, citrus fruits and raw materials remained steady or firmed, sustained by robust world demand.

Suggested action by the Committee

The Committee is invited to take note of the market situation of the various food and agricultural commodities and to discuss their likely implications for global food security.

Furthermore, recognizing the importance of world commodity markets to food security and nutrition, the Committee may wish to:

- Recommend governments to keep improving the monitoring and assessment of supply and demand of food and agricultural commodities and make the results publicly available in a timely manner, so as to improve market transparency and coordinated action;
- Request governments to refrain from actions that could disrupt commodity markets and trade flows and propel price volatility.

Queries on the substantive content of the document may be addressed to:

Boubaker Ben-Belhassen

Secretary of the Committee on Commodity Problems (CCP)

Email: boubaker.benbelhassen@fao.org

*This document can be accessed using the Quick Response Code on this page;
an FAO initiative to minimize its environmental impact and promote greener communications.
Other documents can be consulted at www.fao.org*



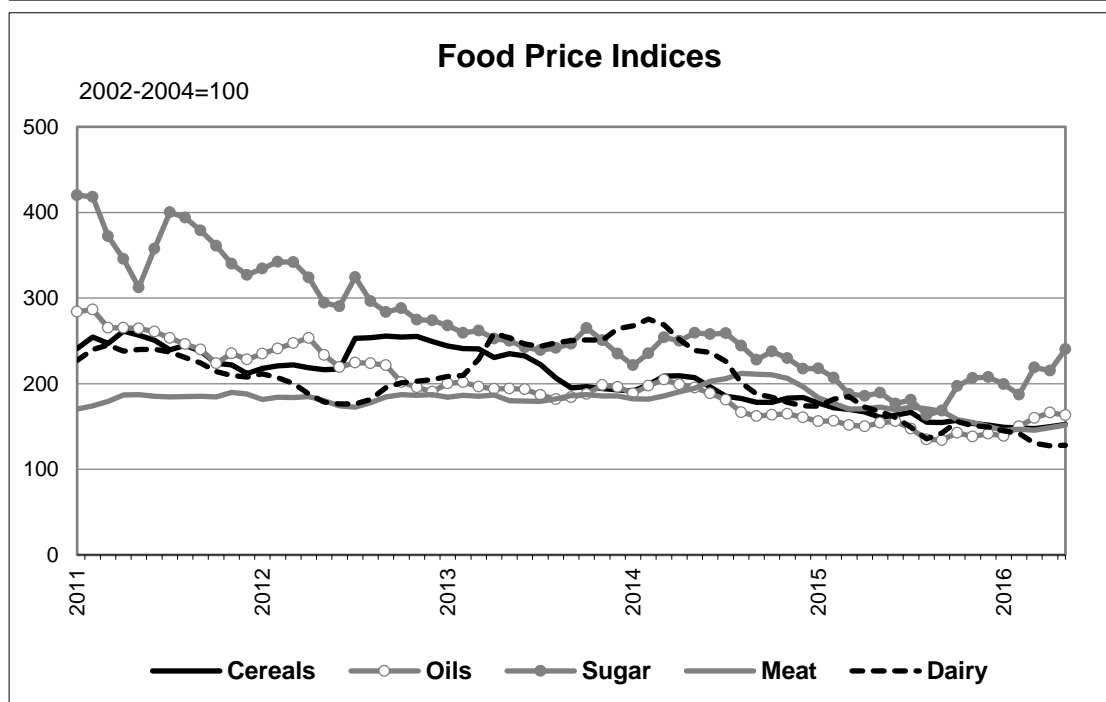
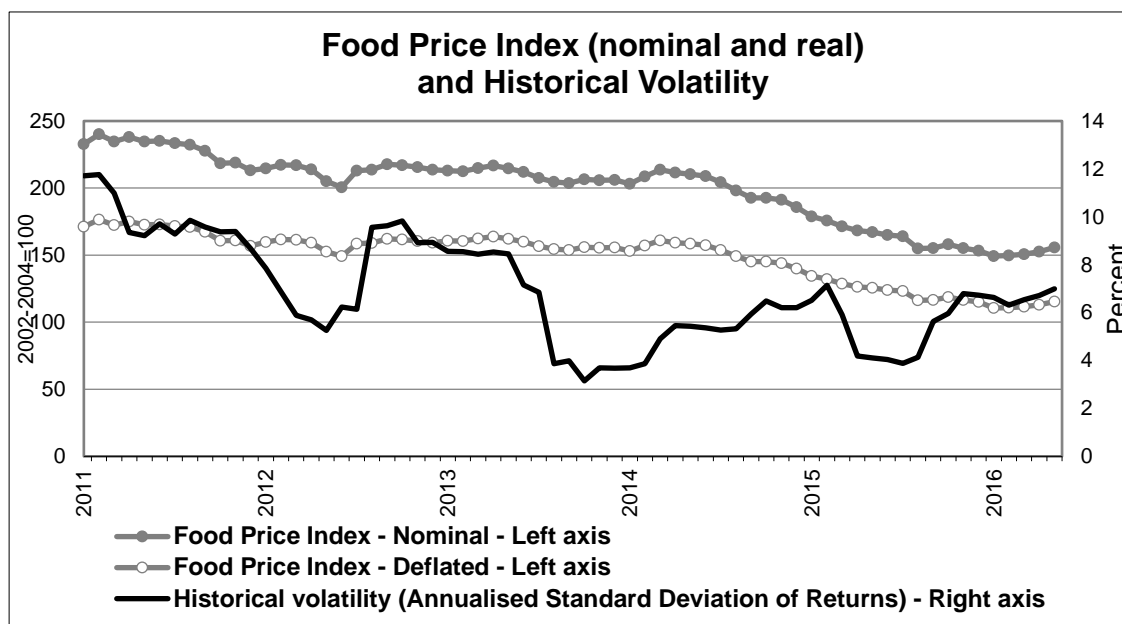
mr076

Table of Contents

	Pages
I. Introduction	3
II. Basic food commodities	5
A. Cereals.....	5
B. Oilseeds, oils and meals	6
C. Sugar	7
D. Meat.....	8
E. Dairy products	9
III. Raw materials, horticulture and tropical products	9
A. Tea.....	9
B. Coffee.....	10
C. Bananas	11
D. Citrus	12
E. Tropical fruits.....	12
F. Hides and skins.....	13
G. Cotton.....	14
H. Sisal	15
I. Abaca.....	15
J. Coir.....	16
K. Jute	16

I. Introduction

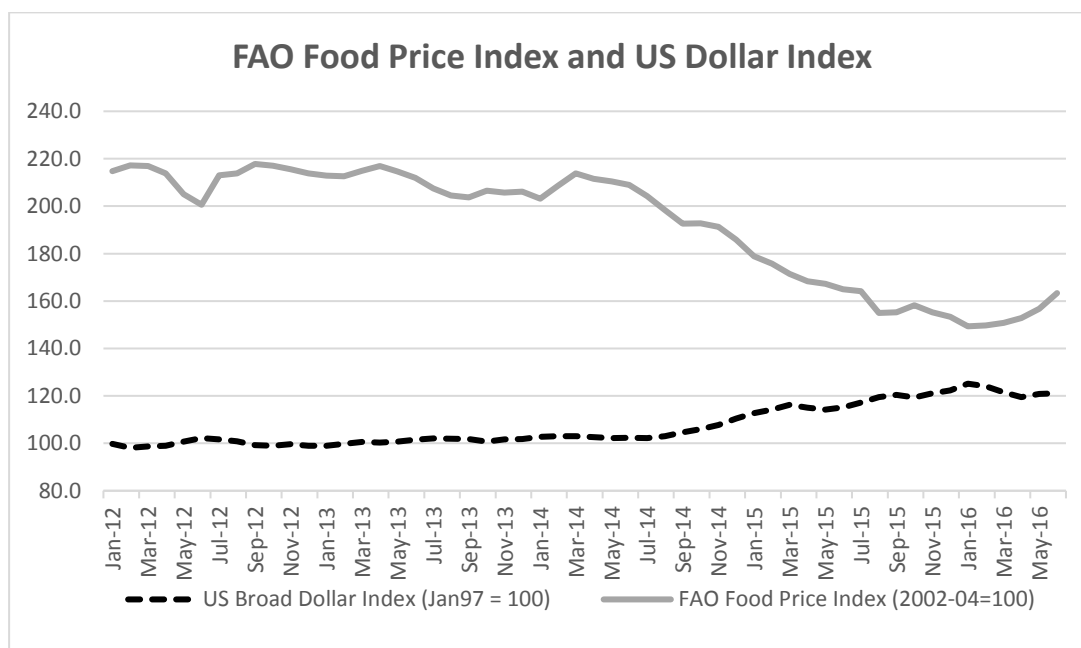
1. The two years that have elapsed since the holding of the last CCP meeting in 2014 have seen steeper declines in international food prices than those witnessed in 2012 and 2013. This was reflected in the FAO International Food Price Index (2002–2004=100), which fell by 4 percent in 2014 compared to the previous year, and by a striking 19 percent in 2015, one of the strongest annual drops recorded in 25 years. In the first months of 2016, food prices gave signs of recovery, although the Index still averaged 11 percent lower in January–May 2016 compared to the same period in 2015. Because of very low world inflation, in real terms (deflated by the World Bank Manufactures Unit Value Index), international prices followed a very similar pattern to that of nominal prices in the past two years. As for the volatility of food prices, there was a tendency for it to rise in 2014. While stabilizing between March and August 2015, they were subject to more pronounced variations in subsequent months, although the bouts of volatility displayed were generally much less prominent than those observed between 2011 and 2013.



2. In 2014, the Index reached 201.8 points, 8 points less (-4 percent) than in 2013. Prices of all the commodities covered by the Index weakened, except for meat, which gained 8 percent. The most pronounced drops were witnessed by the cereal sector (-12 percent), followed by dairy products (-8 percent), vegetable oils (-6 percent) and sugar (-4 percent). In 2015, the slide accelerated, bringing the annual value of the Index down by 38 points (-19 percent) to 164 points, almost marking a return to the 2007 pre-crisis level of 161 points. All the commodities tracked by the Index saw prices tumbling compared to 2014: dairy products by 28 percent, sugar by 22 percent, vegetable oils by 19 percent, meat and cereals, both by 15 percent. In January-May 2016, there was a manifest tendency for food prices to recover, even though, at 152 points, the Food Price Index still averaged 11 percent less than in the same five months in 2015, influenced by sharp falls in prices of dairy products, meat and cereals, while prices firmed in the vegetable oils and sugar sectors.

3. Over the past two years, international prices for raw materials, horticulture and tropical products followed diverging patterns, driven mostly by intrinsic market fundamentals of supply and demand. International quotations for tea, banana, cotton and hides and skins broadly declined in 2014 and 2015, pressured downward by ample supplies. On the other hand, prices for tropical fruits, citrus fruits and raw materials were steady, or showed a tendency to rise, propelled by robust demand.

4. Being denominated in US dollars, international quotations were very much influenced by developments in currency markets. According to the US Federal Reserve's Price-adjusted Major Currencies Dollar Index, the US currency started to appreciate strongly against a broad set of countries' currencies as of August 2014, bringing the Index for the full year up by over 3 percent compared to 2013 and by a further 13 percent in 2015. Although the strength of the US currency abated as of February 2016, it still averaged 7 percent more in January-May compared to the same period in 2015. Because an appreciation of the US dollar reduces the level of dollar denominated prices, a large part of the fall in international food quotations in the past two years can be attributed to exchange rate factors. This means that world prices might have fallen much less when expressed in domestic currencies or even have moved in the opposite direction and strengthened.

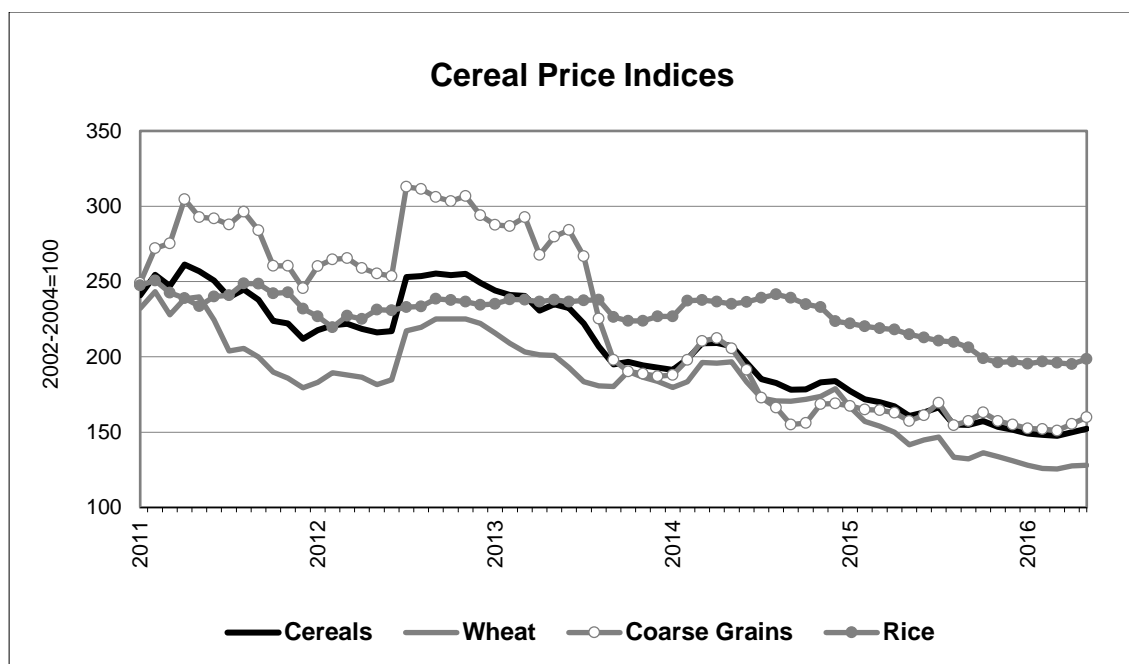


II. Basic food commodities

A. Cereals

5. Over the past two seasons (2014/15 and 2015/16), global cereal markets enjoyed a period of relative calm and stability as global cereal production outpaced utilization, leading to strong recovery in world cereal reserves and lower international prices. World trade continued to expand although a surge in imports of coarse grains by China (in 2014/15) and the EU (in 2015/16) accounted for most of the increase. Early prospects for 2016/17 also point to a generally comfortable supply and demand balance in spite of a small projected decrease in world inventories.

6. World wheat production climbed to a new record in 2014, boosting wheat supplies in 2014/15 and resulting in international prices falling to multiple-year lows. With limited expansion in total utilization, ending inventories in 2014/15 rose to a 13-year high. World wheat output climbed further in 2015, reflecting a continued rise in production in Europe and CIS countries as well as record crops in China and Morocco, which more than offset reduced harvests in Argentina, Canada and India. Despite an expansion of wheat feed use, world production still exceeded total wheat utilization, resulting in a further build-up of world inventories. World trade, which had contracted slightly in 2014/15 (July/June), rebounded in 2015/16 on bigger imports by the EU and several countries in Africa. However, amid stiff competition among exporters, international prices weakened throughout the season. Given expectations that the near-record production in 2016 will outstrip the projected utilization for the fourth consecutive season, a further accumulation of wheat stocks is expected in 2017. This, combined with further increases in export availabilities, is likely to keep wheat prices under downward pressure in the current (2016/17) season.



7. For coarse grains, a record world production in 2014, combined with already high inventories, resulted in a very comfortable world supply and demand balance in 2014/15, evidenced by much lower international prices compared to the previous season. Among the major coarse grains, world maize production reached a new high in 2014. Global production of sorghum also registered strong growth, while barley output fell slightly below the 2013 record. Large supplies and weaker prices boosted utilization of coarse grains in 2014/15, feed in particular, and that especially in China and the United States. While world trade surged by 11 percent in 2014/15 (July/June), this rapid expansion mainly reflected large purchases of barley and sorghum by China. Trade in maize also increased,

underpinned by brisk demand by several countries in Asia, other than China. Inventories of coarse grains continued to increase in 2014/15, bringing up the world stocks-to-use ratio to over 20 percent for the first time in a decade. In 2015, low prices combined with unfavourable weather in several regions depressed world production of coarse grains in 2015. Subdued demand from the industrial and livestock sectors limited growth in world coarse grains utilization in 2015/16. Consequently, despite the sharp fall in 2015 production, global inventories are expected to fall only slightly below their two-decade high opening level. Large export supplies kept international prices under downward pressure in 2015/16, boosting import demand, especially by the EU and several countries in southern Africa. Although expected to rebound in 2016/17, world coarse grain production is expected to fall short of total utilization, paving the way for a decline in world reserves. Hence, while the 2016/17 season started with prices firming in response to tightening export supplies from Brazil, prices are likely to resume a declining trend over the rest of the season given prospects for above-average crops in the northern hemisphere, large inventories and subdued world import demand.

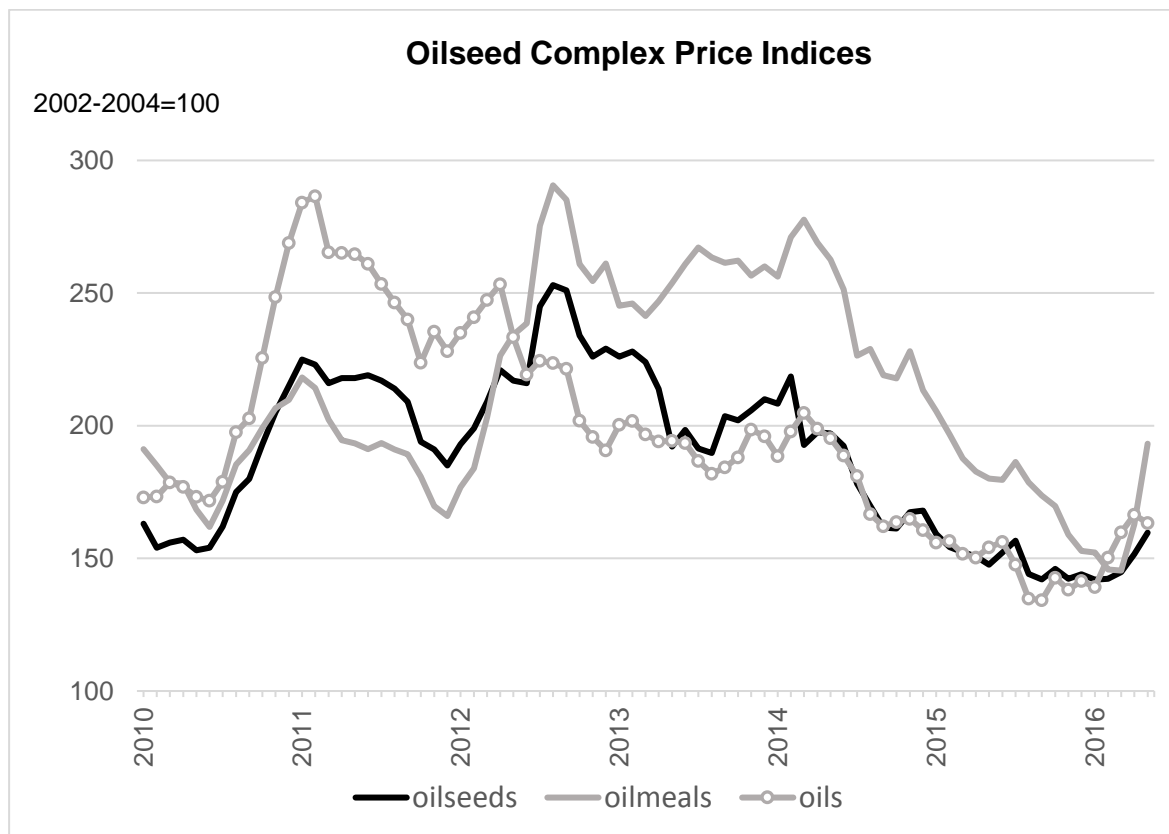
8. In the past two years, the world rice economy endured several setbacks that kept global production from growing, even causing it to decline in 2015. Weather anomalies were mainly behind the disappointing performance of the sector, especially in 2015, when one of the strongest El Niño on record hit many important rice producing countries. Unattractive prices and, in some cases, less supportive government policies also dampened the sector growth. While in 2014/15, global production exceeded utilization, resulting in a small increase in world rice reserves, this is not expected to be the case in 2015/16, when world inventories may need to be drawn down. The downsizing is expected to concern primarily the major exporting countries, whose crops were most affected by negative weather conditions in 2015. International trade in rice, which was underpinned to an all-time high in 2014 by rising Asian and African imports, dropped in 2015. The contraction was mainly a reflection of falling purchases by Nigeria, following the introduction of more protective trade policies, and notwithstanding a surge of purchases by China, the leading rice importer since 2012. In 2016, trade in rice is forecast to recover somewhat, as several countries need to compensate for poor harvests or reconstitute stocks. Looking forwards to the 2016/17 marketing season, prospects are rather downbeat: although global production is expected to recover in 2016, growth might be modest, as countries along and south of the equator were hit by El Niño-related excessively wet or dry conditions during crop planting and development stages. Expectations for trade in 2017 are also subdued, amid a combination of lacklustre import demand and thinning export availabilities.

B. Oilseeds, oils and meals

9. In the 2014/15 season, international prices of oilseeds and oilseed products continued to trend downwards. In the oilmeal market, prices were pressured down by record-level soybean availabilities (along with abundant feedgrain supplies), with global oilmeal production outstripping demand for the third consecutive season. Similarly, international prices of oils/fats weakened, as global stocks were further replenished, amid subdued consumption growth. The sharp drop in mineral oil prices, which curtailed demand for oils/fats as biofuel feedstock, also contributed to the decline in international oils/fats values. The prolonged weakness in international oilseed, oils/fats and meal prices came to a halt in 2016. The reversal of the trend reflected a tightening in the 2015/16 global supply-and-demand balances for oilseeds and oilseed products. Contrasting with expectations of robust world demand, global output of both oils and meals were expected to contract in 2015/16, triggering a drawdown in global inventories and a drop in stock-to-use ratios. Consequently, quotations for key oilseeds and oils/fats stabilized toward the end of 2015 and started to appreciate markedly in March 2016, while international oilmeal values remained under downward pressure until March 2016 but shot up thereafter.

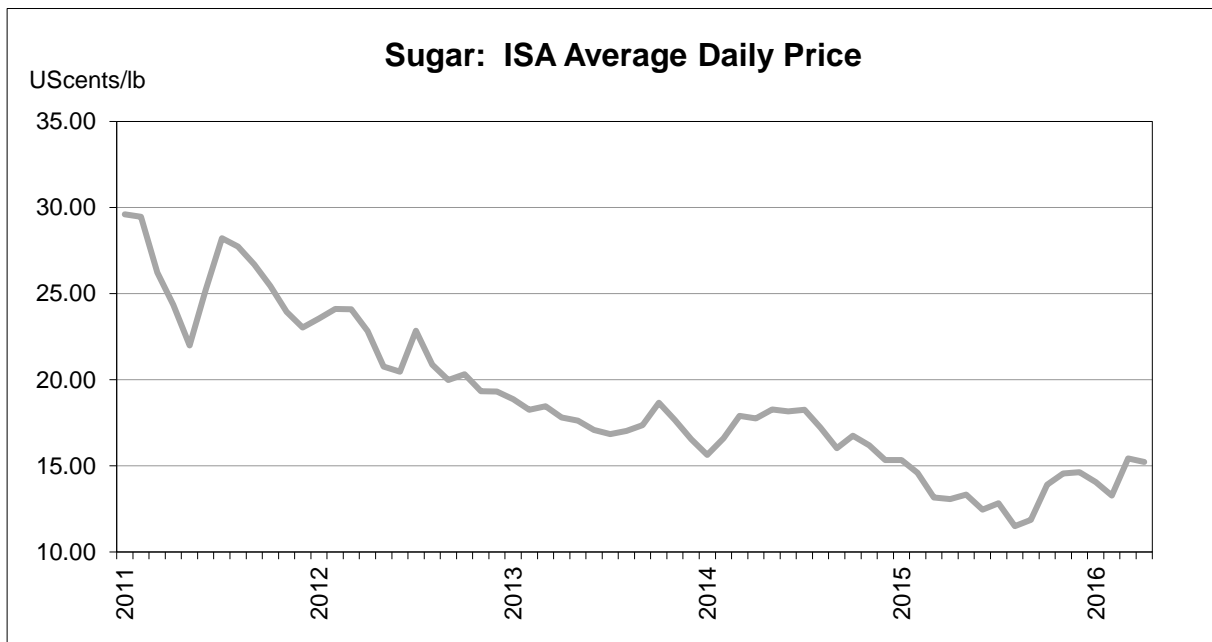
10. In the case of oilseeds, the 2016 price rebound mainly reflected developments in the soybean market, notably the progressive deterioration of production prospects in South America (due to El Niño) – amid stronger than expected import demand, especially in China. In the oils/fats segment, the renewed price strength was largely driven by palm oil, the world's most widely consumed vegetable

oil, which experienced an El Niño-related production slowdown in Southeast Asia. This coincided with robust international demand as well as limited substitution possibilities with other vegetable oils, leading to an appreciation in international oils/fats prices. As for oilmeals, expectations of ample global soymeal (as well as feedgrains) availabilities weighed on prices during the first half of the 2015/16 season, before confirmation of significant losses in South America's soybean crops propelled oilmeal prices in April 2016. Since then, first indications that, in 2016/17, global oilcrop production might barely recover have lent further support to prices.



C. Sugar

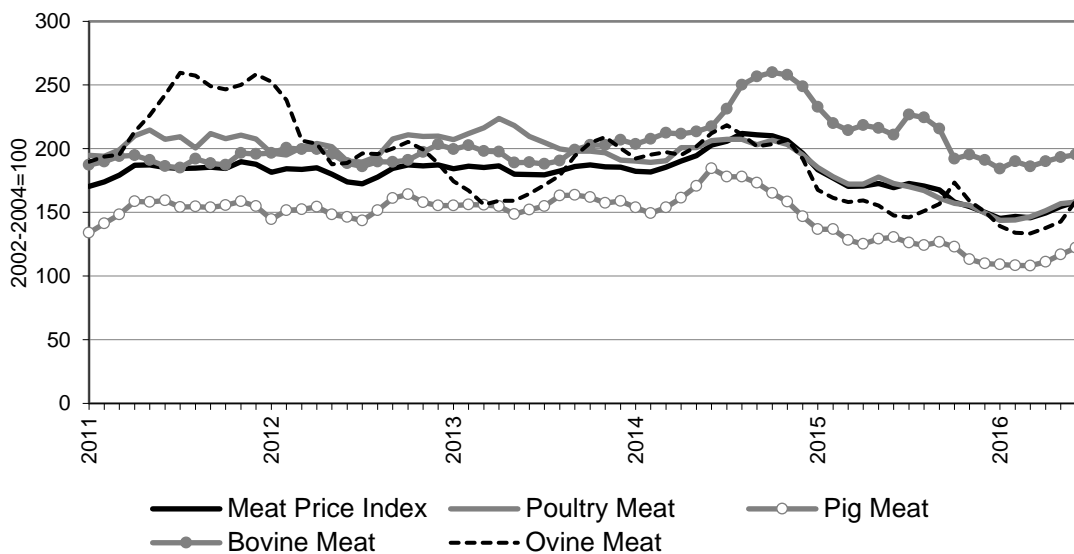
11. International sugar prices declined in 2014/15 (October/September) season, driven by a sustained production expansion initiated in 2010, when prices hit a 29 year-high. Policy measures to curb imports, or boost exports, as well as the strength of the US dollar, particularly against the Brazilian currency, further exacerbated the fall in international sugar quotations. In 2015/16, world sugar production is expected to decline and to fall short of global consumption for the first time in five years. As a result, international sugar prices recovered to reach USD 14.50 cents per pound in the first quarter of 2016, and increased further to USD 17 cents per pound in May 2016. On the policy side, the sugar sub-sector continues to be heavily influenced by public interventions 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 called for the abolition of the sugar and isoglucose 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. Meat

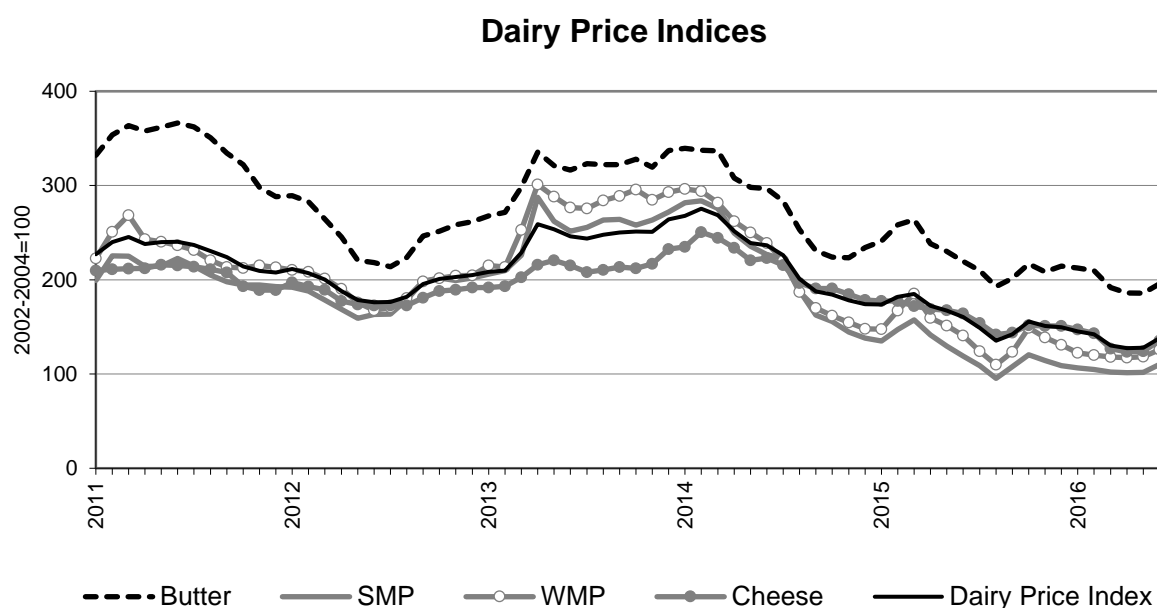
12. World meat production grew modestly during 2014 and 2015, increasing by slightly more than 1 percent annually. For 2016, meat output is projected to stagnate, with limited expansion forecast for poultry, bovine and ovine meat, while pigmeat production could decline. Generally lower feed prices over the period bolstered meat production in many countries, although climatic setbacks – in particular drought – affected beef and sheep meat production in some regions, while, in others, animal diseases depressed pigmeat and poultry output. Furthermore, in a number of instances, environmental and animal health regulations affected production. For example, limitations on pig and poultry farming in or near urban areas in China constrained output. Meanwhile, prolonged dry conditions in Australia during 2014 and 2015 caused the slaughter rate of cattle to surge and has subsequently necessitated the initiation of herd building in 2016 – with an associated fall in output. Trade in total meat declined by 2.6 percent between 2014 and 2015, mainly as a result of a sharp reduction in imports by the Russian Federation and Angola. Trade is expected to recover in 2016, due to growth in demand in Saudi Arabia, China, Mexico, Japan and South Africa, amongst others, and thereby stimulate increased shipments from South and North America and the EU.

Meat Price Indices



E. Dairy products

13. Milk production continued to grow steadily, rising by 1.7 percent in 2015, with a similar level of increase forecast for 2016. Most of the increase this year is expected to originate in Asia, principally from India and Pakistan, but also in the European Union, the United States and Brazil. Meanwhile, drought could constrain output in a number of countries in Africa, while reduced profitability may cause a contraction in New Zealand and Australia and also stifle growth in the Russian Federation. International prices for dairy products have fallen markedly since early 2014. After achieving a record level of 275 points in February 2014, the FAO Dairy Price Index followed a downwards path and stood at 138 points in June 2016, or half its peak, reflecting a fall in import demand, particularly by China and the Russian Federation. Low prevailing international prices for dairy products are expected to revive world import demand, which could boost trade in dairy products by 1.5 percent to 73.2 million tonnes of milk equivalent in 2016.



III. Raw materials, horticulture and tropical products

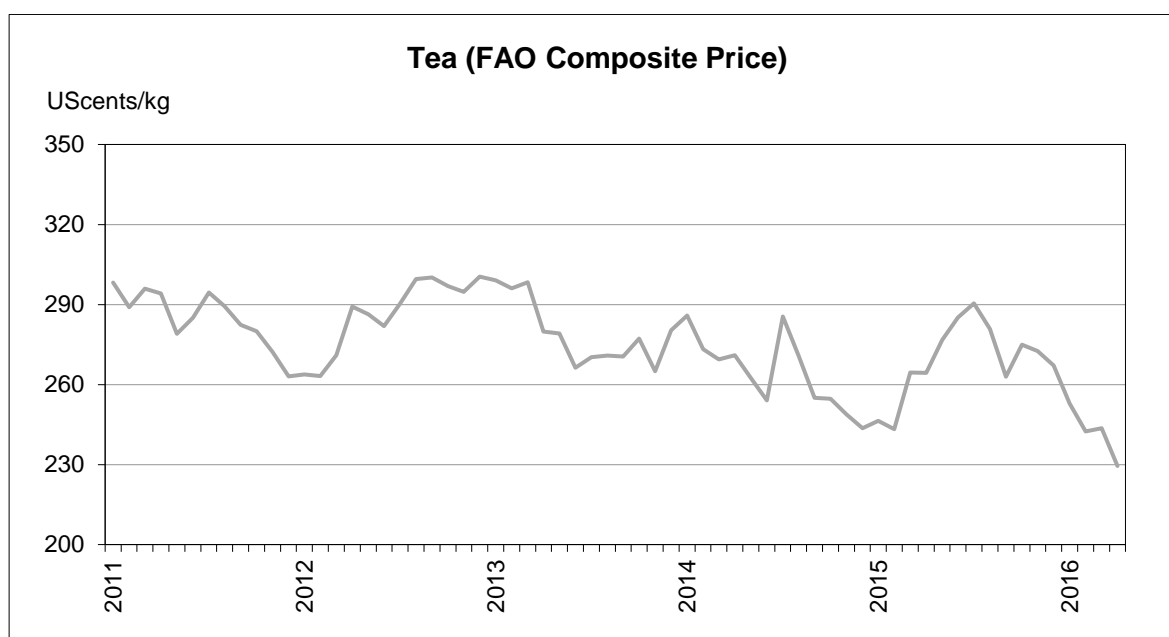
14. The production and exports of Raw Materials, Horticulture and Tropical products contribute significantly to the economies of many developing countries, in particular the least-developed countries (LDCs), as a major source of livelihood and revenue for millions of rural smallholders. They also contribute to ensuring food security by providing the necessary foreign exchange earnings that help cover food import bills. For example, in 2014, tea export earnings paid for more than 60 percent and 64 percent of Kenya's and Sri Lanka's food import bill, respectively, while pineapple exports covered about 40 percent of Costa Rica's food import bill. For bananas, export earnings covered more than the total food import bill for Ecuador, while they covered 40 percent and 27 percent of Costa Rica's and Guatemala's food import bill.

A. Tea

15. International tea prices, as measured by the FAO Tea Composite Price, remained firm over the last decade until 2014, when there was a 5.3 percent decline, mainly due to the weakening of CTC¹ tea prices. Average prices recovered in 2015, reflecting the recovery in CTC prices offsetting the decline in orthodox teas. However, towards the end of 2015 and the beginning of 2016 prices started to decline again. The market weakness reflected a contraction in imports by the Russian Federation and

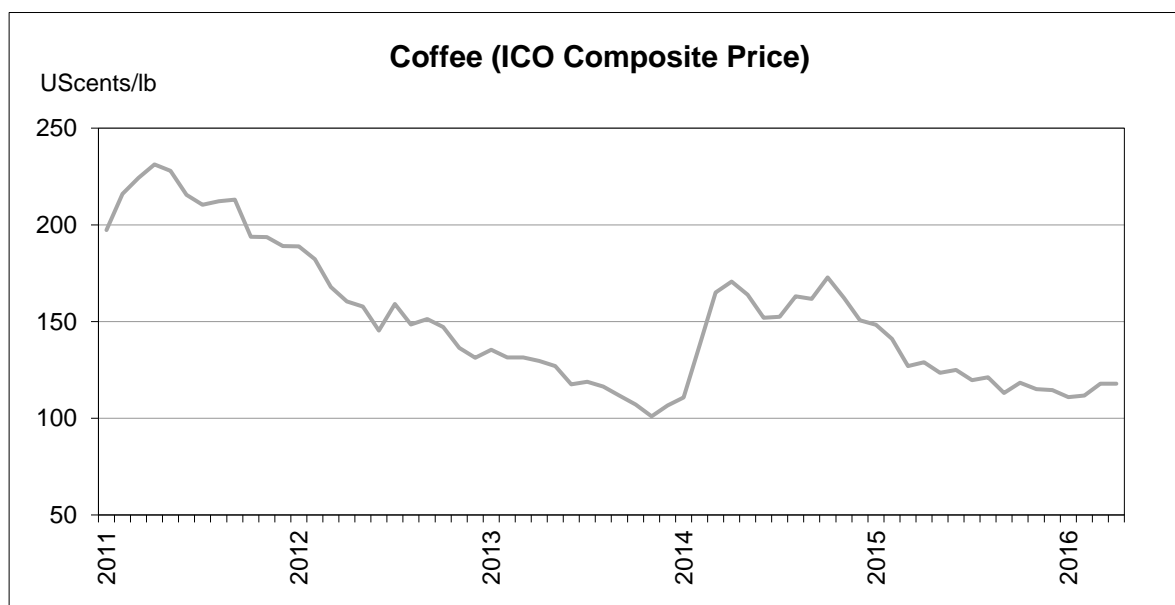
¹ CTC teas made through the Crush, Tear, and Curl (CTC) process of manufacture

countries in the Near East. Robust demand and associated high prices stimulated substantial supply increases over the past decade, resulting in significant growth in domestic consumption and trade. Export earnings at the global level more than doubled over the 10 years, from USD 2.58 billion in 2005 to USD 5.61 billion in 2014, contributing to improved rural incomes and household food security in tea producing countries. World tea consumption increased annually by 4.3 percent to 4.95 million tonnes over the decade to 2014. The expansion was underpinned by the rapid growth in per capita income levels, notably in China, India and other emerging economies. Growth in demand expanded significantly in most of the tea producing countries in Asia, Africa and in Latin America and the Caribbean. In China, consumption expanded spectacularly at an annual rate of 10.6 percent over the decade, reaching 1.67 million tonnes in 2014, or 34 percent of world tea consumption. India, with consumption at 1.02 million tonnes, was the second largest tea consumer in 2014, accounting for slightly more than 20 percent of the global total.



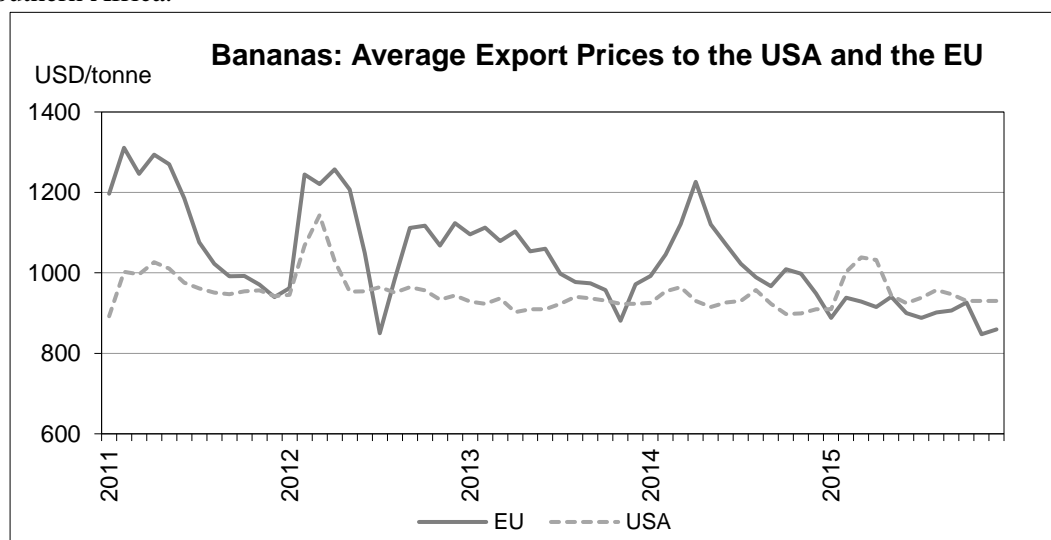
B. Coffee

16. After reaching their highest levels in 2011 coffee prices have been experiencing a downward trend over the last five years. This negative trend was shortly reversed in 2014 when the annual average of the ICO composite indicator price reached 155.26 US cents per pound compared to 119.51 US cents in 2013. The average of the first six months of 2016 represents a substantial decrease of 44.1 percent compared to 2011. In nominal terms, the level of 231.24 cents per pound recorded in April 2011 remains the highest monthly average since June 1977. In terms of the fundamentals of the coffee market, there has been a fragile supply/demand balance, a situation that is particularly worrying at the time when stocks are at their lowest levels. Production has further been threatened by the effects of climate change and crop diseases, which have been observed in a number of major producing countries. World production is estimated at 8.7 million tonnes in crop year 2015/16, relatively the same level of production as in 2014/15. It should be noted that increasing costs of production are likely to reduce good agricultural practices in a number of exporting countries as well as reducing their potential to produce good quality coffee. World consumption continues to increase as it was estimated at 9.1 million tonnes in calendar year 2015 compared to 8.4 million tonnes in 2011. Total exports of all forms of coffee (green, roasted and soluble) were estimated at 6.8 million tonnes in 2015.



C. Bananas

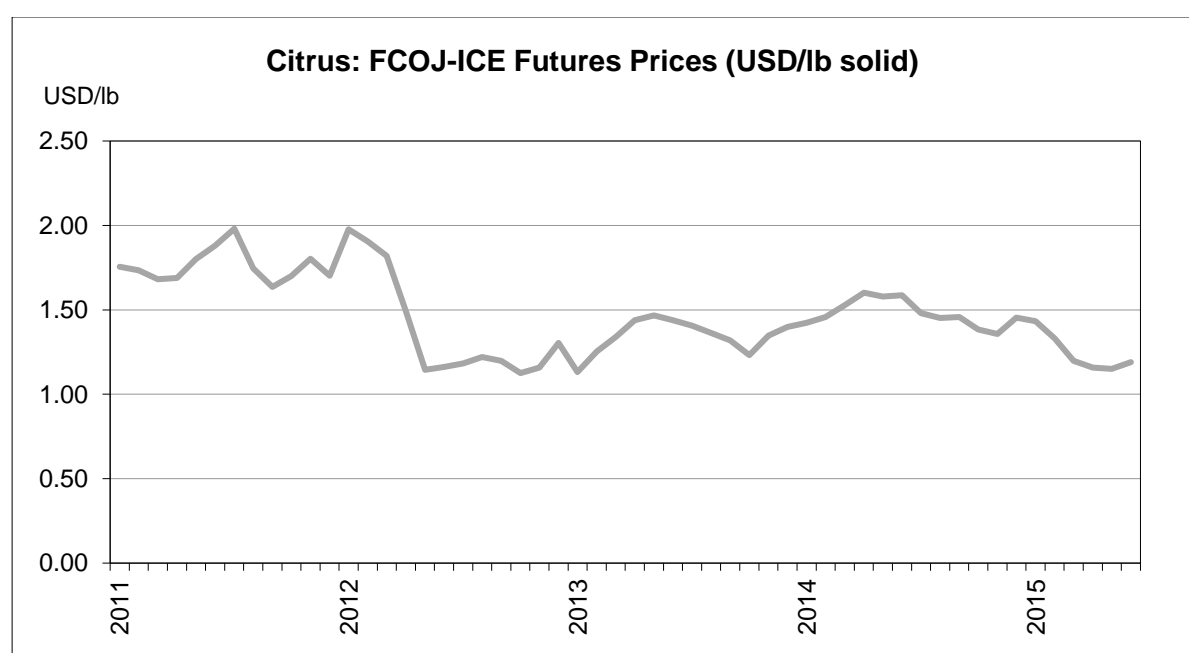
17. Global production of bananas expanded at a fast pace in 2014, mainly driven by favourable weather conditions, improved production techniques and lower energy (oil) prices in major producing countries, including India and Ecuador, which recorded double digit growth. Global exports grew by 7.3 percent to reach an unprecedented 19 million tonnes in 2014, and the major exporting countries, namely Ecuador, Guatemala, Costa Rica, Colombia and Philippines, achieved from 8 to 15 percent export volume growth. The growth in export was underpinned by rising demand in Europe and the United States. A combination of low retail prices and consumers' growing health awareness stimulated demand increases in the United States and the European Union. Downward pressure on prices remained strong in light of growing supplies and fierce competition among traders and retailers, particularly in the European Union and United States. In December 2014, import prices in the United States were on average 1.5 percent lower than the year before. In the European Union, the rise in prices of domestically produced bananas and of imports from ACP countries was offset by the decline in prices of bananas from the so-called Dollar Zone countries in Latin America. The spread of the fungus disease code-named TR4, which severely affected the production of Cavendish bananas and other local varieties in Australia, China, Indonesia, Malaysia and the Philippines, continues to be a major cause for concern. In affected regions, TR4 is threatening the livelihoods of local populations and income opportunities for smallholder banana farmers. The recent discovery of TR4 on farms in northern Mozambique sparked additional concern that the disease may soon affect production in East and Southern Africa.



D. Citrus

18. World production of citrus declined slightly in 2015, influenced by a continuing decline in the production of oranges in the United States. In 2015, the United States orange production dropped by about 1 million tonnes to 4.8 million tonnes, as a result of crop damages caused by the citrus greening disease. After growing over 10 percent annually for almost three decades, citrus production in China increased only by about 1 percent in 2015, while production in Brazil was up by 3 percent to 16.7 million tonnes boosted by higher yields, but still some 20 percent below its peak output level.

19. The global declining trend in orange juice consumption, although slowing in the recent years, was also a major driver behind slower growth in world citrus production. Trade in fresh citrus fruits have long been regionalized. While fluctuating over seasons and varieties, prices for citrus fruits, including oranges, tangerines and grapefruits in nominal terms have been flat and displayed a relatively low volatility, in particular in comparison with other agricultural commodities over the past decade.

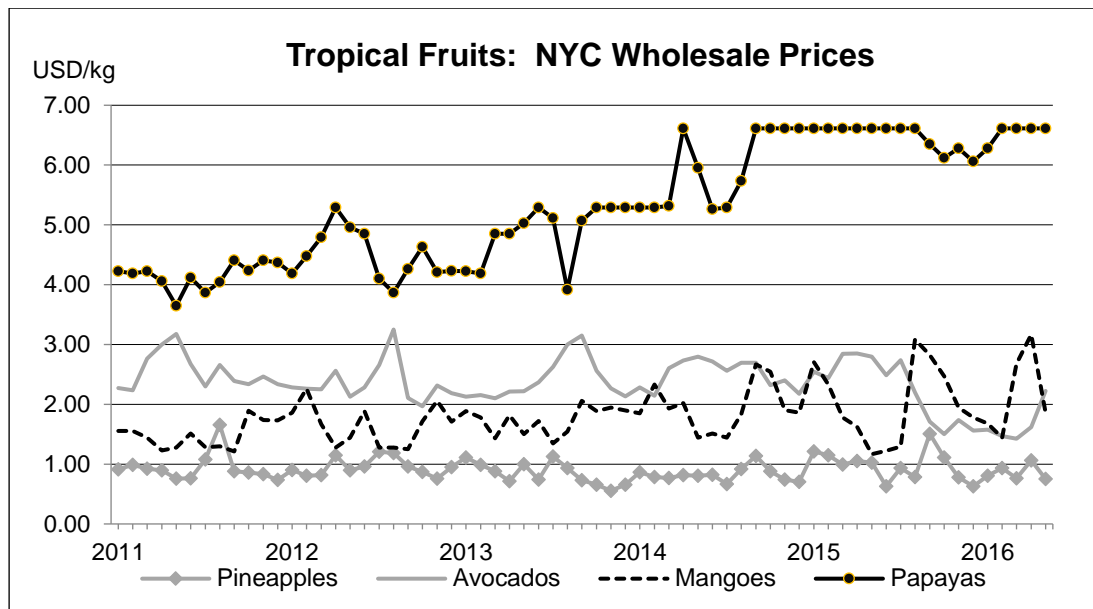


E. Tropical fruits

20. World production and trade of tropical fruits have risen rapidly over the past decade, reaching 111 million tonnes in 2014. Mango production continued to dominate, accounting for 41 percent of world fresh tropical fruit production, followed by pineapple, papaya and avocado. Global trade of major fresh tropical fruits was estimated at 6.3 million tonnes in 2015, generating USD 6.1 billion in value.

21. Rising incomes and population growth especially in affluent urban areas of emerging economies, particularly in India and China, have contributed to boosting consumption of tropical fruits. In developed countries, import demand has been stimulated by the growing health awareness and particularly the perceived health benefits linked to the consumption of the nutrient-rich tropical fruits. As a result, major tropical fruits have started to shift from being niche novelty products to being widely available in grocery outlets, particularly in the United States, the United Kingdom, China and Germany. This has encouraged a growing number of traders and retailers to engage in the import of both fresh and processed tropical fruits, which is increasingly jeopardizing the bargaining position of smallholder farmers. In recent years, avocado has been the most sought after tropical fruit. Between 2010 and 2015, global import volume of avocados virtually doubled, reflecting rapid increases in

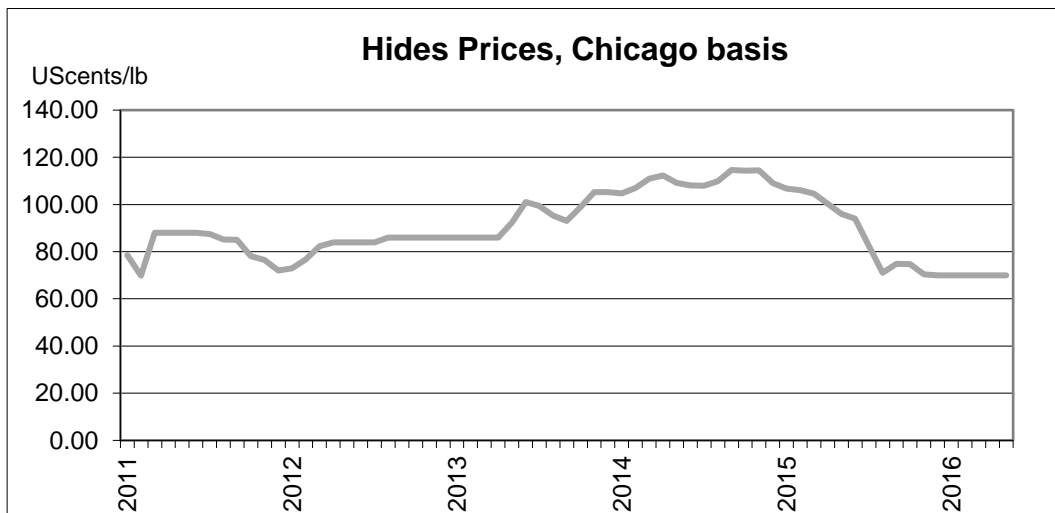
demand. Global import value of mangoes, the second largest tropical fruit in terms of trade volume behind pineapple, benefitted from strong price rises as growth in demand outpaced growth in supply. International import prices of pineapples have been mostly flat due to shortened harvesting periods and temporary oversupply in major producers. Developing countries, and especially their smallholder farmers remain the major suppliers of tropical fruits. About 99 percent of tropical fruits are produced in developing countries: 60 percent in Asia; 25 percent in Latin America; and 14 percent in Africa. Tropical fruits also contribute significantly to food security, through revenue generated from exports of these fruits.



F. Hides and skins

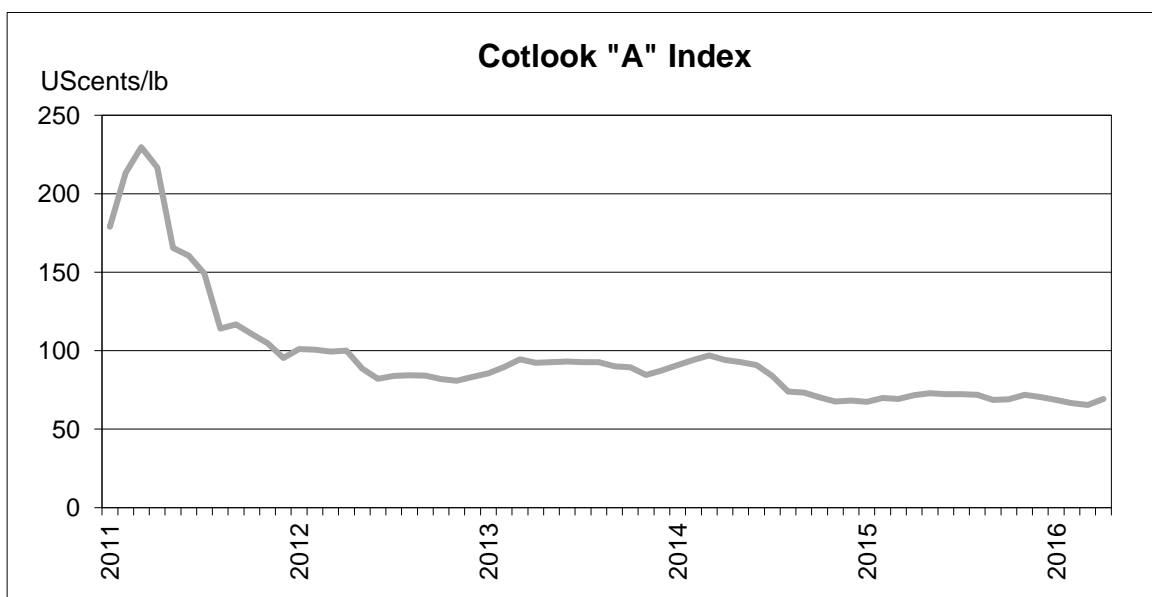
22. After a marked decline in 2008 due to the global financial crisis, international prices for hides began to recover by mid-2009, rising steadily until late 2014. The upward trend was prompted by rising raw hides and skins import demand from major markets, notably China and the EU, as an input for manufacturing leather-based products, including shoes, bags, and other leather consumer goods. However, by the beginning of 2015, prices of hides began to decline, reflecting a contraction in demand from China associated with a slowdown in economic activity.

23. Overall, a decline in global demand for luxury goods has so far affected the hides and skins markets. In Europe, demand remains strong only for some segments, namely the automotive and footwear. The second half of 2015 and the beginning of 2016 saw little variation in prices, with international quotations for hides remaining constant at around US cents 70 per pound.



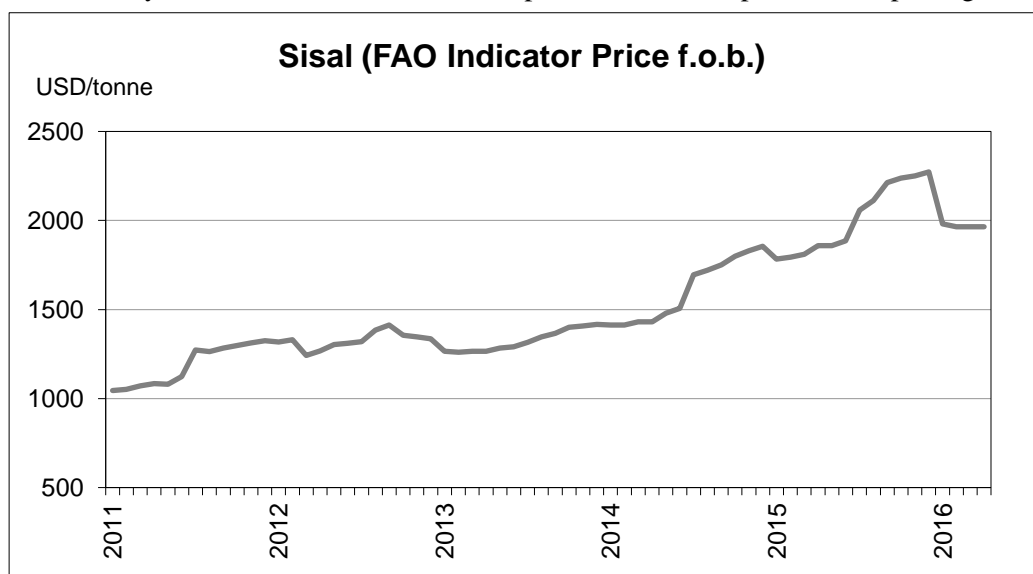
G. Cotton

24. Since August 2014, the Cotlook A Index has been fluctuating between USD 1.44 per kg and USD 1.63 per kg, which was substantially lower than its peak of USD 5.06 per kg in March 2011. Cotton price support policies in several major producing countries and large world cotton stocks underpin the current steady but lower cotton price levels. A weaker demand in recent years has also contributed to the low international cotton prices. In 2015/16, world cotton consumption is set to decline by 3 percent to 23.6 million tonnes due primarily to low polyester prices and weak global economic growth. After reaching a record level of 10.9 million tonnes in 2007/08, cotton mill consumption in China is expected to decline to 6.7 million tonnes in 2015/16 largely driven by higher labour costs and lower exports of textiles and clothing. On the other hand, cotton mill consumption in India is foreseen to rise by 4 percent to 5.4 million tonnes in 2015/16 due to favourable textile export policies, well integrated supply chain and competitive production cost advantage. In 2015/16, world cotton production is expected to drop sharply by 17 percent to 21.8 million tonnes as the world cotton area declined and many countries experienced below-average yield. World cotton stocks are anticipated to decrease by 8 percent to 20.4 million tonnes in 2015/16, as China begins to sell cotton from its national reserve and reduce its imports to less than 1 million tonnes. This is far below its peak level of 5 million tonnes in 2012. However, as world cotton stocks remain relatively high, about 90 percent of world mill consumption, any significant appreciation in the world cotton prices would be capped in the near future.



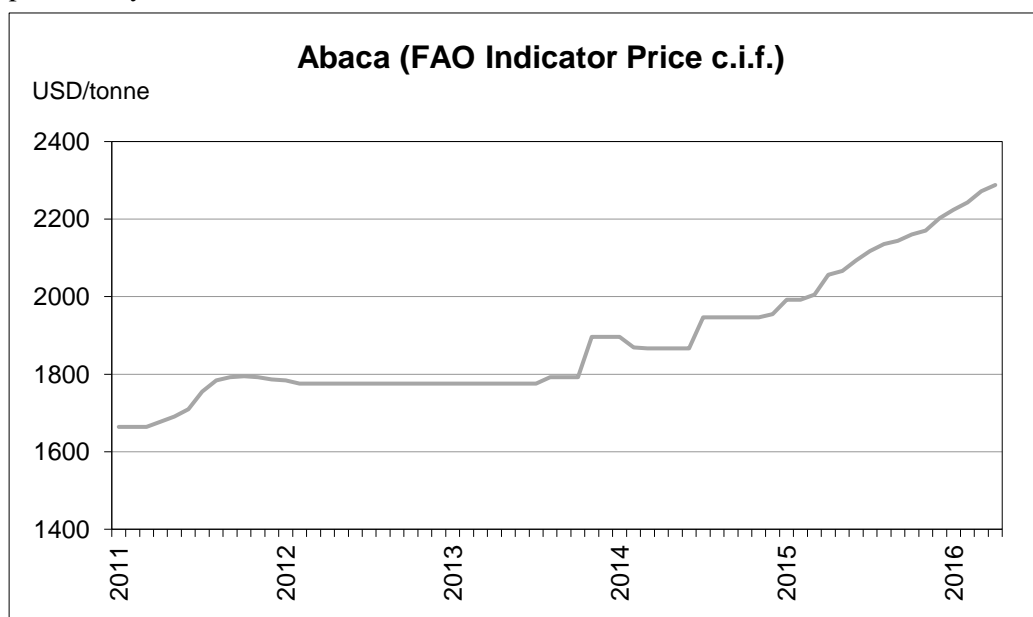
H. Sisal

25. Sisal prices continued to increase in 2014 and 2015 as demand for sisal fibres, particularly for production of building composites, exceeded supplies. East African prices averaged USD 2 133 per tonne for 3L and USD 2 010 per tonne for UG in 2015, peaking in December 2015 at USD 2 350 per tonne and USD 2 195 per tonne, respectively. Prices for Brazilian sisal increased from an average of USD 1 059 per tonne in 2013 to USD 1 577 per tonne in 2015, as supplies had not recovered from consecutive droughts experienced in 2012 and 2013, coupled with the weakening of the Brazilian Real against the US Dollar. Exports of sisal fibre were about 96.2 thousand tonnes in 2014, a 12 percent increase from the previous year, while exports of sisal manufactures in 2014 declined by 11 percent, significantly less by about 35 000 tonnes than the over 100 000 tonnes averaged at the beginning of the decade, reflecting the demand for fibres for the production of composite building materials both domestically in Tanzania, as well as for the production of composites in importing countries.



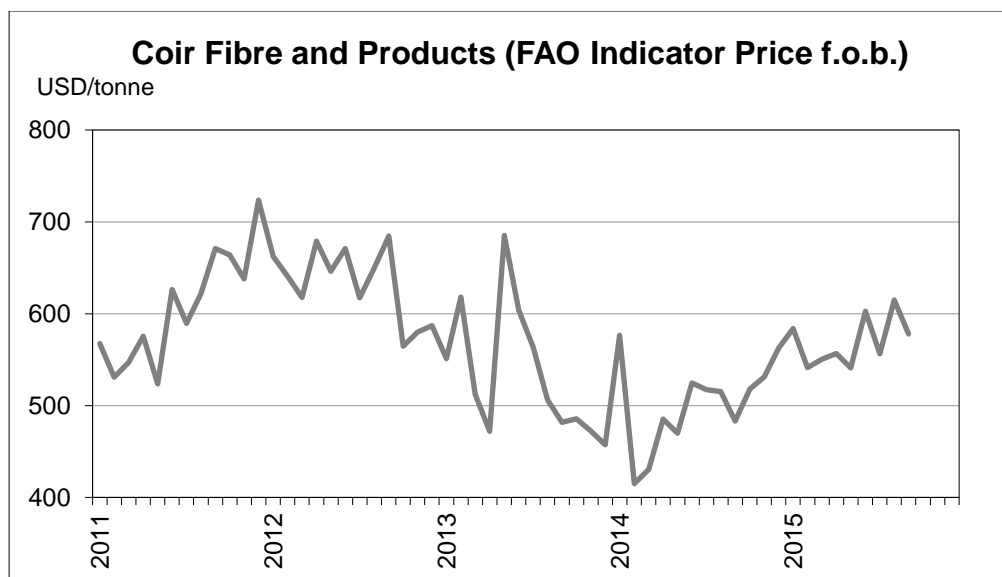
I. Abaca

26. After sharply increasing in the second half of 2013, abaca prices declined slightly in the first half of 2014, before increasing steadily again until the first quarter of 2016, reaching peak price levels attained in 2008, as demand for abaca for production of coffee filters and tea bags steadily grew, particularly in the EU.



J. Coir

27. Coir prices declined slightly from USD 534 per tonne in 2013 to USD 502 per tonne in 2014, but recovered in 2015 to an average of USD 569 per tonne. Twine and yarn prices followed a similar trend, but yarn prices were not as volatile as twine prices, and mattress, bristle and twisted fibre prices have remained relatively stable since 2013. Greater exports, particularly to China, the EU and Australia for the manufacture of coir products, such as planting medium for raising seedlings, were responsible for the surge in demand in 2015 and resultant firmer prices. Exports of coir fibre have shown a pronounced upward trend in 2014, up 22 percent from 2013. In 2014, total fibre exports were more than triple those of 2005, while only relatively small amounts of coir manufactures are exported. Substantial growth has taken place in coir fibre imports into developed countries and in China, which accounted for nearly 70 percent of total imports in 2014.



K. Jute

28. After recovering in 2013, prices increased steadily from the last quarter of 2014 to the beginning of 2016, when prices reached a record high of USD 880 per tonne in March 2016, as demand continued to outstrip supplies at increasing price levels. World exports of jute goods declined by about 10 percent, while jute fibre exports fell 44 percent in 2014/15 as Bangladesh imposed export restrictions followed by a total ban in 2015/16, due to continuous supply shortfalls to support domestic value addition policies. Bangladesh dominates world exports of jute, accounting for about 84 percent of world exports of raw jute and nearly 80 percent of jute goods in 2014/15. India is also a significant exporter of jute goods despite its huge domestic demand. However, India's jute goods exports declined by nearly 40 percent, due to the enforcement of regulations regarding packaging agricultural commodities such as coffee and sugar using jute bags. Exports from Nepal, the third largest exporter of jute goods, have remained steady. Imports of raw jute in 2014 declined by 16 percent from 2013 totalling 265 700 tonnes. Asia accounted for nearly 80 percent of raw jute imports, totalling 210 400 tonnes, with Pakistan, the major importer in 2014, followed by Nepal. World imports of jute goods in 2014 amounted to 967 800 tonnes, reflecting a significant rise in comparison with the average for the last decade of nearly 600 000 tonnes. The Near East remained the largest importing region, with Turkey, the major market showing steady growth. Imports into Asia, the second largest importing region, decreased by 12 percent, mainly due to an Indian import restriction of Bangladesh products. Other smaller markets for jute goods include the EU, Africa and North America.

