

food outlook

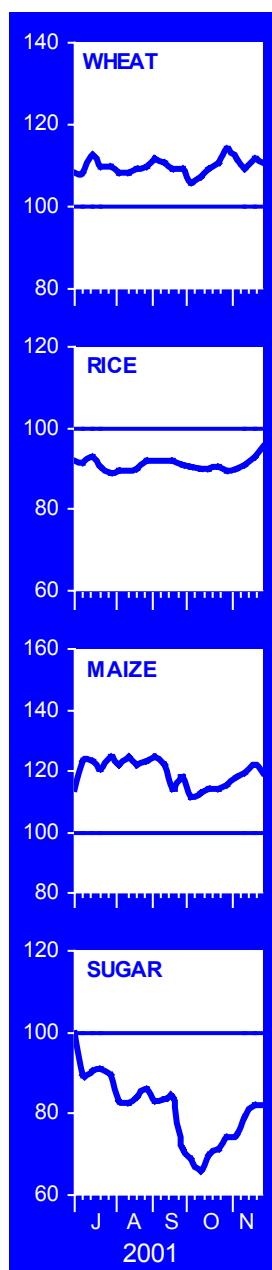
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highlights

EXPORT PRICES

(July 2000=100)



Latest information indicates a slightly larger global cereal output in 2001, of 1 870 million tonnes (including rice in milled terms). However, even at this level, production would still be less than the anticipated utilization requirements in 2001/02, leading to a significant draw-down of cereal stocks.

While Afghanistan currently faces a grave food supply situation, food emergencies persist in many other countries (see box on page 6).

World cereal trade in 2001/02 is forecast at 233 million tonnes, unchanged from the previous season's estimated volume. Stronger demand for wheat and rice would be offset by a reduction in coarse grain trade.

International prices for most cereals have changed little since September. Wheat prices have fallen below the previous year's levels, reflecting relatively large export supplies and slack import demand. Large maize inventories, on top of abundant supplies of feed wheat, continue to weigh on feed grain prices, while new rice crop supplies on the market have kept international rice prices under pressure in the past three months.

Total cereal food aid in 2001/02 (July/June) could increase by 1 million tonnes, to 9.5 million tonnes (in grain equivalent), after a sharp drop in the previous season. Latest information puts total shipments in 2000/01 at 8.5 million tonnes, 24 percent smaller than in 1999/2000.

Cereal import bills could rise in 2001/02. Should the current forecasts for cereal trade, food aid and prices for 2001/02 materialize, the more vulnerable and food deficit regions could face larger cereal import bills this season than in 2000/01.

Global milk output in 2001 is forecast at 585 million tonnes, up 2 percent from the previous year. Although the international dairy market was well-balanced up until mid-2001, prices of dairy products have weakened somewhat in recent months due to reduced import demand.

Global sugar demand in 2001 is currently forecast to reach 130.7 million tonnes, up by about 2 million tonnes from the previous year, and overtaking annual production, now forecast at 129.4 million tonnes, for the first time in seven years. Although early indications point to a production deficit also in 2002, adequate global stocks are expected to ensure continued market stability throughout 2002.



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BASIC FACTS OF THE WORLD CEREAL SITUATION

	1997/98	1998/99	1999/2000	2000/2001	2001/02 forecast	Change 2001/02 over 2000/2001
WORLD PRODUCTION ^{1/}	(..... million tonnes) (percentage)					
Wheat	614	598	591	585	575	-1.6
Coarse grains	902	915	888	874	900	3.0
Rice, milled	387	390	409	398	394	-1.0
(paddy)	(579)	(584)	(612)	(596)	(590)	-1.0
All cereals (incl. milled rice)	1 903	1 904	1 888	1 857	1 870	0.7
Developing countries	1 003	1 044	1 039	998	1 007	0.9
Developed countries	900	860	849	859	863	0.5
WORLD IMPORTS ^{2/}						
Wheat	102	99	109	103	105	1.6
Coarse grains	89	96	103	107	105	-1.9
Rice (milled)	28	25	22	23	23	1.9
All cereals	218	220	234	233	233	0.0
Developing countries	160	161	170	171	171	0.1
Developed countries	59	59	65	62	62	-0.2
FOOD AID IN CEREALS ^{3/}	6.2	11.3	11.2	8.5	9.5	12.2
WORLD UTILIZATION						
Wheat	588	591	595	601	611	1.7
Coarse grains	890	894	898	905	921	1.8
Rice (milled)	381	390	404	407	410	0.9
All cereals	1 858	1 875	1 897	1 912	1 942	1.6
Developing countries	1 104	1 132	1 153	1 157	1 176	1.6
Developed countries	755	743	743	755	766	1.5
Per Caput Food Use	(..... kg/year) (percentage)					
Developing countries	167	168	169	168	169	0.3
Developed countries	131	131	131	132	132	-0.1
WORLD STOCKS ^{4/}	(..... million tonnes) (percentage)					
Wheat	251	258	252	237	201	-15.2
Coarse grains	256	272	262	235	213	-9.3
Rice (milled)	153	156	163	155	139	-10.7
All cereals	660	686	677	628	553	-11.9
Developing countries	491	512	515	467	410	-12.4
Developed countries	169	174	162	160	143	-10.5
EXPORT PRICES ^{5/}	(..... US\$/tonne) (percentage)					
Rice (Thai, 100%, 2nd grade) ^{1/}	316	315	253	207	177 ^{6/}	-15.3 ^{7/}
Wheat (U.S. No.2 HRW)	142	120	112	128	127 ^{8/}	3.2 ^{7/}
Maize (U.S. No.2 Yellow)	112	95	91	86	90 ^{8/}	10.9 ^{7/}
OCEAN FREIGHT RATES ^{5/}	(..... US\$/tonne ..%) (percentage)					
From U.S. Gulf to Egypt	11.7	9.3	13.7	15.0	15.0 ^{8/}	-6.0 ^{7/}
LOW-INCOME FOOD-DEFICIT COUNTRIES ^{9/}	(..... million tonnes ..%) (percentage)					
Roots & tubers production ^{1/}	388	414	422	430	432	0.4
Cereal production (milled rice) ^{1/}	779	811	813	771	768	-0.4
Per caput production (kg.) ^{10/}	216	221	218	204	201	-1.6
Cereal imports ^{2/}	78.7	73.7	74.1	72.2	74.5	3.2
of which: Food aid	5.5	8.4	7.6	7.4		
Proportion of cereal import covered by food aid	(..... percentage ..%) (percentage)					
	7.0	11.4	10.2	10.3		

Source: FAO

Note: Totals and percentages computed from unrounded data.

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

Cereals

GLOBAL OUTLOOK^{1/}

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

● stable ▲ up ▼ down

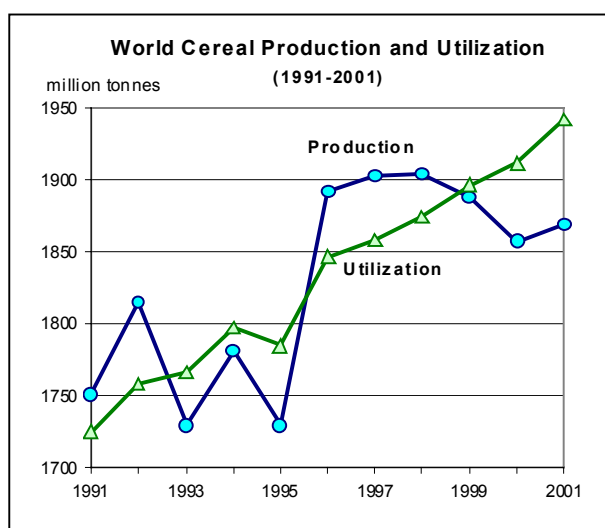
^{1/} The signs refer only to the direction of change from the previous marketing season. ^{2/} Tentative.

Supply/Demand Roundup

As 2001 draws to a close, firmer information regarding the cereals harvests, just now being completed, indicates that global production will exceed earlier expectations and reach 1 870 million tonnes (including rice in milled equivalent). The upward revision mostly reflects better than expected results for recently completed grain harvests in some of the CIS countries in Asia and Europe, for maize in the United States, and for some rice crops in Asia. Nevertheless, at the current forecast level, output would be only marginally above the previous year's crop which, given the forecast for a 1.6 percent increase in total cereal utilization in 2001/02, would imply a significant drawdown in stocks.

FAO's forecast for world wheat **production** in 2001 now stands at 575.5 million tonnes, about 11 million tonnes up from the forecast in October, but still about 1.6 percent down from last year and well below the average of the past five years. The latest revision is largely the result of significant increases to the estimates for some CIS countries, both in the European and Asian regions, in particular the Russian Federation and Kazakhstan, where the recovery in production after last year's drought is stronger than expected. Elsewhere, some upward revisions have also been made for eastern Africa and for Australia, where results from the ongoing harvest are better than forecast earlier.

The bulk of the winter wheat crops for harvest in **2002** have already been planted in the major producing countries in the northern hemisphere. In North America, early indications in the United States point to a slight increase in area after last year's exceptionally low plantings, but the average condition of emerging crops is poorer than normal in many parts of the wheat plains due to drought in recent weeks. Dry weather is also hampering winter wheat development in parts of Asia, particularly in parts of China, where after a prolonged period of dry conditions, moisture levels are reported to be well below optimum for satisfactory crop development. In Europe, conditions have been generally favourable for winter grain planting throughout the EC and in central and eastern parts down into the western Balkans. However, further to the south in Romania and Bulgaria, and in the European CIS countries, dry weather has hampered winter grain sowing and adversely affected crop establishment.



FAO's forecast for the 2001 world coarse grain output has been revised upward by 15 million tonnes since October, to 900 million tonnes, almost 3 percent up from last year. As for wheat, a large part of the latest revision stems from new information on the harvest outcome in several CIS countries. A significant revision has also been made to the official estimate of coarse grains output in the United States, as late planted crops have benefited from unexpectedly favourable conditions leading to higher yields than expected earlier. Also in Africa, some upward revisions have been made to estimates for the western and eastern subregions in particular, where most harvests have recently been completed.

Harvesting of the 2001 main paddy crop in the northern hemisphere is well advanced and many countries are releasing firmer estimates of the size of their crops. FAO's forecast for world rice (milled) output in 2001 has been raised by 2 million tonnes since the October report, to 394 million tonnes, mainly on account of upward adjustments in Bangladesh, India and China. At this level, global production in 2001 would be about 4 million tonnes, or 1 percent, down from the previous season.

World cereal **trade** in 2001/02 is now forecast at 233 million tonnes, unchanged from the estimated volume in the previous season. World trade in wheat and wheat flour (in wheat equivalent) in 2001/02 (July/June) is currently put at 105 million tonnes, 1.5 million tonnes more than in the previous season. An estimated 2 million tonnes increase in wheat imports among the developing countries, into the LIFDCs in particular, would more than offset reduced shipments elsewhere. Global coarse grain imports in 2001/02 (July/June) are now forecast to decline by 2 million tonnes, from the previous season, to 104.5 million tonnes. The decline is largely accounted for by lower shipments to the developing countries, although imports by the LIFDCs group are expected to remain at about last year's level. Global rice trade in 2002 (calendar year) is tentatively forecast to rise to 23.3 million tonnes (in milled equivalent), 2 percent above the current forecast for 2001 following reduced 2001 crops in some important traditional importers. FAO's latest forecast for rice imports in 2001 stands at 22.8 million tonnes, 400 000 tonnes more than anticipated earlier and 1.3 percent above the estimate for 2000.

World Cereal Supply and Demand

	1999/00	2000/01 estimate	2001/02 forecast
	(. million tonnes)		
Production ^{1/}	1 888	1 857	1 870
Wheat	591	585	575
Coarse grains	888	874	900
Rice (milled)	409	398	394
Supply ^{2/}	2 574	2 535	2 498
Utilization	1 897	1 912	1 942
Trade ^{3/}	234	233	233
Ending Stocks ^{4/}	677	628	553

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

World cereal **utilization** by the end of the seasons in 2002 is forecast to reach 1 942 million tonnes, up 9 million tonnes from the previous forecast in October. At this level, world cereal utilization would be 30 million tonnes, or 1.6 percent, more than in the previous season and 1 percent above the 10-

year trend. The continuing weak cereal prices is the most important factor for faster growth in cereal utilization. Among the major cereals, wheat consumption is expected to register the sharpest increase, a development which also reflects larger utilization of lower quality wheat, mostly for animal feed. Total use of coarse grains is also likely to demonstrate a notable increase, especially for industrial use, while feed demand is also likely to expand. Rice consumption is likely to keep pace with the increase in population but the expected contraction in global rice output could result in a small reduction in non-food use of rice in some countries.

The forecast for world cereal **stocks** by the close of crop years ending in 2002 has been lowered by 9 million tonnes since the previous report in October, to 553 million tonnes. The latest downward revision is largely a result of adjustments to the historical domestic utilization estimates for wheat and maize in China. At the current forecast level, world cereal stocks would be 75 million tonnes, or 12 percent, below their already reduced opening levels. However, the bulk of this decline is accounted for by China, where domestic cereal production is forecast to fall, while total utilization would continue to increase. World wheat stocks by the close of the seasons ending in 2002 are forecast to drop to 201 million tonnes, down 6 million tonnes from the October forecast and 36 million tonnes, or 15 percent, below their opening levels. Apart from China, the wheat stocks of the major wheat exporting countries are also expected to fall, bringing a sharp drop in their share of global stocks. As a measure of availabilities, the ratio of their aggregate wheat stocks to their total disappearance (the sum of their domestic consumption and exports) could fall to 16.5 percent, the lowest since the price-hike period in the mid-1990s. The forecast for world coarse grain inventories for crop years ending in 2002 has been lowered by 5 million tonnes since the previous report to 213 million tonnes, down 22 million tonnes, or 9 percent, from the previous year. Again, apart from China, ending stocks in all major exporting countries are also forecast to decrease. As for wheat, the ratio of their stocks to total disappearance is expected to drop. The forecasts for world rice stocks at the close of the marketing seasons in 2002 has been raised by 2 million tonnes to nearly 139 million tonnes, which nevertheless remains below their estimated opening level by 17 million tonnes. The recent upward revision mostly reflects the improved production outlook in China, which will imply a smaller drawdown from inventories than previously anticipated. Although the major exporters are expected to account for the bulk of this season's contraction, stocks are expected to fall also in some importing countries.

Afghanistan in the Grip of a Deepening Food Crisis while Food Emergencies Persist in Many other Countries^{1/}

While Afghanistan currently faces a grave food supply situation, food emergencies persist elsewhere in the world.

In **eastern Africa**, despite abundant rains in the summer months that generally improved prospects for the 2001 food crops, successive poor rains in most pastoral areas, particularly in Somalia, Kenya and Ethiopia, continue to cause acute food shortages and migration of thousands of people in search of food, water and pasture. Recent or ongoing civil conflicts have also seriously disrupted food production and distribution in some areas. In Somalia, despite recent showers that eased severe water shortages in parts, up to 800 000 people may face severe food difficulties due to poor 2001 main season crops. Despite the good harvests in the previous two cropping seasons, slow recovery from a succession of droughts in recent years and long-term effects of years of insecurity have undermined households' ability to withstand shocks. In Eritrea, good main season rainfall from June has improved the food outlook. However, a large number of people remain displaced and dependent on emergency food assistance. In Kenya, overall food supply has improved due to favourable rains in major cereal producing areas, but a sharp decline in maize prices is negatively impacting on farmers' incomes. In northern and eastern parts, hopes of recovery for pastoralists from the effects of the recent devastating drought have again been dashed by extended drought and poor weather outlook. In Ethiopia, abundant rains in major agricultural areas preceded by a favourable short rains harvest, have significantly improved the food supply situation. However, food shortages and unseasonable migration of people and their livestock are reported in the in pastoral areas due to persistent drought. In Sudan, despite extensive floods in parts that displaced tens of thousands of people, overall prospects for current crops have improved. In Tanzania and Uganda, the overall food supply situation is adequate following recent good harvests and improved pastures. Nevertheless, food difficulties remain in parts, due to localized drought conditions and/or insecurity. Food production continues to be disrupted in Burundi due to insecurity. In **western Africa**, the food supply situation should improve in Burkina Faso, Chad and Niger following better harvests compared to last year. Sierra Leone, Liberia and Guinea continue to require international food assistance due to past or ongoing civil strife. In **central Africa**, the food situation of some 2.5 million internally displaced people in the Democratic Republic of Congo continues to be of serious concern. In **southern Africa** serious food shortages are emerging in parts of Malawi, Mozambique, Zambia and Zimbabwe due to reduced harvests. In Angola, insecurity and population displacement continue unabated, with over one million people depending on food aid.

In **Asia**, Korea, DPR faces a food deficit of over 1 million tonnes which needs to be covered by food aid until October 2002, despite an improved harvest this year. Mongolia continues to need food assistance as a result of extremely harsh winters in recent years that killed large numbers of livestock, rendering nomadic herders highly food insecure. In Cambodia, China, India, Pakistan, Viet Nam and Sri Lanka, drought, monsoon floods, cyclones or typhoons have affected the livelihoods of hundreds of thousands of people, who need assistance from their governments or external donors. In the **CIS** countries in Asia, more than 2 million people need food assistance due to a prolonged severe drought, the worst affected countries being Tajikistan and Uzbekistan, while the food supply situation remains tight in Armenia, Azerbaijan and Georgia.

In the **Near East**, the food situation in Afghanistan is very serious following recent displacements and military action. Even before the events of 11 September, the country was gripped by a grave food crisis following three consecutive years of drought and persistent civil conflict. Fresh waves of population displacements at the critical planting time for wheat, the main staple, point to a food situation that needs close monitoring and urgent action. In Iraq and Jordan prolonged drought has seriously reduced crop and livestock production, leaving thousands of small farmers and herders in need of assistance. The food situation in the West Bank and the Gaza Strip also gives cause for serious concern. In **Latin America and the Caribbean**, access to food has become difficult for over one million rural people due to adverse weather conditions, combined with increasing unemployment as commercial coffee plantations close in response to falling world prices. The worst affected countries are El Salvador and Honduras. In **Europe**, refugees, IDPs and vulnerable populations in the Federal Republic of Yugoslavia and in Chechnya in the Russian Federation continue to require emergency food assistance.

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

International **prices** for most cereals have changed little since the previous report. In November, the U.S. wheat No. 2 (HRW, fob) averaged US\$128 per tonne, up slightly since September but some US\$2 per tonne below the price a year earlier. Wheat prices have slipped below the previous year's levels in recent months, despite a decline in global wheat production this year. However, this could be explained by the existence of relatively large export supplies in a number of important wheat producing countries as well as the absence of any significant improvement in world import demand. After falling sharply between August and October, international maize prices have risen somewhat in recent weeks. Most supportive to prices is this year's expected drop in production in the United States. In November the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US\$90 per tonne, up US\$6 per tonne since September. However, large maize inventories, on top of abundant supplies of feed wheat, will continue to weigh on prices. International rice prices have come under pressure in the past three months from the arrival of new crops on the market. The FAO Rice Export Price Index fell by 1 point to 88 in September and again in October, to 87, but held steady in November. Both high and low quality rice prices have come under pressure to the same extent.

Current Production and Crop Prospects

Position by Region

- Asia

Far East: In China, **wheat** production in 2001 is now officially estimated at 93.9 million tonnes, down by 6 percent from 2000 as a result of unfavourable weather conditions and reduced planted area. The key winter growing provinces have recently received some beneficial rainfall for the emerging winter wheat crop, but not enough to offset the extreme dryness resulting from drought in the previous months. More rain is needed to ensure good development of crops before winter dormancy and to build up soil moisture reserves. However, based on winter planting information and assuming normal weather conditions for the remainder of the season, wheat output in 2002 is tentatively forecast to remain at this year's level. Wheat production in India and Pakistan also fell in 2001, returning to the about-average levels of 68.5 million tonnes and 19 million tonnes respectively, after bumper crops in the previous year. In Pakistan, prospects for the winter wheat crop are reported to be satisfactory after adequate rainfall in the main producing areas. Currently, preparations are being made for planting the Rabi wheat crop. The official production target for wheat production in 2002 has been set at about 20 million tonnes.

The 2001 **coarse grains** crop in China is now estimated at 122.6 million tonnes, which is slightly above last year but remains below the 5-year average. Of the total, **maize** is estimated to account for 110.4 million tonnes, which is around 17 percent above last year but well below the average of the last 5 years. Total coarse grains output in 2001 in India is expected to be about average at some 30 million tonnes, of which maize is estimated to account for about 12 million tonnes. In Pakistan, harvesting of Kharif maize crop is underway and the 2001 coarse grains output is expected to decrease slightly from the previous year's level to about 2.1 million tonnes.

The forecast for China's (Mainland) **paddy** output in 2001 has been increased by 600 000 tonnes to 179.7 million tonnes from the previous report, following better than expected yields from the intermediate rice crop, the harvest of which was completed in October. At this level, output would be 4 percent smaller than in 2000, mainly reflecting a 9 percent and 5 percent contraction in the early and intermediate crops respectively. Since the record crop of 1997, the sector has experienced a steady contraction, which was accelerated in 2000, with the elimination of government protective prices for early indica rice. In India, harvesting of the Kharif crop is virtually complete in the northern states of the Punjab and Haryana but continues in the other provinces. Despite the occurrence in September of flooding in Uttar Pradesh, an important rice growing state, the forecast for aggregate paddy production in 2001 has been raised by 1 million tonnes to 132 million tonnes, up from the revised estimate for 2000 of 129.4 million tonnes. The adjustment follows the release, in October, of preliminary production estimates by the Directorate of Economics and Statistics, which put the main, rainfed, Kharif crop at 114.6 million tonnes (76.42 million tonnes, in milled equivalent), 3 million tonnes more than last season's Kharif crop.

In Indonesia, planting of the main 2002 rice crop is underway, while harvesting of the second 2001 crop is close to completion. Official estimates for 2001 put production at 50.1 million tonnes, marginally lower than the previous forecast. At this level, the aggregate output for the 2001 season would be 3.5 percent down from the record output achieved in 2000, despite generally favourable growing conditions. Much of the year-to-year decline is due to the low prices prevailing in the past and current year, which have induced a shift to other crops and discouraged proper input applications. In reaction, the Government is reported to be preparing a new rice production programme to assist paddy farmers during the production and marketing phases.

Although paddy crops in the Democratic Republic of Korea were first hampered by drought from March to May, favourable rainfall from mid-June to end August, a critical period for the country's paddy crop development, and improved availability of inputs have sustained a recovery from the extremely low levels of last year. Estimates from an FAO/WFP mission in

World Cereal Production – Provisional Estimate for 2001

	Wheat		Coarse grains		Rice (paddy)		Total	
	2000	2001	2000	2001	2000	2001	2000	2001
	(..... million tonnes)							
Asia	250.0	240.1	194.3	199.9	542.7	536.7	986.9	976.6
Africa	14.6	18.0	79.6	81.6	17.2	17.2	111.4	116.8
Central America	3.3	3.2	27.0	30.2	2.4	2.2	32.8	35.7
South America	20.6	23.2	63.1	71.9	20.8	19.7	104.5	114.8
North America	87.6	74.0	299.2	286.2	8.7	9.5	395.4	369.7
Europe	187.3	195.7	200.2	220.0	3.2	3.1	390.7	418.8
Oceania	21.5	21.3	10.6	10.4	1.1	1.8	33.2	33.5
WORLD	584.9	575.5	874.0	900.2	596.1	590.2	2 055.0	2 065.8
					(398)1/	(394)1/	(1 857)2/	(1 870)2/
Developing countries	268.5	259.7	348.8	371.0	570.8	564.1	1 188.1	1 194.7
Developed countries	316.4	315.8	525.2	529.2	25.3	26.1	866.8	871.1

Source: FAO

1/ Milled rice. 2/ Including milled rice.

September put the crop at 2.1 million tonnes, up from an earlier forecast of 1.8 million tonnes and some 20 percent more than last year. In the Republic of Korea, the paddy harvest is virtually complete, despite the delays incurred from late planting. Based on a Government crop survey in mid-September 2001, paddy production is estimated at 7.4 million tonnes, 300 000 tonnes less than the official forecast in August, but still 3 percent above the 2000 crop and the highest since 1990. Although the Government has already announced a set of measures to sustain producer prices, its action will be constrained by the WTO ceiling on the Aggregate Measurement of Support (AMS), more than 90 percent of which is absorbed by the rice sector.

Paddy production in Nepal in 2001 is officially estimated to have risen by 5 percent compared to 2000 to 4.2 million tonnes, 100 000 tonnes more than earlier anticipated. The year-to-year increase reflects improvements in yields, mainly supported by favourable growing conditions and a wider diffusion of improved rice varieties. In Thailand, harvesting of the main crop has just started in the central and northern regions under good weather conditions. Latest official estimates showed a 100 000 tonnes increase in the main crop from last season. Paddy production in 2001, originally forecast to remain stable, has accordingly been raised by an equivalent amount to 24.2 million tonnes, matching the record achieved in 1999.

Heavy rains and flooding in the Mekong Delta and central region in Viet Nam have reportedly delayed plantings of the winter-spring paddy crop, which will be harvested early next year. They have also hindered transportation of newly harvested rice onto the market. Paddy production in 2001 has been revised downward to 31.7 million tonnes, about the same level as last year, but 1 million tonnes below the record achieved in 1999. This outcome is also consistent with current

Government policies to encourage better quality production and the relaxation of the obligation to cultivate rice on certain paddy fields.

An assessment, as of 15 October, of the crop currently being harvested in Japan resulted in an upward revision in the paddy production forecast from 10.9 million tonnes to 11.3 million tonnes, mainly reflecting higher than expected yields following good weather conditions since July. Nonetheless, at the new forecast level, output would fall short by nearly 500 000 tonnes of the level achieved in 2000, a reflection of the paddy land diversion programme implemented by the Government.

No changes have been made to the forecasts for the other major rice producers in the region. In Cambodia, planting of the main paddy crop, which terminated in October, is estimated to have covered an area of about 1.9 million hectares, 40 000 hectares less than in 2000. The forecast of paddy production for the whole season stays at 4.3 million tonnes, 7 percent above last season, on account of smaller damage to flood this year. Indeed, the paddy area destroyed by the September and October floods was assessed to have been half as large as in 2000, when 400 000 hectares were lost. Excellent growing conditions in the Philippines led to some upward revisions in the official production figures. However, flooding caused by typhoon Lingling in early November resulted in rice losses of the order of 85 000 tonnes. On balance, the production estimate for the country remains at 12.8 million tonnes, still an all time high. Myanmar paddy production is also confirmed to have reached a record level, boosted by government expansionary policies and excellent growing conditions during the season. Crop prospects continue to be favourable also in Laos and Malaysia, where higher production is anticipated

this season. By contrast, a contraction is expected in Pakistan and Sri Lanka.

Near East: In Afghanistan, prospects for the 2002 **cereal** crops, for harvest in May/June, are unfavourable due to recent escalation of conflict and military action that has displaced a large number of people. Aggregate 2001 cereal production is estimated at 2 million tonnes, a slight recovery from last year but about 36 percent below the average of the past five years. In Iraq, the 2001 cereal crop, estimated at about 1.8 million tonnes, is about 9 percent below average. Similarly, production was well below average in Jordan due to drought conditions. In Syria, the 2001 cereal production, mainly wheat, strongly recovered from the previous two years drought-reduced crops and nearly doubled compared to last year. In Saudi Arabia, cereal production is estimated at 2.2 million tonnes, almost similar to last year and the average. In Turkey, however, production fell compared to last year's crop due to adverse weather. In the Islamic Republic of Iran, drought this year, for the third year in succession, has affected 20 out of the country's 28 provinces. The wheat output estimate for the year remains at 7.5 million tonnes, well below the normal level before the recent drought years. The country's paddy crop has been particularly affected by adverse weather as after suffering the effects of drought, the situation was aggravated in August by torrential rains and flooding that damaged rice crops in the important producing region of Mazandaran, in the northeast. Expectations for paddy output this season have accordingly been revised downward by 100 000 tonnes to 2.2 million tonnes, the lowest level for the last ten years.

CIS in Asia: In the CIS countries in Asia, except Kazakhstan, crop production has been severely compromised for the third year in succession due to exceptionally hot and dry weather conditions. Rainfed and summer crops in some areas completely failed, while in some other areas was reduced to less than half the average. The worst affected countries are Tajikistan and Uzbekistan, while food supply in Georgia, Turkmenistan, Armenia, Azerbaijan and Kyrgyzstan remains tight despite significant efforts to increase cereal areas. Chronic economic problems, dilapidated irrigation systems, shortages of agricultural inputs and other structural problems have compounded the effects of natural calamities and have increased food insecurity in the region. An FAO/WFP mission to Tajikistan in July this year estimated total cereal production at 295 000 tonnes, only 63 percent of the 1996-2000 average production levels. In Uzbekistan cereal output declined to 3.4 million tonnes, about 1 million tonnes below the harvest in 1999 when production was considered average. The worst affected areas in Uzbekistan are Karakalpakstan and Khorzham where most of the summer crops failed or could not be planted. Food insecurity in the region remains critical due to diminishing capacity to import, few sources of foreign exchange earnings and a chronic disequilibria in the economy as well as lack of alternative sources of livelihood at the household level.

In Kazakhstan grain production has significantly improved at 16.5 million tonnes this year compared with 11.6 million tonnes in 2000. Favourable weather conditions and virtually disease-free crops have contributed to a surge in crop production.

- **Africa**

Northern Africa: Planting of the winter crops has started in most parts of the subregion for harvesting in the spring of 2002. **Wheat** production in 2001 for the subregion is estimated at an above-average 12.9 million tonnes, a significant increase from last year's drought affected crop of 10 million tonnes. In Algeria and Morocco, outputs more than doubled those of the previous year, largely reflecting expanded plantings and improved yields in particular. In Egypt, production was above average but 5 per cent lower from the record level reached in 2000, mainly as a result of a smaller area planted. In Tunisia, wheat output increased by some 8 per cent from the previous year but remained below the average of the last five years.

The subregion's 2001 **coarse grains** crop is estimated at 9.9 million tonnes, which is close to the 5-year average of 10.2 million tonnes but much above the 8.6 million tonnes harvested in 2000. In Algeria, Tunisia and Morocco, production of barley, the main coarse grain, increased substantially from the 2000 output, but was below the last 5-year average. This was mainly the result of larger plantings compared to the previous year, particularly in the first two countries. In Egypt, output of maize, the country's principal coarse grain, is estimated at 6.4 million tonnes, close to the good output gathered in 2000 and considerably above the average of the last 5 years.

Harvesting of the **paddy** crop in Egypt, the largest producer in the region, is well advanced. The official forecast for the country's current harvest has been reduced by nearly 150 000 tonnes to 5 260 thousand tonnes, following a downward revision in the area. At that level, production would be 12 percent lower than in the past year, a reflection of the low prices that have prevailed notwithstanding government intervention to sustain them.

Western Africa: A record harvest has been gathered in the Sahel. Generally regular and well-distributed rainfall throughout the rainy season permitted a satisfactory crop development and adequate growing conditions for recession crops. The pest situation was mostly calm. The rains permitted satisfactory regeneration of pastures and replenishment of water reserves in the pastoral zones. The 2001 aggregate **cereal** production of the nine CILSS member countries has been estimated by a series of joint FAO/CILSS Crop Assessment Missions in October at a record of 11.7 million tonnes, which is well above the 2000 level and well above average. Production is anticipated to be significantly above average in all countries, except in Mauritania. A record level has been reached in Burkina Faso, The Gambia and Niger. Near record is expected

in Chad, Mali and Senegal. Below 2000 production is anticipated in Cape Verde, Guinea Bissau and Mauritania. In the countries along the Gulf of Guinea, harvest prospects are mixed following reduced rains in October in some countries. The cereal output in Sierra Leone is expected to exceed last year's level due to increased area planted and improved conditions for input distribution.

Growing conditions have been generally favourable for the **paddy** crops in western Africa, where harvesting is in progress. Most countries are expected to record sizeable increases in output this year, including Ghana, Mali, Nigeria and even Sierra Leone where the end of war and the return of displaced population to their villages are helping the sector to recover. By contrast, the estimate for the Côte d'Ivoire has been reduced by some 50 000 tonnes to 1 055 thousand tonnes, which remains slightly above last year's outcome.

Central Africa: Reflecting good growing conditions, harvest prospects are generally good in Cameroon and the Central African Republic. Food production is progressively recovering in the Republic of Congo. In the Great Lakes regions, civil strife persists in the Democratic Republic of Congo, pointing to another reduced cereal harvest.

Eastern Africa: The 2001 aggregate **wheat** production in the subregion is forecast by FAO close to 2 million tonnes, slightly above average. In Kenya and Ethiopia, where harvesting of the crop has started, prospects remain favourable reflecting abundant rains in the past months and outputs are expected to increase from the previous year. In Sudan, where the crop was harvested earlier in the year, output was about 40 percent higher than in 2000, although still 22 percent below the average of the last five years.

Harvesting of the 2001 **coarse grains** has been completed in southern parts of the subregion but is just starting in northern countries. The subregion's 2001 aggregate output is forecast at about 19.6 million tonnes, 10 percent above the reduced level of last year and 2 percent above average. However, in Somalia, erratic and below normal rains in the main growing areas have resulted in a sharp drop of the 2001 main season "Gu" crop, particularly sorghum, which has dropped to about one-third of the previous year's "Gu" production. Despite recent beneficial rains, prospects for the 2001/02 secondary "Deyr" is uncertain. In Tanzania, the 2001 coarse grains output is estimated at 3.3 million tonnes, 15 percent above the poor level of last year. Abundant rains during the season encouraged farmers to expand the total area planted and resulted in generally higher yields. In Uganda, the output of the recently harvested 2001 first season is estimated to be good due to favourable weather conditions. In Kenya, production of the "long rains" maize crop is forecast at about 2.3 million tonnes, a substantial recovery from last year's reduced level. Assuming normal "short rains" production early next year, the 2001/02 aggregate maize output is projected at 2.7 million tonnes. In Ethiopia, the outlook for the

coarse grain harvest has improved with the rains of the past month and the output is forecast at above average levels. In Eritrea, production of coarse grains is anticipated well above the reduced crop of 2000 due mainly to improved weather. In the Sudan, despite serious floods and erratic rains in parts, overall prospects for this year's coarse grain harvest are favourable.

Southern Africa: The **wheat** harvest is almost complete in the subregion and latest indications point to an above average output of 2.7 million tonnes. This reflects an increase in the area planted in the major producing countries, South Africa and Zimbabwe, coupled with adequate water reserves. Planting of the 2002 **coarse grains** is underway under generally favourable weather conditions so far. Normal to above-normal precipitation in September and October in most countries of the subregion, favored planting and benefited early sown crops. Estimates of the 2001 coarse grains crop stand at 14.7 million tonnes, some 24 percent less than in the previous season and about 17 percent below average. Production declined sharply in almost all countries of the subregion as a result of adverse weather and lower plantings. Only Angola, Mozambique and Madagascar recorded higher outputs this year compared to 2000. Coarse grain output fell by 28 percent to 8 million tonnes in South Africa, by 27 percent in Zimbabwe, by 26 percent in Malawi and 23 percent in Zambia.

Planting of the 2002 main season **paddy** crop is about to be completed in Madagascar. Output in 2001 is estimated to have reached 2.6 million tonnes, 200 000 tonnes more than earlier anticipated and 13 percent more than in 2000. The size of the crop combined with large imports has exerted a strong downward pressure on domestic prices, causing havoc to the rice sector.

- **Central America and the Caribbean**

Wheat planting for the 2002 crop in Mexico has started under favourable weather conditions, and planting intentions are unchanged from last year. During the 1990's the area planted to wheat fell annually by some 30 000 hectares, but since 1999 plantings have remained stable at around 670 000 hectares. The Secretariat of Agriculture, Livestock, Rural Development, Fisheries, and Foodstuffs of Mexico (SAGARPA) estimates wheat production in 2001 at 3.2 million tonnes.

Following a below average harvest of first season **coarse grain** crops in the subregion, the outlook is favourable for the second season crops due to abundant rains in August, September and October. In Mexico, 2001 maize production is forecast at about 20 million tonnes, some 12 percent higher than last year. Sorghum production, mainly for feed, is forecast at 6.2 million tonnes, a level similar to the average of the last five years. In the other Central American countries, first season crops were lower than average following drought, but the growth of second season crops is satisfactory. In the Caribbean, maize production in

2001 is forecast at 443 000 tonnes, about 10 percent higher than the average level of the last five years. As a result, 2001 aggregate coarse grain production in Central America and the Caribbean should reach 30 million tonnes, an increase of 7 percent from the average level of the last five years.

In most of Central America and the Caribbean, harvesting of this year's **paddy** crop will linger until the end of the year. First plagued by severe drought, several countries in the subregion were recently hit by flooding arising from heavy rains or hurricanes, at a time which coincided with the bulk of harvesting activities. Particularly affected were Mexico, Nicaragua, Panama and El Salvador, which will all experience sizeable reduction in output compared with last season. Pending an assessment of the impact on paddy crops of hurricane Michelle, which hit Cuba on 4 and 5 November, the production estimate for the country remains unchanged at a low 300 000 tonnes. Contrary to the tendency prevailing in the subregion, the Dominican Republic is expected to harvest a bumper crop, reflecting to a large extent the utilization of the high-yielding rice variety "Prosequia 4" over some 80 percent of the planted area.

- **South America**

Wheat harvesting has started in the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) and is due to continue until January. Heavy rains and excess water throughout Mercosur wheat producing areas during October and November are causing fungus diseases in the maturing crops. Nevertheless, the output is expected to be some 11 percent higher than last year due to increased plantings and favourable weather throughout the winter for crop development. Wheat production is forecast at 17.5 million tonnes in Argentina and at 3 million tonnes in Brazil. In Chile, the other major wheat producing country in South America, production is forecast to increase by 16 per cent from last year due to increased plantings.

Planting of **coarse grain** crops in Mercosur has been delayed by heavy and persistent rains during October and November. In addition, better relative prices for soybeans are not making maize planting attractive and, as a result, the area planted to maize is forecast to fall from last year. Official sources in Argentina indicate that maize planting intentions are between 6 and 9 percent lower than last year, while the National Food Supply Company of Brazil (CONAB) anticipates the area planted to first season maize to be 12 percent lower than last year. The fall in the area planted to maize in Brazil follows a record crop of 41.5 million tonnes in 2001, almost 10 millions tonnes higher than last year. In the Andean countries, high water reservoir levels give a favourable outlook for the irrigated coarse grain crops currently being planted in Bolivia and Peru. In Ecuador and Colombia, planting of coarse grain crops is well advanced while in Venezuela, harvesting of maize has started and a bumper crop of 1.4 million tonnes is anticipated.

In South America, the 2001 **paddy** season is mostly over and nearly all countries have completed or are about to complete planting of the 2002 paddy crop. Heavy rainfall in October delayed somewhat the fieldwork in preparation of the 2002 season in parts of Brazil and caused some damage to early-planted crops in Argentina and Uruguay.

As the 2001 paddy crops have been fully harvested in most of the region, a number of governments have reviewed their estimates of production for the season. In Bolivia, these have been cut by nearly 40 000 tonnes from the previous report, resulting in a 7 percent annual drop. In Ecuador, the 2001 crop was gauged at 1.4 million tonnes, marginally above the past season, but 200 000 tonnes less than earlier anticipated. The new output figures for Peru also entailed a 100 000 tonnes reduction from the previous forecast. However, unlike for most countries in the region, the new estimate for 2001 would be a record high.

Several countries have carried out field surveys to assess producer planting intentions for the forthcoming 2002 season. In Argentina, estimates from the Ministry of Agriculture confirmed that the declining trend will persist next year, with the area expected to contract from 134 000 hectares in 2001 to 125 000 hectares in 2002, as farmers have faced extremely poor returns since 1999. A fall in cultivation in the current season already entailed a 17 percent drop in output to 750 000 tonnes in 2001.

Unlike in neighbouring countries, in Brazil, government domestic purchases have supported producer prices in 2001. According to the October crop survey by CONAB, these should have a positive impact in the next season and plantings are forecast to rise by between 1.0 percent to 2.6 percent in 2002. In addition, a 5 percent gain in yields is currently anticipated, resulting in an expected hike in output of 6 - 8 percent to 11.0 - 11.2 million tonnes.

Although Uruguay also recorded a drop in the rice area and production in 2001, good growing conditions have lifted yields above the level originally expected, leading to a slight upward revision in output. Planting of the new crop in November progressed under less than optimal conditions because of heavy rainfall. This combined with poor economic incentives may result in a further contraction in output in 2002.

- **North America**

In the United States, the November USDA crop report put the 2001 aggregate **wheat** (winter and spring) output at 53.3 million tonnes, 12 percent down from 2000 and about 17 percent below the average of the past five years. As of late-November, planting of the winter wheat crop for harvest in 2002 was virtually complete after a generally normal planting season. However, many emerging crops are reported to be stressed by lack of moisture throughout the wheat plains. Crop condition ratings on 26 November were on

average much poorer than at the same time last year or the normal for the time of the season. More moisture is needed soon for early development of emerging crops as if plants are not strongly established before the onset of dormancy then the crop could be more susceptible to winter kill. In Canada, where the harvest is drawing to a close, aggregate wheat production in 2001 is now officially forecast at 20.7 million tonnes, about 23 percent down from last year and well below the average of the past five years reflecting generally adverse weather for this year's crop. In eastern Canada, late autumn rains are reported to have held up planting of the small winter wheat crop.

As the **coarse grains** harvest draws to a close in the United States' main producing states, latest estimates point to a larger output this year than previously expected. The USDA's November forecast put aggregate coarse grain production at about 264 million tonnes, up about 7 million tonnes from the September report but still about 10 million tonnes down from last year's bumper crop. Of the total, maize is expected to account for about 242 million tonnes, compared to 253 million tonnes in 2000. The latest forecast of Canada's aggregate coarse grain production in 2001 is put at 22.5 million tonnes, about 8 percent down from 2000 and also well below the five-year average.

Harvesting of the **paddy** crop in the United States was virtually complete by end October. Following an upward adjustment in yields, the crop estimate for 2001 has been raised by 150 000 tonnes to 9.5 million tonnes since the last report, nearly 10 percent above the previous season's level. All of the year-to-year increase would be on account of a 26 percent expansion in long grain rice production, which would more than compensate a fall in medium and short grain rice output.

- **Europe**

FAO's latest forecast puts aggregate 2001 **cereal** production in the EC at about 203 million tonnes, 6 percent down from last year and about 3 percent below the average of the past five years. The decrease results from the combined effect of an overall smaller cereal area and lower average yields for this year's crop. Most of the decrease in production is accounted for by **wheat**, which is now forecast at 91.6 million tonnes, 13 percent below last year's bumper crop and about 9 percent below the average of the past five years. The forecast for aggregate **coarse grain** production remains at about 109 million tonnes, which would be virtually unchanged from the 2000 output. Production of maize and rye is seen to increase while that of barley and oats is estimated to be down. **Paddy** production in the EC is estimated at 2.6 million tonnes, unchanged from the previous forecast, but some 80 000 tonnes more than last year. The increase reflects moderate growth in Italy, Portugal and Spain, which have more than offset a contraction in France and Greece. Although, on average, yields recovered, excessive heat in August and hailstorms in October damaged the quality of the rice harvested in Italy. In

Spain, producers will face, again this year, severe penalties for having surpassed the area ceilings established under the Common Agriculture Policy. Regarding the winter cereal crops for harvest in **2002**, autumn conditions have been generally favourable throughout the Community, with widespread showers maintaining abundant moisture supplies for early crop development. Latest indications suggest the overall area planted will be similar to that in the previous year.

Elsewhere in Europe, in the central and southeastern countries, the 2001 cereal crops have generally recovered from the drought-reduced levels last year, with sharp recoveries in output registered throughout the area. The prospects for the winter grain crops for harvest in 2002 remain somewhat uncertain although early indications suggest an overall increase in area could occur throughout these countries. Latest reports indicate that weather conditions this autumn have been generally favourable, apart from in the extreme southeast (southern Romania and Bulgaria) where persisting dryness is hindering crop development. Also, after drought hit summer crops badly this year in some parts, there is likely to be a preference towards winter crops this year, which give a more secure return, especially in view of the favourable planting conditions.

In the Baltics (Estonia, Latvia and Lithuania), the aggregate cereal output the three countries is of estimated at just over 4 million tonnes in 2001 slightly below the good harvest collected last year, including 1.5 million tonnes of wheat and 2.6 million tonnes of coarse grains.

In the European CIS countries (Russian Federation, Ukraine, Belarus and Moldova) grain production significantly improved in 2001 compared with the past six years, mainly due to favourable weather conditions and the improved availability of farm inputs. The Russian Federation is estimated to have produced about 80 million tonnes of grains from about 47 million hectares of land, which compares with 70 million tonnes in 2000. The 2001 cereal crop includes about 43 million tonnes of wheat and about 36 million tonnes of coarse grains, compared with 38 million tonnes of wheat and 31.5 million tonnes of coarse grains in 2000. The Ukraine has produced an estimated 36 million tonnes of grains this year compared with 24.9 million tonnes in 2000. Total cereal production in the Ukraine this year includes 19.9 million tonnes of wheat, 8.8 million tonnes of barley and 3.3 million tonnes of maize, which compare with 11 million tonnes of wheat, 6.8 million tonnes of barley and 3.8 million tonnes of maize in 2000. Grain production in Belarus is estimated at 5.2 million tonnes this year compared with 4.8 million tonnes in 2000. Grain output in Moldova this year is expected to increase by about 53 000 tonnes from just over 2 million tonnes in 2000. Dry weather conditions in September and early November have hampered the winter grain planting campaign in the Ukraine, southern parts of the Russian Federation and parts of Belarus. Preliminary forecasts indicate that winter cereal output in these countries in 2002 may be lower than the harvest in the preceding year.

• Oceania

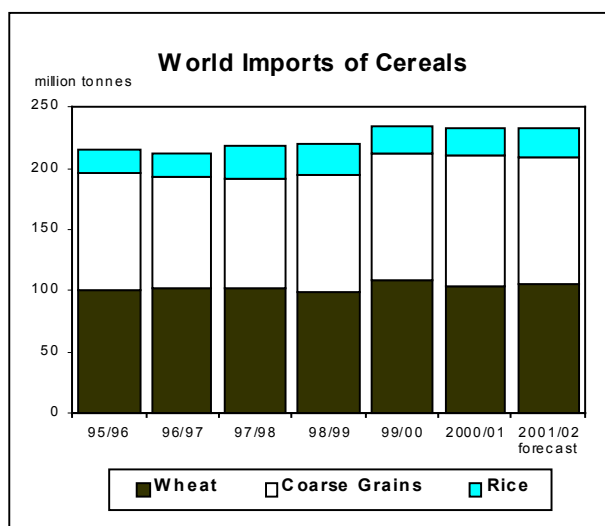
In Australia, harvesting of the 2001 **wheat** and small **coarse grain** crops is underway under generally favourable conditions. The most recent official forecast dates from early September when ABARE forecast 2001 wheat output at 20.1 million tonnes, about 5 percent below the previous year. Since that forecast was issued the outlook is reported to have improved in some parts, but deteriorated in others. In Western Australia, where harvesting conditions are reported to be excellent, recent traders forecasts point to a bigger output for the region than was expected in September. By contrast, in New South Wales, persisting drought has continued to stress crops and late frosts are reported to have caused significant damage in some parts, which will pull yields down yet further. However, it is likely that the overall wheat crop may now turn out somewhat higher than expectations in September and FAO currently forecasts the country's wheat output at 21 million tonnes. FAO's latest forecast for the aggregate cereal output in 2001 now stands at almost 33 million tonnes, similar to the previous year's level, but slightly below the average of the past five years. Estimates for the 2001 **paddy** crop in Australia, which ended in June, confirmed the achievement of an exceptionally high output. Planting of the 2002 season is virtually over, with area estimated to have fallen by 10 percent. Assuming yields at the average of the last three years, production could reach 1.5 million tonnes next year, falling short by 256 000 tonnes of the 2001 record output.

Trade^{1/}

World cereal trade to stagnate

World **cereal** trade in 2001/02 is forecast to remain unchanged from the previous season's volume, now estimated at around 233 million tonnes. Total cereal imports by the developing countries are also expected to remain close to the 2000/01 level, at around 171 million tonnes. Of this total, some 74.5 million tonnes are expected to be imported by the LIFDCs, up 2.3 million tonnes from the previous season. On an individual commodity basis, wheat and rice imports are expected to expand slightly, while trade in coarse grains could decline. Overall, higher cereal imports in Asia could offset the anticipated declines in other regions.

^{1/} World trade in wheat and coarse grains is based on estimated imports delivered through 30 June of the July/June trade year. Some late-season purchases may be included in the next season if deliveries occur after 30 June. In general, exports and imports are calculated based on estimated shipments and deliveries during the July/June trade season and thus they may not be equal for any given year due to time lags between shipments and deliveries. Trade in rice is reported on a calendar year basis for the second year shown.



Among the major international trade developments since the previous report has been the launching of the new round of global trade negotiations at Doha (see box on page 16). One important feature of the "Doha Round" would be the inclusion of China, the world's most populous nation, as a member of the World Trade Organization (WTO). As far as the global cereal market is concerned, the agreement in Doha is not expected to have any immediate impact on world cereal trade. However, the longer-term implications could eventually prove more important; especially as negotiations over curbing export subsidies and reducing other trade distorting measures intensify. China's entry into the WTO should not have any significant impact on this season's cereal trade prospects. Although the demand for wheat imports, the most important cereal imported by China (mainland), is already much stronger than in the previous season, this reflects a rise in demand for higher quality wheat since the overall domestic wheat supplies are ample.

World trade in **wheat** and wheat flour (in wheat equivalent) in 2001/02 (July/June) is currently put at 105 million tonnes, up 1.5 million tonnes from the previous season. However, at 82 million tonnes, wheat imports by the developing countries would be 2 million tonnes higher than last year. Most of this increase is expected in the LIFDCs, where wheat imports are forecast to reach 40 million tonnes. The largest regional expansion in wheat imports in 2001/02 is forecast for **Asia**, where aggregate imports could reach 50 million tonnes, up nearly 4 million tonnes from the previous season. In addition to large anticipated shipments of wheat as food aid to Afghanistan, several countries are likely to add to their foreign purchases, namely China, Japan, the Republic of Korea and Turkey. By contrast, Pakistan and India will have no need for imports for the second consecutive season, while imports by the Islamic Republic of Iran, the regions largest wheat importer in recent years, could decline slightly below the previous year's near-record volume.

Overview of World Cereal Imports - Forecast for 2001/02

	Wheat		Coarse grains		Rice (milled)		Total	
	2000/01	2001/02	2000/01	2001/02	2001	2002	2000/01	2001/02
	(..... million tonnes)							
Asia	46.3	50.1	57.3	57.5	11.2	12.4	114.8	120.1
Africa	25.7	24.5	15.3	14.0	6.6	5.8	47.6	44.4
Central America	6.5	6.5	13.6	13.5	1.6	1.7	21.7	21.8
South America	12.3	12.2	7.3	6.3	0.9	0.9	20.6	19.5
North America	2.5	2.5	4.5	5.2	0.6	0.6	7.5	8.2
Europe	9.6	8.6	8.5	7.9	1.5	1.5	19.6	18.0
Oceania	0.5	0.5	0.1	0.1	0.3	0.3	1.0	1.0
WORLD	103.4	105.0	106.5	104.5	22.8	23.3^{1/}	232.7	232.8
Developing Countries	80.1	82.2	71.2	68.9	19.2	19.6	170.5	170.8
Developed Countries	23.3	22.8	35.3	35.6	3.6	3.6	62.2	62.1

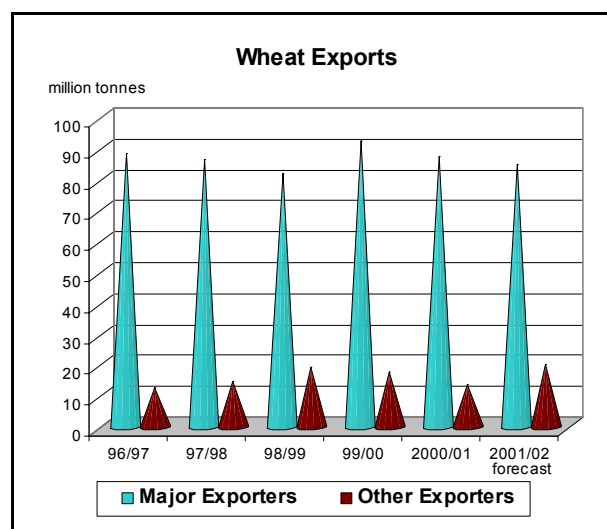
Source: FAO ^{1/} Highly tentative.

Total wheat imports by countries in **Africa** are forecast to reach 24.5 million tonnes, down 1.2 million tonnes from the previous season. Most the decline in northern Africa would be on account of smaller purchases by Morocco, following a more than doubling of wheat production in 2001. In other regions, imports by Ethiopia are also forecast to decline because of good crops, while another year of above-average production in the Republic of South Africa is expected to lead to a reduction in imports by that country. However, imports by a number of countries in Africa are forecast to increase this season. The most important among them is Egypt, where because of a reduction in domestic production and a continuing strong demand, wheat imports are forecast to rise by at least 400 000 tonnes to 6.6 million tonnes.

In **Europe**, total wheat imports are forecast to decline by 1 million tonnes to 8.6 million tonnes, despite an expected sharp increase in imports by the EC. Wheat imports by the EC are likely to surge to 4.8 million tonnes in 2001/02, up 1.4 million tonnes from the previous season. The main reason for this increase is the removal of the 10 Euro per tonne tariff surcharge on grain imports by land, river or sea from Mediterranean, Black Sea and Baltics ports. Given the large surpluses expected in several central and eastern European countries, and the relatively higher domestic prices in the EC, the suspension of this levy, in effect as of 9 November 2001, could result in a large flow of sales from those countries to the Community. Most other European countries, however, are expected to cut their imports, following good harvest results in many parts, especially in the Russian Federation, Ukraine and Poland.

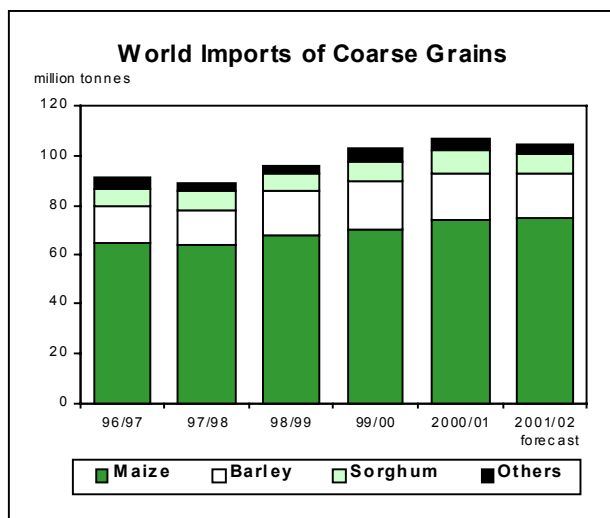
Aggregate imports into **Latin America and the Caribbean** in 2001/02 are likely to remain similar to the previous season's level of around 18.7 million tonnes. Most countries in the region are likely to import as much as in the previous season. Imports by Brazil, the region's largest wheat importer, are expected to remain

at last year's level because of a continuing strong demand from the large private millers and despite higher domestic production. Elsewhere, the slight declines currently envisaged for Mexico and Chile would be largely offset by higher imports from several other countries in the region, including Cuba, which in the aftermath of the Hurricane Michelle, would need to resort to higher imports. Cuba made a symbolic purchase of wheat from the United States in November, marking the first commercial wheat transaction between the two countries in 40 years.



Turning to wheat exports, among the traditional wheat exporting countries, the United States and Argentina are expected to expand exports this season due to large export supplies. This, to a large extent, would offset the likely sharp declines expected in sales from Canada and the EC, following a reduction in their wheat production, while shipments from Australia are likely to remain unchanged from the previous season. Among other exporters, sales from Turkey are likely to drop to only a small volume this season because of tight domestic supplies. However, several other

countries are seen to make larger sales this season, mostly because of a strong recovery in their domestic outputs, including several non-EC countries in Europe as well as a number of non-traditional exporters, specifically Pakistan and India.

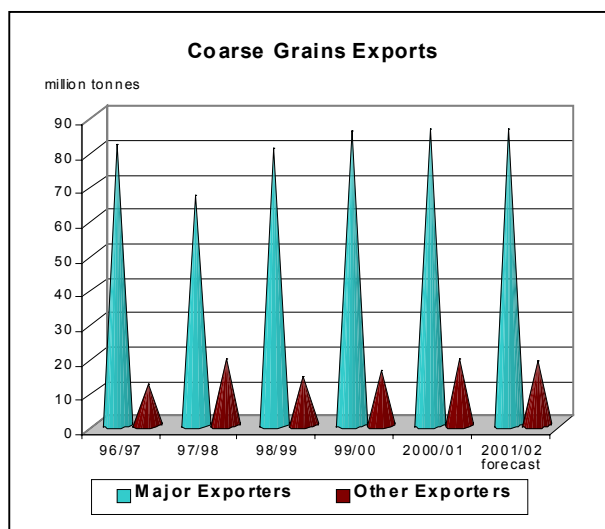


World trade in **coarse grain** in 2001/02 (July/June) is forecast to decline to 104.5 million tonnes, down 2 million tonnes from the previous season. This decline mostly reflects lower expected imports by the developing countries, although imports by the LIFDCs are likely to remain close to last season's volume. Among the major coarse grains, only maize trade is forecast to expand this season, to around 74 million tonnes, whereas, trade in barley and sorghum could decline slightly, to 17 million tonnes and 8 million tonnes, respectively.

Similar to the wheat market, the largest coarse grain importing region is **Asia** where imports this season are forecast to reach 57.5 million tonnes, nearly unchanged from the previous season as most countries are seen to maintain their imports at last year's levels. The few exceptions include, the Republic of Korea, which is likely to cut its maize purchases this season in order to buy larger quantities of low quality wheat, and the Syrian Arab Republic, because of a strong recovery in its domestic barley production. Coarse grain imports by countries in **Africa** are expected to decline to 14 million tonnes in 2001/02, down 1.3 million tonnes from the previous year. The decline would be mostly on account of a likely reduction in maize purchases by Egypt and lower barley imports into Morocco; higher domestic production is the main reason in both cases. By contrast, aggregate imports by countries in the sub-Saharan region are forecast to increase slightly despite a likely drop in purchases by Kenya, which is experiencing good production prospects. The increase would be most pronounced in the southern subregion, where production shortfalls in a number of countries have led to higher import requirements, especially in Zambia and Zimbabwe, but also in the Republic of

South Africa, although that country would still be able to maintain its position as a large supplier of maize to the region.

In **Europe**, imports of coarse grains are likely to decline by 600 000 tonnes from the previous season to nearly 8 million tonnes. The main reason is a strong recovery in domestic maize and barley production in several eastern European and the CIS countries. The biggest declines are expected in Poland and Romania; whereas, maize imports by the Russian Federation are forecast to increase largely due to strong import demand, but also a reduced maize production. Total imports by countries in **Central America** would remain close to the previous season and Mexico, the region's largest importer, is likely to import as much maize and sorghum as last year despite larger domestic production because of continuing fast growth in domestic feed demand. Imports by most countries in **South America** are also likely to remain close to previous year's volume but Brazil, normally the biggest importer in the region, harvested a record maize crop this year and, hence, has turned into a maize exporter instead. In **North America**, Canada is emerging as a larger maize importer than anticipated earlier in the season. This results from reduced domestic barley production, low maize stocks and a continuing strong feed demand from the livestock sector.



Although world trade in coarse grains is forecast to contract slightly this season, exports from the United States, the world's largest exporter, are expected to increase by around 2 million tonnes. Large maize stocks in the United States could facilitate higher maize sales from that country to meet the expected increase in global maize import demand this season. Maize exports from Argentina could decline a bit because of lower supplies. Smaller barley sales are anticipated from Canada and the EC, because of a drop in domestic production, but barely exports from Australia could keep pace with last year's levels because of good production prospects.

China is likely to remain an important supplier of maize to world markets but mostly because of smaller

THE IMPLICATIONS OF THE FOURTH WTO MINISTERIAL CONFERENCE FOR AGRICULTURE, FISHERIES AND FORESTRY

At the Fourth World Trade Organization (WTO) Ministerial Conference held in Doha, Qatar from 9-14 November 2001, the WTO Members agreed to launch a new round of multilateral trade negotiations that will have important implications for agriculture, fisheries and forestry. In addition to the talks on agriculture and services that have been underway for over a year, the new round will cover a much broader agenda, including other sectors of the global economy as well as a range of implementation issues that have arisen since the Uruguay Round Agreements came into force. The outcome of the Conference improves the prospects that progress will be made in the negotiations on agriculture because it enhances the opportunities for trade-offs with other sectors and addresses a number of concerns that have hindered the negotiations thus far.

The new round offers opportunities for further market liberalisation in non-agricultural goods. The negotiations will also cover foreign investment, competition policy, government procurement, as well as trade and environment, and will revisit WTO rules regarding trade-related intellectual property rights (TRIPS), dispute settlement, subsidies and countervailing measures and anti-dumping. A substantial work programme was agreed in the area of environment and trade. The Ministers also made a commitment to provide special and differential treatment for developing countries, including the objective of duty-free, quota-free market access for products originating from least developed countries (LDCs). The technical co-operation and capacity building needs of small, vulnerable and low-income transition economies were also recognised, and the delivery of technical assistance was emphasized.

Elements of the negotiations that are particularly relevant to agriculture, fisheries and forestry are summarised below.

Agriculture: The WTO Members recognized the work already undertaken in the negotiations that began in March 2000 under Article 20 of the Agreement on Agriculture. They agreed to undertake "comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view of phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support." Special and differential treatment is to be provided for developing countries to enable them to take account effectively of their development needs, including food security and rural development. Non-trade concerns are to be taken into account. Modalities for the further commitments are to be established no later than 31 March 2003 and comprehensive draft Schedules of commitments based on these modalities submitted no later than the date of the Fifth Session of the WTO Ministerial Conference (which must be held before the end of 2003). The negotiations on agriculture will be concluded as part and at the date of conclusion of the negotiating agenda of the round as a whole.

Market access for non-agricultural products: Negotiations in this area will aim, by modalities to be agreed upon, to reduce or eliminate tariffs including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers. Product coverage shall be comprehensive and without a priori exclusions. Fishery and forestry products and agricultural products that were excluded from the Agreement on Agriculture such as rubber and hard fibres will be covered under the new round.

TRIPS: It was agreed to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wine and spirits. Issues related to the extension of the protection of geographical indications to products other than wine and spirits will be addressed in the Council for TRIPS. The WTO Committee for TRIPS was further instructed to examine inter alia the relationship between the TRIPS Agreement and the Convention on Biological Diversity and the protection of traditional knowledge and folklore.

Subsidies and countervailing measures: Negotiations will aim at clarifying and improving disciplines under the Uruguay Round Agreement on Subsidies and Countervailing Measures. The Conference agreed specifically that the negotiations would "aim to clarify and improve WTO disciplines on fishery subsidies, taking into account the importance of this sector to developing countries."

Trade and environment: The Ministerial Declaration, for the first time, recognized the right of each country to take measures to protect the environment "at the levels it considers appropriate" on the same basis as measures taken for the protection of human, animal and plant life or health, i.e. provided such measures are not applied in an arbitrary or discriminatory manner or as a disguised restriction on trade and that they are in compliance with other WTO provisions. It was agreed that there would be negotiations on the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements and on the reduction of or elimination of tariff and non-tariff barriers to environmental goods and services.

The negotiations will be supervised by a Trade Negotiations Committee, which will hold its first meeting not later than 31 January 2002 to establish the appropriate negotiating mechanisms in each area as required. It was agreed that the negotiations will be concluded by 1 January 2005.

domestic production in 2001, exports from China are likely to be much smaller than in the previous season. Similarly, exports from the Republic of South Africa would also be reduced because of lower domestic production. By contrast, because of larger crops, higher sales of maize from Brazil and Hungary as well as a notable increase in barley exports from the Russian Federation would make up for some of the reductions in coarse grain exports from other major suppliers.

As the end of the year approaches, there is growing evidence that international trade in **rice** in **2001** will exceed the previous year's level. FAO's forecast for global rice trade in 2001 now stands at 22.8 million tonnes, 400 000 tonnes more than earlier anticipated and 1.3 percent above the estimate for 2000. The latest revision is mostly due to adjustments to the import forecasts for Bangladesh, from the original 300 000 tonnes to 450 000 tonnes, and for Indonesia, from 1.2 million tonnes to 1.4 million tonnes. Indonesia remains the world's leading rice importer, but its volume of rice imports this year is the smallest since 1997. Estimates of rice shipments to Côte d'Ivoire and Nigeria have also been raised by 100 000 tonnes to 1.1 million tonnes each. By contrast, the forecasts of imports by China (Mainland), South Africa and Sri Lanka have been cut somewhat since the previous report.

Regarding exports, the forecast for China (Mainland) has been lowered by 100 000 tonnes to 1.8 million tonnes, based on a volume of 1.44 million tonnes shipped between January and October. The revised export figure would imply a reduction of over 1 million tonnes with respect to 2000, consistent with the substantial contraction in output the country experienced in the past and current years. A 100 000 tonnes reduction was also applied to sales from Viet Nam, now officially put at 3.7 million tonnes, amid flood problems in the Mekong Delta that delayed the arrival of supplies to the market, pushing local prices above those offered by other exporting countries. By contrast, sales by Myanmar in 2001 are forecast at 500 000 tonnes, up from the earlier forecast of 350 000 tonnes, as latest information indicates that the country had already shipped 400 000 tonnes in the first ten months of the year. At the forecast level, Myanmar's exports would be the highest since 1995, much in line with Government objectives to promote the rice sector. Similarly, the forecast for Pakistan's export has been raised from 1.9 million tonnes to 2.0 million tonnes, which would be virtually unchanged from last year. The new forecast assumes rather small sales from the country in November and December, reflecting, in part, rising shipping costs, through the application of war-risk insurance premium, and unstable currency exchange rates, which are deterring potential customers. Finally, rice sales by Thailand are now forecast to surge to a new record of 7.2 million tonnes, 400 000 tonnes above the previous forecast, reflecting dynamic sales since August and reduced competition from China, Pakistan and Viet Nam. Exports from India are expected remain at 1.5 million tonnes, since the

pace of shipments remains subdued, despite competitive pricing.

World rice trade in **2002** is tentatively forecast to rise to 23.3 million tonnes, 2 percent above the current forecast for 2001. Among traditional importers, Indonesia is expected to increase its purchases, following the rather disappointing 2001 paddy season. The Government is reportedly considering a proposal to raise border protection, which, if implemented, could dampen the increase. The earlier forecast for imports by the country has been raised by some 400 000 tonnes to 2 million tonnes, which would be substantially above the 1.4 million tonnes currently estimated for 2001. China's rice purchases are also likely to surge, with the preliminary forecast set at 1 million tonnes, following the 5 percent and 4 percent drops in output experienced in 2000 and 2001 respectively. For illustration, a smaller contraction in output in 1993 and 1994, in percentage terms, caused imports to soar to 2 million tonnes in 1995. Although such a hike took place within a different policy context, recent developments could again facilitate some increase in purchases next year, in particular the country accession to WTO on 10 November 2001. According to the terms of the WTO Agreement, in 2002 China (Mainland) would allow entry to up to 4 million tonnes of rice (2 million tonnes of long grain rice and 2 million tonnes of short and medium grain rice) subject to a low 1 percent import duty, half of which should be allotted to private sector importers. However, it remains to be seen whether these preferential quotas will be issued by the Government already in 2002, since a mechanism for assignment of the quota still has to be designed. Moreover, although domestic prices for rice have been recovering this year, they still appear too low, under present international price conditions, to warrant such a large inflow of imports.

By contrast, the forecasts of purchases by several countries in Africa, in particular Côte d'Ivoire, Madagascar, Senegal and Nigeria have been revised downward, since under current expectations of stronger world prices next year, imports could become less attractive to these countries.

Following the positive export performance this year, the forecast of rice shipments from Thailand in 2002 has been raised by 600 000 tonnes to 7.3 million tonnes, which would be a new record. The country is expected to take advantage of reduced supplies from other major exporters, especially China. The bumper 2001 harvest and competitive pricing could also boost exports from India in 2002, now forecast at 2.1 million tonnes, 300 000 tonnes more than previously reported and 600 000 tonnes above the level expected to be sold in 2001. The forecast of shipments from Japan has also been raised, this country's exports being exclusively in the form of food aid. Myanmar exports in 2002 are now anticipated to reach 700 000 tonnes, up from a previous forecast of 400 000 tonnes, especially if the Government continues to promote increases in production. By contrast, the forecast of sales by China (Mainland) has been lowered, as the country's supplies

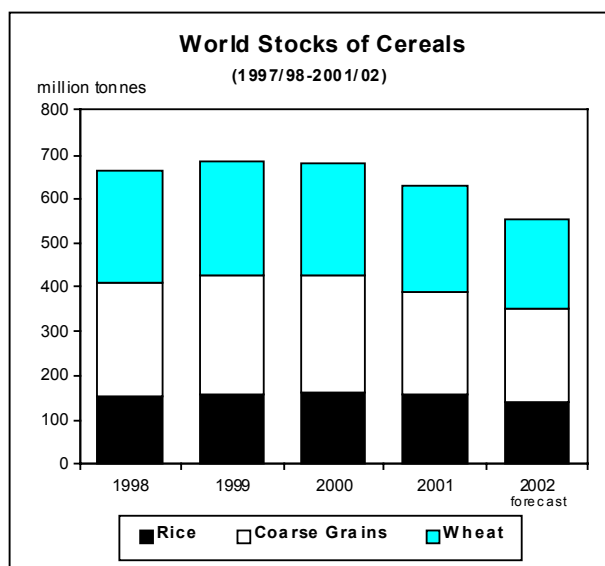
have tightened considerably. Similarly, expected shipments from the Chinese Province of Taiwan, which have usually hovered around 100 000 tonnes, are likely to be considerably reduced in view of the relatively high domestic prices and the restrictions on subsidized exports it will face, following its accession to WTO. Viet Nam's official export forecast now stands at 4 million tonnes, slightly less than last reported.

Carryover Stocks

Sharp fall in world cereal stocks as utilization would again outpace production

The forecast for world **cereal** carryovers for crop years ending 2002 has been lowered by 9 million tonnes since the previous report in October, to 553 million tonnes. The revision reflects downward adjustments mostly to estimates in China, subsequent to further fine-tuning of the historical domestic utilization estimates for wheat and maize in that country. At the current forecast level, world cereal stocks would be 75 million tonnes, or 12 percent, below their already reduced opening levels. However, more than 60 percent, or 47 million tonnes, of the expected large reduction in the size of the global cereal stocks would occur in China, where domestic wheat and rice production is forecast to fall, while total cereal utilization would continue to increase reflecting higher food as well as feed and industrial use.

World **wheat** stocks by the close of the seasons ending in 2002 are forecast to drop to 201 million tonnes, down 6 million tonnes from the October forecast and 36 million tonnes, or 15 percent, below their opening levels. Most of the decline is expected in China (down 22 million tonnes) and in major wheat exporting countries (down 15 million tonnes). While wheat stocks of all major exporting countries are likely to be reduced; those held in the EC, Canada and the United States could decline the most because of a notable reduction in their 2001 wheat production. The

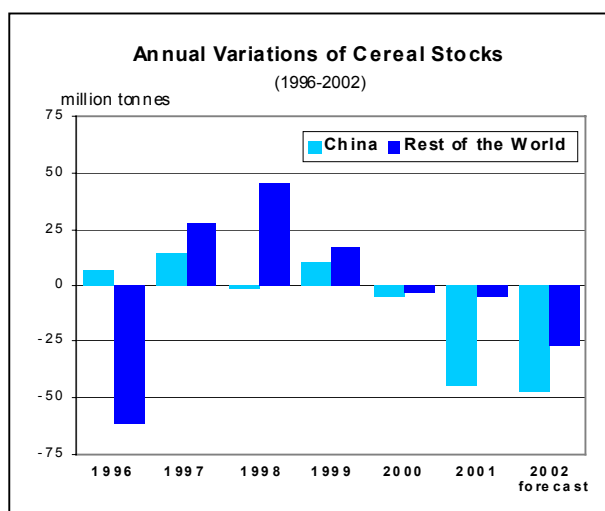


decline in wheat stocks held by major exporters would bring about a sharp drop in the ratio of their aggregate wheat stocks to their total disappearance (the sum of their domestic consumption and exports), down from 22.3 percent in 2000/01 to 16.5 percent, the lowest since the price-hike period in the mid-1990s when the ratio fell to below 14 percent. Moreover, the global share of total wheat stocks held by major exporters would also fall sharply, from 22 percent in 2001 to around 19 percent by the end of crop seasons ending in 2002.

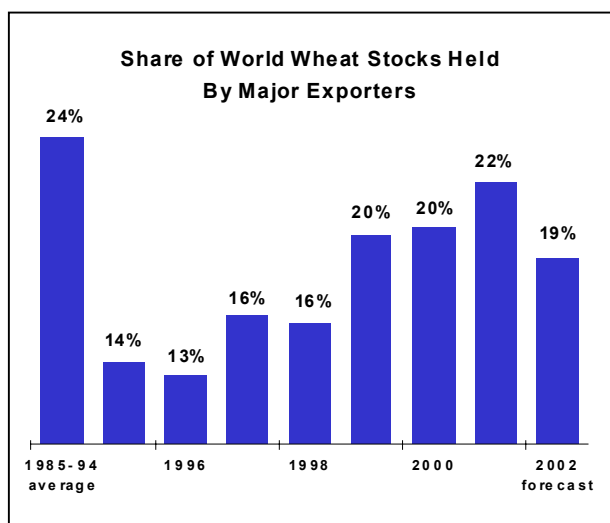
World Carryover Stocks of Cereals

	Crop year ending in:		
	2000	2001 estimate	2002 forecast
	(. . . million tonnes . . .)		
Wheat	251.9	236.8	200.8
Coarse grains	262.1	235.4	213.4
of which:			
Maize	211.5	193.6	173.5
Barley	28.4	23.0	20.4
Sorghum	7.9	6.1	7.1
Others	14.3	12.7	12.4
Rice (milled)	163.3	155.4	138.9
TOTAL	677.4	627.6	553.1

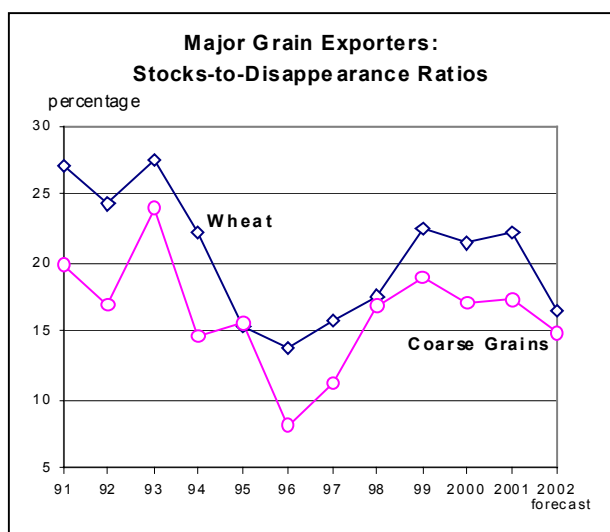
Source: FAO



In addition to the major wheat exporting countries and China, a number of other countries with large wheat inventories could also draw down their stocks during the course of this season. India and Pakistan are expected to make large exports this season, which would cut domestic surpluses. In India, the

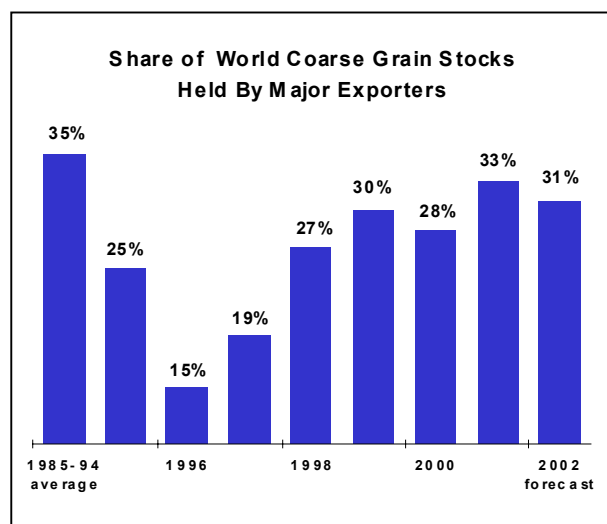


Government has also reduced the price of wheat sold through the public distribution system and in November made known its intentions to review the overall domestic market management system, with the aim to reverse the recent rising trend in grain procurements. Among other countries, carryover stocks are seen to rise in Brazil and in several eastern European and CIS countries, mostly because of larger crops. By contrast, wheat stocks are likely to be drawn down in a number of drought-stricken countries, such as Turkey and the Islamic Republic of Iran.



The forecast for world **coarse grain** inventories for crop years ending in 2002 has been lowered by 5 million tonnes since the previous report to 213 million tonnes, down 22 million tonnes, or 9 percent, from the previous year. While the bulk of this season's expected decline is accounted for by China, ending stocks in all major exporting countries are also forecast to decrease. A large reduction is expected in the United States, where an estimated drop of 11 million tonnes in production, amid stable domestic utilization and slightly bigger exports, could result in a drop of around 9 million tonnes in stocks, to 44 million tonnes. At the

current forecast levels, total coarse grain stocks held by major exporters would represent around 31 percent of the world total as compared to nearly 33 percent in the previous season. In addition, the ratio of major exporters' stocks to their total disappearance is also likely to shrink, from over 17 percent in 2001 to just around 15 percent by the end of the seasons in 2002; however, still significantly above the lows of about 8 percent registered in the mid-1990s.



In contrast to expected sharp falls in coarse grain inventories held in China and the major exporting countries, those in most other countries are likely to increase, or at least remain at last year's levels, mostly because of good to above-average production. The largest increase is expected in Brazil following a bumper maize crop in 2001. Similarly, maize stocks are also expected to increase in Mexico because of a record maize crop. In Africa, with the exception of few countries in southern Africa, most countries are forecast to end the season with larger stockpiles. Larger coarse grain stocks are also anticipated in a number of CIS and eastern European countries because of higher production.

The forecasts for world **rice** stocks at the close of the marketing seasons in 2002 has been raised by 2 million tonnes since the last report to nearly 139 million tonnes, which nevertheless remains below their estimated opening level by 17 million tonnes. The recent upward revision mostly reflects the improved production outlook in China, which will imply a smaller drawdown from inventories than previously anticipated. Although the major exporters are expected to account for the bulk of this season's contraction, stocks are expected to fall somewhat also in importing countries, in contrast to last year.

Among the rice exporters, stocks in China (Mainland) are forecast to fall by 11 million tonnes from last year, to 95 million tonnes, up 1.2 million tonnes from the preceding forecast. At that level, the country would account for 69 percent of all carryovers. A marked drop could also be recorded by Pakistan, under the current expectations of falling 2001 production, a factor that

could also negatively influence stocks in Egypt. On the other hand, larger exports in 2002 would diminish the size of closing inventories in India, Thailand and Viet Nam. By contrast, they are expected to rise in the United States, as a result of the bumper 2001 crop and subdued exports next year, and in Australia. As for importing countries, a substantial contraction in stocks is anticipated in Indonesia, and to a lesser extent also in Sri Lanka and Brazil following the poor 2001 paddy crop. Smaller import forecast could also lead to reduced inventories in a number of African countries.

Export Prices

Cereal prices remain weak

International prices for most **cereals** changed little since the previous report. In November, the U.S. wheat No. 2 (HRW, fob) averaged US\$128 per tonne, up slightly since September but some US\$2 per tonne below November 2000. In recent months, **wheat** prices have fallen below the previous year's levels despite a decline in global wheat production this year. This could be explained by the existence of relatively large export supplies in a number of important wheat producing countries as well as the absence of any significant improvement in world import demand. Larger supplies of low-grade wheat from several origins have also contributed to the overall weakness in prices.

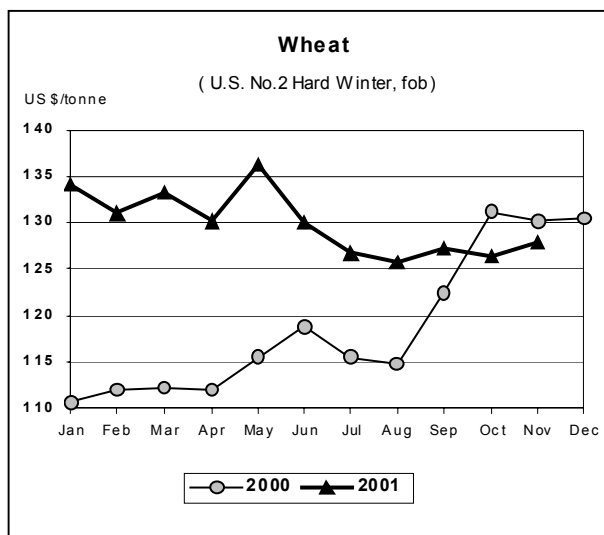
Wheat prices are expected to remain weak also during the second half of the current marketing season as supplies of new crops from Australia and Argentina begin to enter the market, adding to the downside momentum. Although wheat futures have been trading mostly above the levels registered in the corresponding period last year, the supply-side pressure continues to

Cereal Export Prices *

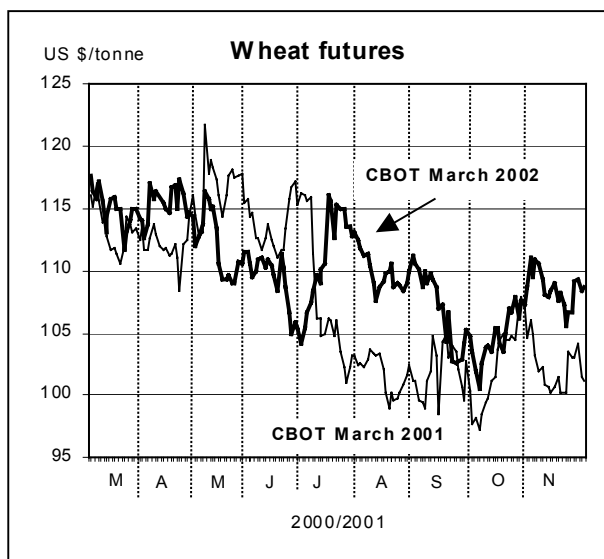
	2001		2000
	Nov.	Sept.	Nov.
	(. US\$/tonne)		
United States			
Wheat	128	127	130
Maize	90	90	89
Sorghum	96	98	96
Argentina			
Wheat	109	119	128
Maize	93	88	85
Thailand			
Rice white	177	176	190
Rice, broken	136	151	130

Source: FAO, see Appendix Table A.6 and A.7 for the notes.

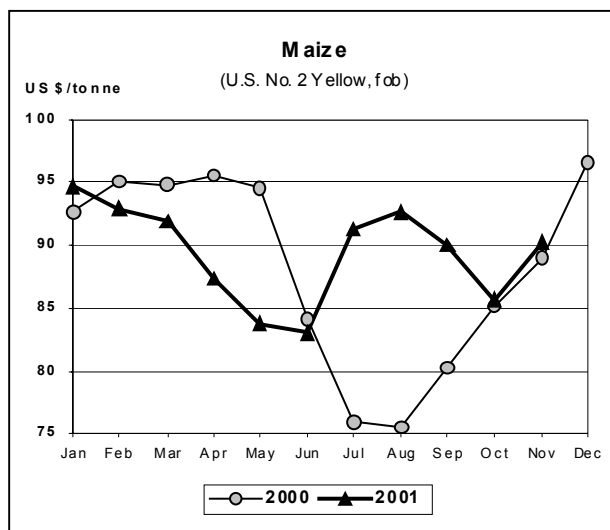
* Prices refer to the monthly average.



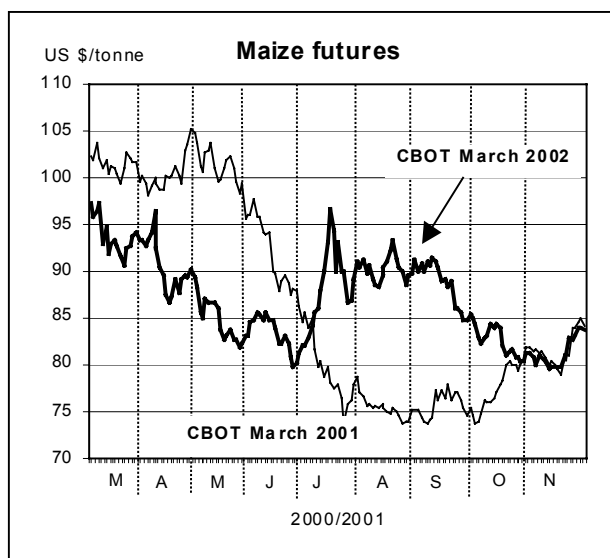
weigh on the market. By the last week in November, the March futures for the soft red winter wheat contracts at the Chicago Board of Trade (CBOT) lost some US\$6 per tonne compared to the highs of around US\$110 per tonnes in late October.



International **maize** prices fell sharply between August and October, reflecting sluggish world import demand and large exportable supplies. In recent weeks maize prices began to rise while following closely last year's trend. The expected drop in maize production in the United States have been supportive to prices in recent weeks, and in November the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US\$90 per tonne, up US\$6 per tonne since October.



However, large maize inventories, on top of abundant supplies of feed wheat, will continue to weigh on prices. In addition, as with most other agricultural commodities, maize markets are also likely to be negatively affected by weaker demand as fallout of the global economic slow down. By late November, the March maize futures contracts at the CBOT were quoted at US\$82 per tonne, slightly below the corresponding period last year.



The arrival of new rice crop on the market had a depressing effect on export prices and the FAO Rice Export Price Index fell by 1 percentage point to 88 in September and again in October, to 87. Prices held steady in November. The slide observed since September affected to the same extent high and low quality rice.

Among competing exporters, prices of the high quality Thai 100%B from Thailand have been sustained by steadfast import demand and the announcement of a resumption of Government procurement purchases. However, the retreat of African customers depressed prices of both the Thai A1 Super and parboiled rice in November. Viet Nam's rice quotations rose, but only because of the limited arrival of new supplies to the market in the wake of flooding in the Mekong Delta. Myanmar rice was also quoted higher in November. By contrast, Pakistan prices faltered as potential importers were discouraged by fears of delay in deliveries. Prices from India have also become particularly attractive, as supplies from the new crop have added pressure to the market. Reports of a record crop of long grain rice in the United States negatively influenced its prices. As a result, the price differential between the Thai 100%B rice and the US 2/4% long grain rice has narrowed to US\$63 per tonne, compared with US\$104 per tonne in January.

Seen from a longer time perspective, rice prices have been falling over the last twelve months by close to 10 percent, reaching their lowest level since 1987. The unabated slide has recently favoured the resurrection of a proposal to form an exporter alliance to prevent price undercutting, which will soon be considered by Thailand, Viet Nam, Myanmar and Pakistan.

A marked recovery in prices is not expected to take place during the rest of the year, since many countries will not come to the market to buy, having just filled their storage space with newly harvested rice. However, the price trend could turn positive as of next year, given the expected tightening of market conditions. On the one hand, several traditional exporters will face supply constraints. On the other, reduced inventories in a number of importing countries could boost import demand.

Food Aid^{1/}

Cereal food aid shipments could increase slightly in 2001/02

Preliminary indications point to an increase in total cereal food aid shipments in 2001/02 (July/June) to 9.5 million tonnes (in grain equivalent), up 1 million tonnes from 2000/01. This increase is likely to be met mainly by higher shipments from the United States and Japan, while Pakistan and India, usually among food aid recipient countries, could also emerge as donors this

season. The anticipated increase in food aid shipments can be partly explained by larger needs in Afghanistan, but concerns over weak international prices and relatively large stocks in some countries could also be considered as important factors.

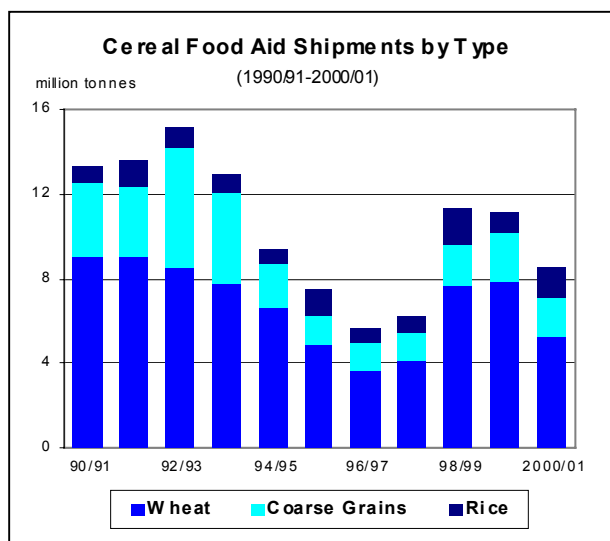
^{1/} More detailed statistics on cereal and non-cereal food aid shipments are available on the internet as part of the FAO World Wide Web at the following URL address: <http://www.fao.org> under *Statistical Database* and then *All Databases*.

Cereals - Food Aid Shipments by destination- (July/June)

	1996/97	1997/98	1998/99	1999/2000	2000/2001 estim.
	(..... thousand tonnes)				
WORLD	5 605	6 241	11 250	11 168	8 464
LIFDCs	4 691	5 480	8 404	7 561	7 399
Africa	2 061	2 281	2 581	2 955	3 051
Sub-Saharan	1 871	2 172	2 530	2 853	2 733
Others	190	109	50	102	318
Asia	2 526	3 132	5 365	4 227	4 357
East Asia and SE Asia	685	1 015	2 598	1 580	2 032
South Asia	906	1 127	2 003	1 519	1 112
Others	934	989	763	1 128	1 214
Latin America and the Caribbean	611	553	984	827	690
Others	407	275	2 320	3 159	367

Source: WFP

Note: Totals computed from unrounded data.



While the overall global food situation is generally better than in the previous season, many countries continue to face emergencies and demand for food aid remains strong. In particular, food aid shipments to Afghanistan are expected to increase sharply this season. Even before the start of the military operations, Afghanistan was gripped by critical food crisis following three consecutive years of severe drought. In early October, the World Food Programme (WFP) announced plans to deliver 52 000 tonnes of food aid per month to feed the most vulnerable people. Among other countries in Asia, food aid flows to the Democratic People's Republic of Korea and Bangladesh are expected to remain substantial, although less than in the previous year.

In Africa, despite better harvests in several countries, civil strife and localized crop failures in many areas keeps food aid needs at high levels and food shortages continue to persist. In early November, Zimbabwe, a

country that normally meets its own import requirements through commercial purchases, appealed for assistance from the international community and could receive food aid this year. In Latin America and the Caribbean, the food situation remains precarious in many parts, mostly because of natural disasters; and shipments to several countries, including Honduras, Cuba, Peru and Nicaragua are expected to exceed the previous year's levels.

Cereal food aid contracted in 2000/01

According to the latest information supplied by the WFP, total cereal shipments in 2000/01, under programme and project food aid as well as emergency food aid, amounted to 8.5 million tonnes (in grain equivalent), nearly 3 million tonnes, or 24 percent, smaller than in 1999/2000 (table A.10), largely because of a sharp cut back in shipments to the Russian Federation. Even at this reduced level, food aid shipments by major donors exceeded the "minimum commitments", agreed under the 1999 Food Aid Convention (FAC). It should be noted that the 1999 FAC sets the global minimum "guaranteed annual tonnage" at around 5 million tonnes (in wheat equivalent). As in the previous season, emergency food aid constituted about one-half of the total shipments.

The decline in cereal food aid shipments in 2000/01 was most pronounced in terms of wheat, which fell by about 2.6 million tonnes. Coarse grain shipments also declined, by over 400 000 tonnes. By contrast, those of rice rose by more than 300 000 tonnes. Total cereal shipments as food aid to the Low-Income Food-Deficit Countries (LIFDCs), as a group, fell slightly in 2000/01, to 7.4 million tonnes or some 160 000 tonnes smaller

Non Cereals - Food Aid Shipments by type

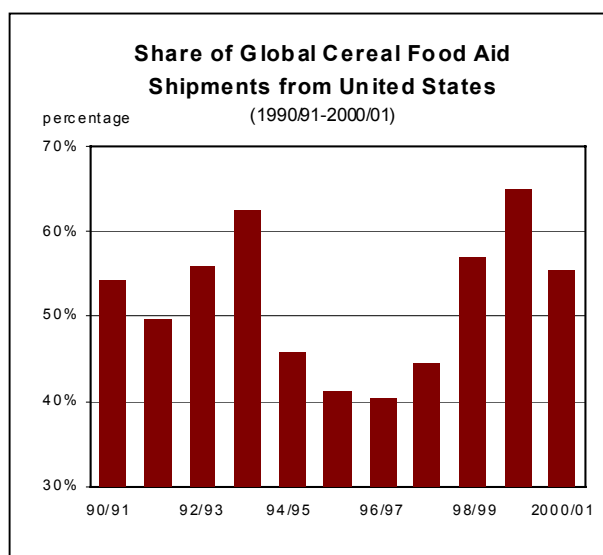
	1996	1997	1998	1999	2000 estim.	Change from 1999
	(. thousand tonnes)					
Butter oil	1.1	0.4	0.2	0.2	0.2	0.0
Dry fruit	6.7	2.6	0.2	2.4	1.9	-0.5
Edible fats	9.0	4.3	6.9	1.0	1.8	0.8
Fish & products	15.9	14.5	10.2	16.0	7.6	-8.4
Meat & products	8.0	8.6	4.2	234.5	25.0	-209.5
Milk	25.9	17.3	24.9	55.2	41.5	-13.7
Other dairy products	4.0	0.9	0.2	1.3	0.7	-0.6
Pulses	508.2	405.5	433.8	1 178.0	586.3	-591.7
Sugar	49.3	49.2	26.7	32.0	48.7	16.8
Vegetable oils	285.4	286.3	355.0	319.3	376.8	57.5
Other foods	73.4	105.1	52.6	64.6	91.9	27.3
Total	987.1	894.8	914.7	1 904.5	1 182.6	-721.9

Source: WFP

Note: Totals computed from unrounded data.

than in 1999/2000. Largest declines were registered for Bangladesh (260 000 tonnes), Ethiopia (250 000 tonnes), Indonesia (177 000 tonnes), India (172 000 tonnes) and Rwanda (127 000 tonnes). However, shipments to several countries also increased; namely, to the Democratic People's Republic of Korea (651 000 tonnes), Kenya (204 000 tonnes) and Eritrea (130 000 tonnes).

Cereal food aid from the United States fell by around 2.5 million tonnes in 2000/01 to 4.7 million tonnes; shipments to the Russian Federation fell from 1.9 million tonnes provided in 1999/2000 to only 127 000 tonnes. However, even at this reduced level, the United States was the largest donor, contributing to more than 55 percent of global shipments in 2000/01. Cereal aid shipments from a number of other major donors, including the EC and Canada, also registered a sharp decline in 2000/01. The fall from the EC was most pronounced, as total shipments declined by over 33 percent, to 1.5 million tonnes. Most of the decline was associated with lower shipments to the Russian Federation and the Democratic People's Republic of Korea. By contrast, shipments from Japan rose by more than two-fold, to 720 000 tonnes, largely because of increased shipments of rice to the Democratic People's Republic of Korea.



Shipments of non-cereal food aid fell sharply in 2000

Following a surge to a near record volume in 1999, total shipments of non-cereals as food aid in 2000(January-December)^{1/} fell to 1.2 million tonnes, representing a decline of 700 000 tonnes, or 38 percent. Most of the decline was due to a sharp reduction in shipments from the United States to the

Non Cereals - Food Aid Shipments by type

	1996	1997	1998	1999	2000 estim.	Change from 1999
	(. thousand tonnes)					
Butter oil	1.1	0.4	0.2	0.2	0.2	0.0
Dry fruit	6.7	2.6	0.2	2.4	1.9	-0.5
Edible fats	9.0	4.3	6.9	1.0	1.8	0.8
Fish & products	15.9	14.5	10.2	16.0	7.6	-8.4
Meat & products	8.0	8.6	4.2	234.5	25.0	-209.5
Milk	25.9	17.3	24.9	55.2	41.5	-13.7
Other dairy products	4.0	0.9	0.2	1.3	0.7	-0.6
Pulses	508.2	405.5	433.8	1 178.0	586.3	-591.7
Sugar	49.3	49.2	26.7	32.0	48.7	16.8
Vegetable oils	285.4	286.3	355.0	319.3	376.8	57.5
Other foods	73.4	105.1	52.6	64.6	91.9	27.3
Total	987.1	894.8	914.7	1 904.5	1 182.6	-721.9

Source: WFP

Note: Totals computed from unrounded data.

Russian Federation, which more than offset larger aid contributions from Canada and several countries in Europe. Total shipments of non-cereals to the Russian Federation soared to over 1 million tonnes in 1999, but then fell to 93 000 tonnes in 2000. Total shipments to the LIFDCs, as a group, exceeded 890 000 tonnes, up 32 percent from 1999. This increase reflected larger shipments to several countries, including Indonesia (72 000 tonnes), Ethiopia (48 000 tonnes), the Democratic People's Republic of Korea (28 000 tonnes), Eritrea (22 000 tonnes) and Yemen (12 000 tonnes).

Smaller shipments of pulses accounted for most of the reduction in total non-cereal donations in 2000. Pulse shipments were halved to 586 000 tonnes from 1.2 million tonnes in 1999, as shipments to the Russian Federation fell from 750 000 tonnes in 1999 to only 32 000 tonnes in 2000. The shipments of meat (including meat products), another important non-cereal food aid category, also contracted in 2000. Overall, the volume of meat as food aid increased from

4 000 tonnes in 1998 to 234 000 tonnes in 1999 but then fell to 25 000 tonnes in 2000. Similar to the pulse situation, the decline in meat shipments was mostly related to a reduction in food aid to the Russian Federation.

By contrast, food aid shipments of **vegetable oils** rose to a 7-year high in 2000 to around 377 000 tonnes, up 18 percent from 1999. As many as 100 countries around the world receive vegetable oils in the form of food aid. The largest recipients in 2000 include Peru (72 428 tonnes), the Russian Federation (39 818 tonnes), Ethiopia (39 805 tonnes), India (22 397 tonnes), Madagascar (19 490 tonnes), the Democratic People's Republic of Korea (19 113 tonnes). Higher shipments to Peru, the Russian Federation and Ethiopia accounted for the bulk of the rise in total shipments in 2000.

^{1/} While cereal shipments are reported on a July/June basis, non-cereals food aid is reported on a calendar year basis.

Non Cereals - Food Aid Shipments by Destination

	1996	1997	1998	1999	2000 estim.
	(. thousand tonnes)				
WORLD	987	895	915	1 904	1 183
LIFDCs	637	607	677	676	893
Africa	392	313	302	308	385
Asia	255	275	341	319	362
Latin America and the Caribbean	148	170	232	172	259
Others	193	136	39	1 105	177

Source: WFP

Note: Totals computed from unrounded data.

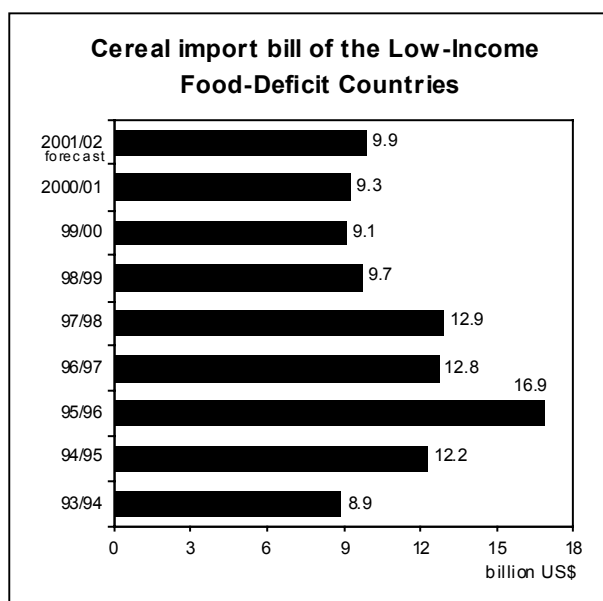
Cereal Import Bills^{1/}

Higher import bills and a further rise in the estimated per unit cereal import costs

Should the current forecasts for cereal trade, food aid and prices for 2001/02 materialize, the economically vulnerable and food deficit regions could face more elevated cereal import bills this season than in 2000/01, while the estimated per unit cereal import cost for most developing regions is also seen to increase for the second consecutive year. The **developing countries** are likely to spend at least US\$23 billion for imports of cereals in 2001/02, up 3 percent from the previous season; while in the **Low-Income Food-Deficit Countries** (LIFDCs), the expected rise in the import volume, coupled with expected higher prices, could bring forth a 7 percent jump in their total cereal import bill, to almost US\$10 billion. At the current forecast levels, the developing countries would face a rise of more than US\$3 per tonne in their per unit cereal import cost while the rise would be US\$4 per tonne for the LIFDCs.

The combined cereal import bill of the **Least-Developed Countries** (LDCs) and the **Net-Food Importing Developing Countries** (NFIDCs), which include a list of nations agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme, is expected to reach US\$6 billion in 2001/02, down 4 percent from 2000/01. Most of this decline would reflect a relatively significant (2.5 million tonnes) reduction in the expected volume of their total cereal imports. In addition, cereal food aid shipments to the LDCs are forecast to increase from 3.6 million tonnes in 2000/01 to 4.5 million tonnes, most of which would be due to larger shipments to

Afghanistan. At the current forecast levels, the per unit import cost for the LDCs is likely to stabilize at the previous season's level of around US\$122 per tonne while, for the NFIDCs category, which includes much smaller food aid recipient countries, the per unit import cost could rise to US\$133 per tonne in 2001/02, up US\$4 per tonne from the previous season. Nevertheless, in all cases, the per unit import cost estimates continue to remain well below the peaks observed during the cereal price hike periods of the mid-1990s.



^{1/} For definitions of the special country/economic grouping see the Statistical Note on page 44.

Changes in Cereal Import Bill of LIFDCs by Region and Commodity

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate	2001/02 forecast
	(.....US\$ billion.....)								
LIFDCs	8.9	12.2	16.9	12.8	12.9	9.7	9.1	9.3	9.9
Africa	3.0	3.3	4.8	4.5	4.3	3.9	3.6	4.4	4.1
Asia	5.2	8.1	11.2	7.3	7.8	5.0	4.7	4.1	4.9
Latin Am. and Carib.	0.6	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7
Oceania	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wheat	5.8	6.9	10.7	8.1	6.6	5.1	4.9	5.2	5.6
Coarse grains	1.9	2.1	3.8	2.8	2.3	2.0	2.4	2.4	2.3
Rice	1.2	3.3	2.4	1.9	3.9	2.6	1.8	1.7	2.0

In general, **wheat** accounts for the largest portion of the cereal import bill for most countries, which tends to exceed by a large margin the imports of all other major cereals. The overall value of wheat imports by the developing countries in 2001/02 is currently forecast at US\$12 billion, up US\$600 million from 2000/01, reflecting expected stronger prices and a likely increase in import volume. For the LIFDCs, as a group, the value of total wheat imports is forecast at US\$5.6 billion, some US\$400 million more than in the previous season. The developing countries are also expected to spend at least US\$3.4 billion on **rice** imports, which would represent an increase of some US\$400 million

over 2001, again due to larger imports and higher international prices. The LIFDCs are likely to account for most of this increase, with their rice import bills rising from US\$1.7 billion in 2001 to US\$2 billion in 2002. By contrast, the import cost for purchasing **coarse grains** by the developing countries in 2001/02 is put at US\$7.4 billion, some US\$200 million below the previous season's estimated level, mainly because of lower overall volume of imports. The LIFDCs are also likely to spend a bit less (about US\$50 million) on coarse grain imports in 2001/02, which could reach US\$2.3 billion.

Trends in Cereal Imports Bills^{1/}

	1996/97	1997/98	1998/99	1999/2000	2000/01 estim.	2001/02 f'cast.
Import Bill (US\$ billion)						
Developing countries	27.7	25.6	21.5	21.2	22.2	22.8
LIFDCs	12.8	12.9	9.7	9.1	9.3	9.9
LDCs	2.0	2.5	2.2	1.8	1.9	1.9
NFIDCs	5.3	4.9	4.4	3.8	4.2	4.0
Total volume imported (million tonnes)						
Developing countries	149.8	159.5	161.4	169.6	170.5	170.7
LIFDCs	69.1	78.7	73.7	74.1	72.2	74.5
LDCs	11.8	15.3	16.9	16.0	15.3	15.4
NFIDCs	28.5	32.0	33.4	30.6	32.9	30.2
Food aid (million tonnes)						
Developing countries	4.8	5.4	8.8	7.7	7.7	8.7
% of total imports	3.2	3.4	5.4	4.5	4.5	5.1
LIFDCs	4.7	5.5	8.4	7.6	7.4	8.4
% of total imports	6.8	7.0	11.4	10.2	10.3	11.3
LDCs	2.7	2.9	4.0	4.1	3.6	4.5
% of total imports	22.9	18.7	23.7	25.9	23.4	29.2
NFIDCs	0.5	0.6	0.8	0.8	1.1	1.1
% of total imports	1.8	2.0	2.3	2.5	3.5	3.8
Commercial imports (million tonnes)						
Developing countries	145.0	154.1	152.6	161.9	162.9	162.1
LIFDCs	64.4	73.3	65.3	66.6	64.8	66.1
LDCs	9.1	12.4	12.9	11.8	11.7	10.9
NFIDCs	28.0	31.3	32.7	29.8	31.7	29.1
Per unit import cost (US\$/tonne)^{2/}						
Developing countries	184.9	160.5	133.5	124.9	130.0	133.3
LIFDCs	185.0	163.7	132.2	122.5	128.9	133.1
LDCs	171.9	161.5	130.8	110.9	122.6	122.2
NFIDCs	187.4	154.6	130.5	125.1	128.9	132.6

Note: Totals computed from unrounded data.

^{1/} The Same countries may appear in more than one special country grouping. For definitions of country groupings see the Statistical Note on page 44.

^{2/} Based on the per unit cost of total imports.

Milk and Milk Products

International prices for dairy products during 2001 were on average higher than in 2000: for the year to October, the FAO dairy price index was 6 percent higher in 2001. This reflected generally favourable international demand and limited export availability. However, towards the end of the year, prices weakened somewhat as a result of a prevailing sense of uncertainty in world markets, which lead to a softening of international demand.

Milk production expected to rise in 2001

Global milk output is expected to rise by some 2 percent during 2001. In Oceania, milk production for the 2001/02 dairy year in New Zealand is anticipated to be slightly above the previous year – which was a record. In the case of Australia, the main producing State, Victoria, has experienced above average rainfall during the 2001/02 production season so far, providing good grass growth. Consequently, output is expected to be 3 percent higher during the current season compared to the previous one. In light of the above, milk output for the end of the current dairy year for New Zealand is forecast at 13.8 million tonnes, and that of Australia at 11.5 million tonnes. In both countries, the national dairy herd is in a phase of expansion. In the case of New Zealand, herd growth is taking place mainly in the dryer South Island and is largely dependent on irrigated pastures. Exporters in Oceania benefited during 2001 from higher international prices for dairy products and a weakening of national currencies against the United States dollar. In the United States, following substantial growth in milk production in the previous two years, when it rose by 3 percent per year, milk output, at 75 million tons, is expected to be one percent less in 2001. The expansion in production has been halted by a shortage of good-quality forage and the follow-on effect of a reduction in producer prices during the previous year. As imports to the United States are limited by high out-of-quota tariffs and domestic prices are on average above those prevailing on the world market, internal prices at times move in a different direction from international prices.

In eastern Europe, milk production for 2001 is expected to be greater than in 2000, when dry conditions during the summer reduced output in a number of countries. For some countries in this region, anticipated accession to the European Union during the coming years may act as an incentive for farmers to increase output, with the aim of increasing their entitlement to production quotas, once membership to the EC is achieved. Already, in the Czech Republic and Hungary, a system of milk quotas has been introduced similar to that in place in the EC. In these two countries, as quotas are higher than current levels of milk production, this may provide an incentive for farmers to increase output. Also in eastern Europe, for example in Poland, the impetus of imminent membership to the EC has resulted in dairies raising quality standards for milk and milk products - one result

of this is anticipated to be a reduction in the number of small-scale dairy producers, some of whom will not be able to meet the required standards. Production in a number of other developed countries (the EC, Canada, Japan, Switzerland) is subject to policies which restrict output and, consequently, changes little from year to year. Despite a substantial cull of dairy cows in the UK, as a result of an outbreak of foot-and-mouth disease, milk production for the 2001/02 quota year is expected to be near the quota ceiling, as unaffected farms have increased output to make up the potential short-fall. Elsewhere in the European Union, cases of foot-and-mouth disease were not wide-spread and did not result in the large-scale culling of dairy cows.

Milk Production

	1999	2000	2001 estim.
	(. . . . million tonnes)		
WORLD	566	576	585
EC	126	125	126
India	77	79	82
United States	74	76	75
Russian Fed.	32	32	32
Pakistan	23	24	25
Brazil	22	22	23
New Zealand	13	13	14
Ukraine	13	12	12
Poland	12	12	12
Australia	11	11	12
Argentina	10	9	9

Source: FAO

Milk production in the Russian Federation stabilized in 2000, following a decade of continuous decline, and could increase slightly during 2001; although the size of the milking herd in the Russian Federation continues to fall, feed availability has improved, raising yields per cow. Russian production continues to move away from the large, former state-run farms to small-scale ownership and production. Similarly, in the Ukraine, where milk production also declined throughout the 1990's, the Ministry of Agriculture estimates a small increase in milk production during 2001.

In developing countries, growth in milk output is expected to continue in Asia and Latin America. India's milk production during the 2001/2002 (April/March) marketing year could rise to an estimated 82 million tonnes. Production growth in India is increasing through improved yields per animal rather than through growth in animal numbers. In China, milk production rose substantially during the first part of the year as a result strong consumer demand and the profitability of dairying relative to other types of agricultural production, such as grains.

In southern Latin America, countries have experienced markedly diverse climatic conditions, with associated effects on milk production. In Argentina, milk production in 2001 has suffered from regionalised flooding and is estimated to finish the year 5 percent lower than in 2000. Furthermore, relatively low prices for milk, as a result of falling domestic demand, continue to mean that a substantial number of less efficient producers are leaving the dairy industry. In contrast, Chile has had excellent climatic conditions for pasture development and silage production during the year and, as a result, milk production is expected to rise by 10 percent. Uruguay also enjoyed favourable conditions for silage production, and milk output is forecast to be higher this year. Elsewhere in Latin America, dry summer conditions in Venezuela meant that farmers had to increase their use of feed and dried fodder, as pasture was short, leading to an increase in their production costs. Most of Costa Rica received a good spread of rainfall throughout the year, promoting pasture growth; however, milk production is only expected to increase marginally, as high meat prices have meant that calves in dual purpose herds are being given more milk to encourage their development.

Import Demand

Purchases of milk powder by most countries in South East Asia, and China, increased during 2001, as economic growth in this region sustained import demand. Elsewhere, imports by Central American countries increased, while the important markets of Mexico and Algeria maintained their levels of purchases. Conversely, imports of milk products by Brazil were sharply lower, as a result of a substantial devaluation of the Real during the year making domestic products more competitive. Indeed, during the second half of the year, Brazilian companies began making some exports of milk powder, something that has rarely occurred in the past. Import demand by the Russian Federation for butter and cheese remained depressed as, following the devaluation of the Rouble in mid-1998, the price of imported dairy products has risen substantially in national currency terms. This has had a continued depressing effect on the world market

for butter where, prior to 1998, the Russian Federation accounted for a quarter of international purchases.

Indicative Dairy Export Prices^{1/}

	2000	2001		
	Oct.	Aug.	Sept.	Oct.
	(US\$/tonne, f.o.b.)			
Butter	1 325	1 375	1 400	1 350
Skimmed milk powder	2 150	2 075	2 050	1 988
Whole milk powder	2 050	2 025	2 025	1 969
Cheddar cheese	1 925	2 175	2 300	2 257

^{1/} Mid-point of price ranges reported by the New Zealand Dairy Board.

Price outlook

The price outlook for the remainder of 2001 and for 2002 is uncertain. Up until mid-2001, the international market was well-balanced. Since then, as Oceania has entered a new production season with a positive outlook for production, and South American supplies which have traditionally gone to Brazil have had to be sold elsewhere on the world market, prices of dairy products have weakened somewhat. Additionally, falling oil prices could reduce import demand in OPEC member countries and some other oil exporting nations. However, as no substantial increase in export supplies is expected on the international market, it is not anticipated that prices will fall sharply; rather that they could decline moderately over the coming months. The main product to be affected is expected to be milk powder; prices of cheese should be more stable, reflecting import demand being concentrated in the richer countries and much of the trade being regulated by WTO agreed in-quota access. International butter prices are expected to remain depressed, due to the absence of strong demand.

Sugar

The strengthening in world sugar prices during the second half of 2000 was reversed in early 2001, largely due to weakening import demand by the Russian Federation, where sugar imports declined more than 1 million metric tonnes due to high domestic stocks and the implementation of new trade policy measures limiting increased sugar imports. By October 2001, the International Sugar Agreement (ISA) daily price averaged US cents 6.79 per lb, compared to US cents 10.75 per lb in October 2000.

However, world sugar prices increased in early November 2001 as news of the significant damage to the 2001/02 sugarcane crop in Cuba resulting from

Hurricane Michelle reached world sugar markets. Lower than anticipated production in Cuba due to hurricane damage, as well as potential delays in export shipments to the Russian Federation, provided upward price support with the average ISA daily price increasing to US cents 7.55 per lb by late November 2001.

Global sugar demand in 2001 is currently forecast to reach 130.7 million tonnes, up by about 2 million tonnes from the previous year, and overtaking annual production, now forecast at 129.4 million tonnes, for the first time in seven years. Although early indications point to a recovery in global sugar output in the new

(2001/02) crop year, continued growth in consumption in 2002 is expected to lead to a production deficit for the second consecutive year. However, global stock levels are estimated to be sufficiently high to ensure continued market stability throughout 2002.

Global sugar production is forecast to increase by 1.7 million tonnes in the new crop year, to 131.1 million tonnes. Among the major cane producing countries, Australia, Brazil, China and Thailand are all forecast to increase production in 2001/02, with the largest portion of the new crop year's increase attributable to Brazil. Production in developing countries is currently forecast to increase by 3.7 percent in the new crop year, essentially offsetting the currently anticipated 3.5 percent decline in developed country output. Production in Brazil is expected to increase by 2.2 million tonnes, from 17.3 to 19.5 million tonnes, as the sugarcane crop fully recovers from the damage due to drought two years ago. The outlook for increased sugar output in Brazil has resulted in some debate about increasing domestic production and stocks of ethanol in the new season.

Although the full extent of hurricane damage to 2001/02 cane sugar production crop in Cuba remains unclear, early reports indicate that as much as 35 percent of the new crop was damaged, and an estimated 10 percent completely destroyed. Current estimates for Cuba have been decreased by 500 000 tonnes from last year's estimates, to 3.5 million tonnes. Production declines are also anticipated in the EC, India, the United States and Turkey, with the most pronounced decrease in sugarbeet production areas. Less than anticipated sugar recovery rates in the EC have resulted in an estimated 13 percent decline in 2001/02 production, well below last season's record output.

India may also have less than anticipated sugar production in 2001/02, with current estimates at 18.7 million tonnes or one million tonnes less than last year's record output. However, the decline in Indian output is more than offset by record high domestic stocks, currently approaching 12 million tonnes, as stocks were held off the market in recent years in order to support domestic price levels.

World Production and Consumption of Sugar

	Production		Consumption	
	2000/2001	2001/2002	2001	2002
	(. . million tonnes, raw value . .)			
WORLD	129.4	131.1	130.7	132.7
Developing Countries	87.6	90.8	84.7	86.2
Latin America & Caribbean	37.1	39.6	23.8	24.2
Africa	4.7	4.9	7.0	7.2
Near East	5.8	5.4	10.3	10.5
Far East	39.5	40.5	43.5	44.2
Oceania	0.4	0.4	0.1	0.1
Developed Countries	41.8	40.3	46.1	46.6
Europe	22.2	20.2	19.8	19.9
of which: EC	(18.2)	(15.9)	(14.6)	(14.7)
North America	7.8	7.6	10.6	10.7
CIS	3.8	4.2	10.1	10.2
Oceania	4.4	4.8	1.2	1.3
Others	3.6	3.6	4.3	4.4

Source: FAO

Global sugar disappearance is estimated slightly below 133 million tonnes for 2002, as slower than anticipated economic growth worldwide may preclude growth rates above the average annual 1.5 percent of recent years. Total disappearance in developing countries is currently estimated at 86.2 million tonnes for 2002, an increase of nearly 2 percent over 2001. The largest proportion of growth in world sugar demand is expected to be attributable to the most populous developing countries. Sugar consumption growth in developed countries should continue to be close to 1 percent in 2002.

Overall, while world market prices for raw sugar have improved, the growing refined sugar premium has resulted in more Brazilian production being diverted into refined sugar production, away from raw sugar output. World prices for refined sugar have also been supported by lower beet sugar output in the EC and Poland. Nevertheless, current market fundamentals may continue to support raw sugar prices in early 2002, particularly given currently strong raw sugar import demand from Russia and tighter western hemisphere supplies due to less sugar output in Cuba. However, recovery in sugar production in Brazil and continued high levels of world stocks may not support a sustained price recovery throughout the new crop year.

Fertilizers

Urea spot prices in international markets remained mostly stable in October and November. Average November prices were between 3 and 10 percent lower than a year ago. China has entered the market for substantial quantities. A Value added tax of 13 percent will be charged on imports of urea (half of this to be refunded) and the import duty will be 4 percent. The urea market was already tight before this event and prices are expected to go up in the Baltic and Black Sea regions as a result. Producers in the Arab Gulf are foreseen to benefit from this price increase. Arab Gulf producers will supply 5 000 tonnes to the Islamic Republic of Iran, but from December through March will supply about 4 000 tonnes a month to the domestic market. South Korea will reportedly replace domestic production next year by imports. In Viet Nam domestic demand for urea is expected to strengthen in November/early December as the season in the North starts early February. The EC has published definitive anti-dumping duties for urea exports from nine countries showing increases in the provisional duties announced in July. Turkey has cancelled its plans for export as bids were low compared to prices in the domestic market. In Latin America, there is demand for large quantities of urea, but some sales may not materialize due to the tight situation in the Baltic and Black Sea regions. Urea demand from farmers in the United States is modest, and Canada is targeting the Mid-West for its excess inventories (380 percent up compared to last year).

Ammonia prices remained stable among eastern European countries over the past few months, but decreased slightly in the Caribbean and the Near East. On average the prices are 30 percent lower than last year. The December market looks weak. Price corrections are taking place in the US, the Caribbean and South East Asia. India is purchasing large quantities.

International spot market prices for **ammonium sulphate** fell slightly in eastern Europe in the last few months while they have been stable in the US Gulf and western Europe. Prices are, however, up 4 to 26 percent compared to a year ago. Turkey is in the market for 12 000 tonnes.

Diammonium phosphate (DAP) prices remained stable from September to November. DAP prices are, on average, between 8 and 14 percent lower than a year ago. China will be officially a member of the WTO in December 2001. Its quota for DAP in 2002 is indicated at 5.4 million tonnes. The Chinese government will impose tariff rates (4 percent within quota and 50 percent on imports above quota) anticipating an increase in private sector buying. Pakistan is purchasing large quantities to catch the end of the Rabi season. Pakistan will probably come back into the market by January for the Kharif season. In India subsidy on domestic DAP has been reduced, while that on imported DAP has been

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

	October 2001	November 2001	November 2000	Change from last year ^{1/}
	(. US\$/tonne)			(. percentage .)
Urea				
eastern Europe	95-97	95-97	98-100	-3.0
Near East	111-113	115-117	128-131	-10.4
Ammonium Sulphate				
eastern Europe	50-53	45-49	44-46	4.4
U.S. Gulf	60-65	60-65	48-52	25.0
western Europe	70-75	70-75	55-60	26.1
Diammonium Phosphate				
Jordan	151-154	151-155	170-175	-11.3
North Africa	139-150	141-148	162-174	-14.0
U.S. Gulf	139-141	144-148	157-159	-7.6
Triple Superphosphate				
North Africa	119-125	121-127	129-135	-6.1
U.S. Gulf	120-126	126-129	127-134	-2.3
Muriate of Potash				
eastern Europe	91-106	90-105	92-110	-3.5
Vancouver	111-130	110-128	116-131	-3.6
western Europe	115-122	115-122	115-122	0.0

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

increased. The government is planning to link their pricing to import parity from April 2002 onwards, thus natural gas prices are likely to double from that date. Morocco is supplying China, the Islamic Republic of Iran, Pakistan and New Zealand. Suppliers in the Russian Federation have scheduled exports to Ethiopia. Their DAP exports are 20 percent lower than in 2000. The planting season in Latin America is over, but Mexico may still be in the market as following a hurricane it's DAP plant is not operational. The demand in Europe is weak. The domestic market for DAP in the United States has been relatively quiet, but the US might export to Australia.

Prices for **triple superphosphate** (TSP) in November are down by 2 to 6 percent compared to

2000. Tunisia exports TSP to Bangladesh, but due to lower demand in Brazil and Iran, exports fell by 16 percent during the period of January to October.

Muriate of potash (MOP) prices in November are about 3 to 4 percent lower world-wide than a year ago, and remained stable in the last few months. During most of 2001 demand was reduced, but prices have remained stable as producers cut back their supplies. Germany is supplying India. Malaysia has prepared tenders, but the quantity to be imported is not clear yet. Production in Europe will be lower than in 2000 due to the winding down of the mine in France and a dip in production in Spain and the UK. Imports in Brazil are estimated to be about 12 percent lower than in 2000.

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

	Wheat			Coarse Grains		
	1999	2000 estim.	2001 f'cast	1999	2000 estim.	2001 f'cast
	(..... million tonnes)					
ASIA	258.8	250.0	240.1	217.7	194.3	199.9
Bangladesh	1.8	1.7	2.0	0.1	0.1	0.1
China ^{1/}	113.9	99.6	93.9	140.6	118.4	122.6
India	70.8	75.6	68.5	30.3	29.7	30.4
Indonesia	-	-	-	9.2	9.2	9.2
Iran, Islamic Rep. of	8.7	8.0	7.5	3.2	2.3	2.3
Japan	0.6	0.7	0.7	0.2	0.2	0.2
Kazakhstan	11.2	9.1	13.5	2.8	2.3	2.8
Korea, D. P. R.	0.2	0.1	0.1	1.4	1.2	1.6
Korea, Rep. of	-	-	-	0.4	0.3	0.5
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	17.9	21.1	19.0	2.2	2.2	2.1
Philippines	-	-	-	4.6	4.5	4.5
Saudi Arabia	2.0	1.8	1.8	0.4	0.4	0.4
Thailand	-	-	-	4.5	4.8	4.6
Turkey	16.5	18.0	16.0	9.5	11.0	9.2
Viet Nam	-	-	-	1.8	1.9	2.0
AFRICA	15.5	14.6	18.0	79.0	79.6	81.6
North Africa	11.5	10.0	12.9	9.8	8.6	9.9
Egypt	6.3	6.6	6.3	7.2	7.4	7.4
Morocco	2.2	1.4	3.3	1.7	0.6	1.4
Sub-Saharan Africa	3.9	4.7	5.1	69.2	71.0	71.7
Western Africa	0.1	0.1	0.1	32.6	31.3	33.5
Nigeria	-	-	-	18.8	19.3	20.1
Central Africa	-	-	-	2.7	2.6	2.6
Eastern Africa	1.7	1.9	2.3	17.7	17.7	20.8
Ethiopia	1.2	1.4	1.4	6.6	7.6	7.4
Sudan	0.2	0.3	0.6	2.9	3.0	4.6
Southern Africa	2.2	2.7	2.7	16.2	19.4	14.7
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	1.7	2.3	2.3	8.3	11.1	7.9
Zimbabwe	0.3	0.3	0.3	1.7	2.2	1.6
CENTRAL AMERICA	3.1	3.3	3.2	28.6	27.0	30.2
Mexico	3.1	3.3	3.2	24.9	23.5	26.8
SOUTH AMERICA	20.3	20.6	23.2	59.4	63.1	71.9
Argentina	15.7	16.5	17.5	17.9	21.7	19.5
Brazil	2.4	1.7	3.0	33.7	32.9	43.1
Colombia	-	-	-	1.5	1.5	1.5
NORTH AMERICA	89.5	87.6	74.0	290.7	299.2	286.2
Canada	26.9	26.8	20.7	27.0	24.5	22.5
United States	62.6	60.8	53.3	263.6	274.7	263.7
EUROPE	178.4	187.3	195.7	203.1	200.2	220.0
Bulgaria	3.1	3.3	3.5	2.5	1.9	1.6
EC ^{2/}	97.6	105.2	91.6	103.7	109.0	108.8
Hungary	2.6	3.7	5.2	8.8	6.2	9.4
Poland	9.1	8.5	9.4	16.7	13.8	16.6
Romania	4.7	4.3	7.8	12.4	5.1	7.8
Russian Fed.	34.0	38.0	43.0	24.6	31.6	36.3
Ukraine	15.0	11.0	19.9	11.3	13.8	15.8
OCEANIA	25.3	21.5	21.3	9.5	10.6	10.4
Australia	25.0	21.2	21.0	8.9	10.1	9.8
WORLD	590.8	584.9	575.5	888.0	874.0	900.2
Developing countries	276.4	268.5	259.7	371.5	348.8	371.0
Developed countries	314.4	316.4	315.8	516.4	525.2	529.2

Source: FAO

Note: Totals computed from unrounded data.

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

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

	Rice (paddy)			Total Cereals 1/		
	1999	2000 estim.	2001 f'cast	1999	2000 estim.	2001 f'cast
	(..... million tonnes)					
ASIA	556.3	542.7	536.7	1 032.7	986.9	976.6
Bangladesh	34.6	36.5	38.3	36.5	38.3	40.3
China 2/	200.4	189.8	181.6	454.9	407.9	398.1
India	134.2	129.4	132.0	235.3	234.7	230.9
Indonesia	50.9	51.9	50.1	60.1	61.1	59.2
Iran, Islamic Rep. of	2.3	2.3	2.2	14.2	12.6	12.0
Japan	11.5	11.9	11.3	12.3	12.8	12.3
Kazakhstan	0.2	0.2	0.2	14.3	11.6	16.5
Korea, D. P. R.	2.3	1.7	2.1	3.9	3.0	3.7
Korea, Rep. of	7.1	7.2	7.4	7.5	7.5	7.9
Myanmar	20.1	20.1	20.6	20.8	20.7	21.2
Pakistan	7.7	7.2	5.8	27.8	30.5	26.9
Philippines	12.0	12.5	12.8	16.5	17.1	17.3
Saudi Arabia	-	-	-	2.5	2.2	2.2
Thailand	24.2	24.1	24.2	28.7	29.0	28.8
Turkey	0.3	0.3	0.3	26.3	29.3	25.5
Viet Nam	32.7	31.7	31.7	34.5	33.6	33.7
AFRICA	17.3	17.2	17.2	111.8	111.4	116.8
North Africa	5.9	6.0	5.3	27.2	24.6	28.1
Egypt	5.8	6.0	5.3	19.4	20.0	18.9
Morocco	-	-	-	3.9	2.0	4.8
Sub-Saharan Africa	11.4	11.2	11.9	84.5	86.8	88.6
Western Africa	7.3	7.3	7.7	40.0	38.7	41.3
Nigeria	3.3	3.3	3.5	22.1	22.7	23.6
Central Africa	0.4	0.4	0.4	3.2	3.1	3.0
Eastern Africa	0.8	0.9	0.9	20.1	20.4	24.0
Ethiopia	-	-	-	7.8	8.9	8.8
Sudan	-	-	-	3.1	3.3	5.2
Southern Africa	2.9	2.6	2.9	21.3	24.7	20.3
Madagascar	2.6	2.3	2.6	2.8	2.5	2.8
South Africa	-	-	-	10.0	13.4	10.3
Zimbabwe	-	-	-	2.0	2.4	1.9
CENTRAL AMERICA	2.4	2.4	2.2	34.1	32.8	35.7
Mexico	0.4	0.4	0.3	28.4	27.2	30.4
SOUTH AMERICA	21.9	20.8	19.7	101.6	104.5	114.8
Argentina	1.7	0.9	0.8	35.3	39.1	37.7
Brazil	11.6	11.4	10.4	47.7	46.0	56.5
Colombia	2.2	2.1	2.1	3.7	3.6	3.7
NORTH AMERICA	9.3	8.7	9.5	389.5	395.4	369.7
Canada	-	-	-	54.0	51.3	43.2
United States	9.3	8.7	9.5	335.6	344.1	326.5
EUROPE	3.1	3.2	3.1	384.7	390.7	418.8
Bulgaria	-	-	-	5.6	5.1	5.1
EC 3/	2.6	2.5	2.6	203.9	216.7	202.9
Hungary	-	-	-	11.4	10.0	14.6
Poland	-	-	-	25.7	22.3	26.0
Romania	-	-	-	17.0	9.4	15.6
Russian Fed.	0.4	0.6	0.5	59.0	70.2	79.8
Ukraine	0.1	0.1	0.1	26.4	24.9	35.7
OCEANIA	1.4	1.1	1.8	36.2	33.2	33.5
Australia	1.4	1.1	1.8	35.3	32.3	32.6
WORLD	611.8	596.1	590.2	2 090.5	2 055.0	2 065.8
Developing countries	585.7	570.8	564.1	1 233.7	1 188.1	1 194.7
Developed countries	26.0	25.3	26.1	856.8	866.8	871.1

Source: FAO

Note: Totals computed from unrounded data.

1/ Rice is included in the cereal total in paddy terms. 2/ Including Taiwan Province. 3/ Fifteen member countries.

Table A.2 a) - WORLD IMPORTS OF CEREALS

	Wheat (July/June) ^{1/}			Coarse Grains (July/June)		
	1999/2000	2000/01 estim.	2001/02 fcast	1999/2000	2000/01 estim.	2001/02 fcast
	(..... million tonnes))					
ASIA	50.0	46.3	50.1	57.4	57.3	57.5
Bangladesh	1.7	1.1	1.3	-	-	-
China	2.0	1.4	3.2	8.3	7.1	8.1
Taiwan Province	1.1	1.1	1.1	5.6	4.8	5.2
Georgia	0.5	0.7	0.5	-	-	-
India	1.6	0.1	-	0.4	0.2	0.2
Indonesia	3.5	3.9	4.0	0.7	1.3	1.4
Iran, Islamic Rep. of	7.0	7.2	7.0	2.1	2.2	2.2
Iraq	2.7	3.2	3.1	0.2	0.2	0.1
Israel	1.7	1.6	1.6	1.4	1.3	1.4
Japan	5.8	5.7	6.0	20.6	20.4	20.3
Korea, D. P. R.	0.5	0.6	0.7	0.3	0.4	0.4
Korea, Rep. of	3.4	3.8	4.0	7.5	9.8	8.7
Malaysia	1.3	1.3	1.3	2.4	2.4	2.5
Pakistan	1.8	0.1	-	-	0.1	0.1
Philippines	2.9	3.0	3.0	0.7	0.4	0.6
Saudi Arabia	0.1	-	-	5.8	6.2	6.2
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	1.0	0.9	0.9	0.1	0.1	0.1
Syria	0.1	-	0.1	1.9	1.1	0.9
Thailand	0.8	0.8	0.8	0.4	0.2	0.3
Yemen	1.7	1.8	1.9	0.2	0.2	0.2
AFRICA	24.0	25.7	24.5	12.5	15.3	14.0
North Africa	14.8	16.8	16.4	8.6	10.9	9.5
Algeria	4.4	4.8	4.5	1.8	2.2	2.2
Egypt	5.9	6.2	6.6	3.8	4.9	4.0
Morocco	2.2	3.5	3.0	1.5	2.0	1.7
Tunisia	1.0	1.0	1.0	0.8	1.1	0.9
Sub-Saharan Africa	9.2	8.8	8.1	3.9	4.3	4.5
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	1.1	0.6	0.3	0.1	-	0.1
Kenya	0.7	0.5	0.6	0.7	1.5	0.4
Nigeria	1.3	1.6	1.7	0.1	0.1	0.1
Senegal	0.2	0.2	0.2	-	-	-
Sudan	1.2	1.3	1.3	0.1	0.3	0.1
South Africa	0.8	0.7	0.5	0.7	0.6	0.8
CENTRAL AMERICA	6.5	6.5	6.5	13.7	13.6	13.5
Cuba	1.1	0.9	1.0	0.3	0.3	0.3
Dominican Rep.	0.3	0.3	0.3	0.7	0.7	0.7
Mexico	2.8	3.1	3.0	10.4	10.2	10.2
SOUTH AMERICA	12.8	12.3	12.2	7.6	7.3	6.3
Brazil	7.4	7.0	7.0	1.6	1.1	0.2
Chile	0.8	0.5	0.3	1.1	1.2	1.2
Colombia	1.2	1.2	1.3	2.1	2.3	2.4
Peru	1.4	1.2	1.3	1.0	0.9	1.1
Venezuela	1.3	1.3	1.3	1.3	1.3	1.2
NORTH AMERICA	2.6	2.5	2.5	3.8	4.5	5.2
Canada	-	0.1	0.1	1.1	2.1	2.5
United States	2.5	2.4	2.4	2.7	2.4	2.6
EUROPE	12.8	9.6	8.6	7.7	8.5	7.9
Belarus	1.0	0.6	0.6	0.5	0.2	0.1
EC ^{2/}	3.4	3.4	4.8	2.3	2.4	2.3
Poland	0.2	0.7	0.3	0.8	1.0	0.7
Romania	0.2	0.3	-	0.1	1.6	1.0
Russian Fed.	5.2	1.6	0.9	2.5	0.8	1.5
Ukraine	0.5	0.7	0.1	0.1	0.1	0.1
OCEANIA	0.5	0.5	0.5	0.1	0.1	0.1
New Zealand	0.2	0.2	0.2	0.1	0.1	0.1
WORLD	109.1	103.4	105.0	102.8	106.5	104.5
Developing countries	82.1	80.1	82.2	68.5	71.2	68.9
Developed countries	26.9	23.3	22.8	34.3	35.3	35.6

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

Table A.2 b) - WORLD IMPORTS OF CEREALS

	Rice (milled)			Total Cereals ^{1/}		
	2000	2001 estim.	2002 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	11.4	11.2	12.4	118.8	114.8	120.1
Bangladesh	0.5	0.5	0.2	2.1	1.6	1.5
China	0.2	0.2	1.1	10.6	8.7	12.4
Taiwan Province	-	-	0.1	6.7	5.9	6.4
Georgia	-	-	-	0.5	0.7	0.5
India	0.1	0.1	0.1	2.1	0.3	0.3
Indonesia	2.0	1.4	2.0	6.2	6.6	7.4
Iran, Islamic Rep. of	1.1	1.0	1.1	10.2	10.4	10.3
Iraq	1.2	1.2	1.2	4.1	4.6	4.4
Israel	0.1	0.1	0.1	3.1	2.9	3.0
Japan	0.7	0.7	0.7	27.1	26.8	27.0
Korea, D. P. R.	0.4	0.6	0.6	1.1	1.5	1.6
Korea, Rep. of	0.1	0.1	0.1	10.9	13.7	12.8
Malaysia	0.7	0.7	0.6	4.4	4.4	4.4
Pakistan	-	-	-	1.8	0.2	0.1
Philippines	0.7	0.9	0.7	4.3	4.3	4.3
Saudi Arabia	0.8	0.8	0.8	6.7	7.1	7.1
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	-	0.1	0.1	1.1	1.1	1.1
Syria	0.2	0.2	0.2	2.2	1.4	1.2
Thailand	-	-	-	1.2	1.0	1.1
Yemen	0.2	0.2	0.3	2.2	2.2	2.4
AFRICA	6.1	6.6	5.8	42.6	47.6	44.4
North Africa	0.2	0.2	0.2	23.6	27.9	26.1
Algeria	-	-	-	6.2	7.1	6.7
Egypt	-	-	-	9.7	11.1	10.6
Morocco	-	-	-	3.7	5.5	4.7
Tunisia	-	-	-	1.8	2.1	1.9
Sub-Saharan Africa	5.8	6.4	5.6	18.9	19.5	18.1
Côte d'Ivoire	1.0	1.1	0.8	1.3	1.4	1.1
Ethiopia	-	-	-	1.2	0.7	0.4
Kenya	0.1	0.1	0.1	1.5	2.1	1.1
Nigeria	1.0	1.1	0.9	2.3	2.8	2.6
Senegal	0.5	0.7	0.6	0.8	0.9	0.8
Sudan	-	-	-	1.3	1.5	1.4
South Africa	0.5	0.6	0.6	2.0	1.8	1.9
CENTRAL AMERICA	1.5	1.6	1.7	21.8	21.7	21.8
Cuba	0.4	0.4	0.5	1.8	1.6	1.7
Dominican Rep.	-	-	-	1.0	1.1	1.1
Mexico	0.4	0.4	0.5	13.6	13.8	13.7
SOUTH AMERICA	1.0	0.9	0.9	21.3	20.6	19.5
Brazil	0.7	0.6	0.6	9.7	8.7	7.8
Chile	0.1	0.1	0.1	2.0	1.8	1.5
Colombia	0.1	0.1	0.1	3.4	3.6	3.8
Peru	0.1	0.1	0.1	2.5	2.3	2.5
Venezuela	-	0.1	-	2.6	2.6	2.5
NORTH AMERICA	0.6	0.6	0.6	6.9	7.5	8.2
Canada	0.3	0.3	0.3	1.3	2.4	2.9
United States	0.3	0.3	0.3	5.6	5.1	5.3
EUROPE	1.5	1.5	1.5	21.9	19.6	18.0
Belarus	-	-	-	1.6	0.7	0.7
EC ^{2/}	0.6	0.6	0.6	6.3	6.4	7.6
Poland	0.1	0.1	0.1	1.1	1.8	1.1
Romania	0.1	0.1	0.1	0.4	2.0	1.1
Russian Fed.	0.4	0.4	0.4	8.1	2.7	2.8
Ukraine	0.1	0.1	0.1	0.6	0.9	0.2
OCEANIA	0.4	0.3	0.3	1.0	1.0	1.0
New Zealand	-	-	-	0.3	0.3	0.3
WORLD	22.5	22.8	23.3 ^{3/}	234.3	232.7	232.8
Developing countries	19.0	19.2	19.6	169.6	170.5	170.8
Developed countries	3.5	3.6	3.6	64.7	62.2	62.1

Source: FAO

Note: Totals computed from unrounded data.

^{1/} Trade in rice refers to the calendar year of the second year shown.^{2/} Excluding trade between the fifteen EC member countries.^{3/} Highly tentative.

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	11.4	9.7	10.6	9.2	11.8	5.3
China 2/	0.5	0.4	0.3	7.2	9.8	3.8
India	0.5	2.3	3.0	-	-	-
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.4	0.4	-	-	-
Kazakhstan	6.0	3.7	4.2	0.9	0.4	0.4
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	-	0.3	0.5	-	-	-
Saudi Arabia	-	-	-	-	-	-
Syria	0.1	-	0.5	-	-	-
Thailand	-	-	-	-	0.3	0.3
Turkey	2.0	1.3	0.4	0.2	0.8	0.2
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.2	0.2	1.4	2.7	2.7
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.1	0.2	0.2
Nigeria	-	-	-	0.2	0.2	0.1
South Africa	0.1	0.1	0.1	0.2	1.6	1.8
Sudan	-	-	-	0.1	-	0.2
Uganda	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	0.5	0.4	0.3	-	0.1	0.5
SOUTH AMERICA	10.3	11.0	12.5	9.1	14.5	14.9
Argentina	10.3	11.0	12.5	8.6	12.9	12.1
Brazil	-	-	-	-	1.0	2.2
Paraguay	-	-	-	0.3	0.3	0.3
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	47.9	45.2	44.5	60.3	58.4	59.7
Canada	18.5	17.4	16.0	3.2	3.2	2.7
United States	29.5	27.9	28.5	57.1	55.1	57.0
EUROPE	22.3	17.7	20.4	17.7	13.8	17.2
Bulgaria	0.5	0.5	0.5	0.3	0.2	0.3
Czech Rep.	0.9	0.5	0.7	0.3	-	0.2
EC 3/	16.7	14.5	11.5	12.9	10.8	10.0
Hungary	0.7	1.2	1.2	1.9	0.6	1.9
Poland	-	-	-	-	-	-
Romania	0.6	-	0.8	0.3	-	0.1
Russian Fed.	0.6	0.7	1.4	0.1	0.5	1.5
Ukraine	2.0	0.1	3.5	1.0	1.6	2.7
OCEANIA	17.3	16.5	16.5	3.9	4.3	4.2
Australia	17.3	16.5	16.5	3.9	4.3	4.2
WORLD	110.0	100.7	105.0	101.7	105.4	104.5
Developing countries	15.6	17.0	18.9	18.7	27.0	21.2
Developed countries	94.3	83.6	86.1	83.0	78.4	83.4

Source: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals ^{1/}		
	2000	2001 estim.	2002 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)					
ASIA	17.2	17.4	18.0	37.8	38.9	33.9
China ^{2/}	3.1	1.9	1.2	10.8	12.0	5.3
India	1.4	1.5	2.1	1.9	3.8	5.1
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.5	0.6	0.9	0.9	1.0
Kazakhstan	-	-	-	6.9	4.1	4.6
Myanmar	0.1	0.5	0.7	0.2	0.6	0.8
Pakistan	2.0	2.0	1.9	2.0	2.3	2.4
Saudi Arabia	-	-	-	-	-	-
Syria	-	-	-	0.1	-	0.5
Thailand	6.6	7.2	7.3	6.6	7.5	7.6
Turkey	-	-	-	2.2	2.1	0.6
Viet Nam	3.4	3.7	4.0	3.5	3.9	4.2
AFRICA	0.4	0.5	0.4	2.0	3.3	3.2
Egypt	0.4	0.5	0.4	0.4	0.5	0.4
Ethiopia	-	-	-	0.1	0.2	0.2
Nigeria	-	-	-	0.2	0.2	0.1
South Africa	-	-	-	0.3	1.7	1.9
Sudan	-	-	-	0.1	-	0.2
Uganda	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	-	-	-	0.5	0.5	0.8
SOUTH AMERICA	1.5	1.4	1.3	20.9	26.8	28.8
Argentina	0.4	0.2	0.3	19.2	24.1	24.9
Brazil	-	0.2	0.1	-	1.2	2.3
Paraguay	-	-	-	0.3	0.3	0.3
Suriname	0.1	-	-	0.1	-	-
Uruguay	0.7	0.6	0.6	0.9	0.7	0.7
NORTH AMERICA	2.8	2.7	2.7	111.0	106.2	106.9
Canada	-	-	-	21.7	20.6	18.7
United States	2.8	2.7	2.7	89.3	85.7	88.2
EUROPE	0.2	0.2	0.2	40.3	31.7	37.8
Bulgaria	-	-	-	0.8	0.8	0.8
Czech Rep.	-	-	-	1.2	0.5	0.9
EC ^{3/}	0.2	0.2	0.2	29.8	25.5	21.7
Hungary	-	-	-	2.6	1.8	3.1
Poland	-	-	-	-	-	-
Romania	-	-	-	1.0	-	0.9
Russian Fed.	-	-	-	0.7	1.3	2.9
Ukraine	-	-	-	3.0	1.7	6.2
OCEANIA	0.5	0.7	0.7	21.7	21.5	21.4
Australia	0.5	0.7	0.7	21.7	21.5	21.4
WORLD	22.5	22.8	23.3 ^{4/}	234.2	228.9	232.8
Developing countries	18.6	18.7	19.1	52.9	62.8	59.1
Developed countries	4.0	4.1	4.2	181.3	166.2	173.7

Source: FAO

Note: Totals computed from unrounded data.

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

^{2/} Including Taiwan Province.

^{3/} Excluding trade between the fifteen EC member countries.

^{4/} Highly tentative.

Table A.4 – CEREALS: Supply and Utilization in Main Exporting Countries (National Crop Years)

	Wheat ^{1/}			Coarse Grains ^{2/}			Rice (milled basis)		
	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast	1999/2000	2000/01 estim.	2001/02 f'cast
	(..... million tonnes)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	25.7	25.9	24.0	51.4	48.9	52.7	0.7	0.9	0.9
Production	62.6	60.8	53.3	263.6	274.7	263.7	6.5	5.9	6.6
Imports	2.6	2.4	2.4	2.5	2.4	2.2	0.3	0.3	0.3
Total Supply	90.9	89.1	79.7	317.5	326.0	318.7	7.5	7.1	7.8
Domestic use	35.4	36.2	34.6	212.2	216.7	215.8	3.8	3.7	3.8
Exports	29.7	28.9	27.9	56.5	56.6	58.9	2.8	2.6	2.7
Closing stocks	25.9	24.0	17.3	48.9	52.7	44.0	0.9	0.9	1.3
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) ^{3/}		
Opening stocks	7.4	7.7	9.2	5.0	5.8	4.5	1.6	1.8	1.4
Production	26.9	26.8	20.7	27.0	24.5	22.5	16.0	16.0	16.0
Imports	0.0	0.1	0.1	1.1	2.2	2.7	0.0	0.0	0.0
Total Supply	34.4	34.6	30.0	33.1	32.4	29.7	17.6	17.8	17.4
Domestic use	8.3	7.9	7.6	23.8	24.7	23.2	9.2	9.2	9.3
Exports	18.3	17.5	15.7	3.5	3.2	2.7	6.6	7.2	7.3
Closing stocks	7.7	9.2	6.7	5.8	4.5	3.8	1.8	1.4	0.8
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) ^{3/ 4/}		
Opening stocks	0.8	0.8	0.9	0.9	0.8	1.2	113.2	112.9	106.4
Production	15.7	16.5	17.5	17.9	21.7	19.5	137.4	130.1	124.5
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	1.1
Total Supply	16.5	17.3	18.4	18.8	22.6	20.6	250.8	243.2	232.0
Domestic use	4.8	5.2	5.3	9.4	8.5	8.3	134.8	135.0	135.5
Exports	10.8	11.2	12.5	8.5	12.9	11.7	3.1	1.9	1.2
Closing stocks	0.8	0.9	0.6	0.8	1.2	0.6	112.9	106.4	95.2
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) ^{3/}		
Opening stocks	2.0	3.7	3.2	1.3	1.0	0.9	0.6	1.0	1.0
Production	25.0	21.2	21.0	8.9	10.1	9.8	5.2	4.8	3.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	27.0	24.8	24.2	10.2	11.0	10.7	5.7	5.8	4.9
Domestic use	5.5	5.6	5.4	5.8	6.1	5.8	2.7	2.8	2.8
Exports	17.8	16.0	17.0	3.5	4.0	4.1	2.0	2.0	1.9
Closing stocks	3.7	3.2	1.8	1.0	0.9	0.9	1.0	1.0	0.2
	EC (July/June) ^{5/}			EC ^{5/}			VIET NAM (Nov./Oct.) ^{3/}		
Opening stocks	14.8	12.3	15.0	23.7	18.1	17.8	2.2	3.3	3.3
Production	97.6	105.2	91.6	103.7	109.0	108.8	21.3	20.6	20.6
Imports	3.4	3.4	4.8	2.3	2.4	2.3	0.0	0.0	0.0
Total Supply	115.8	120.9	111.4	129.7	129.5	128.8	23.5	23.9	23.9
Domestic use	86.6	91.1	88.6	98.7	101.0	102.2	16.8	16.9	17.0
Exports	16.9	14.8	11.8	12.9	10.8	10.0	3.4	3.7	4.0
Closing stocks	12.3	15.0	11.0	18.1	17.8	16.6	3.3	3.3	3.0
TOTAL ABOVE									
Opening stocks	50.7	50.4	52.3	82.2	74.6	77.0	118.2	119.8	112.9
Production	227.8	230.5	204.0	421.2	440.0	424.3	186.3	177.4	171.6
Imports	6.0	5.9	7.3	5.9	7.0	7.2	0.6	0.6	1.5
Total Supply	284.6	286.8	263.6	509.4	521.5	508.5	305.0	297.9	286.0
Domestic use	140.7	146.1	141.4	349.9	357.0	355.3	167.3	167.5	168.3
Exports	93.5	88.4	84.9	84.8	87.5	87.4	17.8	17.4	17.1
Closing stocks	50.4	52.3	37.4	74.6	77.0	65.9	119.8	112.9	100.5

Source: FAO

Note: Totals computed from unrounded data.

^{1/} Trade data include wheat flour in wheat grain equivalent. For the EC semolina is also included.^{2/} Argentina (Dec./Nov.) for rye, barley and oats, (March/February) for maize and sorghum; Australia (November/October) for rye, barley and oats, (March/February) for maize and sorghum; Canada (August/July); EC (July/June); United States (June/May) for rye, barley and oats, (September/August) for maize and sorghum.^{3/} Rice trade data refer to the calendar year of the second year shown.^{4/} Including Taiwan province.^{5/} Excluding trade between the fifteen EC member countries.

Table A.5 - **WORLD STOCKS: Estimated Total Carryovers of Cereals 1/**

	Crop Years ending in:						
	1996	1997	1998	1999	2000	2001 estim.	2002 f'cast
	(..... million tonnes)						
TOTAL CEREALS	574.2	616.3	660.0	686.1	677.4	627.6	553.1
Wheat	216.7	224.9	251.4	257.7	251.9	236.8	200.8
held by:							
- main exporters 2/	28.6	36.0	39.3	50.7	50.4	52.3	37.4
- others	188.1	188.8	212.2	207.0	201.5	184.5	163.5
Coarse Grains	212.7	239.7	255.8	272.1	262.1	235.4	213.4
held by:							
- main exporters 2/	31.7	46.7	69.3	82.2	74.6	77.0	65.9
- others	181.0	193.0	186.4	189.9	187.6	158.4	147.5
Rice (milled basis)	144.9	151.7	152.8	156.2	163.3	155.4	138.9
held by:							
- main exporters 3/	107.0	112.0	116.1	118.2	119.8	112.9	100.5
excl. China 4/	4.1	4.7	4.9	5.0	7.0	6.6	5.3
- others	37.9	39.7	36.7	38.0	43.5	42.5	38.4
BY REGIONS							
Developed Countries	102.8	121.7	169.1	173.8	162.4	160.2	143.5
Australia	2.4	3.2	3.8	3.4	4.8	4.2	2.9
EC	22.7	24.4	35.1	38.8	30.9	33.2	28.0
Canada	9.8	14.0	10.4	12.5	13.6	13.7	10.5
Hungary	1.2	2.3	3.2	3.4	2.9	2.0	3.9
Japan	6.1	6.8	6.9	6.3	6.2	5.9	5.4
Poland	1.9	4.2	4.0	4.2	3.7	1.4	1.6
Romania	3.3	1.2	4.5	2.7	2.8	0.6	1.8
Russian Fed.	7.2	6.5	18.0	5.8	4.9	6.5	9.2
South Africa	1.0	2.4	3.7	2.3	1.7	2.8	0.8
Ukraine	7.6	3.6	4.5	2.2	2.2	1.9	3.8
United States	25.5	39.9	58.7	77.8	75.6	77.6	62.6
Developing Countries	471.4	494.5	490.9	512.3	514.9	467.4	409.6
Asia	439.5	456.2	457.5	474.3	476.6	433.2	372.9
China 4/	366.0	380.0	378.1	387.7	382.3	337.7	290.5
India	31.7	32.0	37.3	40.2	49.0	54.1	49.4
Indonesia	6.0	6.4	4.7	5.0	5.3	5.1	3.3
Iran, Islamic Rep. of	4.0	2.8	2.0	2.2	1.5	1.2	1.2
Korea, Rep. of	1.8	2.3	2.8	2.8	3.3	3.3	3.4
Pakistan	3.4	3.7	4.1	4.6	4.2	4.4	0.7
Philippines	1.9	2.0	2.0	2.6	2.0	2.4	2.4
Syria	4.9	5.1	4.0	4.2	3.6	2.1	2.4
Turkey	4.4	6.8	7.2	9.0	6.5	5.6	3.7
Africa	16.4	23.5	20.9	25.5	22.8	20.3	19.6
Algeria	2.0	2.8	2.1	2.6	1.8	1.3	1.5
Egypt	1.8	2.6	3.2	3.9	3.5	4.1	3.3
Ethiopia	1.1	1.4	0.8	0.9	1.1	1.3	1.0
Morocco	0.6	3.8	2.5	4.7	2.9	1.4	1.5
Nigeria	1.8	1.9	1.9	1.9	1.6	1.8	2.3
Tunisia	1.0	2.1	1.9	1.9	2.1	2.0	1.8
Central America	5.8	6.7	4.7	5.5	6.1	5.8	6.4
Mexico	4.5	5.4	3.6	4.3	4.5	4.3	5.0
South America	9.5	8.0	7.6	6.8	9.2	7.9	10.6
Argentina	1.2	2.5	2.1	1.7	1.9	2.2	1.3
Brazil	5.5	3.0	2.7	1.8	4.1	2.8	5.9

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

1/ Stock data are based on an aggregate of carryovers at the end of national crop years and should not be construed as representing world stock levels at a fixed point in time.

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

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

4/ Including Taiwan Province.

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Red Winter Ord. Prot. <u>1/</u>	U.S. Soft Red Winter No.2 <u>1/</u>	Argentina Trigo Pan <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	Argentina <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	U.S. No.2 Yellow <u>1/</u>
	(..... US\$/tonne)						
July/June							
1996/97	181	158	153	135	133	124	299
1997/98	142	129	135	112	109	111	263
1998/99	120	100	116	95	98	92	203
1999/2000	112	97	112	91	90	89	190
2000 - November	130	103	128	89	85	96	187
December	130	105	116	97	95	102	199
2001 - January	134	109	122	95	91	104	191
February	131	106	125	93	86	101	182
March	133	106	121	92	85	99	178
September	127	108	119	90	88	98	185
October	126	114	111	86	89	96	171
November I	129	117	108	89	91	93	169
II	126	114	107	90	94	95	172
III	129	119	111	92	94	98	177
IV	128	116	109	90	93	98	176

Sources: International Grain Council and USDA.

1/ Delivered U.S. Gulf ports. 2/ Up River f.o.b.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 100%B <u>1/</u>	Thai broken <u>2/</u>	U.S. Long grain <u>3/</u>	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and Meals
				High	Low				
January/December	(.... US\$/tonne)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
1997	316	214	439	127	129	120	1991/92	103	104
1998	315	215	413	127	128	126	1992/93	103	97
1999	253	192	333	114	115	110	1993/94	127	93
2000	207	143	271	98	101	89	1994/95	153	94
2000 - November	190	130	294	95	98	84	1995/96	140	128
2001 - July	175	140	280	91	93	83	1996/97	134	133
August	174	143	268	89	90	87	1997/98	154	116
September	176	151	246	88	88	88	1998/99	125	82
October	173	146	236	87	87	88	1999/00 - Oct.-Mar.	98	87
November I	173	140	230	87	87	87	- Apr.-Sep.	84	90
II	175	136	230				2000/01 - Oct.-Mar.	76	98
III	178	133	230				- Apr.-Sep.	86	94
IV	183	134	230				2001/02 - Oct.-Nov.	91	99

Sources: Rice Indices: FAO ; Rice prices: International rice brokers and trading companies.

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

1/ White rice, 100% second grade, f.o.b. Bangkok, indicative traded prices. 2/ A1 super, f.o.b. Bangkok, indicative traded prices 3/ U.S.No.2, 4% broken f.a.s.

Table A.8 - WHEAT AND MAIZE FUTURES PRICES

	December		March		May		July	
	this year	last year	this year	last year	this year	last year	this year	last year
(..... US\$/tonne)								
WHEAT								
October 23	105	94	108	101	108	104	108	108
30	109	94	111	100	111	104	112	107
November 6	105	97	108	103	109	107	110	110
13	102	95	106	101	107	105	107	109
20	105	94	108	101	109	105	109	108
27	103	95	105	101	106	105	106	109
MAIZE								
October 23	79	78	80	80	82	82	85	84
30	79	80	81	81	82	83	86	86
November 6	78	82	80	84	81	86	85	89
13	80	82	81	83	82	85	86	88
20	82	83	84	85	87	88	90	91
27	80	83	82	85	85	88	88	91

Source: Chicago Board of Trade

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
(..... US\$/tonne)						
July/June						
1995/96	12.95	30.00	16.83	21.67	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.60	40.97	13.65	18.50	27.00	32.83
2000 - November	14.50	40.97	14.80	18.50	27.00	36.50
2001 - April	11.50	40.97	15.50	16.25	27.00	36.50
May	12.00	40.97	14.75	18.50	27.00	36.50
June	12.00	40.97	15.00	18.50	27.00	35.75
July	12.00	40.97	15.00	18.50	27.00	35.75
August	12.00	40.97	15.00	18.50	27.00	35.75
September	11.50	40.97	15.00	18.50	27.00	35.75
October	11.50	40.97	15.00	18.50	27.00	36.00
November	11.50	40.97	15.00	18.50	27.00	36.00

Source: International Grain Council

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

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

2/ Excludes CIS and United States flag vessels.

Table A.10 - SHIPMENTS OF FOOD AID IN CEREALS, July/June

Donors	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 ^{1/} estim.
	(..... thousand tonnes, grain equivalent ^{2/})					
Australia	181	170	296	267	264	240
Canada	436	373	384	332	421	192
China	1	171	122	170	215	416
EC	2 488	1 948	1 756	2 573	2 297	1 528
of which:						
Community	1 731	1 099	890	1 557	1 387	707
National Action	757	849	865	1 016	910	820
Austria	13	12	9	1	9	7
Belgium	25	46	31	58	23	24
Denmark	25	73	61	82	85	79
Finland	2	4	1	6	10	6
France	188	207	209	93	180	184
Germany	202	211	220	199	187	162
Greece	25	25	15	4	12	0
Ireland	5	6	10	4	9	12
Italy	86	84	75	134	160	77
Luxembourg	2	2	8	4	4	2
Netherlands	90	92	92	70	95	105
Spain	4	0	3	38	21	10
Sweden	76	42	71	110	50	61
United Kingdom	105	103	141	214	66	91
India	8	7	11	25	4	0
Japan	821	292	356	1 149	331	720
Norway	14	32	45	65	63	58
Switzerland	35	43	42	37	47	25
United States	3 037	2 273	2 787	6 403	7 247	4 697
WFP purchases	0	17	11	3	38	65
Others donors	285	212	286	179	232	75
Total shipments	7 397	5 605	6 241	11 250	11 168	8 464
of which:						
Wheat	4 847	3 621	4 102	7 624	7 874	5 239
Rice	1 135	649	723	1 697	991	1 326
Coarse grains	1 414	1 335	1 416	1 929	2 303	1 899
of which to:						
Africa	2 526	2 061	2 281	2 581	2 955	3 051
Asia	3 911	2 526	3 132	5 365	4 227	4 357
Latin America	602	611	553	984	827	690
Others	358	407	275	2 320	3 159	367
to Special Country Groupings ^{3/} :						
LIFDCs (82 countries)	6 400	4 691	5 480	8 404	7 561	7 399
LDCs (49 countries)	3 313	2 699	2 863	4 006	4 139	3 568
NFIDCs (21 countries)	645	503	631	780	773	1 149
Channelled multilaterally	2 317	2 325	2 214	3 373	3 233	3 268
As percent of Total shipments	31	41	35	30	29	39

SOURCE: World Food Programme.

^{1/} As of November 2001.

^{2/} To express cereal food aid in grain equivalent, wheat, rice and coarse grains are counted on a one to one basis; for grain products, appropriate conversion factors are used to determine the grain equivalent.

^{3/} Same countries may appear in more than one special country groupings. For definitions see Statistical Note on page 44.

Table A.11 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2001

	1999	2000	2001	Change 2001 over 2000
	(..... million tons)			(... percentage ...)
Wheat	62.6	60.8	53.3	-12.3
of which: winter	46.2	42.6	37.1	-13.1
Coarse grains	263.6	274.7	263.7	-4.0
of which: maize	239.5	253.2	242.5	-4.2
Rice (paddy)	9.3	8.7	9.5	9.9
Soybeans	72.2	75.1	79.5	6.0

Source: USDA: November 2001.

Table A.12- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2001

	1999	2000	2001	Change 2001 over 2000
	(..... thousand tonnes)			(.. percentage ..)
Wheat	26 941	26 804	20 695	-22.8
Oats	3 641	3 389	2 838	-16.3
Barley	13 196	13 468	11 103	-17.6
Rye	387	260	218	-16.2
Maize	9 161	6 827	7 730	13.2
Mixed Grains	447	382	376	-1.6
Linseed	1 022	693	704	1.6
Rapeseed	8 798	7 119	4 769	-33.0

Source: Statistics Canada, November 2001.

Table A.13 - AUSTRALIA: CEREAL PRODUCTION FOR 2001

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

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

Table A.14 - 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	20.11.01	7.9	6.9	10.0	11.4
Coffee (I.C.O. daily price)	US cents per lb	19.10.01	42.1	41.0	59.5	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	19.10.01	49.0	46.5	40.1	56.0
Tea (total tea, Mombasa)	US\$ per kg.	09.11.01	1.4	1.4	2.0	1.5
Bananas (Central America, f.o.b., Hamburg)	DM per tonne	09.11.01	1 519 ^{1/} 1 293 ^{2/}	1 614 ^{1/} 1 367 ^{2/}	1 415 ^{1/} 1 234 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	23.11.01	42.3	44.8	53.3	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	23.11.01	39.0	36.0	65.3	78.5
Wool (64's, London)	Pence per kg	23.11.01	349	327	310	466

Source: FAO

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

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

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

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 82 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\$ 1 445 in 1999). 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 21 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.

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.

Regular Contents and Release Dates ^{1/}	No. 1 22 February	No. 2 11 April	No. 3 13 June	No. 4 17 October	No. 5 13 December
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Cereal Production, Trade, Stocks & Prices	●	●	●	●	●
Cereal Utilization – extended report		●			
Cereal Import Bills					●
Food Aid					●
Ocean Freight Rates		●		●	
Cassava			●	●	
Fertilizers	●	●	●	●	●
Meat and Meat Products	●		●	●	
Milk and Milk Products			●		●
Oilseeds, Oils and Oilmeals	●		●		
Pulses				●	
Sugar			●		●
Fish	●				

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

2/ Including update on food emergencies. 3/ Each report may include topical notes as considered appropriate.

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