

food outlook

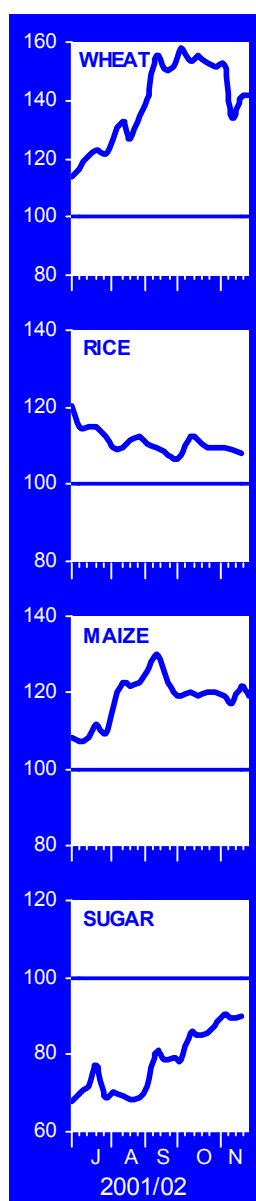
No. 5

Rome, December 2002

highlights

EXPORT PRICES

(July 2001=100)



Latest information confirms a sharp drop in global cereal production in 2002, to 1 833 million tonnes. As a result of this, and a marginal rise expected in total cereal utilization in 2002/03, world cereal stocks for crop years ending in 2003 are forecast to plunge sharply, by 110 million tonnes from their opening level, to 466 million tonnes.

The number of countries facing severe food emergencies worldwide stands at 39. Serious food shortages have emerged in eastern Africa, and the food situation remains critical in southern Africa.

World cereal trade in 2002/03 is forecast at 236 million tonnes, 5 million tonnes below the previous year's record level. The decline comes exclusively from a sharp reduction in wheat trade, as trade in coarse grains is expected to rise a bit and the early prospects for rice trade in 2003 point to a similar volume to that of 2002.

International prices for most cereals weakened over the past few weeks, as non-traditional exporters continued to shift more of their domestic surpluses onto the world market, taking advantage of the sharp reduction in exportable supplies among traditional exporting countries.

Global pulse production is forecast to rise in 2002 but poor crops in key producing and exporting countries will likely keep the global supply tight. Smaller exportable supplies are expected to result in reduced trade and higher international prices.

Global output of oils/fats and oilmeals/cakes is expected to increase only marginally during the 2002/03 season and is certain to be surpassed by demand, especially for oils/fats. The resulting decline in the stocks-to-use ratio is forecast to provide upward support to the oilseeds complex prices during the season.

International prices for dairy products began to recover in the latter part of 2002, after falling for most of the year. Prices are expected to increase during the first-half of 2003 and possibly beyond.

FAO forecasts world sugar production in 2002/03 at almost 141 million tonnes, 6 million tonnes up from the previous season. Expectations of a considerable global surplus of sugar may result in weaker prices in the coming months.



Contents

| | |
|---|-----------|
| Table: Basic Facts of the World Cereal Situation | 3 |
| Cereals | |
| - Supply/Demand Roundup | 4 |
| - Current Production and Crop Prospects | 6 |
| Box: Food Emergencies | 7 |
| - Trade | 14 |
| - Carryover Stocks | 19 |
| - Export Prices | 20 |
| Pulses | 23 |
| Ocean Freight Rates | 25 |
| Milk and Milk Products | 26 |
| Oilseeds, Oils and Oilmeals | 29 |
| Sugar | 33 |
| Fertilizers | 34 |

Appendix Tables

| | |
|--|----|
| Table A.1 - WORLD CEREAL PRODUCTION | 36 |
| Table A.2 - WORLD IMPORTS OF CEREALS | 38 |
| Table A.3 - WORLD EXPORTS OF CEREALS | 40 |
| Table A.4 - CEREAL SUPPLY AND UTILIZATION - MAIN EXPORTING COUNTRIES | 42 |
| Table A.5 - WORLD CEREAL STOCKS | 43 |
| Table A.6 - SELECTED EXPORT PRICES OF CEREALS AND SOYBEANS | 44 |
| Table A.7 - PRICE INDICES AND SELECTED EXPORT PRICES FOR RICE | 44 |
| Table A.8 - PRICE INDICES AND SELECTED INTERNATIONAL PRICES FOR OILCROP PRODUCTS | 45 |
| Table A.9 - WHEAT AND MAIZE FUTURES PRICES | 45 |
| Table A.10 - OCEAN FREIGHT RATES FOR WHEAT | 46 |
| Table A.11 - SELECTED INTERNATIONAL COMMODITY PRICES | 46 |

BASIC FACTS OF THE WORLD CEREAL SITUATION

| | 1998/1999 | 1999/2000 | 2000/2001 | 2001/2002 | 2002/2003 forecast | Change 2002/03 over 2001/2002 |
|---|-----------------------------|----------------|----------------|--------------------|-----------------------|----------------------------------|
| WORLD PRODUCTION <u>1/</u> | (..... million tonnes | | | | | (percentage) |
| Wheat | 598.0 | 592.1 | 586.4 | 582.4 | 562.4 | -3.4 |
| Coarse grains | 915.1 | 888.8 | 876.1 | 911.9 | 879.7 | -3.5 |
| Rice, milled | 389.5 | 409.2 | 400.8 | 399.4 | 390.5 | -2.2 |
| (paddy) | (581.3) | (611.2) | (599.2) | (597.3) | (584.2) | -2.2 |
| All cereals (incl. milled rice) | 1 902.6 | 1 890.1 | 1 863.3 | 1 893.7 | 1 832.6 | -3.2 |
| Developing countries | 1 043.4 | 1 041.2 | 1 009.0 | 1 019.1 | 1 005.7 | -1.3 |
| Developed countries | 859.2 | 848.9 | 854.3 | 874.6 | 826.9 | -5.4 |
| WORLD IMPORTS <u>2/</u> | | | | | | |
| Wheat | 100.1 | 110.4 | 102.4 | 106.9 | 102.5 | -4.1 |
| Coarse grains | 96.5 | 106.0 | 108.5 | 104.4 | 107.0 | 2.5 |
| Rice (milled) | 24.6 | 22.9 | 24.1 | 26.4 | 26.2 | -0.4 |
| All cereals | 221.2 | 239.3 | 234.9 | 237.6 | 235.8 | -0.8 |
| Developing countries | 162.5 | 174.1 | 172.5 | 170.4 | 172.8 | 1.4 |
| Developed countries | 58.7 | 65.2 | 62.5 | 67.2 | 62.9 | -6.4 |
| FOOD AID IN CEREALS <u>3/</u> | 11.3 | 11.2 | 9.4 | 10.0 | | |
| WORLD UTILIZATION | | | | | | |
| Wheat | 591.5 | 595.9 | 600.3 | 606.7 | 613.6 | 1.1 |
| Coarse grains | 899.6 | 899.7 | 911.4 | 923.7 | 918.9 | -0.5 |
| Rice (milled) | 387.6 | 400.6 | 405.8 | 412.0 | 413.7 | 0.4 |
| All cereals | 1 878.7 | 1 896.2 | 1 917.6 | 1 942.4 | 1 946.2 | 0.2 |
| Developing countries | 1 132.4 | 1 157.4 | 1 166.5 | 1 178.6 | 1 186.5 | 0.7 |
| Developed countries | 746.3 | 738.8 | 751.1 | 763.8 | 759.6 | -0.5 |
| Per Caput Food Use | (..... kg/year | | | | | |
| Developing countries | 166.3 | 166.6 | 166.2 | 166.2 | 165.3 | -0.5 |
| Developed countries | 133.0 | 132.8 | 133.6 | 133.5 | 133.5 | 0.0 |
| WORLD STOCKS <u>4/</u> | (..... million tonnes | | | | | |
| Wheat | 259.7 | 254.3 | 241.1 | 216.2 | 166.5 | -23.0 |
| Coarse grains | 265.9 | 258.8 | 225.6 | 211.0 | 173.8 | -17.6 |
| Rice (milled) | 157.4 | 167.9 | 163.1 | 148.1 | 125.5 | -15.2 |
| All cereals | 683.0 | 681.1 | 629.7 | 575.3 | 465.8 | -19.0 |
| Developing countries | 511.9 | 516.4 | 469.6 | 412.6 | 342.5 | -17.0 |
| Developed countries | 171.0 | 164.6 | 160.1 | 162.7 | 123.3 | -24.2 |
| EXPORT PRICES <u>5/</u> | (..... US\$/tonne | | | | | |
| Rice (Thai, 100%, 2nd grade) <u>1/</u> | 315 | 253 | 207 | 178 ^{6/} | 198 ^{6/} | 11.9 ^{7/} |
| Wheat (U.S. No.2 HRW) | 120 | 112 | 128 | 127 ^{6/} | 176 ^{6/} | 39.0 ^{7/} |
| Maize (U.S. No.2 Yellow) | 95 | 90 | 86 | 90 ^{6/} | 109 ^{6/} | 20.8 ^{7/} |
| OCEAN FREIGHT RATES <u>5/</u> | | | | | | |
| From U.S. Gulf to Egypt | 9.3 | 13.7 | 15.0 | 15.0 ^{8/} | 15.0 ^{8/} | 0.0 ^{7/} |
| LOW-INCOME FOOD- DEFICIT COUNTRIES <u>9/</u> | (..... million tonnes | | | | | |
| Roots & tubers production <u>1/</u> | 423 | 437 | 451 | 442 | 447 | 1.0 |
| Cereal production (milled rice) <u>1/</u> | 811 | 814 | 775 | 779 | 776 | -0.5 |
| Per caput production (kg.) <u>10/</u> | 219 | 217 | 204 | 203 | 199 | -1.7 |
| Cereal imports <u>2/</u> | 74.1 | 75.3 | 73.5 | 77.1 | 76.5 | -0.8 |
| of which: Food aid | 8.5 | 7.6 | 8.3 | 8.5 | | |
| Proportion of cereal import covered by food aid | (..... percentage | | | | | |
| | 11.5 | 10.1 | 11.3 | 11.0 | | |

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 an aggregate of individual country carryovers at the end of national crop years and, therefore, do not represent world stock levels at any point in time. 5/ July/June. 6/ Average of quotations for January-November 2002. 7/ Change from the corresponding period of the previous year, for which figures are not shown. 8/ Average of quotations for July-November 2002. 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 2000). 10/ Including milled rice.

Cereals

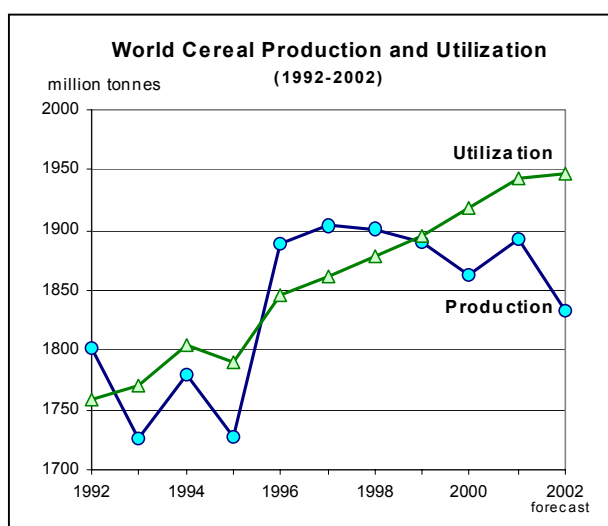
Supply/Demand Roundup

| GLOBAL OUTLOOK | | |
|----------------|-----------------------|-----------------------|
| Wheat | 2001/02 ^{1/} | 2002/03 ^{1/} |
| Production | ▼ | ▼ |
| Trade | ▲ | ▼ |
| Stocks | ▼ | ▼ |
| Prices | ▼ | ▲ |
| Coarse Grains | | |
| Production | ▲ | ▼ |
| Trade | ▼ | ▲ |
| Stocks | ▼ | ▼ |
| Prices | ▲ | ▲ |
| Rice | | |
| Production | ▼ | ▼ |
| Trade | ▲ | ● |
| Stocks | ▼ | ▼ |
| Prices | ▼ | ▲ |

● stable ▲ up ▼ down: These signs refer only to the direction of change from the previous season.

^{1/} Production refers to the first year; stocks refer to crop seasons ending in the second year; trade and prices for wheat and coarse grains refer to July/June and for rice refer to the second year.

As more of the 2002 cereal harvests draw to a close, latest information confirms earlier expectations for a sharp drop in global production, to 1 833 million tonnes (including rice in milled equivalent), 61 million tonnes less than the previous year's crop. As a result of this, and a marginal rise expected in total cereal utilization in



2002/03, world cereal stocks for crop years ending in 2003 are forecast to plunge again. While tighter supplies have led to generally higher prices for most cereals, the upwards pressure on international prices has recently abated, as several non-traditional exporting countries, with significant domestic surpluses this year, have stepped into the market.

Cereal production down significantly in 2002

FAO's latest forecast for world **wheat** output in 2002 remains virtually unchanged since the previous report in October at some 562 million tonnes, which is 3.4 percent down from last year and the smallest crop since 1995. As better information became available in recent weeks on the outcome of several crops in Asia and Europe, particularly the main CIS producers, the estimates for both these regions have been revised upward. However, offsetting this, downward revisions have been made for other regions, most notably for Oceania, where the outlook for Australia's harvest continued to deteriorate due to drought.

Looking towards next year, preliminary indications point to a possible increase in wheat production, although much will still depend on weather developments in the coming months. The bulk of the winter wheat crops for harvest in **2003** have already been planted in the northern hemisphere. In Asia, a smaller winter wheat area is reported in China where dry conditions affected planting in one of the main producing provinces. Generally favourable conditions were reported for planting in India and Pakistan. In North America, early indications in the United States point to a significant increase in plantings after the very low level in autumn 2001, and the average condition of crops is considerably better than it was a year ago. In Europe, autumn weather conditions throughout the EU have been generally favourable for the winter wheat planting. Early indications suggest that the aggregate plantings of the member countries will be similar to the previous year's level. In central and eastern Europe, the overall winter grain area is likely to be down compared to the previous year. Although summer and autumn rainfall was beneficial in improving soil moisture in many dry areas, it hampered planting. Heavy rains are also reported to have hit the European CIS countries for a period in the autumn but the winter wheat crop was planted under generally favourable conditions and the area sown is expected to be close to last year's level.

FAO's forecast for the 2002 global **coarse grain** output has been revised upward marginally since the previous report, to 880 million tonnes. This, nevertheless, would still be 3.5 percent down from the previous year and below the average of the past five years. The bulk of the latest revision derives from Europe, where, latest information from the European CIS countries has shown the output of coarse grains to be larger than earlier

anticipated. The official estimate of coarse grains output in the United States has also been adjusted upward, after results from the latter part of the harvest showed average yields to be somewhat higher than earlier expected. In Africa, some slight upward revisions have been made to the estimates for the northern and western subregions in particular, where most harvests have recently been completed. In Asia, the estimate of India's coarse grains output has been reduced significantly but, nevertheless, Asia remains the only region where aggregate coarse grains output is seen to increase in 2002 compared to the previous year. In the southern hemisphere, a slight downward revision has been made for South America and the forecast for Australia has been further reduced because of the effect of drought.

Harvesting of the 2002 main **paddy** crops in the northern hemisphere is at an advanced stage and many countries are releasing firmer estimates of this season's production. In the southern hemisphere and around the equatorial belt, the 2002 crops were harvested during the first half of the year and, in many countries, planting of the 2003 crop has already begun. FAO's forecast for world paddy production in 2002 has been lowered by almost 5 million tonnes since the October report to 584 million tonnes (390 million tonnes milled equivalent), mainly on account of adverse weather conditions for the crops in India, China and Thailand. At the current forecast level, global production in 2002 would be about 13 million tonnes, or 2 percent, down from 2001.

Prospects for world cereal trade mixed in 2002/03

The latest forecast for world trade in cereals in 2002/03 is 236 million tonnes, unchanged from the previous report in October and 5 million tonnes below the previous year's record level. The anticipated contraction in global cereal trade this season results almost exclusively from a sharp decline in total wheat trade, as trade in coarse grains is expected to rise a bit and the early prospects for international rice trade in 2003 are seen as somewhat similar to those in 2002.

Global trade in **wheat** (including wheat flour in grain equivalent) in 2002/03 is now forecast at 102.5 million tonnes, down 5 million tonnes from the previous season. Most of this season's anticipated decline would be on account of a sharp contraction in imports by the developed countries, and in particular the EU after an exceptionally high volume reached in the previous year. However, smaller imports are also anticipated by the developing countries, mostly in Asia following good crops this year in several countries. By contrast, world trade in **coarse grains** in 2002/03 is forecast to reach 107 million tonnes, up slightly from the previous season's reduced level. Coarse grains imports are forecast to rise in Africa, North America, Latin America and Oceania, but the aggregate increase in these regions would be partially offset by declines expected in Asia and Europe. FAO's forecast for world rice trade in 2003 has been lowered marginally since the last report, to just over 26 million tonnes and close to the latest estimate of the volume

traded in 2002. The forecast is still highly tentative, since many of the countries that could influence the level of global rice trade in 2003 have yet to complete the harvest of their main paddy crops. The forecast for **rice** trade in 2002 has been raised since the previous report to 26.4 million tonnes, 2.3 million tonnes higher than in 2001, and the second highest level on record. The latest revision is mostly due to upward adjustments to import forecasts for Indonesia and several countries in Africa, which more than offset a substantial decrease in the forecast for shipments to the Islamic Republic of Iran.

World Cereal Production, Supply, Trade and Stocks

| | 2000/01 | 2001/02 estimate | 2002/03 forecast |
|------------------------------------|--|---------------------|---------------------|
| | (. million tonnes) | | |
| Production ^{1/} | 1 863 | 1 894 | 1 833 |
| Wheat | 586 | 582 | 562 |
| Coarse grains | 876 | 912 | 880 |
| Rice (milled) | 401 | 399 | 390 |
| Supply ^{2/} | 2 544 | 2 523 | 2 408 |
| Utilization | 1 918 | 1 942 | 1 946 |
| Trade ^{3/} | 232 | 241 | 236 |
| Ending Stocks ^{4/} | 630 | 575 | 466 |

Source: FAO

- ^{1/} Data refer to calendar year of the first year shown. Rice in milled equivalent.
- ^{2/} Production plus opening stocks.
- ^{3/} July/June basis 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.

Minimal growth in cereal utilization in 2002/03

FAO's forecast for world **cereal** utilization in 2002/03 has been raised slightly since the previous report to 1946 million tonnes, up marginally from the previous season, but still below the 10-year trend. The overall growth in total cereal use for direct human consumption is forecast to keep pace with the rise in world population. However, among the developing countries, per caput food use of coarse grains in India is forecast to decline because of smaller production while, in China, food consumption of wheat is expected to continue on its gradual downward trend. Global animal feed utilization of cereals is forecast to contract despite a small anticipated expansion in the developing countries. The decline is mainly driven by a sharp fall in feed use in North America and Australia in response to this year's drought-reduced crops.

Massive contraction expected in world cereal stocks

FAO continues to forecast a major reduction in cereal inventories during the current season. The latest forecast

for world **cereal** stocks by the close of the seasons ending in 2003 remains virtually unchanged since the previous report at 466 million tonnes, down 110 million tonnes, or 19 percent, from their opening levels. In addition to China, where cereal stocks are set to contract for the fifth consecutive year, the other most notable stock declines are expected in countries where the 2002 cereal production is forecast to drop sharply such as in Australia, Canada, Brazil, India, and the United States. World **wheat** inventories are now forecast to fall to 167 million tonnes, 50 million tonnes below their opening levels. The aggregate wheat stocks of the major exporters are likely to fall to just 32 million tonnes, implying a significant drop in their stocks to disappearance ratio. The forecast for world **coarse grain** inventories for crop years ending in 2003 now stands at 174 million tonnes, down 37 million tonnes from the previous year. As with wheat, a significant part of the overall decline is attributed to the major exporters and, thus, the ratio of these countries' total coarse grain stocks to their total disappearance is likely to shrink drastically this season. The forecast for world **rice** stocks at the close of the marketing seasons in 2003 has been revised downward by more than 5 million tonnes since the last report to about 125 million tonnes, which would be almost 23 million tonnes below their opening level and one of the largest declines on record.

International cereal prices weaken

International grain prices weakened over the past few weeks as non-traditional exporters continued to shift more of their domestic surpluses onto the world market, taking advantage of the sharp reduction in exportable supplies among the traditional exporting countries. After surging in the first few months of the current marketing season, international **wheat** prices slipped back over the past few weeks. In November, the U.S. wheat No. 2 (HRW, fob) averaged US\$180 per tonne, down US\$9 from September, although still up sharply, by US\$52 per tonne or more than 40 percent, from the corresponding month last year. In spite of continuing concern over reduced crops in leading exporting countries, overall wheat availability on the global market remains abundant in view of large supplies of medium-to-lower quality wheat in Kazakhstan, the Russian Federation, Ukraine and India. International **coarse grain** prices also weakened somewhat in the past few weeks. Similar to the situation for wheat, earlier upward pressure on international maize prices eased when it became evident that domestic surpluses in non-traditional exporting countries could compensate, to a large extent, for the gap left by the retreat of the traditional exporters. Maize prices came under downward pressure from large supplies of feed wheat. In November the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US\$109 per tonne, down US\$6 per tonne since September but still US\$19 per tonne, or 21 percent above the previous year. As regards rice, export prices from different origins continued to follow diverse trends over the past two months and, overall, the FAO Total Export Price Index for Rice (1998-00 =100) averaged 73 points in November, virtually unchanged since July. Recently,

most significant activity has been witnessed in the aromatic rice sector. FAO's Aromatic Price Index has tumbled since September, falling by 7 points to 76 points in November, as prices of Thai fragrant rice have declined by almost 10 percent over this period, largely reflecting the discounted sale of fragrant rice from the 2001 crop, as newly harvested 2002 supplies came onto the market.

Current Production and Crop Prospects

Position by Region

- **Asia**

Far East: Harvesting of the 2002 summer crops is completed or drawing to a close. The outcome of the harvests was affected by an erratic 2002 monsoon and other irregular weather developments, which resulted in below average cereal outputs and consequent food shortages in a number of countries, while in others bumper crops were gathered. The early outlook is generally favourable for the 2002/03 winter cereals, planting of which has been completed in northern countries of the region, while it is still on-going in southern parts.

China's 2002 **wheat** output is now estimated at 89.3 million tonnes, 5 percent below that of 2001 and 17 percent below the average of the past 5 years. The 2002/03 winter wheat was planted in September-October under favourable conditions except in the important grain-growing region of Shandong. This province, which in 2002 accounted for 17 percent of national wheat output, was hit by abnormally dry weather in August and September 2002, leaving a low level of soil moisture at planting time. The latest estimate of the national area sown to winter wheat is 20.4 million hectares, 5.1 percent below that of the previous year. Furthermore, earlier than usual dormancy is also likely to negatively affect yields. Thus a fall in wheat output is anticipated in 2003 for the fourth year in succession. In both India and Pakistan, the 2002 wheat production was above the average of the past five years at 71.5 million tonnes and 19.2 million tonnes, respectively. In India, planting of the 2002/03 Rabi winter wheat, which started in October and continues through December, has been favoured by good soil moisture following above-average rains in October. Planting is also underway in Pakistan, where the target for the wheat harvest in April-May 2003 has been set at 19.2 million tonnes, reflecting adequate availability of irrigation water.

In aggregate, the outcome of the regional 2002 **coarse grain** harvest is estimated to be higher than both that of last year and the average of the past five years. The provisional estimate of China's 2002 maize harvest is 125.2 million tonnes, some 10 percent above the previous year. The effect of a dry spell during August-September in the important producing region of

THE NUMBER OF COUNTRIES FACING FOOD EMERGENCIES WORLDWIDE STANDS AT 39

Serious food shortages have emerged in **eastern Africa**, mainly due to drought. Over a third of the population in Eritrea faces food shortages due to drought in 2002. Assistance is also required by displaced people following the 1998-2000 border war with Ethiopia and by refugees who returned from Sudan. In Ethiopia, poor rains have led to severe food difficulties. In addition, large numbers of livestock have died and unusual population migrations are reported. The Government has appealed for immediate food assistance for more than 11 million people in 2003 and this number is expected to rise in the year ahead. In Sudan, the food situation has deteriorated sharply in the south, while a tight food supply situation persists in parts of the west and the east. In Kenya, despite improved overall food supply prospects, some northern and north-eastern districts still face food shortages. In Uganda, conflicts in northern areas have displaced many people, while drought induced crop failures in Karamoja aggravated the food supply situation. Nearly 1.5 million people are currently being assisted by WFP. In Burundi, emergency food assistance is required following a deteriorating security situation. The overall food supply has improved in Somalia and Tanzania due to good harvests, although localised shortages persist. After two consecutive poor harvests the food and nutrition situation is worsening in **southern Africa**, where 14.4 million people are in need of emergency food assistance in Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. A WFP regional emergency operation is to assist 10.3 million most affected people with 993 000 tonnes of food until March 2003, but pledges by late November only amounted to 663 000 tonnes. The situation is particularly serious in Zimbabwe, where half of the population needs relief food. In Angola 1.9 million people still require food assistance. Malnutrition rates have declined, reflecting better access to the needy population, but food insecurity remains at high levels. In Madagascar, food assistance is needed by people affected by the political crisis earlier in the year and those in the south hit by poor harvests. In **western Africa**, the food situation is very serious in parts of Mauritania, following three consecutive poor harvests. Food supply difficulties have emerged in parts of Cape Verde and may develop in Chad, The Gambia, Guinea-Bissau and Senegal, following below average harvests. Agricultural activities in Liberia have been disrupted by civil unrest, while emergency food assistance is needed in Côte d'Ivoire following resurgence of civil strife and in Sierra Leone and Guinea due to large numbers of IDPs and refugees. In **central Africa**, the escalation of civil conflicts in the Central African Republic and the Democratic Republic of Congo has further displaced populations, while in the Republic of Congo food assistance to refugees continues.

In **Asia**, an FAO/WFP Mission to Korea, DPR in October concluded that, despite an improvement in cereal production, the country would require 0.98 million tonnes of cereal food aid in 2002/03. This includes some 0.51 million tonnes of WFP emergency assistance to 6.4 million beneficiaries. Current food aid stocks are all but depleted and WFP urgently needs food aid pledges of some 126 000 tonnes to carry out its emergency operations for the remainder of this year and the first quarter of 2003. In Mongolia, a severe drought affected the already disaster-hit agricultural population. International relief will be necessary to meet the shortfall in food supply for the most vulnerable people. In several other countries of the region, the provision of emergency food and other relief assistance continues to victims of floods and drought. In **CIS in Asia**, the food supply situation is tight in Georgia and Tajikistan; targeted food assistance is foreseen for vulnerable populations again this year, following hot and dry weather and inadequate access to critical agricultural inputs. In the **Near East**, most countries harvested average to about-average crops in 2002, and the early outlook is favourable for the recently planted winter cereals. In Afghanistan, though agricultural output in 2002 recovered dramatically, large parts of the population have little access to food due to lack of purchasing power and continue to require food assistance. Curfews and military operations in the West Bank and Gaza Strip keep families in confinement and cause severe food shortages. In Iraq, despite an improved harvest in 2002 the output of cereals remains well below normal due to shortages of inputs.

In **Central America and the Caribbean**, many families are food insecure in parts of El Salvador, Guatemala, Honduras and Nicaragua due to a fall in incomes linked to the international coffee crisis. Cases of child malnutrition are reported. Food assistance and nutritional care are being provided in health care centres. In Haiti, food assistance is being supplied to rural families in the southern departments affected by adverse weather. In Paraguay a severe drought in western parts is seriously affecting rural families. Food supply is reported to be tight and food assistance is underway. In **Europe**, food assistance continues to be necessary for refugees, the internally displaced and vulnerable population in the Federal Republic of Yugoslavia, as well as in Chechnya in the Russian Federation.

^{1/} This updates information published in the November 2002 issue of Foodcrops and Shortages. Countries facing exceptional food emergencies are underlined.

Shandong was offset by favourable weather elsewhere. With likely bumper harvests in Jilin and Heilongjiang provinces, the final output could be even higher. The production of other coarse grains is now estimated at 11.8 million tonnes, slightly higher than earlier anticipated and close to that of 2001. In India, reflecting the failure of the monsoon in key coarse grain producing states, the national output of maize and other coarse grains is estimated at 28.4 million tonnes, 18 percent below that of the previous year. The remaining countries of the region gathered coarse grain harvests similar to or higher than those of 2001.

In India, the harvest of the main Kharif **paddy** crop is about to peak, allowing a better assessment of the effects of the erratic monsoon rains on the 2002 season. In November, official reports predicted a 16 percent contraction to Kharif production. However, given the pace of paddy procurement to date in the monsoon affected states of Punjab and Haryana, and, especially, the potential to expand plantings of the Rabi secondary crop, the contraction to overall 2002 rice production in the country might be much less pronounced. Thus, the FAO forecast of total output for the season in the country stands at 125 million tonnes, 2.5 million tonnes lower than last reported and 12 million tonnes down from the previous year.

In China (Mainland), harvesting of the country's third and final rice crop, "the late crop", is underway. The official forecast for the overall paddy output in 2002 has been lowered to 175.7 million tonnes, almost 2 million tonnes less than last year. At this level, rice production in the country would be at its lowest since 1988. The recent downward revision results from lower than expected yields from the recently gathered intermediate rice crop due to adverse weather. The rice sector has experienced a steady contraction in the past five years, reflecting adverse weather conditions as well as reduced government support since 2000, when the protective price scheme for early indica rice was abolished. More recently, protective prices for the intermediate rice crop were reduced while for the late rice crop, all but the Jiangxi province failed to set a support level this year. As for the Chinese Province of Taiwan, the forecast for paddy output in 2002 has been revised up to 1.8 million tonnes, slightly above the level of the previous year. Favourable weather for the second rice crop is largely responsible for the improved outlook.

The official forecast for the 2002 paddy crop in Bangladesh has been lowered to 38.5 million tonnes, but at this level would still be a record. The recent revision reflects a downward adjustment to both the area and the yield forecasts for the country's largest crop, the irrigated 'Boro' crop, which will be planted from December.

The forecast for paddy production in Pakistan stands unchanged from the last report at 5.9 million tonnes, 300 000 tonnes higher than in 2001. A second successive year of water shortages for irrigation continues to affect production prospects, which remain

well below the country's potential under normal weather conditions. The Government's response to water scarcity of promoting low-yielding but high-value basmati plantings, at the expense of high-yielding, low-value indica production, has also contributed to this year's expected low output.

The prospects for the overall paddy crop in Myanmar have deteriorated somewhat since the last report reflecting flood related losses to the main crop in August, the gathering of which is expected to be completed by December. Output is now forecast at 21.8 million tonnes, similar to the record level produced in 2001.

The 2002 paddy outlook in Cambodia continues to deteriorate on account of weather problems experienced earlier in the season. At the end of October, when planting of the secondary crop normally gets underway after the harvest of the main wet crop, officials estimated that total cultivated rice area in the country had fallen by 7 percent compared with 2001. Accordingly, the FAO forecast for 2002 production has been lowered to 3.8 million tonnes. In Viet Nam, the 2002 paddy season is drawing to an end with the bulk of the harvest of the country's third and final crop (10th month crop) already complete. Despite disruptive weather conditions earlier during the year, the Government now anticipates a record paddy crop of 33.6 million tonnes, around 1.6 million tonnes larger than in 2001. A forecast 4 percent expansion in the rice area, triggered by relatively high domestic prices, is largely responsible for the upturn in the country's paddy prospects.

In Japan, the paddy harvest is underway and official estimates of rice area point to a larger than expected crop in 2002, despite a typhoon that hit northern parts in early October.

In Indonesia, the harvest of the third and final 2002 paddy crop is in progress and preparations for the 2003 paddy season have already started in some parts of the archipelago. The Central Bureau of Statistics forecasts this year's paddy output at 50.8 million tonnes, up 300 000 tonnes from the previous year, but still 1 million tonnes short of the bumper crop harvested in 2000. Since then, low prices are reported to have induced farmers to shift to other crops and discouraged proper input applications. Paddy prospects in the Philippines have brightened since the last report. The official forecast for 2002 production has been raised to 13.1 million tonnes, which, if materialized, would match the record achieved in 2001. Despite a prolonged dry spell in the third quarter, better than expected weather conditions since October and the launch of a "quick turn-around" scheme for rice plantings have upgraded the country's outlook.

In Thailand, the harvest of the main paddy crop is underway in central and northern regions. Recent flooding problems have led the Government to lower its forecast for the main paddy crop to 20 million tonnes, which would be 4 percent smaller than in 2001. The

World Cereal Production

| | Wheat | | Coarse grains | | Rice (paddy) | | Total | |
|----------------------|--------------------------------|---------------|---------------|---------------|----------------|----------------|------------------|------------------|
| | 2001 | 2002 forecast | 2001 | 2002 forecast | 2001 | 2002 forecast | 2001 | 2002 forecast |
| | (..... million tonnes) | | | | | | | |
| Asia | 241.8 | 246.5 | 207.7 | 214.3 | 543.2 | 530.8 | 992.8 | 991.6 |
| Africa | 17.9 | 16.1 | 82.7 | 79.4 | 17.2 | 17.6 | 117.8 | 113.1 |
| Central America | 3.3 | 3.2 | 30.0 | 29.8 | 2.3 | 2.1 | 35.6 | 35.1 |
| South America | 21.0 | 19.8 | 72.0 | 64.7 | 20.0 | 19.5 | 113.1 | 104.0 |
| North America | 73.8 | 59.5 | 285.1 | 265.4 | 9.7 | 9.6 | 368.5 | 334.5 |
| Europe | 200.3 | 207.0 | 222.0 | 218.3 | 3.2 | 3.3 | 425.5 | 428.6 |
| Oceania | 24.2 | 10.4 | 12.4 | 7.7 | 1.8 | 1.3 | 38.4 | 19.4 |
| WORLD | 582.4 | 562.4 | 911.9 | 879.7 | 597.3 | 584.2 | 2 091.6 | 2 026.3 |
| | | | | | (399)1/ | (390)1/ | (1 894)2/ | (1 833)2/ |
| Developing countries | 258.8 | 259.4 | 379.4 | 373.9 | 571.0 | 558.4 | 1209.2 | 1191.7 |
| Developed countries | 323.6 | 303.0 | 532.5 | 505.8 | 26.3 | 25.8 | 882.4 | 834.6 |

Source: FAO 1/ Milled rice. 2/ Including milled rice.

Note: Totals computed from unrounded data.

anticipated losses could still be partly offset by an expansion of area devoted to the minor crop, yet to be planted. Overall, the FAO forecast for aggregate output this season has been lowered to 25.8 million tonnes, around 3 percent below the 2001 level.

In the Republic of Korea, the harvest of the 2002 rice crop is virtually complete. The forecast for paddy production has been lowered by 400 000 tonnes from the October estimate to 6.8 million tonnes, implying a 9 percent fall from last year's level. The revision partly reflects lower yields caused by unfavourable weather (in particular the typhoon "Rusa" that struck the Korean peninsula in August) and a lack of sunshine during crop maturation. The year-to-year contraction is also on account of policy-induced area cuts aimed at reducing the country's very large rice inventories. A recent FAO/WFP mission to the Democratic People's Republic of Korea reported that the total area cultivated with paddy in 2002 underwent an expansion of 2 percent, part of which is explained by the shift away from other cereal crops. Accordingly, the FAO forecast for paddy output has been revised up to 2.2 million tonnes, around 100 000 tonnes higher than the previous year.

Near East: Favourable weather conditions in most countries have boosted the 2002 domestic food production. **Wheat** production has recovered strongly in Afghanistan and estimated at about 2.7 million tonnes is 68 percent above last year's crop. In Iraq, the 2002 cereal crop, estimated at about 1.4 million tonnes, is 16 percent up from last year. The latest estimate of the Islamic Republic of Iran's 2002 wheat production is 11.8 million tonnes, 24 percent above the previous year and close to the excellent output of 12 million tonnes in 1998. Planting of winter wheat for harvest in June-July 2003 is completed. Following recent precipitation and adequate

irrigation reservoir levels, the area planted is expected to be above that of the previous year. Similarly, production was well above average in Jordan and Syria due to favourable weather conditions. In Turkey, cereal production, estimated at about 27.7 million tonnes is 10 percent up from the previous year. In Saudi Arabia, cereal production is estimated at 2.1 million tonnes, similar to last year.

Harvesting of the 2002 **rice** crops in the Near East is now over. Preliminary indications reflect a region-wide recovery in water availabilities, with rice production in several countries expected to rebound from the drought-affected levels of the past two years. For instance, in the Islamic Republic of Iran, paddy production could reach 2.2 million tonnes, up 200 000 tonnes from the revised 2001 figure.

CIS in Asia: The aggregate **wheat** harvest of the CIS countries in Asia in 2002 is estimated at some 23 million tonnes, which is about 1.2 million tonnes higher than last year. Wheat output is estimated at 11.6 million tonnes in Kazakhstan (the largest producer in the region), 4.9 million tonnes in Uzbekistan, 1.9 million tonnes in Azerbaijan, 2.2 million tonnes in Turkmenistan and 1.3 million tonnes in the Kyrgyz Republic. Larger areas planted to wheat and improved precipitation in the region have contributed to the recovery in production. The aggregate **coarse grains** output is estimated at 4.6 million tonnes in 2002, compared with 4.9 million tonnes last year. This total includes some 2.7 million tonnes of barley, and 1.4 million tonnes of maize.

In Kazakhstan, based on official estimates for its aggregate cereal harvest, the estimate of **paddy** output has been raised by 10 percent from the last report to 220 000 tonnes, slightly higher than the 2001 outcome.

However, in Uzbekistan, an expected area expansion on account of increased water supplies did not materialize. The paddy harvest is now officially estimated at almost 120 000 tonnes, still 50 000 tonnes higher than the past year level, but almost 80 000 tonnes below the earlier forecast.

- **Africa**

Northern Africa: Planting of the 2003 winter crops has started in most areas of the subregion for harvesting next spring. Production of **wheat** in 2002 for the subregion as a whole is estimated at 11.7 million tonnes, some 9 percent below production in 2001, but similar to the average of the past 5 years. The decline was principally due to significant reductions in outputs in Algeria and Tunisia, the result of the late arrival of the seasonal rains and prevailing dry weather during the growing period. Increased wheat production in Egypt and Morocco, principally in the former country, did not offset the decline.

Production of **coarse grains** in the subregion in 2002 is estimated at 10.1 million tonnes, close to the 2001 level and some 5 percent above the 5-year average. The increase is mainly the result of a well-above average barley crop in Morocco, which more than offset reduced outputs in Algeria and Tunisia. In Egypt, where maize is the principal coarse grain, production of this cereal declined by some 240 000 tonnes from 2001 but nevertheless remained slightly above-average.

Harvesting of the **paddy** crop in Egypt, the largest producer in the region, is almost complete. The official forecast for the country's current harvest has been reduced by around 100 000 tonnes to 6.0 million tonnes, following a downward revision in rice area. Notwithstanding the revision, production would still be 15 percent higher than in the past year and a record for the country.

Western Africa: Harvesting of **coarse grains** is now underway. In the Sahel, a series of joint FAO/CILSS Crop Assessment Missions were fielded in October to the nine CILSS member countries to review the outcome of the 2002 cropping season. The aggregate cereal production of the nine CILSS member countries has been estimated by these missions at 11.3 million tonnes, 3 percent below 2001 but 11 percent above the average of the last five years. Below-average crops are anticipated in Cape Verde, Guinea Bissau and Mauritania. Near-average production is expected in Chad, the Gambia, Mali and Senegal, while above-average outputs are foreseen in Burkina-Faso and Niger. In the coastal countries along the Gulf of Guinea, harvest prospects are generally good in Benin, Nigeria and Togo but are less favourable in Ghana, following below-normal rains in September and October.

Most countries in the subregion are harvesting or about to harvest their main **paddy** crops. Prospects are mixed,

following unfavourable climatic conditions, notably in the west of the Sahel, in addition to civil strife which continues to disrupt agricultural activities in some countries. Rice production should increase in Sierra Leone while it will decrease in Liberia following renewed civil strife. In Côte d'Ivoire, rice output is now forecast at 800 000 tonnes. This would be 200 000 tonnes less than earlier anticipated and the previous year, as a result of unfavourable weather and the conflicts that forced many farmers to leave their land and disrupted marketing activities. However, the outcome of the harvest in Nigeria, the largest producer in the subregion, is thought to be good reflecting generally favourable growing conditions. Pending further information FAO's estimate for the country's paddy output in 2002 stands at 3.5 million tonnes, slightly higher than last year.

Central Africa: Harvesting of **coarse grains** is underway in Cameroon and prospects are favourable. In the Central African Republic, harvest prospects are uncertain following erratic and below average rains that affected crop development in some regions.

Eastern Africa: A recently concluded FAO/WFP Crop and Food Supply Assessment Mission to Ethiopia found that the 2002 cereal crop season was poor due to late and erratic rains and a significant reduction in the use of fertilizer. Preliminary results of the Mission indicate that **wheat** output is expected to be lower than in 2001. In Kenya, where the harvest is almost complete, output is expected to be well below average due to erratic rainfall. In Sudan, an output of 247 000 tonnes was harvested earlier in the year, about 20 percent below the average for the past five years, due to lower planted area and excessively high temperatures.

Preliminary forecasts point to a below average output in the subregion's aggregate **coarse grains** crop in 2002 mainly due to drought and displacement. In Eritrea, the 2002 harvest was extremely poor due to severe drought. Displacement of farmers from the agriculturally important regions following the border war with neighbouring Ethiopia in 1998-2002 has also left large tracts of fertile land uncultivated. In Ethiopia, the outlook for the main coarse grain season is very poor, also reflecting the late and erratic rains. The Mission's preliminary results indicate that aggregate output of coarse grains will be significantly down compared to 2001. In Kenya, official estimates put the 2002 "long rains" maize crop at 1.89 million tonnes compared to 2.32 million tonnes in 2001. In Somalia, good rains during the latter half of October have encouraged land preparation and early sowing of the 2002/03 secondary "deyr" season crops. The recently harvested main "gu" season cereal crop in southern Somalia is estimated at about 260 000 tonnes (100 000 tonnes of sorghum and 160 000 tonnes of maize), more than double the relatively poor gu crop in 2001. In Sudan, erratic rains and population displacement due to escalation of conflict negatively impacted on coarse grain production. Preliminary results of the recently concluded FAO/WFP Crop and Food Supply Assessment Mission to Sudan indicate a

significant decline in coarse grains production compared to last year's crop of about 5 million tonnes. In Tanzania, following relatively better distributed rainfall during both the short and long rains seasons, the 2002 aggregate coarse grains output is estimated to be about 12 percent higher than last year at 3.7 million tonnes.

In Burundi and Rwanda, the prospects for the 2003 first season crops, to be harvested towards the end of the year, are unfavourable reflecting a delay in the start of the rainy season. In Uganda, the recently harvested main season coarse grain crops were affected by erratic rains and displacement and the aggregate output is forecast to be below that of last year. The outlook for the secondary season crops being harvested from November is uncertain.

Southern Africa: Harvesting of the 2002 **wheat** crop is well advanced. FAO's latest forecast puts the subregion's aggregate output at 2.6 million tonnes, 9 percent lower than the good crop of last year but about the average of the past five years. This reflects a production decline of 9 percent in South Africa, the largest producer, where production is expected to be down to 2.3 million tonnes mainly as a result of lower yields following adversely high temperatures in northern growing areas in October. In Zimbabwe, official forecasts point to a crop of 213 000 tonnes, one of the lowest in the past decade as a result of lower yields following land reform activities.

Planting of the 2003 **coarse grains**, mainly maize, is underway. Generally abundant precipitation in the second half of October and early November, that allowed land preparation and planting operations, has been followed by below-normal rains in several areas in the second dekad of November. More rains are urgently needed to avoid reductions in the area planted, particularly in the main growing areas of South Africa, where mostly dry weather has prevailed for two consecutive dekads. Major monitoring systems confirm earlier forecasts of an El Niño event taking place towards the end of this year. The predictions agree that the event will be weaker than in 1997 and that the associated climate impacts should therefore be comparatively weaker as well. However, unpredictable regional differences may occur, with severe but local extremes, and the development of the rainy season needs to be monitored closely.

The estimate of the 2002 coarse grains output stands at 14.8 million tonnes, somewhat higher than the reduced output in 2001. Despite sharp declines for the second consecutive year in most countries of the subregion, these were more than offset by an increase of 22 percent to 9.1 million tonnes in the main producer South Africa, which was not affected by dry weather during the season. Apart from the minor producer Botswana, production was reduced in all other countries of the subregion. Maize output fell by 67 percent to 481 000 tonnes in Zimbabwe, by 24 percent in Zambia, and by 10

percent in Malawi, mostly due to prolonged dry spells that reduced yields.

Planting of the 2003 main season **paddy** crop is almost complete in Madagascar and Mozambique. As for the 2002 season, official information has not been released in the former country, but the harvest is still forecast by FAO at 2.4 million tonnes, while in Mozambique, production is officially confirmed to have reached around 170 000 tonnes. The Government of Mozambique has recently set a paddy output target of 200 000 tonnes for 2003.

- **Central America and the Caribbean**

Storm rains in the past few weeks have helped restore soil moisture and replenish water reservoirs in the irrigated areas of the north-west of Mexico, where planting of the 2003 **wheat** crop has recently started. Planting intentions indicate that the area should be close to the average plantings in the past 5 years.

Harvesting of the 2002 second season **coarse grain** and bean crops is underway in Central American countries. Average outputs of maize, the main cereal, are anticipated in El Salvador, Guatemala and Honduras while an above-average crop is expected in Nicaragua, largely as a result of increased plantings and improved yields. In Costa Rica, by contrast, a below-average output is forecast, while in Panama, production of maize for the year as a whole should be about average. In the Caribbean, in Haiti, adverse weather in the southern departments has affected the first and second season crops. Food assistance is being delivered to the affected rural families as a consequence of the losses incurred. In Cuba, maize output in 2002 should be average, despite the impact on crops by the passage of hurricanes "Isidore" and "Lili". In the Dominican Republic, the outlook is good for the second season crops and an above-average maize output is anticipated.

In most of Central America and the Caribbean, harvesting of this year's **paddy** crop is underway. Aggregate output for the region has been revised downward since the last report, by 5 percent, to 2.1 million tonnes, implying a 200 000 tonnes drop in production from 2001. Much of the region endured a prolonged dry spell at the onset of the season, which caused either delays to rice planting or a partial shift out of rice cultivation. For instance, Mexico is anticipated to have suffered a 17 percent contraction in its 2002 paddy output, now forecast at 200 000 tonnes. Similarly, the forecast for production in Costa Rica has been adjusted down to 260 000 tonnes, suggesting that output might fall by over 14 percent from the previous year. Virtually no country in the region is expected to register an expansion in paddy output this season.

- **South America**

Harvesting of the 2002 **wheat** crop is underway in the southern areas of the subregion. In Argentina, a below-average output of some 14 million tonnes is tentatively forecast. This mainly reflects reduced plantings and anticipated lower than normal yields, because of the reduced use of fertilizers, linked to financial constraints on farmers, as a result of the economic crisis still affecting the country. In Brazil, in the main producing states of Paraná and Rio Grande do Sul, which account for more than 90 percent of domestic wheat production, adverse weather has incurred considerable damage to crops. The wheat output is officially forecast at 3.1 million tonnes, still above average, but well below earlier expectations. In Chile, harvesting is due to start from December. A small reduction in the area planted to wheat is officially reported compared to last year's above-average plantings. In Uruguay, harvesting is underway and production is expected to increase significantly from last year, when the crops were affected by disease, but would, nevertheless, remain somewhat below the average of the past 5 years.

Planting of the 2003 **coarse grain** crops, principally maize, continues in the southern areas of the subregion. In Argentina, planting resumed in November, following some disruption caused by heavy rains in October. Intended plantings are officially forecast at about 3 million hectares, some 4 percent down from the total area planted last year, despite more attractive prices to producers in recent months. This is mainly the result of credit constraints to farmers and higher input costs, combined with the economic uncertainty still faced by the country. In Brazil, planting intentions for the first maize crop are uncertain; farmers may reduce plantings in favour of more attractive exportable crops. However, should this be the case, they would compensate with increased maize area in the second season, which is planted from March. In Chile, planting of the 2003 maize crop is well advanced and the area planted is tentatively forecast to increase by some 8 percent with respect to the previous year. In the Andean countries, in Colombia, normal to abundant rains are favouring planting and development of the 2002 second season crops all across the country. Harvesting is due from January and the aggregate maize output is tentatively forecast to be above average in 2002. In Ecuador, harvesting of the second season maize crop, mostly white maize, has just started. Total output in 2002 is forecast at an above-average 566 000 tonnes, largely reflecting the excellent outturn of the first season crops and despite some damage to crops caused by the emission of ashes caused by volcano eruptions in some producing areas. In Peru, an above-average maize output of some 1.5 million tonnes (white and yellow maize) is provisionally estimated in 2002. In Venezuela, a preliminary estimate points to an about-average maize output in 2002 of some 1.4 million tonnes.

As the 2002 **paddy** crops have been fully harvested in most of the region, a number of Governments have revised estimates of production for the season. In

Colombia, on account of a larger area, the official paddy production estimate has been revised up by 400 000 tonnes to 2.4 million tonnes, slightly higher than last year's estimate. By contrast, despite record yields in Peru, a contraction in rice plantings has brought down 2002 production to 1.7 million tonnes, resulting in a year-to-year drop of 300 000 tonnes. However, the production forecast for the region as a whole stands unchanged from the last report at 19.5 million tonnes, down almost 2 percent from the 2001 level.

Nearly all countries in South America have completed, or are about to complete, planting of the 2003 paddy crop. Heavy rainfall in October delayed somewhat the fieldwork in preparation for the new season throughout the region. However, financial turmoil in many major producing countries is more of a concern to 2003 regional paddy prospects. Nevertheless, despite this uncertainty, in several countries where field surveys to assess planting intentions have been carried out, the outlook for plantings appears promising. For instance, an expansion of rice area in Argentina might bring production to 750 000 tonnes next season, almost 50 000 tonnes higher than in 2002. Similarly, in Brazil, the National Food Supply Corporation has predicted an expansion in plantings, which could bring 2003 output to 11.2 million tonnes, about 5 percent more than produced in 2002.

- **North America**

The official estimate of the 2002 **wheat** crop in the United States now stands at 44 million tonnes, 17 percent down from the already reduced crop in 2001 and about 30 percent below the average of the past five years. Prospects for the newly sown winter wheat crop are generally favourable. As of 18 November, planting was virtually complete and 89 percent of crops had already emerged, which is about normal for the time of season. Early indications point to an increase in plantings after last year's low level, and the overall condition of the emerging crops is reported to be better than a year ago, reflecting improved moisture availability. In Canada, wheat output in 2002 has fallen sharply to 15.5 million tonnes (2001: 20.6 million tonnes), after one of the worst droughts on record across the central and northern regions of Saskatchewan and Alberta. Planting of the relatively small winter wheat crop in the east of the country is reported to have gone well this year and the area is estimated at a record level of about 1 million hectares, compared to 600 000 hectares a year ago.

As the **coarse grains** harvest draws to a close in the main producing states of the United 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 246 million tonnes, up from expectations earlier in the autumn, but still about 17 million tonnes down from last year's crop. Of the total, maize is now expected to account for about 229 million tonnes, compared to 241 million tonnes in 2001. By 18 November, it was reported that, 94 percent of the maize crop had been harvested, slightly behind

last year's pace but about the average for the time of year. In Canada, as for wheat, production of barley, the main small coarse grain was severely affected by drought. Barley output fell by some 3 million tonnes to 7.7 million tonnes. Maize, which is predominantly grown in eastern Canada, benefited from generally favourable weather and yields increased slightly as a result, leading to an output estimate of about 8.5 million tonnes. Harvesting of the 2002 **paddy** crop in the United States is virtually complete. Reflecting better than expected yields, the crop estimate for 2002 has been raised by 250 000 tonnes to 9.6 million tonnes since the last report, slightly below the previous season's record outcome. Officials have estimated a 12 percent expansion in medium and short grain rice output, in response to their relatively high prices in the pre-season, and a 5 percent fall in long grain rice production.

- **Europe**

Latest estimates put the 2002 **wheat** crop in the EU at 103.6 million tonnes, 13 percent up from last year, while the estimate of aggregate coarse grain production remains at about 105 million tonnes, 3 percent down from last year. While barley output is estimated to be up marginally this year, output of the other small **coarse grains** (mostly rye and oats) is estimated to be down. Output of maize is estimated at about 39 million tonnes, 2 percent down on 2001. Autumn weather conditions have been generally satisfactory throughout the EU for planting of the winter grain crops for harvest in 2003. Although rainfall across northern Europe in late October hampered fieldwork, the moisture was beneficial for germinating crops. Early indications suggest that the winter wheat area has likely remained similar to last year's above-average level. After some weather-related delays, gathering of the 2002 **paddy** crop is drawing to a conclusion. The aggregate output of the EU is estimated at 2.6 million tonnes, almost 50 000 tonnes more than last year. The increase reflects moderately larger crops in Italy and Greece, where growing conditions have generally been favourable, which have more than offset a weather-associated contraction in Spain.

In central and eastern Europe, a generally wet autumn disrupted the summer crop harvest and delayed autumn grain sowing in many parts. In the Czech Republic, the final official estimate puts aggregate 2002 cereal production at 6.7 million tonnes about 9 percent down from the previous year. Of the total, wheat would account for about 4 million tonnes, compared to almost 4.5 million tonnes last year. Prospects for the winter grain planting campaign are uncertain: apart from planting delays directly related to adverse weather conditions, many farmers are expected to be short of funds following the effect of devastating summer floods on revenue from the 2002 harvest. Hungary's cereal output fell sharply in 2002, mostly because of dry conditions in the spring and early summer. Latest estimates put the aggregate cereal production at about 11.6 million tonnes. Wheat is estimated to account for 3.9 million tonnes, down from over 5 million tonnes last year. The maize crop is tentatively estimated at 6 million tonnes. Winter wheat

planting intentions for the 2003 harvest point to an unchanged area of about 1 million hectares. However, a slow start to planting fieldwork because of excessive rain in October could limit the final area sown. In Poland, latest official estimates put the aggregate 2002 cereal harvest at about 26.9 million tonnes (2001: 27 million tonnes). While the wheat crop remained virtually unchanged at about 9.3 million tonnes, output of rye fell sharply, by 1 million tonnes, to 4 million tonnes. Output of barley and triticale increased and although the final outcome of the summer maize crop is still uncertain an increase is also expected. September was generally drier than in other parts of the region and winter grain planting was mostly completed earlier than normal. However, establishment of crops was hampered by rainfall in October leading to concern over the condition of the crops as they entered dormancy in November. Early indications point to a possible decrease in wheat plantings for the second year but a recovery in the rye area after last year's exceptionally low level. In the Slovak Republic, the aggregate 2002 cereal crop is estimated at about 3.3 million tonnes, similar to the previous year's level and about average. As of early November, planting of the winter grain crops was reported to be about 50 percent complete, well behind the pace at the same time last year. As in other parts of the region excessive autumn rainfall has hampered fieldwork somewhat, particularly in October.

Among the Balkan countries, Bulgaria has suffered from particularly heavy and prolonged summer and autumn rains, with adverse effects on the 2002 cereal harvest and autumn grain planting. The 2002 wheat output is now estimated at about 3.5 million tonnes, 11 percent up from 2001, but the quality is much poorer. Regarding maize, the summer rainfall was initially beneficial for yield prospects but continuing rainfall throughout the late summer and autumn when crops should have been maturing worsened prospects again. As of late November a significant proportion of the crop had still not been harvested and is likely to be left in the field until spring. Latest official information puts the final winter wheat area for next year's harvest at about 800 000 hectares, compared to an average of over 1 million hectares. Furthermore, many of the crops were planted well after the optimum date and their condition going into winter dormancy is expected to be far from ideal. The wheat harvest in the Yugoslav Federal Republic (Serbia and Montenegro) is estimated at 2.1 million tonnes in 2002, which is some 400 000 tonnes lower than last year, while the wheat harvest at 850 000 tonnes in Croatia this year is lower by about 90 000 tonnes compared with the harvest last year. The maize harvest in 2002 is estimated at 5.6 million tonnes in the Federal Republic of Yugoslavia and 1.9 million tonnes in Croatia, similar to the harvests in 2001. In the Former Yugoslav Republic of Macedonia, the level of winter wheat planting is uncertain in the wake of another reduced harvest in 2002, which adversely impacted farmer's incomes, thus limiting funds for necessary inputs for the new season. In Romania, wheat output fell sharply in 2002, to just 4.4 million tonnes because of drought in the winter and spring. Moreover, the arrival of substantial rainfall later in

the season, while too late to improve yields, adversely affected the near-mature crops and hampered harvesting, causing overall crop quality to be reduced. Harvesting of the summer maize crop was completed by the end of October and latest information puts output at a reasonably good level of 8 million tonnes, up 500 000 tonnes from last year. While many maize crops benefited from the good summer rainfall, precipitation was excessive in some parts, particularly in the north, leading to quality problems. Planting of the 2002/03 winter wheat is reported to be complete and to cover an area of almost 2 million hectares, about 8 percent down from the previous year. The winter barley area is estimated at about 250 000 hectares, down by 20 percent from the normal area.

The wheat harvest this year in the Baltics is estimated at 1.3 million tonnes, which is similar to last year's output, while the coarse grain harvest at about 2.6 million tonnes in 2002 is slightly below last year's level. Declining profitability from cereal production continues to negatively affect output in the region.

CIS in Europe: The 2002 aggregate **wheat** harvest in the CIS countries in Europe amounted to some 70.6 million tonnes, which is slightly above the bumper harvest of the preceding year. The Russian Federation produced some 47.5 million tonnes of wheat in 2002 compared with 46.9 million tonnes in 2001. Ukraine, the second largest wheat producer in the region after the Russian Federation, produced some 21 million tonnes in 2002, which is slightly below the bumper harvest of the preceding year. The **coarse grain** harvest in 2002 is estimated at about 57.4 million tonnes, which is similar to the harvest last year. This total includes some 31.5 million tonnes of barley and 5.8 million tonnes of maize. Barley output in the Russian Federation is estimated at 16.5 million tonnes, 8.8 million tonnes in Ukraine and 1.8 million tonnes in Belarus. The maize harvest is now estimated at about 1.3 million tonnes in the Russian Federation, 2.5 million tonnes in Ukraine and 1.2 million tonnes in Moldova. Favourable weather conditions and relatively improved access to inputs are the main factors contributing to sharply recovered harvests two years in succession. The winter grain crop for harvest in 2003 is already established throughout much of the region, and early prospects are reported to be favourable, reflecting generally good weather for planting and ample soil moisture. Based on current indications, there is reasonable potential for this year's bumper crops to be matched again in 2003.

- **Oceania**

Australia's 2002 winter grain harvest has been severely reduced by drought. In a special report issued in late October, ABARE forecast the 2002 wheat crop at 10.1 million tonnes, more than 3 million tonnes down from the forecast a month earlier and about 58 percent below the previous year's near record crop. The forecast for barley output has also been reduced further since the previous report, to about 3.4 million tonnes, which would be 55

percent down from 2001. Although some rainfall arrived in early October, this was generally reported to be too patchy and light to be of any significant benefit to the crops which were already nearing maturity ahead of normal because of the dry season. As of late October the harvest had already started in some parts and it is now considered to be generally too late for any further rainfall to significantly improve crop yields. With soil moisture reserves now well depleted, the prospects for the summer crops, normally sown between November and January in northern New South Wales and southern Queensland will depend heavily on the arrival of some good planting rainfall and subsequent timely showers throughout the growing season. Planting of the 2003 season **rice** crop in the country is over. There has been little respite to the drought that has lingered over the major rice growing state of New South Wales. Official reports indicate that the drought has led to a 69 percent contraction in rice area, which could imply a drop in paddy output in 2003 to 380 000 tonnes, which compares to a level of 1.3 million tonnes in 2002 and a record of 1.8 million tonnes in 2001.

Trade^{1/}

Smaller world cereal trade in 2002/03

World trade in **cereals** in 2002/03 is forecast at 236 million tonnes, unchanged from the previous report in October and 5 million tonnes below the previous year's record level. The anticipated contraction in global cereal trade this season results mainly from a decline in total wheat trade: trade in coarse grains is expected to increase slightly. In the rice market, the early prospects for international trade in 2003 are seen as somewhat similar to those in 2002.

Sharp contraction in world wheat trade in 2002/03

Global trade in **wheat**^{2/} in 2002/03 is forecast to fall to 102.5 million tonnes, down 5 million tonnes from the previous season. Most of this season's anticipated decline would be on account of a sharp contraction in imports by the developed countries, although smaller imports are also anticipated by the developing countries.

Aggregate wheat imports by the developed countries in 2002/03 are currently forecast at nearly 24 million tonnes, around 3 million tonnes lower than in the previous season. The decline is mostly driven by the developments in the EU, a major wheat exporter. During the previous season, the EU became the world's largest wheat importer, with estimated imports of at least 10 million tonnes. During the current marketing season, the upturn in the EU production in 2002 has helped to reduce

^{1/} World trade (exports) in wheat and coarse grains is based on a July/June season, while trade in rice is based on January/December (calendar).

^{2/} Including wheat flour in grain equivalent.

Overview of World Cereal Imports

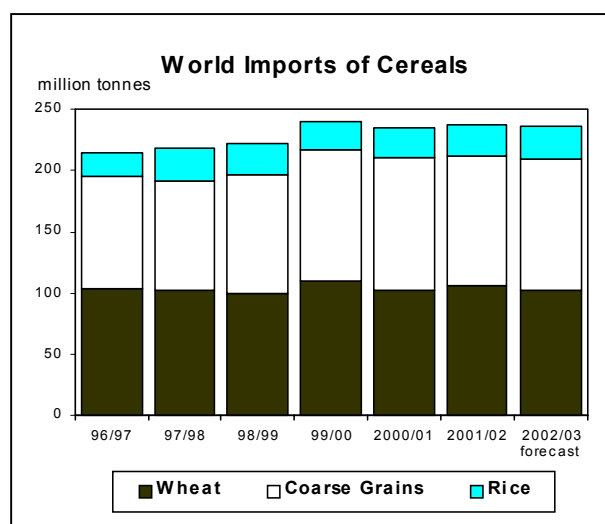
| | Wheat | | Coarse grains | | Rice (milled) | | Total | |
|--------------------------------|--------------|------------------|---------------|------------------|---------------|--------------------------|--------------|------------------|
| | 2001/02 | 2002/03 forecast | 2001/02 | 2002/03 forecast | 2002 | 2003 | 2001/02 | 2002/03 forecast |
| (..... million tonnes) | | | | | | | | |
| Asia | 47.5 | 45.0 | 56.3 | 55.1 | 13.7 | 13.7 | 117.4 | 113.8 |
| Africa | 24.8 | 25.6 | 14.9 | 17.4 | 7.3 | 7.2 | 47.0 | 50.1 |
| Central America | 6.7 | 6.9 | 12.5 | 14.0 | 1.7 | 1.7 | 21.0 | 22.6 |
| South America | 11.3 | 11.5 | 6.2 | 6.8 | 1.0 | 1.0 | 18.5 | 19.3 |
| North America | 2.9 | 2.1 | 6.5 | 7.2 | 0.7 | 0.7 | 10.1 | 10.0 |
| Europe | 13.2 | 10.9 | 7.9 | 6.3 | 1.6 | 1.6 | 22.7 | 18.9 |
| Oceania | 0.5 | 0.5 | 0.1 | 0.2 | 0.4 | 0.4 | 1.0 | 1.0 |
| WORLD | 106.9 | 102.5 | 104.4 | 107.0 | 26.4 | 26.2^{1/} | 237.6 | 235.8 |
| Developing Countries | 80.0 | 78.9 | 68.0 | 71.6 | 22.4 | 22.4 | 170.4 | 172.8 |
| Developed Countries | 26.9 | 23.6 | 36.4 | 35.4 | 4.0 | 3.9 | 67.2 | 62.9 |

Source: FAO. 1/ Highly tentative.

imports so far. However, because of continued strong demand for cheaper feed wheat from the Black Sea (mainly the Russian Federation and Ukraine), imports by the EU could still reach 7.5 million tonnes this season, which would still exceed normal levels. With import licences from the beginning of the season (though early November) close to 6 million tonnes, the final outcome for this season will be determined by the outcome of the European Commission's proposal to introduce wheat import quotas, starting from January 2003. Under this proposal, some 3 million tonnes of low-to-medium quality wheat could eventually enter the EU with a reduced duty of €12 per tonne, but anything above that quota would be subject to a prohibitive rate of €95 per tonne. The proposal still requires approval from the EU member states. In the meantime, the scheme has been discussed (and reportedly agreed upon) with Canada and the United States, the two WTO countries with largest stakes in the EU wheat market, while discussions with Ukraine and the Russian Federation (non-WTO members) are also underway.

Total wheat imports by the developing countries are forecast to decline by 1 million tonnes from the previous season, to 79 million tonnes. However, it is mostly in **Asia** that wheat imports are likely to decrease. Total wheat imports by Asian countries are forecast to reach 45 million tonnes in 2002/03, down 2.5 million tonnes from the previous season. Most of the decrease is accounted for by the Islamic Republic of Iran, where, following this year's bumper crop, imports are forecast to fall by 40 percent to 3.5 million tonnes. Good harvests in Bangladesh and Turkey could also result in lower imports by those countries, but imports by the Philippines are forecast to rise, mostly driven by strong demand for feed wheat.

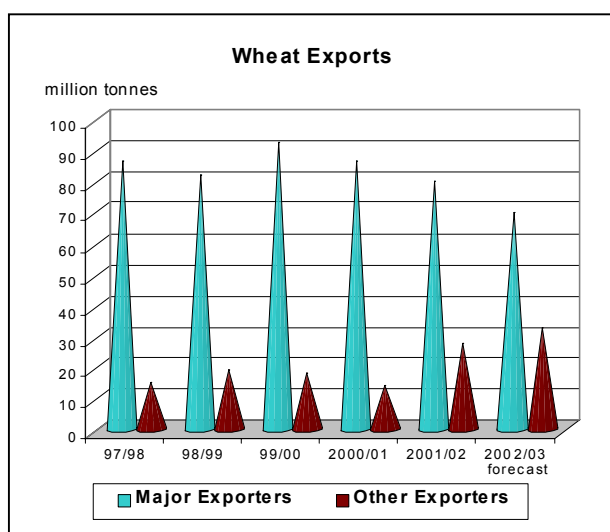
Aggregate wheat imports by countries in **Africa** are put at nearly 26 million tonnes, up 1 million tonnes from 2001/02. Imports by several countries in northern Africa are now forecast to exceed last year's levels, largely reflecting a drop in production due to prolonged dry conditions, especially in Algeria and Tunisia. Total imports by countries in the sub-Saharan region are expected to remain unchanged from the previous season, at just over 8 million tonnes. While imports by Kenya, Ethiopia and Eritrea are likely to increase, several countries, including Mauritania, Tanzania and Zimbabwe are expected to reduce their wheat imports in 2002/03.



Total imports by countries in **Latin America and the Caribbean** are forecast to rise slightly this season, led mostly by larger purchases by Mexico and Brazil. In Mexico, strong demand for milling quality wheat would

result in an increase in imports. Wheat purchases by Brazil are forecast to increase by 400 000 tonnes, to 6.6 million tonnes, as production is expected to decline slightly, though at this level, they would still be above-average. In most recent years, the country ranked as the world's largest wheat importer. The bulk of the imported wheat comes traditionally from Argentina, but financial problems in both countries have given rise to new trade arrangements with other suppliers. According to news reports from Brazil, the milling industry has recently agreed to import 500 000 tonnes of wheat from the Russian Federation in exchange for an equivalent value of Brazilian beef. The industry had already signed another letter of intent to purchase 500 000 metric tonnes of wheat from Ukraine, possibly in exchange for sugar.

Turning to exports, total wheat shipments from the five major wheat exporters this season are currently forecast at 69 million tonnes, representing a decline of roughly 13 percent, or 11 million tonnes, from the previous season. Part of this decrease could be explained by the forecast contraction of about 4 million tonnes in world import demand this season. More importantly, however, it is becoming increasingly evident that non-traditional exporting countries are emerging as important players in the world wheat market, competing with major exporters whose exportable supplies are forecast to shrink.



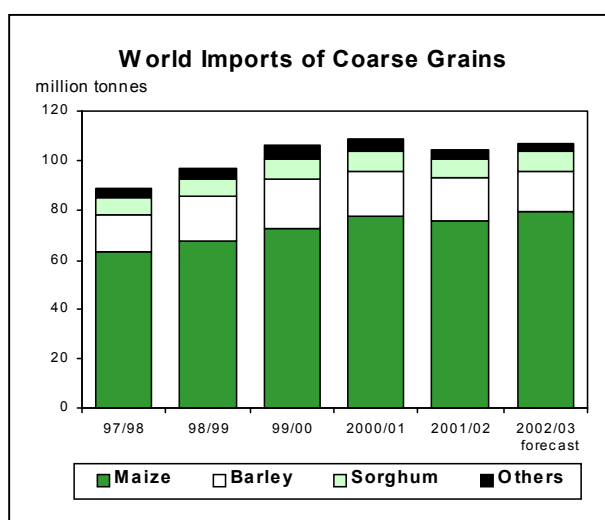
Among the major exporters, Australia and Canada are particularly low on exportable supplies this season given the sharp decline in their domestic production. In fact, recent reports suggest that both countries are set to import some wheat, most likely in small quantities, and of feed quality in view of the increase in domestic feed grain prices. By contrast, wheat exports from the EU could increase sharply over the previous season and reach 15 million tonnes. However, given the slow pace of export licences issued since the start of the marketing season, which amount to less than 5 million tonnes, much faster sales would have to be made in the remaining months of this season for this forecast to materialize. The main reason for slow export sales from the EU has been the

large supplies of wheat in a number of non-traditional sources, especially the Russian Federation, Kazakhstan, Ukraine and India. In fact, substantial supplies of cheaper wheat from those origins could turn the EU market into the largest single destination for the second consecutive season. Overall, the combined exports from those four non-traditional exporters are expected to climb to over 22 million tonnes this season, up 4 million tonnes from the already high level registered in 2001/02. This compares to exports of some 26.5 million tonnes from the United States, still the world's largest single wheat exporter.

Coarse grains trade up slightly in 2002/03

World trade in **coarse grains** in 2002/03 is forecast to reach 107 million tonnes, up slightly from the previous season's reduced level. The small increase from 2001/02 would be driven mainly by slightly higher trade in sorghum, which is forecast to reach 7.5 million tonnes, while trade in most other major coarse grains is expected to remain unchanged from the previous season. In the maize market, this season's exports are likely to approach the previous year's record volume of around 78 million tonnes.

Total imports in **Africa** are expected to rise by 2.5 million tonnes from the previous season, to a new peak of over 17 million tonnes. In contrast to the situation in North Africa, where imports by most countries are seen to remain similar to 2001/02, in Sub-Saharan Africa, the serious food supply shortages triggered by production shortfalls and civil conflicts have given rise to even higher import requirements this season. The most significant increases in terms of volume are expected in Zimbabwe (up 1.7 million tonnes), Kenya (up 300 000 tonnes) and Zambia (up 255 000 tonnes).



In **Asia**, aggregate imports of coarse grains in 2002/03 are forecast at 55 million tonnes, down slightly from the previous season. Imports by most countries in Asia are forecast to remain at the same level as in the previous year despite a strong growth in feed demand. Large

supplies of cheaper feed wheat in world markets have also given way to partial substitution for maize. Only a few countries are seen to cut imports sharply this season. Among them, imports by the Islamic Republic of Iran are anticipated to fall most significantly, by 500 000 tonnes, to the lowest volume since 1994/95 because of a recovery in domestic production.

In **Europe**, total imports are put at just over 6 million tonnes, which would be 1.6 million tonnes smaller than in the previous season, mainly because of lower expected purchases by the EU. Although 2002 production in the EU is estimated to have fallen below the previous year's level, most of the decrease would be in maize and rye, the latter a surplus grain. The estimated small decline in maize output this year would not necessarily result in higher imports given the large supplies of cheaper feed wheat on the market.

In **North America**, the drought in Canada is expected to give rise to much larger imports of maize and even barley, although in the case of the latter, the country is among the world's major exporters. In **Central America**, larger maize and sorghum purchases are forecast for Mexico, mostly because of the expanding domestic demand for feed grains and somewhat smaller production. In **South America**, imports by Brazil are forecast to increase this year, given the anticipated sharp decline in domestic maize production.

On the export side, coarse grain shipments from the world's largest exporter, the United States, are forecast to rise above the previous year. Higher exports from the United States come at the time when domestic supplies are seen to be well below the previous season as a result of a drop in production. But since the United States is a residual supplier to the world market, large shipments are possible from the draw down of stocks. Argentina could export less as a result of smaller output. Apart from the major exporters, the fact that China continues to export maize could help to stabilize the global market, considering that other net exporters such

as Brazil, Hungary and the Republic of South Africa, all would have smaller exportable supplies. This season's maize shipments from China are forecast to approach 11 million tonnes, up 4 millions tonnes from the previous season. More barley exports are also expected from the EU this season, which could, to some extent, compensate for supply shortages in Australia. Improved barley supplies are also anticipated in Turkey and another year of good barley export prospects are also expected for the Russian Federation and Ukraine.

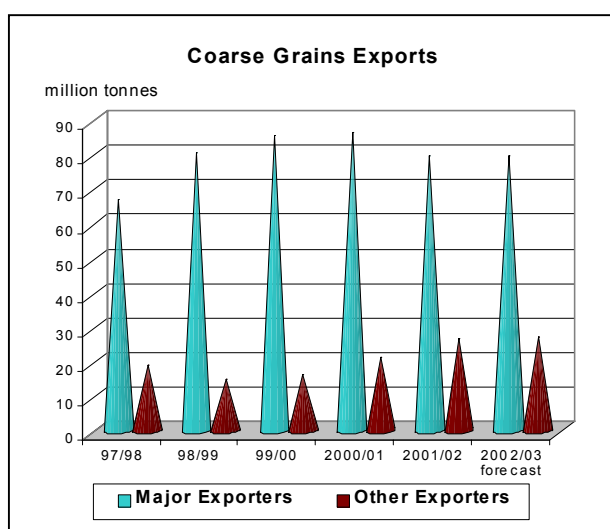
Record rice trade in 2002

As the end of the year approaches, there is growing evidence that the volume of international **rice** trade in 2002 will reach the second highest level on record. FAO's forecast for global rice trade in the current calendar year now stands at 26.4 million tonnes, 700 000 tonnes more than earlier anticipated and almost 10 percent above the revised estimate for 2001. The latest revision is mostly due to upward adjustments to import forecasts for several countries in Africa and also Indonesia, which more than offset a substantial cut to expected shipments to the Islamic Republic of Iran.

The anticipated flow of rice into Africa now stands at 7.3 million tonnes, slightly below the record level imported in 2001 but 600 000 tonnes more than foreseen in the last report. The revision reflects a 200 000 tonne increase in expected deliveries to Nigeria. These are now forecast to reach an all-time high of 1.7 million tonnes, 4 percent more than in 2001, reinforcing the country's position as the second largest rice importer this year. Forecasts for Senegal and South Africa have been raised 100 000 tonnes each, with both countries now expected to import 650 000 tonnes in the course of the year. Expected imports by Côte d'Ivoire are now forecast at 1 million tonnes, still somewhat short of the volume imported in 2001.

Indonesia remains the world's leading rice importer, with the anticipated volume in 2002 recently raised by almost 10 percent to 3.5 million tonnes, over 2 million tonnes more than the quantity transacted last year. The adjustment reflects the expectation of larger purchases by the state trading enterprise, Bulog, to bolster the country's reserve stocks. By contrast, imports by the Islamic Republic of Iran have been lowered by a third to 800 000 tonnes.

Other major changes to import figures in 2002 from the last Food Outlook include China (mainland), whose international purchases, which this year have only consisted of high quality indica and fragrant rice, have been cut to 200 000 tonnes. On account of stock replenishment, forecast imports by Bangladesh and Saudi Arabia, have each been raised by about 100 000 tonnes, to 300 000 tonnes and 900 000 tonnes, respectively. Rice deliveries to Cuba in 2002, mostly



made under Government to Government contracts, have been increased to 550 000 tonnes, or 10 percent more than last year, following the poor 2001 paddy season. For all other major importers, forecast rice inflows are unchanged from the last Food Outlook.

Regarding rice exports in 2002, the forecast for India has been raised by 500 000 tonnes to 5.5 million tonnes. A tightening of regulations by the Food Corporation of India's (FCI) on rice sales for export triggered a surge of orders prior to its implementation date of 1st October. By that date, overall exports were estimated to already have reached 4.7 million tonnes. Since then, however, the pace of exports has slowed down considerably. In November, the FCI announced it would raise sale prices to exporters by Rupees 350 per tonne (US\$7) for ordinary rice and by Rupees 600 per tonne (US\$12) for parboiled rice, effective from 1st January 2003.

On the basis of the volume of rice shipped between January and October, China's (mainland) forecast exports have also been adjusted upward from the last report, by 400 000 tonnes to 1.7 million tonnes, slightly below the 2001 level. The revised export figure, however, would still imply a reduction of over 1 million tonnes from 2000, consistent with the substantial contraction in output that the country has experienced in the past two seasons.

A 200 000 tonnes upward adjustment has also been made to the forecast for Viet Nam's exports, now officially put at 3.2 million tonnes. However, this would still be 300 000 tonnes less than last year and the lowest level since 1996.

By contrast, rice deliveries by Myanmar in 2002 are now forecast at 700 000 tonnes, similar to the official estimates of exports in 2001, but down from the earlier forecast of 1 million tonnes. High inflation rates in the country are encouraging farmers to hold back on their product rather than selling it at fixed prices to the Government, which holds a monopoly on rice exports. As a result, the volume procured by the state agencies might not be sufficient to sustain a sizeable increase in shipments from last year.

Thailand's rice sales through to October, point to a sharp fall in 2002 performance, with shipments down 12 percent compared with the same period last year. Such a contraction reflects to a large extent increased price competition from India in traditional markets. Exports by the country are now forecast to reach 7 million tonnes, 100 000 tonnes less than last reported, and 500 000 tonnes below the record level of the previous year.

As for other major exporters, forecast deliveries are unchanged from the last report. Pakistan's exports were of the order of 1.2 million tonnes between January and October and are estimated to reach about 1.4 million tonnes by the end of the year some 900 000 tonnes less than in 2001. Reduced supplies and comparatively high

quotations are behind the expected annual decline. Shipments from Australia, Argentina, and Uruguay continue to point to a contraction in 2002, while United States and Egypt might increase theirs substantially from 2001 level.

Rice trade in 2003 could remain close to 2002's high level

FAO's forecast for world rice trade in 2003 has been increased marginally since the last report to 26 million tonnes. The forecast is still highly tentative, since many of the countries that could influence the level of global rice trade in 2003 have yet to complete the harvest of their main paddy crops.

Very few changes on the import side are envisaged since the last report. The forecast of shipments to Africa has been revised up by 400 000 tonnes to 6.8 million tonnes, with Nigeria again expected to account for the bulk of the growth in regional trade. A promising production outlook this year in Bangladesh might lead to a one-third reduction in rice deliveries to that country in 2003. Similarly in Brazil, ample domestic supplies could bring about a 100 000 tonne fall in imports next year. By contrast, purchases by Saudi Arabia have been raised by 100 000 tonnes, unchanged from the current year.

Among other traditional importers, Indonesia is still forecast to import 3.2 million tonnes of rice next year, or 300 000 tonnes less than in 2002. The Government is reportedly considering an earlier proposal to raise border protection, which, if implemented, could result in a more substantial contraction.

The Philippines has announced some relaxation of the de facto state trading monopoly (the National Food Authority) as of next year. From January 2003, producer groups will be allowed to import high quality rice. Nevertheless, the country is still forecast to import 1.2 million tonnes of rice in 2003, similar to the 2002 estimate.

As for exports in 2003, some revisions have been made in the case of a few major international suppliers. For instance, an anticipated bumper crop in Viet Nam this year, could boost the country's exports to 3.9 million tonnes of rice in 2003, 500 000 tonnes more than previously reported. The forecast for China's (mainland) exports has been increased to 1.3 million tonnes, but an overall contraction of about 400 000 tonnes is still anticipated in 2003. A recovery in Pakistan's production this year, could lift its exports by around 100 000 tonnes to 1.5 million tonnes in 2003. A good crop outcome this season could also lead to the United States exporting about 3.2 million tonnes of rice next year, 100 000 tonnes more than originally expected.

By contrast, following the deterioration of Myanmar's production prospects, the forecast for the country's exports in 2003 has been cut to 700 000 tonnes,

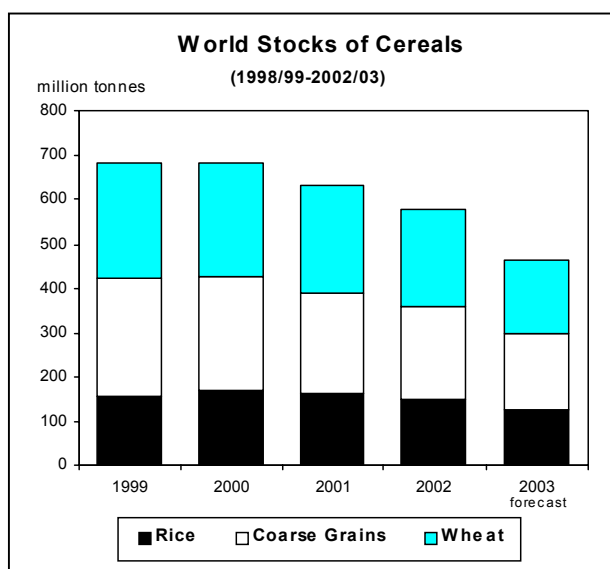
matching the less optimistic performance currently foreseen in 2002. On the basis of expected rice availabilities. The forecast for Egypt's exports in 2003 has been lowered to 750 000, which would be 100 000 tonnes less than expected this year.

For other major exporters, no changes to previous expectations have been made. India's export forecast remains at 4.5 million tonnes in 2003, or 1.0 million tonnes less than the expected performance in 2002. By contrast, sales by Thailand might rise to 7.5 million tonnes, matching the 2001 record level, while rice deliveries by Australia could fall to a twelve-year low of 400 000 tonnes, reflecting the widely expected production shortfall next year.

Carryover Stocks

Massive contraction expected in world cereal stocks

FAO's forecast for world cereal stocks by the close of the seasons ending in 2003 remains virtually unchanged since the previous report at 466 million tonnes, down 110 million tonnes, or 19 percent, from their opening levels. This significant contraction is foreseen mostly as a result of a sharp drop (over 3 percent) in world cereal production in the face of a marginal rise in total cereal utilization. In addition to China, where cereal stocks are set to contract for the fifth consecutive year, the other notable stock declines are expected in countries where cereal production this year is forecast to drop sharply such as in Australia, Canada, Brazil, India and the United States.



Global wheat inventories, by the close of the seasons ending in 2003, are forecast to fall to 167 million tonnes, 50 million tonnes, or 23 percent, below their opening levels. Among the major exporters, only the EU is expected to end the season with larger stocks, given this year's upturn in wheat production. By contrast, in the United States, a combination of drought and reduced

plantings have lowered production and this is expected to bring about a 55 percent cut in wheat stocks, to less than 10 million tonnes, which would be close to an 18-year low. In Australia and Canada, severe drought is also responsible for reducing wheat output and, consequently, leading to an erosion of stocks.

World Carryover Stocks of Cereals

| | Crop year ending in: | | |
|---------------|------------------------------|---------------|---------------|
| | 2001 | 2002 estimate | 2003 forecast |
| | (. . . million tonnes . . .) | | |
| Wheat | 241.1 | 216.2 | 166.5 |
| Coarse grains | 225.6 | 211.0 | 173.8 |
| of which: | | | |
| Maize | 180.8 | 159.3 | 129.1 |
| Barley | 25.6 | 27.8 | 22.9 |
| Sorghum | 5.3 | 7.0 | 6.0 |
| Others | 13.9 | 16.9 | 15.8 |
| Rice (milled) | 163.1 | 148.1 | 125.5 |
| TOTAL | 629.7 | 575.3 | 465.8 |

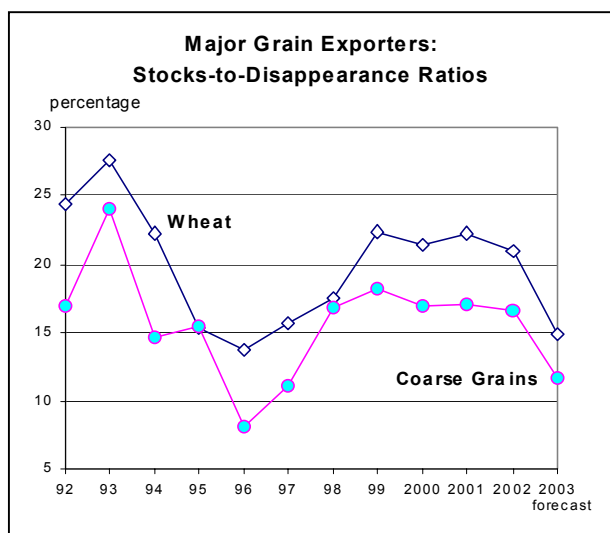
Source: FAO

In aggregate terms, major exporters are likely to hold no more than 32 million tonnes of wheat in their inventories by the end of their respective seasons in 2003. The expected decline in major exporting countries' wheat stocks would imply a significant drop in the ratio of their wheat stocks to their total disappearance (the sum of their domestic consumption and exports). Based on the latest forecasts, this ratio would be just about 15 percent, down sharply from nearly 21 percent in the previous season and the lowest since 1996, when the ratio fell to 14 percent.

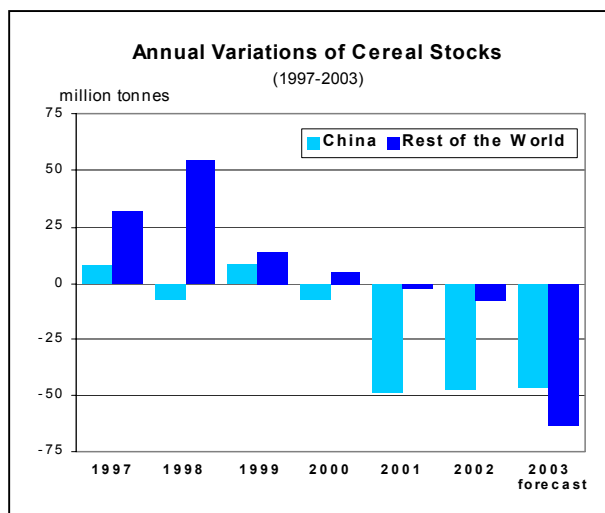
Among the major wheat producing countries in Asia, China's wheat carryovers this season are put at 63 million tonnes, down 24 million tonnes from their opening levels, as wheat production in 2002 is put at below the previous year's already reduced level and the lowest since 1989. Despite this decline, carryover stocks in China are still regarded to be sufficient which, in part, explains why imports have been kept at a minimum. In India, despite higher production, continuing large exports could result in a drawdown of around 4 million tonnes in this season's wheat ending stocks. In spite of this decline, however, stocks in India would still remain well above reserve requirements, at nearly 28 million tonnes. Wheat inventories in Pakistan are also forecast to contract sharply this season. Based on the latest forecasts, end-of-season stocks in Pakistan could drop by 3.5 million tonnes from their opening levels to less than 1 million tonnes, even though production in 2002 is estimated to be higher than in the previous year. Continued exports and strong domestic demand are among the main reasons for the anticipated fall in Pakistan's wheat stocks.

In Africa, sharply lower stocks are anticipated in Egypt, Eritrea, Ethiopia, Nigeria and Tunisia, where the gap between supplies (including expected imports) and requirements could be narrowed by drawing on their own domestic inventories. In the CIS countries, larger stocks are forecast for nearly all the countries in the region, given this year's good harvests. Only in the Russian Federation are wheat stocks expected to decline slightly, mainly because of the strong pace of exports.

World **coarse grain** inventories for crop years ending in 2003 are forecast at 174 million tonnes, down 37 million tonnes, or 18 percent, from the previous year. The most significant decrease is forecast for the United States, where a sharp drop in this year's production could result in a decline of nearly 20 million tonnes in carryovers, to 25 million tonnes. The anticipated drawdown is limited, however, as domestic feed utilization is expected to contract. Based on the latest estimates, total use of coarse grains for feed in the United States is likely to drop by 8 million tonnes, of which the reduction in maize utilization alone would account for 5 million tonnes. The drought reduced outputs in Australia and Canada would also result in a sizeable drop in their ending stocks. By contrast, total inventories in the EU are forecast to remain close to the previous season's comfortable level of around 20 million tonnes. As with wheat, the ratio of major exporters' total coarse grain stocks to their total disappearance is likely to shrink drastically this season, falling to roughly 12 percent, down from around 17 percent in the past two seasons and the lowest since 1996.



Despite a sharp upturn in maize production in China, maize inventories in that country are likely to decline by around 8 million tonnes, to about 80 million tonnes. The main explanations are continuing large exports and fast growth in domestic feed use. As a result of reduced production, smaller inventories are anticipated in the Russian Federation, Brazil, and Mexico. Total stocks in Africa are also expected to decline, by around 1 million tonnes, mostly driven by declines in sorghum and maize output in a number of central and southern African countries.



The forecast for world **rice** stocks at the close of the marketing seasons in 2003 has been lowered by over 5 million tonnes since the last report to nearly 125 million tonnes, with inventories below their revised opening level by almost 23 million tonnes – one of the largest declines on record.

The recent downward revision mostly reflects the lower production outlook for China and India, the two largest rice producers, which will imply a larger drawdown from inventories than previously anticipated to maintain normal levels of consumption. In contrast to last year, when stocks fell considerably in several major importing countries, almost all of this season's contraction is likely to concentrate in rice exporting countries.

In particular, carry over stocks in China (Mainland) are forecast to fall by 14 million tonnes from last year, to 79 million tonnes, down 2 million tonnes from the preceding forecast. A 7 million tonne drop could also be recorded by India under the current expectations of falling 2002 production, which compares to the earlier forecast of 5 million tonnes. Closing stocks in the country are now expected to fall to 17.5 million tonnes at the end of the season. Some downward stock adjustments have also been made in the case of Thailand and the Republic of Korea, in parallel with the lowering of their production forecasts while improved production prospects have led to an upward revision in closing inventories in the United States and Viet Nam

Export Prices

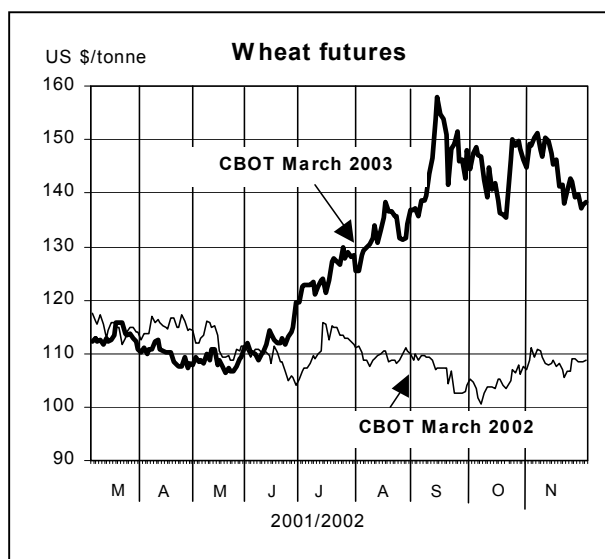
Cereal prices could weaken again

International grain prices weakened over the past few weeks as non-traditional exporters continued to sell more of their domestic surpluses. For **wheat**, a surge in prices, which dominated the first few months of the current marketing season, appears to have abated. In spite of continuing concern over reduced crops in leading exporting countries, the overall wheat availability on the

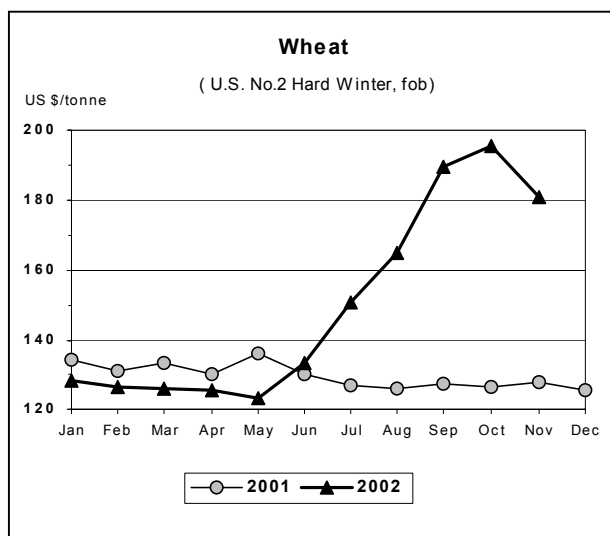
Cereal Export Prices *

| | 2002 | | 2001 |
|----------------------|-------------------------|-------|------|
| | Nov. | Sept. | Nov. |
| | (..... US\$/tonne | | |
| United States | | | |
| Wheat | 180 | 189 | 128 |
| Maize | 109 | 115 | 90 |
| Sorghum | 122 | 120 | 96 |
| Argentina | | | |
| Wheat | 136 | 153 | 109 |
| Maize | 108 | 108 | 93 |
| Thailand | | | |
| Rice white | 191 | 191 | 178 |
| Rice, broken | 157 | 152 | 135 |

* Prices refer to the monthly average. For sources see Appendix Tables A.6 and A.7.



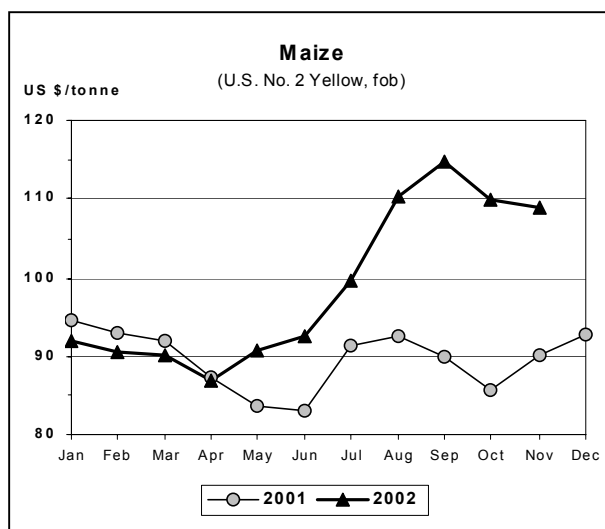
global market remains abundant in view of large supplies of medium-to-lower quality wheat in Kazakhstan, the Russian Federation, Ukraine and India. In November, the U.S. wheat No. 2 (HRW, fob) averaged US\$180 per tonne, down US\$9 from September, although still up sharply, by US\$52 per tonne, or more than 40 percent, from the corresponding month last year.



Wheat price movements in the US futures market also exhibited a strong upward trend during the earlier months of the season, mainly reacting to the tight domestic supply situation driven by a sharp decline in production. However, in recent weeks, US wheat futures began to drift lower as supply on the international market started to appear less tight than previously anticipated. While the latest official report from the United States indicated the lowest stock levels since 1974, by late November, the March futures for the soft red winter wheat contracts at the Chicago Board of Trade (CBOT) were quoted at around US\$138 per tonne, representing a drop of around 12 percent from their peak in early September.

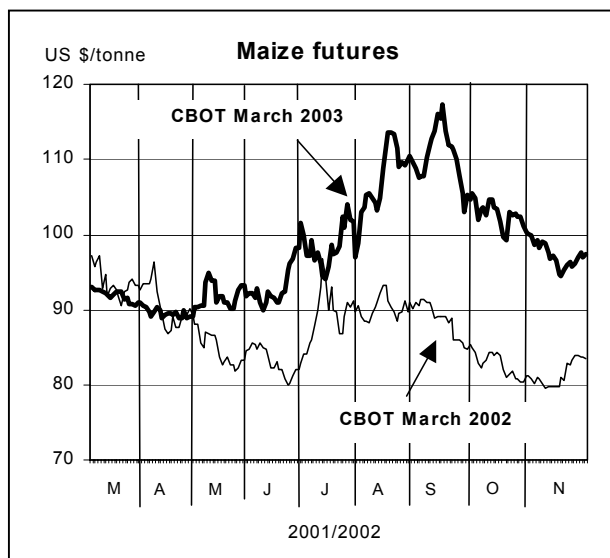
A further decline in wheat prices is likely in the coming months, barring a significant increase in demand. The market for low-quality wheat could become more vulnerable to downside pressure, mainly in view of the recent proposal by the European Commission to introduce an import quota system on wheat, starting in January 2003. While the proposed quota system could succeed in limiting the flow of lower quality wheat imports from Black Sea origins into the EU, it could also result in the dispersion of those supplies to other destinations, such as to large importing countries of North Africa and Asia. This would result in cutting into market shares of the major exporters and that could bring down export prices of higher quality wheat from those origins.

In the past few weeks, international coarse grain prices also weakened somewhat. **Maize** prices were dragged lower by developments in the global wheat market, in particular by large supplies of feed wheat and continuing maize sales by China. In November the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US\$109



per tonne, down US\$6 per tonne since September but still US\$19 per tonne, or 21 percent above the previous year.

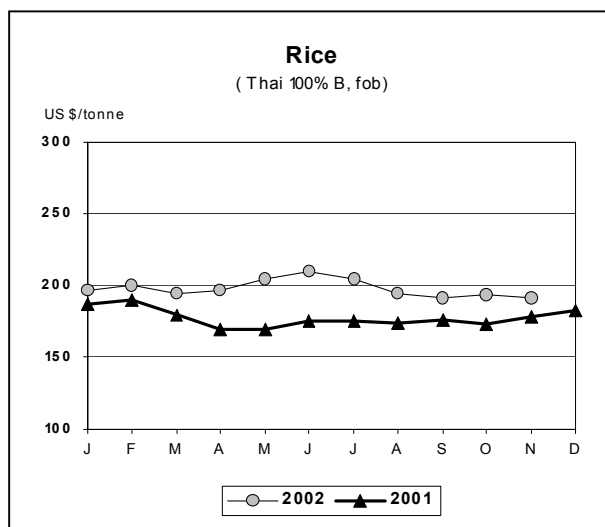
By late November, the March maize futures contracts at the CBOT were quoted at US\$97 per tonne, indicating a 15 percent gain over the previous year. Much of this season's sharp rise in maize prices was driven by the decline in production in the United States, the world's largest maize producer, exporter and also the largest feed user. This year's surge in the US maize export prices was mainly the result of much tighter domestic feed grain supplies. However, in the global context, large maize sales by mainland China, especially to some leading US export markets, including Taiwan Province, which recently lifted its maize import ban from the mainland, coupled with abundant supplies of feed wheat from non-traditional wheat exporters, could restrain coarse grain prices from rising further.



Despite large quantities of new rice arriving on to the market, which normally tends to depress quotations, the FAO Total Export Price Index for Rice (1998-00 =100) averaged 73 points in November, virtually unchanged since July. Such a lack of momentum reflects divergent trends in prices from different origins and qualities, which have tended to offset each other.

FAO's High Quality Indica Price Index declined by one point from September to 73 points, reflecting falls of varying degree in quotations. For example, prices of the Thai 100%B have been largely sustained by the Government paddy procurement schemes. Since September, prices of Viet Nam 5 percent and Pakistan-Irri 10 percent have dropped slightly, reflecting to some extent the arrival of the new crops onto the market. By

contrast, notwithstanding a bumper harvest in the United States, quotations for US No.2, 4% long grain have been static at US\$215, but for US No.2, 4% parboiled, they have climbed moderately.



FAO's Low Quality Indica Price Index has exhibited little overall movement since September, as prices for broken rice in major exporting countries have converged, illustrated by quotations for India 25 percent rice, where steadfast demand has led to a narrowing of its price differential with broken rice of other origin.

Import demand for Japonica rice by Japan, the Chinese Taiwan Province and Turkey, boosted the quotations of the US medium grain No.2, 4%, as reflected in FAO's Japonica Price Index, which has staged a slight recovery, climbing by 2 points in October before falling back one point in November to a level of 67 points.

By contrast, FAO's Aromatic Price Index has tumbled since September, falling by 7 points to 76 points in November. Prices of Thai fragrant rice have declined by almost 10 percent over this period, nearing the floor set by Thailand's support scheme. Much of the decline reflected the discounted sale of fragrant rice from the 2001 crop, as newly harvested supplies were becoming available. Similar falls have also been registered in Basmati quotations.

The price outlook could turn positive as of next year. Sustained intervention by Government procurement agencies in India and Thailand should dampen price falls associated with the arrival of new rice supplies onto the market in the coming months. A general tightening of the global supply and demand situation could subsequently be felt, which could precipitate a marked increase in international prices as of the second quarter of 2003.

Pulses

Pulse production forecast to increase in 2002

FAO's latest forecast for global pulse production in 2002 stands at 54.4 million tonnes, 1.4 million tonnes less than the preliminary forecast in May, but still 2 million tonnes up from the previous year. Output is expected to increase by 12 percent in the developing countries, but a decrease of 16 percent is forecast for the developed countries, mostly due to poorer crop conditions in Australia and Canada.

World Pulse Production

| | 2000 | 2001 | 2002 forecast |
|------------------------------|--------------------------------|-------------|------------------|
| | (. . . million tonnes . . .) | | |
| Africa | 8.0 | 8.4 | 8.4 |
| Asia | 25.6 | 23.4 | 27.1 |
| Europe | 7.3 | 7.7 | 7.6 |
| Latin America & Caribbean | 5.9 | 5.4 | 6.2 |
| North America | 6.0 | 4.8 | 3.8 |
| Oceania | 1.9 | 2.7 | 1.4 |
| World | 54.6 | 52.4 | 54.4 |
| Developing countries | 39.1 | 36.9 | 41.4 |
| Developed countries | 15.5 | 15.5 | 13.0 |

Source: FAO

In Asia, pulse production in 2002 is forecast at 27.1 million tonnes, 16 percent up from 2001. The bulk of the increase is accounted for by India. Total pulse production in India, the world's largest producer, is now forecast at about 14 million tonnes, almost 3 million tonnes above last year's drought-reduced output. The recovery is mostly in the chickpea and dry pea crops. The Rabi (spring) pulse crop is estimated at 8.5 million tonnes, while the Kharif (autumn) crop is forecast to fall short of the Government's target of 6 million tonnes, due to drought. China's pulse production is likely to expand further this year due to area expansion and in response to attractive prices. Production in Myanmar, which consists mainly of beans, is forecast at a record level of over 2.5 million tonnes, due to a larger area and favourable weather. The growth in Myanmar's pulse production continues to be driven by export demand. In Thailand, production is expected to rise from 2001, as relatively high prices last year encouraged more pulse planting in 2002. Better weather and moisture conditions are expected to boost pulse production in the Islamic Republic of Iran, Syria and Turkey, where their output consists mainly of chickpeas and lentils. By contrast, in Pakistan, the chickpea crop is expected to remain below average due to insufficient rainfall. Tajikistan's dry bean production is also likely to shrink due to drought, but also because of difficulties in obtaining seeds.

In Africa, the overall regional pulse production in 2002 is expected to remain unchanged from the previous year, despite several changes expected at the individual country level. In Eritrea, a large reduction in area, due mainly to the scarcity of seeds, is expected to negatively affect production in 2002. Poor seed quality and insufficient moisture may also reduce yields. Dry bean production is expected to drop in Burundi, where seed shortages have been reported, and in Rwanda, because of unfavourable weather conditions. By contrast, Ethiopia's 2002 pulse production is forecast to rise, as farmers were reported to be shifting from cereal crops to pulses in response to depressed local cereal prices in 2001. However, the increase in pulse production could be limited by lower yields due to the early cessation of rains. Total pulse production in South Africa is expected to expand slightly from 2001, with an increase in dry bean output offset by a drop in lupin production. Dry bean production, based on official data indicating larger seeding, is likely to grow by 10 percent over last year, but it would still remain about 20 percent below the previous three-year average, as land has shifted to maize and oilseeds. Production in Nigeria, the largest pulse producer in Africa, is expected to remain at about last year's level.

In Latin America and the Caribbean, pulse production is forecast to expand in 2002 on account of better crops in Brazil and Mexico. In Brazil, the region's largest pulse producer, dry bean production is forecast to expand by about 25 percent in 2002. In Mexico, dry bean production is also forecast to rise due to improved weather and timely rainfall. Chickpea production, by contrast, is expected to fall as land is reported to be shifting to more remunerative crops, including maize and beans. In Guatemala and Nicaragua, dry bean production could register some gains due to better yields, while in Costa Rica, dry bean production is forecast to drop from 2001 as a result of crop damages caused by excessive rains and heavy flooding.

Among the developed countries, production is forecast to fall sharply by 30 percent in Canada to 2.3 million tonnes, on account of lower yields and higher abandonment rates due to unfavourable weather. In the United States, dry bean production is forecast to expand by 40 percent, as a result of a larger seeded area combined with better yields. Dry peas and lentils, however, are likely to be adversely affected by unfavourable weather. In the EU, 2002 pulse production is likely to remain relatively unchanged from last year, with an expected drop in output of dry peas mostly offset by an increase in beans. Production of dry peas, by far the largest pulse crop, could drop below 3 million tonnes, despite an expected recovery to normal yields in some countries, including France, the principal producer in the EU. In Australia, a major pulse exporter, production in 2002 is forecast to drop significantly to about 1.3 million tonnes, almost half of last year's output, and the lowest in more than a

decade. Smaller planted areas and lower yields, due to a severe and widespread drought in all major producing regions, are expected to result in lower production levels. Australia's lentil and faba bean production could contract by as much as 70 percent from 2001, while dry pea output could drop by 60 percent.

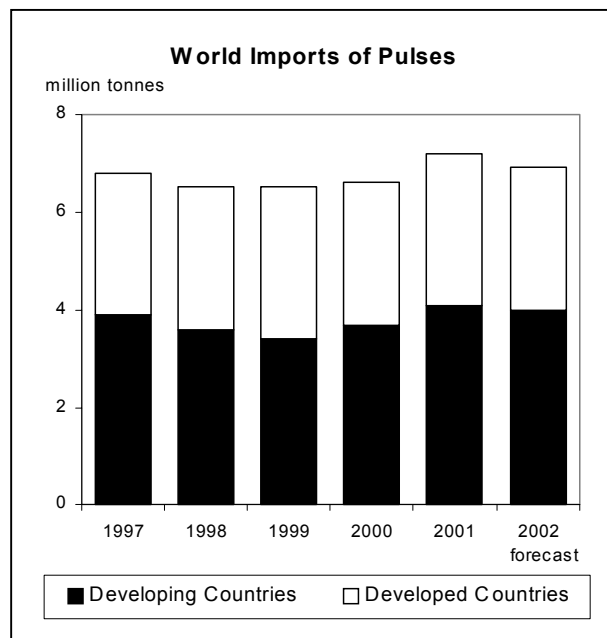
Pulse trade contracts in 2002

The forecast for world trade in pulses in 2002 has been revised down by 0.5 million tonnes from the preliminary forecast in May, to below 7 million tonnes, largely due to reduced global supplies. The new figure also represents a drop from last year, but is still at about the 1999-2001 average level. World trade in dry beans is expected to expand in 2002, due to a combination of increased export availabilities, larger import demand in many countries and also increased needs for food aid. Trade in dry peas, lentils, chickpeas and lupins is forecast to contract from 2001, largely due to reduced supplies in the major exporting countries. Meantime, global broad bean trade is likely to remain at about last year's level.

Among the major pulse exporters, pulse shipments from Canada and Australia are expected to plunge because of lower domestic production. In Canada, sales of dry peas, lentils and chickpeas are forecast to decline, due to smaller export availabilities, while dry bean exports are likely to remain at around last year's level. In Australia, besides lower output, increased domestic use of dry peas and lupins in feeding livestock, due to shortages in vegetable proteins, is expected to further tighten the situation for export supplies. Dry bean exports by the United States are anticipated to recover in light of increased production and also food aid shipments, mainly to Africa. In the EU, pulse exports are forecast to increase in 2002, based on shipment data indicating larger sales of dry peas to South Asia, and of broad beans, mainly to Egypt. Exports by China (mainland) and Myanmar are forecast to grow further, while exports by Turkey could recover. By contrast, exports are forecast to fall in Argentina, in view of weaker dry bean import demand by Brazil, and in Mexico, as a result of the decline in chickpea production.

On the import side, India's pulse purchases are likely to increase in 2002, despite the expected upturn in domestic production, to meet local demand. In Pakistan, pulse imports, mostly chickpeas, are expected to increase due to slow recovery in domestic production. In the Near East and North Africa, reduced production coupled with growing domestic demand, is expected to result in larger purchases by several countries in the region. Pulse imports by many countries in eastern, central and southern Africa – mainly in the form of food aid – could surge due to the deteriorating food situation in these regions. In the Latin America and Caribbean region, dry bean imports by Brazil and Mexico are

forecast to fall this year, in view of larger domestic crops, while purchases by Costa Rica, Cuba and Venezuela could increase. In the EU, contrary to earlier indications, dry pea and lupin imports, constrained by reduced supplies in Canada and Australia, are likely to contract from last year.



Prices to strengthen as export supplies decline

Price expectations for all major pulses, except dry beans, are pointing upward due to reduced supplies in several exporting countries. In the United States, dry pea prices in October averaged 20-35 percent above the same month a year earlier, while lentil prices were 25 percent up. In Canada, producer prices of desi chickpeas in October were about 5 percent above last year's. By contrast, prices of most dry bean classes in the United States, in response to increased production, are continuing to slide to low levels.

The outlook for reduced pulse production in Australia and Canada, two key exporters, may provide the basis for potentially stronger prices in the coming months. In addition, due to the anticipated sharp contraction in stocks in the main exporting countries, prices are expected to be extremely sensitive to any supply or demand shocks. The only pulse for which prices are forecast to continue to be under downward pressure is dry beans, due to a combination of factors. Dry bean production in several major exporting countries, including the United States, China and Myanmar, is expected to rise, leading to stronger competition for export markets, while imports by some key importers, like Brazil and Mexico, are expected to contract due to increases in domestic production.

Prices of Selected Pulses

| | U.S. Pinto Beans ^{1/} | U.S. Dry Green Peas ^{2/} | U.S. Dry Yellow Peas ^{2/} | U.S. Lentils, Regular ^{2/} |
|-------------|--------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| | (..... US\$ / tonne) | | | |
| 2001 | | | | |
| September | 463 | 212 | 209 | 306 |
| October | 441 | 216 | 217 | 303 |
| 2002 | | | | |
| January | 543 | 230 | 249 | 288 |
| February | 551 | 232 | 254 | 285 |
| March | 595 | 239 | 249 | 285 |
| April | 617 | 247 | 267 | 300 |
| May | 617 | 248 | 266 | 298 |
| June | 617 | 246 | 259 | 297 |
| July | 593 | 239 | 261 | 295 |
| August | 507 | 237 | 244 | 297 |
| September | 446 | 247 | 243 | 348 |
| October | 366 | 292 | 259 | 380 |

Source: USDA ^{1/} Average grower prices. ^{2/} Average wholesale (dealer) prices.

Ocean Freight Rates

(Contributed by the International Grains Council)

Corrigendum

Please note that the previous report on Ocean Freight Rates in the Food Outlook No. 4, October 2002 issue contained errors in several of the quoted freight rates, which were mistakenly introduced by the editors into the International Grain Council's original contribution. These errors have been corrected in the version of the document, which is available in the GIEWS publications archive accessible on the Internet as part of the FAO World Wide Web (www.fao.org) at the following URL address: <http://www.fao.org/giews>.

General

The dry bulk freight market remained firm during the past two months with the main support coming from grain business in the Atlantic, mineral trade in the Pacific and high bunker fuel prices. However, the large number of newly built ships entering service continued to pressure the market. The Baltic Dry Index (BDI), the main market indicator, advanced by 234 points from 1 255 in late September to 1 489 by the end of November.

The 21-nation Asia Pacific Economic Cooperation group supported a significant tightening of maritime security measures in the regions to reach a common high standard and in particular address the issue of maritime terrorism. Measures will include automatic identification systems, electronic customs reporting and better cooperation on piracy issues.

Grain

Atlantic Panamax rates were strong, despite weaker bunker fuel prices. The major grain rate from the US Gulf

to Japan remained close to US\$24.60 per tonne. The rate for modern ships from the US Gulf to the Chinese Taipei was recorded at a higher level of US\$23.60. China's decision to allow imports of GM soybeans for a further nine months contributed to the nearby bullish sentiment. Active trading from South America also supported the market, a grains cargo was reported from the River Plate to Iran at a higher rate of US\$29.75.

Owners gave preference to timecharter rather than voyage contracts, to minimise the risk of higher bunker fuel prices. Atlantic Panamax timecharter rates climbed above US\$10 000 daily, with some above the US\$11 000 level, suggesting that the market could remain strong well into the first quarter of 2003.

The Pacific Panamax sector was stronger on coal shipments from Indonesia and Australia to Europe, but rates were still quoted at a considerable discount to the Atlantic, and it is thought that the gap would widen if the coal trade slowed down. A grains cargo was fixed from the Pacific North West to Chinese Taipei at US\$13.25.

In October, a management lockout of union longshoremen at 29 US West Coast ports delayed grain and soyabean meal shipments to Asia. Almost 200 ships sat idle along the US West Coast. Shipments have resumed in November, but at slow pace, following US government intervention. Labour disputes also affected the Canadian Pacific port of Prince Rupert.

Single voyage grain business included a cargo from Brazil to the EU (Antwerp-Hamburg range) at US\$17.75, a vessel from the US Gulf to Algeria at US\$18.75 and a wheat cargo fixed from Pakistan to Peru at US\$22.50. A rare shipment of French wheat to the US was reported, but chartering details were not available.

The Handysize market remained firm, supported by high bunker prices and active trading from South America, the Black Sea and Continental Europe. Substantial gains were reported due to increased interest from timecharter operators, suggesting a longer-term positive trend. Super Handymax vessels (40 000-45 000 tonnes) were especially in demand on the routes from Continental Europe to the Far East: owners could get up to US\$15 000 daily.

From South America, recent deals included an HSS vessel from Brazil to the EU (Antwerp-Hamburg range) at US\$17.50 and a cargo of agriproducts from Argentina's Upriver ports to Jordan at US\$32.00.

Ukraine and the Russian Federation have been trying to ship as much grain as possible before the planned introduction of new EU import arrangements in January. Total Ukrainian and the Russian Federation grain shipments from Ukrainian ports in November are estimated at 1.45 million tonnes. Rates for smaller ships from the Black Sea to Italy and Spain are reported at US\$30-32. New Ukrainian wheat sales were reported to Peru, Bolivia and Chile, but chartering details were not available.

Elsewhere, Handymaxes on the routes from US Gulf - Mediterranean and Continent moved up to the US\$11 500-12 000 level. Handysize rates in the Pacific were at US\$8 500-9 000, while for trips from India to China they have increased to US\$10 000. Rates from the US Gulf to Algeria were slightly higher at US\$21.75. A cargo of Chinese maize was loaded for Chinese Taipei after the temporary lifting of a long-standing ban on imports from the mainland.

Milk and Milk Products

International prices are rebounding

International prices began to strengthen towards the end of 2002, after dropping substantially since mid-2001. Prices started to increase in September and continued to rise throughout the remainder of the year. The FAO price index for dairy products rose from 78 in August (the lowest monthly level since the start of this series in 1990) to 92 in November. The prices of all milk products have risen. Milk powder prices (whole and skimmed milk powder and casein) rose most strongly and butter prices somewhat less. Cheese prices began to rise only in November. Compared to their low points for the year, prices in November 2002 were 32 percent higher in the case of skimmed milk powder, 31 percent higher for whole milk powder, 23 percent higher for casein, 14 percent higher for butter and 4 percent higher for cheese. Despite this rebound, November prices for all products were substantially below those of the same month in 2001.

The rise in international prices in late 2002 was mainly attributable to limited production growth, and in some cases declining production, in Oceania and South America leading to a reduction in export supplies. As world prices rose, export subsidies paid by some high-cost producing countries in the northern hemisphere also fell. For example, average United States monthly export subsidies for skimmed milk powder were US\$329 per tonne in November compared to US\$864 per tonne in March. In the EU, skimmed milk powder export subsidies fell from €850 per tonne in mid 2002 to €540 per tonne in

early December. Over the same period, EU export subsidies for whole milk powder also decreased. Should world prices continue to rise, further cuts in export subsidies are anticipated. However, even at the lower rates, for a number of high-cost dairy producing countries in the northern hemisphere, the amount of subsidy required to export dairy commodities at prevailing international prices is substantial.

Indicative Dairy Export Prices

| | 2001 | 2002 | | |
|---------------------|------------------------|-------|-------|-------|
| | Nov. | Sept. | Oct. | Nov. |
| | (US\$/tonne, f.o.b.) | | | |
| Skimmed milk powder | 1 875 | 1 285 | 1 361 | 1 481 |
| Whole milk powder | 1 863 | 1 239 | 1 352 | 1 487 |
| Acid Casein | 4 862 | 3 358 | 3 539 | 3 925 |
| Cheddar cheese | 2 213 | 1 500 | 1 501 | 1 563 |
| Butter | 1 275 | 1 029 | 1 067 | 1 107 |

Source: Mid-point of price ranges reported by Farmnet (NZ).

In November 2002, the United States adjusted the levels of government support purchase prices, reducing the price of skimmed milk powder by 11 percent and increasing that of butter by 26 percent. These adjustments were felt to be necessary to bring support

prices more in line with prevailing domestic prices, as the previously relatively high price for skimmed milk powder had resulted in a substantial build up of government stocks and necessitated increased funds for export subsidies. The changes are expected to be a contributing factor in the anticipated fall in the level of US export subsidies for skimmed milk powder over the coming months.

Milk production to grow modestly in 2002

Global milk output is expected to rise by 1.5 percent during 2002, mainly as a result of increased production in Asia, the United States and eastern and central Europe. In Oceania, milk production for the 2002/03 dairy year in New Zealand is anticipated to be 3 percent above the previous year – which was a record. In the case of Australia, significantly below average rainfall in many parts of the country is expected to lead to a sharp fall in production for the 2002/03 dairy year, possibly by as much as 10 percent. In light of the above, milk production for the end of the current dairy year for New Zealand is forecast at 13.9 million tonnes and that of Australia at 10.2 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. As a consequence, South Island's current 20 percent share of national milk production is expected to rise significantly over the coming decade. During 2002, the currencies of New Zealand and Australia strengthened by 21 percent and 10 percent respectively against the United States dollar. As international prices for dairy products are quoted in US dollars, the appreciation had the effect of magnifying the fall in world prices during 2002, in local currency terms. Consequently, falling returns could restrain production growth in Oceania during 2003.

In the United States, milk production grew strongly in 2002, by 3 percent, following a decline in 2001. Growth was a result of increased yields and cyclical herd rebuilding, stemming from favourable returns in 2001. However, by late 2002, conditions had changed considerably because of regionalised drought reducing forage crop yields and quality, combined with increased feed costs and a sharp fall in milk prices. These factors are anticipated to lead to reduced growth in US milk production in 2003. Milk production in a number of other developed countries (the EU, Canada and Japan) is subject to policies which restrict output and, consequently, changes little from year to year. In the case of Switzerland, where production is also subject to milk quotas, the size of the national quota was increased by 1.5 percent for the 2002/03 dairy year, following a 3 percent increase in the previous year. The consequent increase in milk supplies lead to a sharp fall in domestic prices in 2002, resulting in the government granting Sfr 68 million in assistance to milk and cheese producers in mid 2002. In November, producers agreed to voluntarily reduce milk output by 2 percent. From 2003/04 onwards, quota levels will be set by the Swiss milk producers association, not by government: a further

fall in quota, perhaps by 4 or 5 percent, is anticipated. Also, in Norway, national production quotas for milk are being progressively reduced, in order to keep national production in line with Uruguay Round Agreement limits on the maximum levels for dairy product export subsidies.

Milk Production

| | 2000 | 2001 prov. | 2002 forecast |
|---------------------------|----------------------------------|---------------|------------------|
| | (. . . . million tonnes) | | |
| WORLD | 579.5 | 584.8 | 593.0 |
| EC | 125.9 | 126.1 | 126.7 |
| India ^{1/} | 79.3 | 81.0 | 82.0 |
| United States | 76.0 | 75.0 | 77.3 |
| Russian Fed. | 32.2 | 33.0 | 33.5 |
| Pakistan | 26.3 | 27.0 | 27.7 |
| Brazil | 22.3 | 22.4 | 22.7 |
| New Zealand ^{2/} | 12.2 | 13.2 | 13.5 |
| Ukraine | 12.7 | 13.4 | 14.0 |
| Poland | 11.8 | 11.9 | 12.2 |
| Australia ^{3/} | 10.8 | 10.5 | 11.3 |
| Mexico | 9.4 | 9.5 | 9.7 |
| Argentina | 9.8 | 9.6 | 8.2 |

Source: FAO

1/ Dairy years beginning April of the year shown.

2/ Dairy years ending May of the year shown.

3/ Dairy years ending June of the year shown.

In eastern Europe, milk production for 2002 increased in most countries. Many countries in the region are experiencing a rise in demand for milk and milk products, associated with economic growth. As demand for dairy products dropped substantially during the 1990's in this part of the world, it is anticipated that the latent potential for consumption growth is great. In some countries, anticipated accession to the EU is acting as an incentive for farmers to increase milk output, with the aim of increasing their entitlement to production quota, once membership to the EU is achieved. Also in eastern Europe, for example in Poland and Hungary, the impetus of imminent membership to the EU has resulted in dairies raising quality standards for milk and milk products, supported by government financed incentive payments. One result of this was a reduction in the number of small-scale dairy producers, some of whom were not able to meet the required standards. Other countries in the region, such as Bulgaria and Romania, also introduced government funded incentives to raise milk quality standards. Production growth in the region is mainly associated with raising yields per cow stemming from improved genetics and feeding. This has meant that, while production has increased, the size of the dairy herd has declined in many countries.

Milk production in the Russian Federation, after a decade of decline, appears to have begun a phase of growth,

with production estimated to increase slightly during 2002; although the size of the milking herd continues to fall, feed availability has improved, raising yields per cow. Russian production is moving away from the large, former state-run farms to small-scale ownership and production. Similarly, in the Ukraine, where milk production also declined markedly throughout the 1990's, output is also anticipated to increase during 2002.

In developing countries overall, growth in milk production is expected to continue. In Asia, India's milk production during the 2002/2003 (April/March) marketing year could rise to 82 million tonnes. This would represent a smaller increase than that seen in recent years, and reflects the effect of prolonged drought experienced in some dairying regions. Assuming normal weather conditions, production in 2003 should rebound and may reach 85 million tonnes. Increased participation of private sector dairies has been an element in raising farm-gate prices in India, which have acted as a stimulus to farmers to increase production. Increased output in India is based more on improved feeding and genetics than herd expansion. In China, milk output is also projected to rise as a result of strong consumer demand and the profitability of dairying relative to other types of agricultural production. In Thailand, milk output is anticipated to increase further in 2002, by almost 10 percent. Production has been stimulated by favourable domestic milk prices. Along with many countries in South East Asia, demand for dairy products in Thailand continues to grow as the population's diet becomes more diversified.

In Latin America, milk production trends were mixed during 2002. In Argentina, milk output declined sharply in 2002, following reduced output in 2001. The main factor behind the drop was farmers leaving the industry, as production was unprofitable, and a reduction in the use of feed concentrate. Additionally, fodder crops were adversely affected by flooding in some parts of the country during late 2001. This, in turn, reduced feed availability in the first half of 2002. In Chile, lower farm-gate prices for milk acted as a damper on production growth, despite favourable conditions for pasture growth. Consequently, output for 2002 is anticipated to be similar to the previous year's total of 2.1 million tonnes. Low prices led to a fall in milk production in Uruguay in 2002, by an estimated 3 percent. Depressed prices even led some farmers to give away milk free to consumers, in protest. The lack of profitability of dairy production caused the government of Uruguay to introduce a US\$80 million package of assistance to the sector in 2002. In Brazil, low returns to farmers in 2001 led to production growth faltering in 2002. While there was a rise in farm prices during 2002, grain prices increased substantially, affected profitability. Additionally, low rainfall during the wet season (May to October) reduced pasture quality and availability. Elsewhere in Latin America, a dry summer in Venezuela also led to poor pasture conditions and consequently, output in 2002 is anticipated to be below the average of 1.3 million tonnes seen in recent years. In Costa Rica, production in 2002 is anticipated to remain at a level similar to the previous year, despite

pastures in some areas of the country being adversely affected by El Niño related weather conditions. In Mexico, genetic and technological improvements in the large farm sector were the main factors behind 2 percent growth in milk output this year.

Some countries in Western Africa suffered from a lack of rainfall during 2002 and, consequently, milk production was negatively affected. For example, in Senegal, rainfall was reported to be approximately 30 percent below average, causing a depletion of grass reserves and a fall in milk production. Neighbouring Mauritania also received very little rain, especially in the south-western region of the country, where a substantial part of the country's milk is produced. Many farmers migrated with their cattle in search of better pastures: to the east of the country and south to Senegal. Late 2002 and the first part of 2003 were expected to be difficult for farmers, due to a shortage of grazing and fodder. In Kenya, dairy farmers have had access to a wider range of milk buyers, following the collapse of the country's main dairy processor, Kenya Co-operative Creameries, as both informal milk traders and newly-established commercial processors are competing for supplies. Favourable prices, in the region of US\$0.20 to US\$0.25 per kg, are expected to serve as an incentive for milk production to expand.

Sustained import demand

An anticipated rise in prices for dairy products is not expected to have a significant dampening effect on international demand, as prices would still be well below the average levels of recent years. Consequently, in 2003, continued demand for milk powder from countries in South East Asia, and China, is anticipated. Elsewhere, imports by Central American countries and the important markets of Mexico and Algeria should also be maintained and in some instances could increase. In this regard, in the second half of 2002, Mexico announced that it was increasing its WTO tariff rate quota for milk powder imports by 43 000 tonnes, a rise of over 50 percent, to meet domestic milk processors' requirements. Imports of butter and cheese by the Russian Federation grew substantially in 2002, despite an increase in tariffs, and further growth is expected in 2003. Following reduced imports in 2001/02, imports of milk products by Brazil could increase in the first half of 2003 as a result of domestic production not keeping pace with demand.

While export supplies remain tight

For the 2002/03 dairy season, combined export supplies of dairy products from New Zealand and Australia are expected to be less than in the previous season. Consequently, as commercial stocks are small or non-existent, the volume of exports from Oceania is expected to decrease in the first half of 2003. In Argentina, a further sharp fall in milk output could well lead to reduced export availability; however, it is not clear how much domestic demand will also fall, liberating supplies for export. For countries of eastern Europe and the Baltic

States which are traditional dairy exporters – Hungary, Poland, Latvia, the Czech Republic and the Slovak Republic – low international prices meant that exporters where highly dependent on export subsidies during 2002. In some cases, for example Poland, available funds were not sufficient to export all surplus products and government introduced purchase and storage schemes. Should international prices rise, it is expected that this group of countries will be more active in the market in 2003. As a result of limited international supplies of dairy products, exports by both the EU and the United States are anticipated to be higher in 2003, compared to the previous year. While exports of bulk dairy commodities from both countries is constrained by Uruguay Round Agreement limits on the use of export subsidies, recent years have seen a growth in the export

of higher value products, which do not require subsidies. In the case of the United States, such exports now account for a greater volume of exports than bulk items requiring subsidy.

The price rebound may be sustained in 2003

The outlook for 2003 is for prices to continue to increase. This would be in response to sustained international demand and limited export supplies. In the short term, the greatest increases are expected for cheese, as this product was slowest to recover from the price falls in 2002. The price of milk powders could also rise. Relatively plentiful supplies and limited demand are expected to moderate any increase in the price of butter.

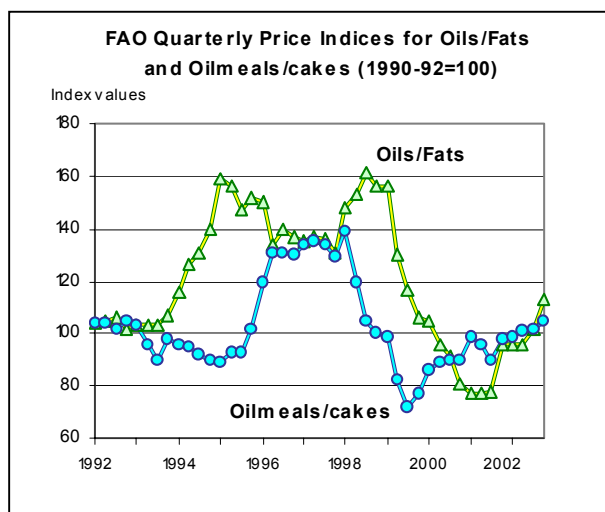
Oilseeds, Oils and Oilmeals^{1/}

Prices for oils/fats and oilcakes/meals to continue their recovery in 2002/03

The tight supply outlook for **oils and fats** projected for the 2002/03 (October/September) season calls for an increase in international prices for oils and fats. Supply constraints in the current season include stagnation in output growth, compounded by low carry-in stocks. Prices during the first two months of the season, as depicted by FAO's price index for oils and fats, have moved much higher compared to the same period of the previous season. The extent of the price rise during the season as a whole will depend on the developments of the South American soybean crop and the eventual level of global stocks. The dependence on soybean oil, as well as meal, is explained by the limited availability of most of the other alternatives this season; and the relevance of the forthcoming South American crop comes from the fact that soybean output from the major producers in the northern hemisphere is estimated much lower than in the previous season.

The situation in the **oilcakes and meals** sector is expected to be similar to that of oils and fats, with the declining stocks-to-use ratio supporting a strengthening of prices. FAO's price index for oilcakes and meals has risen during the first two months of this season. But,

unlike the oils sector, little or no demand expansion is expected for oilcakes and meals and this should limit the extent of a price rise in the sector. Given the fundamentals in the oilseeds complex as a whole, it is expected that the oils and fats sector will assume the price leadership role, similar to the situation in the previous season.



Growth in global oilseeds production to stagnate

World production of the seven major oilseeds during the 2002/03 season is forecast to show little or no increase from the 2001/02 estimate due to weather-related problems in different regions of the world. With the exception of soybeans and sunflower seed, the production of most of the other oilseeds is forecast to fall.

^{1/} Note on methodology: Almost the entire volume of oilcrops harvested world-wide is crushed in order to obtain oils and fats for human nutrition or industrial purposes and cakes and meals used as feed ingredients. Therefore, rather than referring to oilseeds, the analysis of the market situation is mainly undertaken in terms of oils/fats and cakes/meals. Hence, production data for oils (cakes) derived from oilseeds refer to the oil (cake) equivalent of the current production of the relevant oilseeds, while the data on trade in and stocks of oils and cakes refer to the sum of trade in and stocks of oils and cakes plus the oil and cake equivalent of oilseed trade and stocks.

International Prices of Oilseed-Based Products

| | FAO indices of international market prices | | Average international market prices | | | |
|--------------------------|--|--------------------|-------------------------------------|---------------------------|------------------------|----------------------------|
| | Edible/soap fats and oils | Oilcakes and meals | Soybean ^{a/} | Soybean oil ^{b/} | Palm oil ^{c/} | Soybean meal ^{d/} |
| October/September | (. . . 1990-92=100 . . .) | | (. US\$/tonne) | | | |
| 1995/96 | 140 | 128 | 303 | 574 | 544 | 257 |
| 1996/97 | 134 | 133 | 298 | 536 | 545 | 278 |
| 1997/98 | 154 | 116 | 256 | 634 | 641 | 197 |
| 1998/99 | 125 | 82 | 209 | 483 | 514 | 149 |
| 1999/00 - Oct.-March | 98 | 87 | 206 | 374 | 356 | 176 |
| - April-Sept. | 84 | 90 | 213 | 337 | 318 | 184 |
| 2000/01 - Oct.- March | 76 | 98 | 206 | 314 | 254 | 198 |
| - April-Sept. | 86 | 94 | 197 | 356 | 289 | 178 |
| 2001/02 - Oct.- March | 95 | 100 | 188 | 378 | 323 | 175 |
| - April-Sept. | 107 | 104 | 213 | 445 | 392 | 174 |
| 2002/03 - Oct.- Nov. | 120 | 106 | 238 | 552 | 426 | 185 |

Source: FAO, Oil World

^{a/} Soybean, US, cif Rotterdam. ^{b/} Soybean oil, Dutch, fob ex-mill. ^{c/} Palm oil, crude, cif N.W. Europe. ^{d/} Soy pellets, 44/45%, Argentina, cif Rotterdam.

World Production of Major Oilseeds

| | 2000/01 | 2001/02 forecast | 2002/03 forecast |
|---------------|------------------------------------|---------------------|---------------------|
| | (. . . . million tonnes) | | |
| Soybeans | 174.8 | 183.1 | 189.1 |
| Cottonseed | 34.0 | 37.2 | 34.7 |
| Groundnuts | 32.3 | 34.4 | 32.3 |
| Sunflowerseed | 23.3 | 21.5 | 23.8 |
| Rapeseed | 37.6 | 36.4 | 33.0 |
| Palm kernels | 6.8 | 6.9 | 7.1 |
| Copra | 5.8 | 5.2 | 5.1 |
| Total | 314.8 | 324.7 | 325.2 |

Source: FAO

Note: The split years bring together northern hemisphere annual crops harvested in the latter part of the first year shown, with southern hemisphere annual crops harvested in the early part of the second year shown. For tree crop, which are produced throughout the year, calendar year production for the second year shown is used.

Harvesting of the crops in the northern hemisphere countries is progressing well and nearing completion while the season is just getting started in the Southern Hemisphere. Continuing the trend of the last two seasons, output of soybean is forecast at a record level. This forecast assumes that soybean production gains in Argentina and Brazil will more than offset the lower crop expected in the United States, the world's largest soybean producer. The lower crop in the United States

is attributed to unfavourable growing conditions that affected both harvested area and yields.

Output in some of the other big producers is also anticipated to decline. In China (Mainland), oilseeds production is expected to fall as a result of flood-related crop damage. In India, erratic monsoon rains led to unfavourable growing conditions for most crops. In Canada, rapeseed output is expected to fall for the third consecutive season largely due to exceptional droughts that have hit western Canada. Rapeseed crop losses are also expected in China, Australia and the United States. On the other hand, oilseeds output in the Russian Federation and Ukraine is projected to increase owing largely to a recovery in sunflower seed production.

In South America, as planting of the current season's oilseeds crop continues, expectations of higher prices are anticipated to favour an area expansion at the expense of competing crops. In Argentina, sunflower seed and soybeans could also benefit from the unfavourable/wet conditions that are making it difficult to plant all the intended area to wheat and corn. In Brazil, although soybean planting has been slowed down by adverse weather, total soybean acreage is forecast to expand encouraged by positive market signals. Assuming good growing conditions during the season, the two countries could register yet another record soybean harvest. It should be pointed out that the final decisions in the two countries will be influenced by the availability of credit, the cost of agricultural inputs and other variables that are linked to the performance of the countries' exchange rate and related macroeconomic policies.

Output growth of oils/fats and oilmeals/cakes to stagnate^{1/}

Based on current crop forecasts, global output of oils and fats in 2002/03 is expected to expand only marginally from the previous season's level. Similar to the last two seasons, rapeseed oil output is projected to fall but, unlike the previous two seasons, sunflower oil production is forecast to experience a modest increase, owing to an anticipated recovery in output in some of the major producing countries including Argentina, the Russian Federation and Ukraine.

Of the ten major oils, only soybean, sunflower, palm kernel and fish oil are expected to register an appreciable increase in output; the production of all the other oils is forecast to either stagnate or drop. In recent seasons, palm oil, the largest consumed oil globally, has compensated for the output reduction in some of the other major oils. However, the high growth rates of palm oil production during most of the 1990s slowed down in 2001/02 and limited growth is expected in the current season. This is partly due to lower average yields, caused by palm oil prices which have trended downwards during much of the 1998-2001 period, inducing farmers to reduce their use of fertilisers and herbicides. In addition, a replanting campaign that started during the last season in Malaysia, the world's biggest palm oil producer, is contributing to slower growth in output.

The overall supplies of oils/fats during the 2002/03 season are expected to be tight as the projected stagnation in production growth is compounded by a reduction in the global carry-over stocks from the previous season.

With regard to **oilcakes and meals**, world production expressed in protein equivalent is expected to increase only marginally from the previous season. The anticipated shortfall in production of some major meals is unlikely to be compensated for by an expansion in soymeal as it was in the past two seasons.

The output of four of the eight major oilcakes and meals produced worldwide is expected to decline. Rapeseed meal in particular, the second largest meal produced, is set to decline for the third consecutive season due, mostly, to weather-related problems in the major rapeseed producing countries. In contrast, the declining trend in sunflower meal production is projected to end. Other meals expected to register an increase in production include soybean, fish and palm kernels. Overall meal supplies during the season are forecast to be lower than the season before owing to the much reduced carry-in stocks, compared to the previous season.

^{2/} Please note that this section discusses expected developments in the production of oils and meals of all origins, which - in addition to products derived from the oilcrops discussed in the previous section - include palm oil, marine oils and meals as well as animal fats.

Growth in the global utilisation of oils/fats and oilcakes/meals to slow down

World utilisation of **oils and fats** in 2002/03 is forecast to expand only marginally from the previous season's level. Given the limited growth in overall supplies projected for the season, a demand-rationing price rise seems inevitable thereby hampering the consumption growth, especially in a number of developing countries where demand is very price elastic. Furthermore, demand growth is anticipated to be curtailed by the ongoing economic slowdown in many parts of the world. With regard to individual oils/fats, the growth in overall consumption of soybean and palm oil is forecast to surpass that of the previous season, albeit at the expense of inventories. This will help offset the reduction expected in the use of many of the other oils, with the exception of sunflower oil, the consumption of which is projected to expand after three years of decline.

Oilseeds and products: Global supplies, trade and utilization

| | 2000/ 2001 | 2001/02 estimate | 2002/03 forecast |
|---|----------------------------|---------------------|---------------------|
| | (.....million tonnes.....) | | |
| Seven major oilseeds^{1/} | | | |
| Production | 315 | 325 | 325 |
| Oils and fats^{2/} | | | |
| Production | 118 | 120 | 121 |
| Supply ^{3/} | 136 | 137 | 136 |
| Utilisation ^{4/} | 119 | 122 | 124 |
| Trade | 55 | 56 | 57 |
| <i>Stock/Util.Ratio (in percentage)</i> | 15% | 13% | 11% |
| Oilmeals and cakes^{5/} | | | |
| Production | 81 | 84 | 85 |
| Supply ^{3/} | 92 | 95 | 95 |
| Utilisation ^{4/} | 81 | 86 | 86 |
| Trade | 45 | 46 | 48 |
| <i>Stock/Util.Ratio (in percentage)</i> | 13% | 11% | 10% |

Source: FAO

Note: Refer to footnote 1/ in the text for further explanations regarding definitions and coverage.

1/ Includes soybean, rapeseed, sunflowerseed, groundnut (unshelled), cottonseed, copra and palm kernel. The split years bring together Northern Hemisphere annual crops harvested in the latter part of the first year shown and Southern Hemisphere annual crops harvested in the early part of the second year shown. For tree crops, which are produced throughout the year, calendar year production for the second year shown is used. 2/ Includes oils and fats of vegetable and animal origin. 3/ Production plus opening stocks. 4/ Residual of the balance. 5/ All meal figures are expressed in protein equivalent. Meals include all meals and cakes derived from oilcrops as well as fish meal.

After several years of steady expansion, global utilisation of **oilcakes and meals**, expressed in protein equivalent, is expected to stagnate at close to the previous season's level, as a result of several factors. The marked consumption growth during the last couple of seasons was largely due to the continuation of the ban on the use of MBM in compound feed in the EU and a recovery in global meat production. While the feed industry has now adjusted to the ban, livestock production growth is forecast to slow down in a number of major producing countries due to reduced profitability stemming from higher production costs and comparatively lower slaughter prices. Secondly, bad weather in some EU countries (the largest consumers of oilcakes and meals) has negatively affected the quality of wheat. This could lead to a larger than usual availability of high protein-containing wheat for feed uses, thereby reducing the need for supplementary protein meals. With regard to the individual oilmeals, the reliance on soybean meal to meet global demand is expected to increase.

The end-of-season stocks of oils/fats and oilcakes/meals are forecast to decline

Based on the expected demand and supply scenario for the 2002/03 season, a decline in the global end-of-season stocks of **oils and fats** (including the oil contained in seeds stored) seems inevitable. If the forecast stock decline materialises, it would be the third consecutive season of lower end-of-season inventories. Major stock holding countries, such as the United States, China, India, Malaysia and others, are forecast to see their stocks plummet to levels not observed in recent years. The projected global closing stock level would be the lowest since the 1994/95 season. Inventories of all the oils are anticipated to decrease and the resultant fall in the stocks-to-use ratio would provide upward support to oils/fats prices during the season.

Similar to the oils sector, the oilcakes and meal sector is also expected to see consumption exceeding production and thus a decline in stocks to levels below the average of recent years. Unlike the previous season when ample availability of soybeans allowed an above average crush of soybeans, such an option is bound to be limited during the current season due to the projected slow down in the production growth of soybean. Like the oils sector, the implied lower stocks-to-use ratio is expected to contribute to higher prices.

International trade of oils/fats and oilcakes/meals forecast to show a modest increase

For the second consecutive season, the demand for **oils and fats** is expected to lead trade in the overall oilseeds complex. Lower production in the major consuming countries, especially those in Asia, will be the main driving force behind an increase in world import demand (including the oil contained in oilseeds traded). Imports by China (Mainland) are forecast to expand by about 12 percent compared to the previous season. In addition to reduced domestic output, the country will need additional supplies to alleviate the gap that was created during

2002 as a result of the introduction of new rules governing importation of GMO-containing products and of difficulties in the administration of tariff rate quotas.

India's imports are expected to record yet another big increase. In addition to lower domestic output forecast for the key oils, a number of traders chose not to make contractual arrangements towards the end of last season in anticipation of a possible reduction of import duties by the government. As a result, meeting domestic demand has necessitated a depletion of stocks to very low levels in recent months and imports will be required to satisfy demand and replenish stocks.

Import purchases by numerous other developing countries (including big importers like Turkey and some eastern European countries) are forecast lower, due to a combination of expected improvements in domestic production, weak economic outlook and the likelihood of higher global prices that could limit import demand from some of those countries.

Imports by the EU, the largest importer of oils (including the oil contained in oilseeds purchased) are projected to expand only slightly to make up for a stagnation in output and a small increase in demand.

On the export side, the growth experienced in recent years will likely slow down during the 2002/03 season largely due to limited availability of oils and fats and reduced demand growth in several importing countries. In particular palm oil, whose exports increased steadily during most of the 1990s, could see a stagnation during the current season. The growth in export shipments by Malaysia and Indonesia, the two major exporters of the commodity, has declined strongly in recent seasons vis-à-vis the 1990s; a consequence of lower growth in output.

With regard to soybean oil exports (including the oil contained in soybean shipments), sales from Argentina and Brazil are expected to increase owing to the combination of availability and favourable exchange rates. On the other hand, shipments by the United States, the largest soybean and products exporter globally, are forecast to decline for the first time in four years as export supplies are anticipated to be limited. Global exports of rapeseed oil are anticipated to decline for the third consecutive season owing to the forecast lower output by Canada and Australia, the two major exporters. By contrast, shipments of sunflower oil could recover.

World trade in **oilcakes and meals** (including the meal contained in oilseeds traded) is expected to expand but at slower rate than that of recent seasons. This is mostly attributed to the anticipated slow down in the utilisation of protein meals in a number of the major consuming countries emanating from reduced profitability of livestock production. In the EU, traditionally the largest importer of oilcakes and meals, imports are expected to rise only minimally since, in addition to the profitability

issue of the livestock enterprises, increased feed wheat supplies are bound to lessen the need for imported protein meals. On the other hand, imports by China (Mainland) are bound to rise appreciably mainly as a result of a shortfall in domestic production.

Although global export availabilities are not anticipated to expand by a big margin, relative to recent seasons, the increase will likely be enough to satisfy the moderate rise in import demand during the season. Of the three major exporters (United States, Argentina and Brazil), shipments from United States, usually the leading exporter, are projected to decline, for the first time since the 1998/99 season, due to lower domestic production.

Instead, Brazil is anticipated to assume the leading exporter's role in 2002/03, conditional on achieving the projected production level. Exports from some other origins, such as India, Canada and China, are expected to be lower, a consequence of limited availability and thus more remunerative domestic markets. In conformity with the trend of recent seasons, the dependence on soybean meal is forecast to increase further. Thus, its share of world trade is expected to establish a new record, at about 84 percent, as the trade for many of the others meals continues to be limited by their short supply. The only exception could be sunflower meal as the expected increase in production could lead to a slight expansion in export availabilities.

Sugar

World sugar production forecast to increase in 2002/03

FAO's forecast for world sugar production for 2002/03 has been revised upward to account for better than expected output in several major producing countries, particularly Brazil, the EU and China. Current estimates indicate that output may reach 140.7 million tonnes, 6 million tonnes more than in 2001/02. Cane sugar should account for almost 75 percent of world sugar production in 2002/03, slightly less than in previous years, mainly due to increased beet production in the EU. A larger harvested area and higher yields due to better than anticipated growing conditions would increase output in the EU by more than 11 percent to reach 18.1 million tonnes (raw value). EU production quotas have recently been reduced by 862 475 tonnes – based on current expectations of increased output – in order to comply with WTO approved export subsidy ceilings. Production in Brazil is forecast to reach a record 23 million tonnes in 2002/03, which could result in exports approaching 13 million tonnes, particularly with the depreciated value of the real. Sugar production in Brazil has more than doubled over the decade from 1992/93 when output was slightly more than 11 million tonnes. Production increases are also forecast for China and South Africa. Output in China is expected to increase by 800 000 tonnes over initial forecasts, to reach 9 million tonnes, and in South Africa output would be larger by 12 percent to reach 2.8 million tonnes. Early estimates for Australia indicated an increase in output by 8 percent to reach 5.2 million tonnes despite unfavourable growing conditions.

Increased consumption attributable to stronger economic growth

FAO forecasts world sugar consumption to reach 136 million tonnes in 2003, an annual growth rate of 2.4 percent driven by strong economic growth, particularly in the Far East, where the countries of South East Asia recovered to pre-1997 (economic crisis) levels. Consumption is expected to grow fastest in the Far East,

reaching a forecast growth rate of 3.5 percent in 2003 against a backdrop of an expected annual growth rate in GDP exceeding 5 percent and population growth rate of around 1.5 percent.

World Production and Consumption of Sugar

| | Production | | Consumption | |
|-----------------------------|-------------------------------------|---------------|--------------|--------------|
| | 2001/ 2002 | 2002/ 2003 | 2002 | 2003 |
| | (. . million tonnes, raw value . .) | | | |
| WORLD | 134.7 | 140.7 | 132.8 | 136.0 |
| Developing Countries | 95.1 | 97.9 | 86.2 | 88.9 |
| Latin America & Caribbean | 41.5 | 43.5 | 24.1 | 24.4 |
| Africa | 4.9 | 5.1 | 7.2 | 7.4 |
| Near East | 4.6 | 5.3 | 10.5 | 10.9 |
| Far East | 43.6 | 43.7 | 44.4 | 46.0 |
| Oceania | 0.4 | 0.4 | 0.1 | 0.1 |
| Developed Countries | 39.6 | 42.9 | 46.6 | 47.2 |
| Europe | 20.2 | 22.4 | 19.9 | 20.2 |
| of which: EC | (20.2) | (18.1) | (14.7) | (14.8) |
| North America | 7.4 | 7.5 | 10.8 | 10.8 |
| CIS | 4.0 | 4.1 | 10.2 | 10.5 |
| Oceania | 4.8 | 5.2 | 1.3 | 1.3 |
| Others | 3.3 | 3.7 | 4.4 | 4.4 |

Source: FAO

Consumption in developing countries is forecast to grow by 3 percent, despite slight declines in Latin America and the Caribbean. Among developed countries, consumption is expected to grow by an estimated 1.3 percent, slightly more than in recent years due to

stronger growth in the CIS, particularly the Russian Federation. The significant increase in consumption in the Russian Federation is due mainly to the expansion of its industrial use, more than offsetting the decline in the United States as sugar consuming manufacturers move to Mexico or Canada.

Record output and increased export availabilities in Brazil may result in further price erosion

World sugar prices increased in 2001 as the market reacted to reports of hurricane damage to the sugarcane crop in Cuba and reduced beet sugar recovery in the EU.

The ISA daily price averaged US cents 8.64 per pound in 2001. However, forecasts of a considerable global surplus in 2002/03 have resulted in a downward trend in prices for most of 2002. The ISA daily price averaged US cents 6.69 per pound for the first 10 months of 2002.

Low world prices may induce China to purchase sugar on the international market, to further build stocks, despite increased domestic output. However, the continued expansion in consumption in the Far East and the Russian Federation could firm prices in the short term, as evident in October and November, when the ISA daily price approached an average of US cents 8.00 per lb.

Fertilizers

Urea prices generally strengthened in November compared to October, and the monthly averages were mostly close to their levels a year ago. The recent strengthening is attributed to reduced supply rather than increased demand. Increased imports into China from the Black Sea area caused temporary urea price increases, which in turn deferred urea purchases for the European market. Increased urea exports from Indonesia to East Asian markets limited potential price increases for Near East producers. Imports into Brazil, Mexico, and Ecuador from the producers in the Baltic Sea area sustained prices from that origin. Venezuelan exports to Europe and the United States have been maintained despite temporarily reduced production capacity. Domestic urea prices in China have increased slightly in response to enhanced urea demand from domestic manufacturers. Romania's urea supply is currently directed mostly towards meeting demand from Turkey. Given a likely diversion of natural gas supplies away from urea production, the opportunity to export to other destinations will be limited. Pending spring planting in the United States and Europe, no significant changes in urea prices are expected in the short term.

Prices for **Ammonia** from most origins remained unchanged over the past two months and generally well above the corresponding period last year. Product from the Caribbean and the Near East was some 50 percent up, and from eastern Europe about 30 percent up, compared to November 2001. Near East producers fetched particularly high prices when meeting demand in East Asia. Exports to South Africa and Jordan are expected to sustain current prices. Demand from India is currently low and no major imports are envisaged in the short term.

Prices for **ammonium sulphate** from the Black Sea region and western Europe hardly changed during the past two months, and in November were about 25-50 percent lower than a year ago. Black Sea producers met

ammonium sulphate requirements in Malaysia and Viet Nam.

Diammonium phosphate (DAP) prices remained stable in the U.S. Gulf over the past two months and showed only a modest increase compared to the corresponding period last year. However, average November DAP prices in North Africa and the Near East were about 15 percent higher than a year ago. Domestic demand in the United States is likely to increase towards the spring planting season, which would support current price levels. Pakistan imported DAP from producers in the Near East and the Baltic Sea region. Viet Nam joined the ranks of DAP producers thus reducing its DAP import dependency. Southern European DAP demand is being met by North African producers. China are reported to have accumulated DAP stocks of over 1 million tonnes, and price developments in the immediate future will relate in particular to eventual exports to China and other Asian countries.

Triple **superphosphate** (TSP) prices continued to remain stable for North Africa and the US Gulf, and about 3-4 percent above last year's levels. Demand for TSP in Europe and in the Islamic Republic of Iran is being met through imports from North Africa. Bangladesh TSP requirements were met through imports originating from China and the US.

Average spot prices of **muriate of potash** (MOP) hardly changed over the past two months. Compared to November 2001, however, prices were down by about 7 percent in western Europe, and down slightly also in eastern Europe and North America. China is reported to be holding some 1.5 million tonnes of MOP stocks and further imports are uncertain in the near future. Ample MOP stocks are also reported in the United States and Canada. Demand for potash in Malaysia, the Philippines, and Bangladesh may support present potash prices.

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

| | October 2002 | November 2002 | November 2001 | Change from last year <u>1/</u> |
|------------------------------|----------------------------|------------------|------------------|------------------------------------|
| | (..... US\$/tonne) | | | (. percentage .) |
| Urea | | | | |
| eastern Europe | 90-92 | 96-99 | 97-98 | 0.0 |
| Near East | 112-115 | 119-122 | 115-117 | 3.9 |
| Ammonium Sulphate | | | | |
| eastern Europe | 35-39 | 34-38 | 47-50 | -25.8 |
| western Europe | 35-39 | 34-37 | 70-75 | -51.0 |
| Diammonium Phosphate | | | | |
| Jordan | 181-185 | 178-180 | 151-154 | 17.6 |
| North Africa | 166-169 | 156-163 | 141-148 | 10.4 |
| U.S. Gulf | 152-156 | 151-153 | 144-148 | 4.1 |
| Triple Superphosphate | | | | |
| North Africa | 129-132 | 126-131 | 122-127 | 3.2 |
| U.S. Gulf | 131-134 | 130-134 | 125-129 | 3.9 |
| Muriate of Potash | | | | |
| eastern Europe | 91-106 | 89-104 | 90-106 | -1.5 |
| Vancouver | 111-123 | 110-123 | 111-128 | -2.7 |
| western Europe | 105-115 | 105-115 | 115-122 | -7.2 |

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

A.1 a) - WORLD CEREAL PRODUCTION

| | Wheat | | | Coarse Grains | | |
|---------------------------|--------------------------------|----------------|-----------------|---------------|----------------|-----------------|
| | 2000 | 2001 estim. | 2002 f'cast. | 2000 | 2001 estim. | 2002 f'cast. |
| | (..... million tonnes)) | | | | | |
| ASIA | 254.9 | 241.8 | 246.5 | 196.3 | 207.7 | 214.3 |
| Bangladesh | 1.7 | 1.6 | 1.8 | 0.1 | 0.1 | 0.1 |
| China ^{1/} | 99.6 | 93.9 | 89.3 | 118.4 | 126.1 | 136.8 |
| India | 76.4 | 68.8 | 71.5 | 31.6 | 34.7 | 28.4 |
| Indonesia | - | - | - | 9.7 | 9.2 | 9.8 |
| Iran, Islamic Rep. of | 8.0 | 9.5 | 11.8 | 2.3 | 2.3 | 3.3 |
| Japan | 0.7 | 0.7 | 0.7 | 0.2 | 0.2 | 0.2 |
| Kazakhstan | 9.1 | 12.7 | 11.6 | 2.1 | 3.0 | 2.6 |
| Korea, D. P. R. | 0.1 | 0.1 | 0.1 | 1.1 | 1.6 | 1.8 |
| Korea, Rep. of | - | - | - | 0.3 | 0.5 | 0.4 |
| Myanmar | 0.1 | 0.1 | 0.1 | 0.5 | 0.5 | 0.5 |
| Pakistan | 22.0 | 19.0 | 19.2 | 2.2 | 2.1 | 2.1 |
| Philippines | - | - | - | 4.5 | 4.5 | 4.5 |
| Saudi Arabia | 1.8 | 1.8 | 1.8 | 0.3 | 0.3 | 0.3 |
| Thailand | - | - | - | 4.9 | 4.7 | 4.1 |
| Turkey | 21.0 | 16.0 | 17.5 | 10.7 | 8.9 | 9.9 |
| Viet Nam | - | - | - | 2.0 | 2.1 | 2.3 |
| AFRICA | 14.5 | 17.9 | 16.1 | 80.4 | 82.7 | 79.4 |
| North Africa | 9.7 | 12.9 | 11.7 | 8.6 | 10.2 | 10.1 |
| Egypt | 6.6 | 6.3 | 6.6 | 7.5 | 7.8 | 7.7 |
| Morocco | 1.4 | 3.3 | 3.4 | 0.6 | 1.4 | 1.9 |
| Sub-Saharan Africa | 4.8 | 5.0 | 4.4 | 71.8 | 72.5 | 69.3 |
| Western Africa | 0.1 | 0.1 | 0.1 | 31.3 | 33.4 | 33.3 |
| Nigeria | - | 0.1 | - | 19.3 | 19.6 | 20.0 |
| Central Africa | - | - | - | 2.5 | 2.5 | 2.5 |
| Eastern Africa | 2.0 | 2.0 | 1.7 | 18.5 | 22.0 | 18.6 |
| Ethiopia | 1.5 | 1.4 | 1.1 | 7.8 | 7.4 | 6.0 |
| Sudan | 0.3 | 0.2 | 0.3 | 3.0 | 5.1 | 3.6 |
| Southern Africa | 2.7 | 2.9 | 2.6 | 19.4 | 14.6 | 14.8 |
| Madagascar | - | - | - | 0.2 | 0.2 | 0.2 |
| South Africa | 2.4 | 2.5 | 2.3 | 11.1 | 7.9 | 9.5 |
| Zimbabwe | 0.3 | 0.3 | 0.2 | 2.2 | 1.6 | 0.5 |
| CENTRAL AMERICA | 3.4 | 3.3 | 3.2 | 27.9 | 30.0 | 29.8 |
| Mexico | 3.4 | 3.3 | 3.2 | 24.4 | 26.6 | 26.3 |
| SOUTH AMERICA | 20.0 | 21.0 | 19.8 | 63.3 | 72.0 | 64.7 |
| Argentina | 16.0 | 15.3 | 14.0 | 21.7 | 19.6 | 18.7 |
| Brazil | 1.7 | 3.2 | 3.1 | 32.9 | 43.8 | 36.9 |
| Colombia | - | - | - | 1.4 | 1.4 | 1.4 |
| NORTH AMERICA | 87.6 | 73.8 | 59.5 | 297.9 | 285.1 | 265.4 |
| Canada | 26.8 | 20.6 | 15.5 | 24.5 | 22.7 | 19.8 |
| United States | 60.8 | 53.3 | 44.0 | 273.3 | 262.3 | 245.6 |
| EUROPE | 183.5 | 200.3 | 207.0 | 198.6 | 222.0 | 218.3 |
| Bulgaria | 3.2 | 3.1 | 3.5 | 1.9 | 1.7 | 1.9 |
| EU | 104.8 | 91.5 | 103.6 | 108.3 | 107.9 | 105.5 |
| Hungary | 3.7 | 5.2 | 3.9 | 6.2 | 9.8 | 7.7 |
| Poland | 8.5 | 9.4 | 9.3 | 13.8 | 17.8 | 17.6 |
| Romania | 4.4 | 7.8 | 4.4 | 6.0 | 9.1 | 9.6 |
| Russian Fed. | 34.4 | 46.9 | 47.5 | 29.3 | 35.9 | 35.3 |
| Ukraine | 11.0 | 21.3 | 21.0 | 13.8 | 16.0 | 15.9 |
| OCEANIA | 22.6 | 24.2 | 10.4 | 11.8 | 12.4 | 7.7 |
| Australia | 22.2 | 24.0 | 10.1 | 11.3 | 11.7 | 7.2 |
| WORLD | 586.4 | 582.4 | 562.4 | 876.1 | 911.9 | 879.7 |
| Developing countries | 272.8 | 258.8 | 259.4 | 353.1 | 379.4 | 373.9 |
| Developed countries | 313.5 | 323.6 | 303.0 | 523.0 | 532.5 | 505.8 |

Source: FAO

Note: Totals computed from unrounded data.

^{1/} Including Taiwan Province.

Table A.1 b) - WORLD CEREAL PRODUCTION

| | Rice (paddy) | | | Total Cereals 1/ | | |
|---------------------------|--------------------------------|----------------|-----------------|------------------|----------------|-----------------|
| | 2000 | 2001 estim. | 2002 f'cast. | 2000 | 2001 estim. | 2002 f'cast. |
| | (..... million tonnes) | | | | | |
| ASIA | 545.3 | 543.2 | 530.8 | 996.5 | 992.8 | 991.6 |
| Bangladesh | 37.6 | 37.8 | 38.5 | 39.4 | 39.5 | 40.3 |
| China 2/ | 189.8 | 179.3 | 177.5 | 407.9 | 399.3 | 403.7 |
| India | 127.3 | 137.4 | 125.0 | 235.3 | 240.9 | 224.9 |
| Indonesia | 51.9 | 50.5 | 50.8 | 61.6 | 59.6 | 60.7 |
| Iran, Islamic Rep. of | 2.0 | 2.0 | 2.2 | 12.3 | 13.8 | 17.3 |
| Japan | 11.9 | 11.3 | 11.2 | 12.8 | 12.3 | 12.1 |
| Kazakhstan | 0.2 | 0.2 | 0.2 | 11.4 | 15.9 | 14.4 |
| Korea, D. P. R. | 1.7 | 2.1 | 2.2 | 2.9 | 3.8 | 4.1 |
| Korea, Rep. of | 7.2 | 7.5 | 6.8 | 7.5 | 7.9 | 7.2 |
| Myanmar | 21.3 | 21.8 | 21.8 | 21.9 | 22.4 | 22.4 |
| Pakistan | 7.2 | 5.6 | 5.9 | 31.4 | 26.7 | 27.2 |
| Philippines | 12.5 | 13.1 | 13.1 | 17.0 | 17.6 | 17.6 |
| Saudi Arabia | - | - | - | 2.1 | 2.1 | 2.1 |
| Thailand | 25.8 | 26.5 | 25.8 | 30.7 | 31.2 | 29.9 |
| Turkey | 0.4 | 0.4 | 0.4 | 32.0 | 25.3 | 27.8 |
| Viet Nam | 32.5 | 32.0 | 33.6 | 34.6 | 34.1 | 35.9 |
| AFRICA | 17.4 | 17.2 | 17.6 | 112.3 | 117.8 | 113.1 |
| North Africa | 6.0 | 5.3 | 6.1 | 24.4 | 28.3 | 27.9 |
| Egypt | 6.0 | 5.2 | 6.0 | 20.1 | 19.3 | 20.3 |
| Morocco | - | - | - | 2.0 | 4.8 | 5.3 |
| Sub-Saharan Africa | 11.4 | 12.0 | 11.5 | 87.9 | 89.5 | 85.2 |
| Western Africa | 7.3 | 7.6 | 7.4 | 38.7 | 41.0 | 40.8 |
| Nigeria | 3.3 | 3.4 | 3.5 | 22.7 | 23.0 | 23.6 |
| Central Africa | 0.4 | 0.4 | 0.4 | 3.0 | 3.0 | 3.0 |
| Eastern Africa | 1.0 | 1.1 | 1.0 | 21.5 | 25.1 | 21.3 |
| Ethiopia | - | - | - | 9.3 | 8.8 | 7.1 |
| Sudan | - | - | - | 3.3 | 5.3 | 3.9 |
| Southern Africa | 2.6 | 2.9 | 2.7 | 24.7 | 20.4 | 20.2 |
| Madagascar | 2.3 | 2.6 | 2.4 | 2.5 | 2.8 | 2.6 |
| South Africa | - | - | - | 13.5 | 10.4 | 11.8 |
| Zimbabwe | - | - | - | 2.5 | 1.9 | 0.8 |
| CENTRAL AMERICA | 2.5 | 2.3 | 2.1 | 33.8 | 35.6 | 35.1 |
| Mexico | 0.4 | 0.2 | 0.2 | 28.2 | 30.1 | 29.6 |
| SOUTH AMERICA | 21.0 | 20.0 | 19.5 | 104.3 | 113.1 | 104.0 |
| Argentina | 0.9 | 0.9 | 0.7 | 38.5 | 35.7 | 33.4 |
| Brazil | 11.4 | 10.4 | 10.7 | 46.0 | 57.4 | 50.6 |
| Colombia | 2.3 | 2.3 | 2.4 | 3.7 | 3.7 | 3.8 |
| NORTH AMERICA | 8.7 | 9.7 | 9.6 | 394.1 | 368.5 | 334.5 |
| Canada | - | - | - | 51.3 | 43.3 | 35.3 |
| United States | 8.7 | 9.7 | 9.6 | 342.8 | 325.3 | 299.2 |
| EUROPE | 3.2 | 3.2 | 3.3 | 385.3 | 425.5 | 428.6 |
| Bulgaria | - | - | - | 5.1 | 4.8 | 5.4 |
| EU | 2.5 | 2.6 | 2.6 | 215.6 | 201.9 | 211.7 |
| Hungary | - | - | - | 10.0 | 15.0 | 11.6 |
| Poland | - | - | - | 22.3 | 27.2 | 26.9 |
| Romania | - | - | - | 10.4 | 16.9 | 14.0 |
| Russian Fed. | 0.6 | 0.5 | 0.5 | 64.3 | 83.3 | 83.4 |
| Ukraine | 0.1 | 0.1 | 0.1 | 24.9 | 37.4 | 37.0 |
| OCEANIA | 1.1 | 1.8 | 1.3 | 35.5 | 38.4 | 19.4 |
| Australia | 1.1 | 1.8 | 1.3 | 34.6 | 37.5 | 18.6 |
| WORLD | 599.2 | 597.3 | 584.2 | 2 061.7 | 2 091.6 | 2 026.3 |
| Developing countries | 573.9 | 571.0 | 558.4 | 1 199.9 | 1 209.2 | 1 191.7 |
| Developed countries | 25.3 | 26.3 | 25.8 | 861.8 | 882.4 | 834.6 |

Source: FAO

Note: Totals computed from unrounded data.

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

Table A.2 a) - WORLD IMPORTS OF CEREALS

| | Wheat (July/June) ^{1/} | | | Coarse Grains (July/June) | | |
|---------------------------|---------------------------------|-------------------|------------------|---------------------------|-------------------|------------------|
| | 2000/01 | 2001/02 estim. | 2002/03 fcast | 2000/01 | 2001/02 estim. | 2002/03 fcast |
| | (..... million tonnes) | | | | | |
| ASIA | 44.1 | 47.5 | 45.0 | 58.8 | 56.3 | 55.1 |
| Bangladesh | 1.0 | 1.7 | 1.3 | 0.2 | 0.1 | 0.1 |
| China | 1.5 | 2.0 | 2.1 | 7.1 | 7.3 | 7.1 |
| Taiwan Province | 1.0 | 1.0 | 1.1 | 4.8 | 5.0 | 4.9 |
| Georgia | 0.7 | 0.5 | 0.6 | - | - | - |
| India | 0.1 | - | 0.1 | 0.2 | 0.1 | 0.2 |
| Indonesia | 4.1 | 4.0 | 4.0 | 1.6 | 1.1 | 1.1 |
| Iran, Islamic Rep. of | 6.5 | 5.9 | 3.5 | 2.5 | 2.0 | 1.5 |
| Iraq | 3.2 | 3.2 | 3.2 | 0.3 | 0.1 | 0.1 |
| Israel | 1.3 | 1.5 | 1.5 | 1.4 | 1.2 | 1.1 |
| Japan | 5.7 | 5.7 | 5.9 | 20.4 | 19.9 | 19.9 |
| Korea, D. P. R. | 0.6 | 0.6 | 0.6 | 0.8 | 0.5 | 0.4 |
| Korea, Rep. of | 3.1 | 4.0 | 4.0 | 8.9 | 8.5 | 8.5 |
| Malaysia | 1.3 | 1.3 | 1.4 | 2.7 | 2.4 | 2.4 |
| Pakistan | 0.1 | 0.4 | 0.5 | 0.1 | 0.1 | 0.1 |
| Philippines | 3.0 | 3.1 | 3.4 | 0.4 | 0.4 | 0.4 |
| Saudi Arabia | - | 0.1 | 0.1 | 6.2 | 6.5 | 6.6 |
| Singapore | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Sri Lanka | 0.8 | 0.9 | 0.9 | 0.1 | 0.2 | 0.1 |
| Syria | 0.1 | 0.3 | 0.1 | 1.6 | 0.9 | 0.5 |
| Thailand | 0.8 | 0.8 | 0.8 | - | 0.3 | 0.4 |
| Yemen | 1.9 | 2.0 | 2.0 | 0.2 | 0.2 | 0.2 |
| AFRICA | 26.1 | 24.8 | 25.6 | 14.3 | 14.9 | 17.4 |
| North Africa | 16.7 | 16.6 | 17.3 | 10.4 | 11.1 | 11.1 |
| Algeria | 4.6 | 4.4 | 4.8 | 2.1 | 2.1 | 2.3 |
| Egypt | 5.7 | 6.8 | 6.3 | 4.9 | 5.5 | 5.4 |
| Morocco | 3.3 | 3.0 | 3.0 | 1.5 | 1.6 | 1.5 |
| Tunisia | 1.5 | 1.2 | 1.8 | 1.1 | 1.2 | 1.2 |
| Sub-Saharan Africa | 9.4 | 8.3 | 8.3 | 3.9 | 3.8 | 6.2 |
| Côte d'Ivoire | 0.3 | 0.3 | 0.3 | - | - | - |
| Ethiopia | 0.8 | 0.3 | 0.8 | 0.1 | - | 0.1 |
| Kenya | 0.6 | 0.5 | 0.6 | 1.1 | 0.5 | 0.8 |
| Nigeria | 1.6 | 1.7 | 1.7 | 0.1 | 0.1 | 0.1 |
| Senegal | 0.3 | 0.3 | 0.3 | - | 0.1 | - |
| Sudan | 1.3 | 1.2 | 1.2 | 0.1 | 0.1 | 0.1 |
| South Africa | 0.7 | 0.5 | 0.4 | 0.5 | 0.7 | 0.7 |
| CENTRAL AMERICA | 6.9 | 6.7 | 6.9 | 14.7 | 12.5 | 14.0 |
| Cuba | 0.9 | 1.0 | 1.0 | 0.1 | 0.2 | 0.3 |
| Dominican Rep. | 0.5 | 0.3 | 0.3 | 1.1 | 0.7 | 0.7 |
| Mexico | 3.2 | 3.1 | 3.2 | 11.2 | 9.2 | 10.6 |
| SOUTH AMERICA | 12.7 | 11.3 | 11.5 | 7.5 | 6.2 | 6.8 |
| Brazil | 7.4 | 6.2 | 6.6 | 1.8 | 0.6 | 1.1 |
| Chile | 0.4 | 0.3 | 0.3 | 1.3 | 1.2 | 1.1 |
| Colombia | 1.2 | 1.2 | 1.1 | 1.9 | 2.4 | 2.4 |
| Peru | 1.4 | 1.3 | 1.3 | 0.9 | 1.1 | 1.1 |
| Venezuela | 1.3 | 1.3 | 1.2 | 1.1 | 0.6 | 0.7 |
| NORTH AMERICA | 2.5 | 2.9 | 2.1 | 5.0 | 6.5 | 7.2 |
| Canada | 0.1 | 0.1 | 0.1 | 2.6 | 3.9 | 4.9 |
| United States | 2.4 | 2.9 | 2.0 | 2.4 | 2.6 | 2.3 |
| EUROPE | 9.6 | 13.2 | 10.9 | 8.1 | 7.9 | 6.3 |
| Belarus | 0.4 | 0.5 | 0.4 | 0.3 | 0.3 | 0.2 |
| EU ^{2/} | 3.2 | 10.0 | 7.5 | 2.7 | 4.4 | 2.9 |
| Poland | 0.8 | 0.3 | 0.3 | 1.2 | 0.3 | 0.2 |
| Romania | 0.5 | - | 0.3 | 0.5 | 0.2 | 0.1 |
| Russian Fed. | 1.6 | 0.5 | 0.4 | 0.8 | 0.8 | 0.9 |
| Ukraine | 0.7 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| OCEANIA | 0.5 | 0.5 | 0.5 | 0.1 | 0.1 | 0.2 |
| New Zealand | 0.2 | 0.2 | 0.2 | - | - | 0.1 |
| WORLD | 102.4 | 106.9 | 102.5 | 108.5 | 104.4 | 107.0 |
| Developing countries | 79.3 | 80.0 | 78.9 | 72.9 | 68.0 | 71.6 |
| Developed countries | 23.1 | 26.9 | 23.6 | 35.5 | 36.4 | 35.4 |

Source: FAO

Note: Totals computed from unrounded data.

^{1/} Including wheat flour in wheat grain equivalent, but excluding semolina.^{2/} Excluding trade between the EU member countries.

Table A.2 b) - WORLD IMPORTS OF CEREALS

| | Rice (milled) | | | Total Cereals 1/ | | |
|---------------------------|--------------------------------|----------------|----------------|------------------|-------------------|-------------------|
| | 2001 | 2002 estim. | 2003 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | (..... million tonnes) | | | | | |
| ASIA | 11.3 | 13.7 | 13.7 | 114.2 | 117.4 | 113.8 |
| Bangladesh | 0.4 | 0.3 | 0.2 | 1.6 | 2.1 | 1.6 |
| China | 0.3 | 0.3 | 0.8 | 8.8 | 9.6 | 9.9 |
| Taiwan Province | - | 0.1 | 0.2 | 5.9 | 6.1 | 6.1 |
| Georgia | - | - | - | 0.7 | 0.5 | 0.6 |
| India | 0.1 | - | 0.1 | 0.3 | 0.2 | 0.3 |
| Indonesia | 1.5 | 3.5 | 3.2 | 7.1 | 8.6 | 8.3 |
| Iran, Islamic Rep. of | 0.8 | 0.8 | 0.8 | 9.8 | 8.7 | 5.8 |
| Iraq | 1.2 | 1.2 | 1.2 | 4.7 | 4.5 | 4.5 |
| Israel | 0.1 | 0.1 | 0.1 | 2.8 | 2.8 | 2.7 |
| Japan | 0.6 | 0.7 | 0.7 | 26.7 | 26.2 | 26.4 |
| Korea, D. P. R. | 0.7 | 0.7 | 0.7 | 2.0 | 1.8 | 1.8 |
| Korea, Rep. of | 0.1 | 0.2 | 0.2 | 12.1 | 12.7 | 12.7 |
| Malaysia | 0.6 | 0.6 | 0.7 | 4.6 | 4.3 | 4.5 |
| Pakistan | - | - | - | 0.1 | 0.5 | 0.6 |
| Philippines | 1.0 | 1.2 | 1.2 | 4.4 | 4.7 | 5.0 |
| Saudi Arabia | 0.8 | 0.9 | 0.9 | 7.1 | 7.5 | 7.6 |
| Singapore | 0.4 | 0.4 | 0.4 | 0.9 | 0.9 | 0.9 |
| Sri Lanka | 0.1 | 0.1 | 0.1 | 1.0 | 1.1 | 1.1 |
| Syria | 0.2 | 0.2 | 0.2 | 1.8 | 1.4 | 0.7 |
| Thailand | - | - | - | 0.8 | 1.1 | 1.2 |
| Yemen | 0.2 | 0.3 | 0.3 | 2.4 | 2.4 | 2.4 |
| AFRICA | 7.4 | 7.3 | 7.2 | 47.8 | 47.0 | 50.1 |
| North Africa | 0.2 | 0.2 | 0.3 | 27.4 | 27.9 | 28.7 |
| Algeria | 0.1 | 0.1 | 0.1 | 6.8 | 6.6 | 7.2 |
| Egypt | - | - | - | 10.6 | 12.3 | 11.7 |
| Morocco | - | - | - | 4.8 | 4.6 | 4.5 |
| Tunisia | - | - | - | 2.6 | 2.5 | 3.0 |
| Sub-Saharan Africa | 7.1 | 7.1 | 6.9 | 20.5 | 19.1 | 21.5 |
| Côte d'Ivoire | 1.1 | 1.0 | 1.0 | 1.4 | 1.3 | 1.3 |
| Ethiopia | - | - | - | 0.9 | 0.4 | 0.9 |
| Kenya | 0.1 | 0.1 | 0.1 | 1.9 | 1.2 | 1.5 |
| Nigeria | 1.6 | 1.7 | 1.7 | 3.3 | 3.5 | 3.5 |
| Senegal | 0.6 | 0.7 | 0.6 | 0.9 | 1.0 | 0.9 |
| Sudan | - | - | - | 1.4 | 1.3 | 1.3 |
| South Africa | 0.6 | 0.7 | 0.6 | 1.8 | 1.8 | 1.6 |
| CENTRAL AMERICA | 1.7 | 1.7 | 1.7 | 23.3 | 21.0 | 22.6 |
| Cuba | 0.5 | 0.6 | 0.5 | 1.5 | 1.7 | 1.7 |
| Dominican Rep. | - | - | - | 1.6 | 1.0 | 1.0 |
| Mexico | 0.5 | 0.5 | 0.5 | 14.9 | 12.9 | 14.3 |
| SOUTH AMERICA | 1.1 | 1.0 | 1.0 | 21.3 | 18.5 | 19.3 |
| Brazil | 0.7 | 0.7 | 0.6 | 9.9 | 7.5 | 8.3 |
| Chile | 0.1 | 0.1 | 0.1 | 1.8 | 1.5 | 1.5 |
| Colombia | 0.2 | 0.1 | 0.2 | 3.2 | 3.7 | 3.6 |
| Peru | 0.1 | 0.1 | 0.1 | 2.4 | 2.4 | 2.4 |
| Venezuela | - | - | 0.1 | 2.5 | 1.9 | 2.0 |
| NORTH AMERICA | 0.7 | 0.7 | 0.7 | 8.2 | 10.1 | 10.0 |
| Canada | 0.3 | 0.3 | 0.3 | 3.0 | 4.2 | 5.3 |
| United States | 0.4 | 0.4 | 0.4 | 5.2 | 5.9 | 4.7 |
| EUROPE | 1.6 | 1.6 | 1.6 | 19.3 | 22.7 | 18.9 |
| Belarus | - | - | - | 0.7 | 0.8 | 0.7 |
| EU 2/ | 0.7 | 0.7 | 0.7 | 6.6 | 15.1 | 11.1 |
| Poland | 0.1 | 0.1 | 0.1 | 2.1 | 0.7 | 0.6 |
| Romania | 0.1 | 0.1 | 0.1 | 1.1 | 0.3 | 0.5 |
| Russian Fed. | 0.3 | 0.4 | 0.4 | 2.7 | 1.6 | 1.7 |
| Ukraine | 0.1 | 0.1 | 0.1 | 0.9 | 0.3 | 0.3 |
| OCEANIA | 0.4 | 0.4 | 0.4 | 0.9 | 1.0 | 1.0 |
| New Zealand | - | - | - | 0.3 | 0.3 | 0.3 |
| WORLD | 24.1 | 26.4 | 26.2 3/ | 234.9 | 237.6 | 235.8 |
| Developing countries | 20.2 | 22.4 | 22.4 | 172.5 | 170.4 | 172.8 |
| Developed countries | 3.8 | 4.0 | 3.9 | 62.5 | 67.2 | 62.9 |

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 EU member countries.

3/ Highly tentative.

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

| | Wheat (July/June) 1/ | | | Coarse Grains (July/June) | | |
|------------------------|--------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|
| | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | (..... million tonnes) | | | | | |
| ASIA | 10.1 | 11.5 | 15.3 | 11.6 | 8.0 | 12.8 |
| China 2/ | 0.6 | 1.0 | 1.2 | 10.0 | 6.4 | 11.0 |
| India | 2.4 | 3.5 | 4.7 | - | - | - |
| Indonesia | - | - | - | 0.1 | 0.1 | 0.1 |
| Japan | 0.4 | 0.4 | 0.4 | - | - | - |
| Kazakhstan | 3.7 | 3.8 | 5.5 | 0.4 | 0.4 | 0.4 |
| Myanmar | - | - | - | 0.1 | 0.1 | 0.1 |
| Pakistan | 0.3 | 0.6 | 1.0 | - | - | - |
| Syria | 0.1 | 0.5 | 0.5 | - | - | - |
| Thailand | - | - | - | 0.3 | 0.2 | 0.1 |
| Turkey | 1.6 | 0.5 | 0.8 | 0.1 | 0.4 | 0.6 |
| Viet Nam | - | - | - | - | - | - |
| AFRICA | 0.4 | 0.4 | 0.6 | 2.9 | 2.5 | 2.0 |
| Egypt | - | - | - | - | - | - |
| Ethiopia | - | - | - | 0.2 | 0.2 | 0.1 |
| Nigeria | - | - | - | 0.2 | 0.1 | 0.1 |
| South Africa | 0.1 | 0.1 | 0.3 | 1.6 | 1.4 | 1.3 |
| Sudan | - | - | - | - | 0.2 | - |
| Uganda | - | - | - | 0.3 | 0.3 | 0.2 |
| CENTRAL AMERICA | 0.7 | 0.7 | 0.6 | 0.3 | 0.2 | 0.3 |
| SOUTH AMERICA | 10.8 | 11.0 | 9.5 | 15.6 | 15.1 | 10.8 |
| Argentina | 10.7 | 11.0 | 9.5 | 12.8 | 9.6 | 8.6 |
| Brazil | - | - | - | 2.3 | 5.0 | 1.8 |
| Paraguay | - | - | - | 0.3 | 0.3 | 0.3 |
| Uruguay | 0.1 | - | - | 0.1 | 0.1 | 0.1 |
| NORTH AMERICA | 44.6 | 42.1 | 36.0 | 58.9 | 59.6 | 60.4 |
| Canada | 16.8 | 16.0 | 9.5 | 3.8 | 3.1 | 2.4 |
| United States | 27.8 | 26.1 | 26.5 | 55.0 | 56.5 | 58.0 |
| EUROPE | 17.4 | 25.8 | 31.6 | 14.1 | 15.9 | 17.5 |
| Bulgaria | 0.5 | 0.8 | 0.8 | 0.3 | 0.3 | 0.4 |
| Czech Rep. | 0.4 | 0.8 | 0.6 | - | 0.2 | 0.3 |
| EU 3/ | 14.5 | 10.5 | 15.0 | 10.6 | 5.5 | 7.6 |
| Hungary | 0.9 | 2.1 | 1.1 | 0.8 | 2.5 | 1.4 |
| Romania | 0.1 | 0.8 | 0.6 | 0.1 | 0.6 | 0.6 |
| Russian Fed. | 0.7 | 4.3 | 5.5 | 0.5 | 2.6 | 3.0 |
| Ukraine | 0.1 | 5.5 | 6.4 | 1.6 | 3.5 | 3.2 |
| OCEANIA | 16.5 | 16.4 | 9.0 | 4.3 | 4.8 | 3.3 |
| Australia | 16.5 | 16.4 | 9.0 | 4.3 | 4.8 | 3.2 |
| WORLD | 100.5 | 107.9 | 102.5 | 107.7 | 106.2 | 107.0 |
| Developing countries | 17.8 | 19.2 | 19.7 | 28.4 | 24.0 | 24.0 |
| Developed countries | 82.7 | 88.7 | 82.8 | 79.3 | 82.1 | 83.0 |

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 EU member countries.

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

| | Rice (milled) | | | Total Cereals ^{1/} | | |
|------------------------|--------------------------------|----------------|---------------------------|-----------------------------|-------------------|-------------------|
| | 2001 | 2002 estim. | 2003 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | (..... million tonnes) | | | | | |
| ASIA | 18.5 | 20.5 | 20.2 | 40.1 | 40.0 | 48.2 |
| China ^{2/} | 2.0 | 1.8 | 1.3 | 12.6 | 9.1 | 13.5 |
| India | 1.9 | 5.5 | 4.5 | 4.3 | 9.0 | 9.2 |
| Indonesia | - | - | - | 0.1 | 0.1 | 0.1 |
| Japan | 0.6 | 0.6 | 0.5 | 1.0 | 1.0 | 0.9 |
| Kazakhstan | - | - | - | 4.0 | 4.2 | 5.9 |
| Myanmar | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 |
| Pakistan | 2.3 | 1.4 | 1.5 | 2.5 | 2.0 | 2.5 |
| Syria | - | - | - | 0.1 | 0.5 | 0.5 |
| Thailand | 7.5 | 7.0 | 7.5 | 7.8 | 7.2 | 7.6 |
| Turkey | - | - | - | 1.7 | 0.9 | 1.4 |
| Viet Nam | 3.5 | 3.2 | 3.9 | 3.5 | 3.2 | 3.9 |
| AFRICA | 0.8 | 0.9 | 0.8 | 4.0 | 3.8 | 3.4 |
| Egypt | 0.8 | 0.9 | 0.8 | 0.8 | 0.9 | 0.8 |
| Ethiopia | - | - | - | 0.2 | 0.2 | 0.1 |
| Nigeria | - | - | - | 0.2 | 0.1 | 0.1 |
| South Africa | - | - | - | 1.7 | 1.5 | 1.6 |
| Sudan | - | - | - | - | 0.2 | - |
| Uganda | - | - | - | 0.3 | 0.3 | 0.2 |
| CENTRAL AMERICA | - | - | - | 1.1 | 1.0 | 0.8 |
| SOUTH AMERICA | 1.4 | 1.2 | 1.4 | 27.8 | 27.2 | 21.7 |
| Argentina | 0.4 | 0.3 | 0.3 | 23.9 | 20.8 | 18.4 |
| Brazil | - | - | - | 2.3 | 5.0 | 1.8 |
| Paraguay | - | - | - | 0.3 | 0.3 | 0.3 |
| Uruguay | 0.7 | 0.6 | 0.7 | 0.9 | 0.6 | 0.8 |
| NORTH AMERICA | 2.5 | 3.1 | 3.2 | 106.0 | 104.8 | 99.6 |
| Canada | - | - | - | 20.6 | 19.1 | 11.9 |
| United States | 2.5 | 3.1 | 3.2 | 85.4 | 85.7 | 87.7 |
| EUROPE | 0.2 | 0.2 | 0.2 | 31.8 | 41.9 | 49.3 |
| Bulgaria | - | - | - | 0.8 | 1.1 | 1.2 |
| Czech Rep. | - | - | - | 0.5 | 1.0 | 0.9 |
| EU ^{3/} | 0.2 | 0.2 | 0.2 | 25.3 | 16.2 | 22.8 |
| Hungary | - | - | - | 1.7 | 4.6 | 2.5 |
| Romania | - | - | - | 0.2 | 1.4 | 1.2 |
| Russian Fed. | - | - | - | 1.3 | 6.9 | 8.5 |
| Ukraine | - | - | - | 1.7 | 9.0 | 9.6 |
| OCEANIA | 0.6 | 0.6 | 0.4 | 21.5 | 21.8 | 12.7 |
| Australia | 0.6 | 0.6 | 0.4 | 21.5 | 21.8 | 12.6 |
| WORLD | 24.1 | 26.4 | 26.2 ^{4/} | 232.4 | 240.5 | 235.7 |
| Developing countries | 20.1 | 22.0 | 21.8 | 66.3 | 65.2 | 65.6 |
| Developed countries | 4.0 | 4.4 | 4.3 | 166.0 | 175.3 | 170.1 |

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 EU 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) | | |
|---------------------|-------------------------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|---|-------------------|-------------------|
| | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | (..... million tonnes) | | | | | | | | |
| | UNITED STATES (June/May) | | | UNITED STATES | | | UNITED STATES (Aug./July) | | |
| Opening stocks | 25.9 | 23.8 | 21.1 | 48.9 | 52.7 | 45.1 | 0.9 | 0.9 | 1.2 |
| Production | 60.8 | 53.3 | 44.0 | 273.4 | 262.3 | 245.6 | 5.9 | 6.7 | 6.6 |
| Imports | 2.4 | 2.9 | 2.2 | 2.4 | 2.3 | 2.5 | 0.3 | 0.4 | 0.4 |
| Total Supply | 89.1 | 80.0 | 67.3 | 324.7 | 317.3 | 293.2 | 7.1 | 8.0 | 8.3 |
| Domestic use | 36.4 | 32.7 | 31.7 | 215.3 | 217.5 | 210.2 | 3.7 | 3.8 | 3.9 |
| Exports | 28.9 | 26.2 | 25.9 | 56.6 | 54.7 | 58.0 | 2.6 | 2.9 | 3.1 |
| Closing stocks | 23.8 | 21.1 | 9.7 | 52.7 | 45.1 | 24.9 | 0.9 | 1.2 | 1.2 |
| | CANADA (August/July) | | | CANADA | | | THAILAND (Nov./Oct.) ^{3/} | | |
| Opening stocks | 7.7 | 9.7 | 6.5 | 5.8 | 4.4 | 3.6 | 1.7 | 1.8 | 2.6 |
| Production | 26.8 | 20.6 | 15.5 | 24.2 | 22.7 | 19.8 | 17.1 | 17.6 | 17.1 |
| Imports | 0.1 | 0.1 | 0.1 | 2.9 | 4.0 | 5.2 | 0.0 | 0.0 | 0.0 |
| Total Supply | 34.6 | 30.3 | 22.1 | 32.9 | 31.2 | 28.6 | 18.8 | 19.4 | 19.6 |
| Domestic use | 7.8 | 7.6 | 8.1 | 23.9 | 24.2 | 23.1 | 9.4 | 9.8 | 9.7 |
| Exports | 17.1 | 16.2 | 9.6 | 4.6 | 3.4 | 2.5 | 7.5 | 7.0 | 7.5 |
| Closing stocks | 9.7 | 6.5 | 4.4 | 4.4 | 3.6 | 2.9 | 1.8 | 2.6 | 2.5 |
| | ARGENTINA (Dec./Nov.) | | | ARGENTINA | | | CHINA (Jan./Dec.) ^{3/ 4/} | | |
| Opening stocks | 0.6 | 0.6 | 0.7 | 0.8 | 1.2 | 1.2 | 112.9 | 106.5 | 93.0 |
| Production | 16.0 | 15.3 | 14.0 | 21.7 | 19.3 | 18.7 | 130.1 | 122.9 | 121.7 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 0.3 | 0.8 |
| Total Supply | 16.5 | 15.9 | 14.7 | 22.6 | 20.5 | 20.0 | 243.3 | 229.7 | 215.4 |
| Domestic use | 4.8 | 4.9 | 5.0 | 8.4 | 9.1 | 10.2 | 134.8 | 135.0 | 134.9 |
| Exports | 11.2 | 10.3 | 9.1 | 13.0 | 10.2 | 8.8 | 2.0 | 1.8 | 1.3 |
| Closing stocks | 0.6 | 0.7 | 0.6 | 1.2 | 1.2 | 1.0 | 106.5 | 93.0 | 79.2 |
| | AUSTRALIA (Oct./Sept.) | | | AUSTRALIA | | | PAKISTAN (Nov./Oct.) ^{3/} | | |
| Opening stocks | 3.3 | 3.8 | 5.3 | 0.7 | 1.4 | 2.0 | 1.1 | 0.9 | 0.5 |
| Production | 22.2 | 24.0 | 10.1 | 11.3 | 11.7 | 7.2 | 4.8 | 3.7 | 3.9 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Total Supply | 25.5 | 27.7 | 15.4 | 12.0 | 13.1 | 9.2 | 5.9 | 4.7 | 4.5 |
| Domestic use | 5.7 | 5.9 | 4.5 | 6.1 | 6.2 | 5.3 | 2.7 | 2.8 | 2.8 |
| Exports | 16.1 | 16.5 | 9.0 | 4.5 | 4.9 | 3.0 | 2.3 | 1.4 | 1.5 |
| Closing stocks | 3.8 | 5.3 | 1.9 | 1.4 | 2.0 | 0.9 | 0.9 | 0.5 | 0.2 |
| | EU (July/June) ^{5/} | | | EU ^{5/} | | | VIET NAM (Nov./Oct.) ^{3/} | | |
| Opening stocks | 12.9 | 14.5 | 13.2 | 20.8 | 17.0 | 20.9 | 3.1 | 4.0 | 4.5 |
| Production | 104.8 | 91.5 | 103.6 | 108.3 | 107.9 | 105.5 | 21.7 | 21.3 | 22.4 |
| Imports | 3.2 | 10.0 | 7.5 | 2.7 | 4.4 | 2.9 | 0.0 | 0.0 | 0.0 |
| Total Supply | 120.9 | 116.0 | 124.3 | 131.8 | 129.3 | 129.3 | 24.8 | 25.3 | 26.9 |
| Domestic use | 91.8 | 91.5 | 93.9 | 104.2 | 102.8 | 101.2 | 17.3 | 17.6 | 18.1 |
| Exports | 14.6 | 11.3 | 15.4 | 10.6 | 5.5 | 7.6 | 3.5 | 3.2 | 3.9 |
| Closing stocks | 14.5 | 13.2 | 15.0 | 17.0 | 20.9 | 20.4 | 4.0 | 4.5 | 4.9 |
| TOTAL ABOVE | | | | | | | | | |
| Opening stocks | 50.4 | 52.3 | 46.8 | 77.0 | 76.7 | 72.7 | 119.6 | 114.1 | 101.8 |
| Production | 230.6 | 204.6 | 187.2 | 438.8 | 424.0 | 396.8 | 179.7 | 172.2 | 171.7 |
| Imports | 5.7 | 13.0 | 9.8 | 8.1 | 10.7 | 10.7 | 0.6 | 0.8 | 1.2 |
| Total Supply | 286.7 | 270.0 | 243.8 | 523.9 | 511.3 | 480.2 | 299.9 | 287.1 | 274.7 |
| Domestic use | 146.5 | 142.7 | 143.2 | 358.0 | 359.8 | 350.2 | 167.9 | 169.0 | 169.4 |
| Exports | 87.9 | 80.5 | 69.0 | 89.3 | 78.8 | 79.9 | 17.8 | 16.3 | 17.4 |
| Closing stocks | 52.3 | 46.8 | 31.6 | 76.7 | 72.7 | 50.1 | 114.1 | 101.8 | 87.9 |

Source: FAO

Note: Totals computed from unrounded data.

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

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

| | Crop Years ending in: | | | | | | |
|--------------------------------|--------------------------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 estim. | 2003 f'cast |
| | (..... million tonnes) | | | | | | |
| TOTAL CEREALS | 617.7 | 660.8 | 683.0 | 681.1 | 629.7 | 575.3 | 465.8 |
| Wheat | 227.3 | 252.8 | 259.7 | 254.3 | 241.1 | 216.2 | 166.5 |
| held by: | | | | | | | |
| - main exporters ^{2/} | 36.0 | 39.3 | 50.7 | 50.4 | 52.3 | 46.8 | 31.6 |
| - others | 191.3 | 213.6 | 209.0 | 203.9 | 188.7 | 169.4 | 134.9 |
| Coarse Grains | 238.6 | 255.1 | 265.9 | 258.8 | 225.6 | 211.0 | 173.8 |
| held by: | | | | | | | |
| - main exporters ^{2/} | 46.7 | 69.3 | 79.7 | 77.0 | 76.7 | 72.7 | 50.1 |
| - others | 191.9 | 185.8 | 186.3 | 181.8 | 148.9 | 138.3 | 123.6 |
| Rice (milled basis) | 151.7 | 152.9 | 157.4 | 167.9 | 163.1 | 148.1 | 125.5 |
| held by: | | | | | | | |
| - main exporters ^{2/} | 111.8 | 115.7 | 117.2 | 119.6 | 114.1 | 101.8 | 87.9 |
| excl. China ^{3/} | 4.5 | 4.5 | 4.1 | 6.7 | 7.6 | 8.8 | 8.7 |
| - others | 40.0 | 37.2 | 40.1 | 48.3 | 49.0 | 46.3 | 37.6 |
| BY REGIONS | | | | | | | |
| Developed Countries | 121.5 | 169.0 | 171.0 | 164.6 | 160.1 | 162.7 | 123.3 |
| Australia | 3.2 | 3.8 | 3.0 | 4.2 | 5.2 | 7.5 | 3.0 |
| EU | 24.4 | 35.1 | 36.6 | 34.2 | 31.9 | 34.5 | 35.8 |
| Canada | 14.0 | 10.4 | 12.5 | 13.6 | 14.1 | 10.1 | 7.3 |
| Hungary | 2.3 | 2.8 | 2.6 | 2.0 | 1.3 | 1.8 | 1.4 |
| Japan | 6.7 | 6.7 | 6.0 | 5.7 | 5.3 | 4.7 | 4.8 |
| Poland | 4.2 | 4.0 | 4.2 | 3.7 | 1.5 | 2.2 | 1.9 |
| Romania | 1.2 | 5.0 | 3.5 | 3.6 | 1.0 | 2.8 | 1.7 |
| Russian Fed. | 6.5 | 18.0 | 5.8 | 4.9 | 6.5 | 9.6 | 8.0 |
| South Africa | 2.4 | 3.7 | 2.3 | 1.7 | 2.9 | 1.8 | 1.8 |
| Ukraine | 3.6 | 4.5 | 2.2 | 2.2 | 2.2 | 5.0 | 5.2 |
| United States | 39.9 | 58.7 | 77.8 | 75.6 | 77.4 | 67.4 | 35.9 |
| Developing Countries | 496.1 | 491.8 | 511.9 | 516.4 | 469.6 | 412.6 | 342.5 |
| Asia | 457.5 | 456.1 | 473.3 | 478.3 | 434.1 | 376.3 | 311.8 |
| China ^{3/} | 374.0 | 366.6 | 374.7 | 367.5 | 318.8 | 271.9 | 225.7 |
| India | 35.3 | 42.9 | 47.3 | 57.4 | 62.1 | 58.3 | 46.3 |
| Indonesia | 6.9 | 5.5 | 5.6 | 5.9 | 6.1 | 3.9 | 3.9 |
| Iran, Islamic Rep. of | 3.5 | 2.0 | 1.6 | 2.0 | 1.1 | 1.3 | 1.2 |
| Korea, Rep. of | 2.3 | 2.8 | 2.8 | 3.3 | 3.0 | 3.5 | 3.3 |
| Pakistan | 6.3 | 7.1 | 8.6 | 7.9 | 7.9 | 4.8 | 0.9 |
| Philippines | 2.0 | 2.0 | 2.6 | 1.9 | 2.0 | 1.9 | 2.1 |
| Syria | 5.1 | 4.0 | 4.2 | 4.0 | 3.6 | 4.4 | 4.1 |
| Turkey | 6.8 | 7.4 | 9.4 | 8.3 | 8.7 | 5.1 | 3.5 |
| Africa | 23.8 | 20.9 | 26.1 | 24.1 | 22.4 | 22.2 | 18.7 |
| Algeria | 2.8 | 2.1 | 2.6 | 2.0 | 1.3 | 1.7 | 1.2 |
| Egypt | 2.9 | 3.7 | 4.5 | 4.1 | 3.9 | 3.4 | 2.7 |
| Ethiopia | 1.6 | 0.9 | 1.1 | 1.3 | 1.7 | 1.2 | 0.5 |
| Morocco | 3.8 | 2.5 | 4.7 | 3.0 | 1.8 | 1.8 | 2.0 |
| Nigeria | 1.9 | 1.9 | 1.9 | 1.6 | 2.2 | 2.5 | 2.3 |
| Tunisia | 2.1 | 1.9 | 1.9 | 2.1 | 2.0 | 2.1 | 1.8 |
| Central America | 7.0 | 5.1 | 6.2 | 6.6 | 5.9 | 5.5 | 5.3 |
| Mexico | 5.7 | 3.9 | 5.0 | 5.0 | 4.5 | 4.3 | 4.2 |
| South America | 7.7 | 9.7 | 6.2 | 7.3 | 7.1 | 8.5 | 6.6 |
| Argentina | 2.5 | 2.1 | 1.7 | 1.6 | 1.9 | 2.0 | 1.7 |
| Brazil | 2.9 | 4.9 | 1.5 | 2.6 | 1.8 | 3.8 | 2.8 |

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 do not represent world stock levels at any point in time.^{2/} The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EU and the United States. The major rice exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details.^{3/} Including Taiwan Province.

Table A.6 – SELECTED 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 | | | | | | | |
| 1998/1999 | 120 | 100 | 116 | 95 | 98 | 92 | 203 |
| 1999/2000 | 112 | 97 | 112 | 91 | 90 | 89 | 190 |
| 2000/2001 | 128 | 101 | 124 | 86 | 84 | 93 | 184 |
| 2001/2002 | 127 | 113 | 119 | 91 | 89 | 95 | 182 |
| 2001 – July | 127 | 108 | 119 | 90 | 88 | 98 | 185 |
| October | 126 | 114 | 111 | 86 | 89 | 96 | 171 |
| November | 128 | 116 | 109 | 90 | 93 | 96 | 175 |
| 2002 – July | 151 | 123 | 137 | 100 | 97 | 104 | 220 |
| August | 165 | 131 | 138 | 110 | 105 | 115 | 219 |
| September | 189 | 154 | 153 | 115 | 108 | 120 | 221 |
| October | 196 | 159 | 155 | 109 | 105 | 121 | 212 |
| November I | 193 | 162 | 143 | 109 | 108 | 121 | 226 |
| II | 170 | 155 | 138 | 107 | 108 | 120 | 222 |
| III | 179 | 161 | 133 | 111 | 110 | 125 | 226 |
| IV | 180 | 156 | 131 | 109 | 107 | 121 | 225 |

Sources: International Grain Council and USDA.

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

Table A.7 - PRICE INDICES AND SELECTED EXPORT PRICES FOR RICE

| Calendar years | Export Prices | | | | FAO Indices | | | | |
|-------------------------|------------------------------|-----------------------|---------------------------|-----------------------------|-------------------------------|--------------|-------------|----------|----------|
| | Thai 100% B <u>1/</u> | Thai broken <u>2/</u> | U.S. Long grain <u>3/</u> | Pakistani Basmati <u>4/</u> | Total | Indica | | Japonica | Aromatic |
| | | | | | | High quality | Low quality | | |
| January/December | (..... U.S.\$/tonne) | | | | (..... 1998-2000=100) | | | | |
| 1998 | 315 | 215 | 413 | 492 | 115 | 117 | 115 | 113 | 113 |
| 1999 | 253 | 192 | 333 | 486 | 104 | 99 | 101 | 105 | 98 |
| 2000 | 207 | 143 | 271 | 418 | 84 | 84 | 83 | 83 | 89 |
| 2001 | 178 | 136 | 264 | 332 | 74 | 74 | 74 | 76 | 69 |
| 2001 - November | 178 | 135 | 230 | 363 | 71 | 72 | 71 | 71 | 66 |
| 2002 - July | 204 | 154 | 203 | 377 | 73 | 74 | 77 | 68 | 78 |
| August | 195 | 149 | 210 | 390 | 73 | 73 | 75 | 67 | 80 |
| September | 191 | 152 | 215 | 396 | 73 | 74 | 76 | 67 | 83 |
| October | 193 | 161 | 215 | 397 | 74 | 74 | 77 | 69 | 80 |
| November I | 192 | 157 | 215 | 397 | 73 | 73 | 76 | 68 | 76 |
| II | 192 | 157 | 215 | 335 | | | | | |
| III | 191 | 157 | 215 | 335 | | | | | |
| IV | 189 | 158 | 215 | 335 | | | | | |

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

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

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.o.b. 4/ Basmati: ordinary, f.o.b. Karachi.

Table A.8 – PRICE INDICES AND SELECTED INTERNATIONAL PRICES FOR OILCROP PRODUCTS

| Marketing years | FAO Indices | | | International Prices | | | | |
|--------------------------|-----------------------------------|-----------------------|-----------------|------------------------------------|----------------|-------------|-----------------|------------------|
| | Oilseeds | Edible/Soap Fats/Oils | Oilcakes/ Meals | Soybeans 1/ | Soybean Oil 2/ | Palm Oil 3/ | Soybean Cake 4/ | Rapeseed Meal 5/ |
| October/September | (. 1990-92=100) | | | (. U.S.\$/tonne) | | | | |
| 1997/98 | 109 | 154 | 116 | 256 | 634 | 641 | 197 | 138 |
| 1998/99 | 89 | 125 | 82 | 209 | 483 | 514 | 149 | 104 |
| 1999/00 | Oct.-Mar. 83 | 98 | 87 | 206 | 374 | 356 | 176 | 122 |
| | Apr.-Sep. 84 | 84 | 90 | 213 | 337 | 318 | 184 | 125 |
| 2000/01 | Oct.-Mar. 82 | 76 | 98 | 206 | 314 | 254 | 198 | 146 |
| | Apr.-Sep. 82 | 86 | 94 | 197 | 356 | 289 | 178 | 135 |
| 2001/02 | Oct.-Mar. 83 | 95 | 100 | 188 | 378 | 323 | 175 | 135 |
| | Apr.-Sep. 90 | 107 | 104 | 213 | 445 | 392 | 174 | 122 |
| 2002/03 | Oct.-Nov. 102 | 120 | 106 | 238 | 552 | 426 | 185 | 129 |

Sources: FAO and Oil World.

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

1/ Soybeans (US, No.2 yellow, cif Rotterdam). 2/ Soybean oil (Dutch, fob ex-mill). 3/ Palm oil (Crude, cif North West Europe). 4/ Soybean cake (Pellets, 44/45%, Argentina, cif Rotterdam). 5/ Rapeseed meal (34%, Hamburg, fob ex-mill).

Table A.9 - 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 |
| WHEAT | (. US\$/tonne) | | | | | | | |
| October 22 | 148 | 104 | 146 | 106 | 137 | 107 | 121 | 108 |
| 29 | 153 | 107 | 151 | 109 | 139 | 110 | 119 | 111 |
| November 5 | 147 | 104 | 147 | 108 | 135 | 109 | 121 | 110 |
| 12 | 138 | 104 | 138 | 107 | 131 | 108 | 117 | 109 |
| 19 | 141 | 106 | 140 | 109 | 132 | 110 | 116 | 110 |
| 26 | 138 | 102 | 139 | 105 | 132 | 106 | 118 | 106 |
| MAIZE | | | | | | | | |
| October 22 | 99 | 78 | 101 | 80 | 102 | 82 | 102 | 85 |
| 29 | 98 | 78 | 99 | 80 | 100 | 82 | 101 | 85 |
| November 5 | 95 | 78 | 97 | 80 | 98 | 82 | 99 | 85 |
| 12 | 94 | 81 | 86 | 81 | 96 | 83 | 97 | 86 |
| 19 | 97 | 82 | 97 | 84 | 98 | 87 | 98 | 90 |
| 26 | 95 | 80 | 96 | 82 | 97 | 85 | 98 | 88 |

Source: Chicago Board of Trade

Table A.10 - OCEAN FREIGHT RATES FOR WHEAT

| | From U.S. Gulf ports to: | | | | From North Pacific ports to: | |
|------------------|----------------------------|----------------------------------|------------------------------------|-------------------------|------------------------------|--------------------|
| | Rotterdam <u>1/</u> | CIS Black Sea <u>1/ 2/</u> | Egypt (Alexandria) <u>1/</u> | Bangladesh <u>1/</u> | China <u>1/</u> | Japan <u>1/</u> |
| | (..... US\$/tonne.) | | | | | |
| July/June | | | | | | |
| 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 |
| 2000/2001 | 13.08 | 40.97 | 15.00 | 18.31 | 27.00 | 36.31 |
| 2001/2002 | 10.99 | 40.97 | 15.00 | 18.50 | 26.92 | 34.19 |
| 2001 - November | 11.50 | 40.97 | 15.00 | 18.50 | 27.00 | 35.75 |
| December | 11.50 | 40.97 | 15.00 | 18.50 | 27.00 | 36.00 |
| 2002 - May | 11.50 | 40.97 | 15.00 | 18.50 | 27.00 | 36.00 |
| June | 11.50 | 40.97 | 15.00 | 18.50 | 26.00 | 33.00 |
| July | 10.50 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| August | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| September | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| October | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| November | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |

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.11 - 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 | 21.11.02 | 7.83 | 7.79 | 7.77 | 11.4 |
| Coffee (I.C.O. daily price) | US cents per lb | 22.11.02 | 56.2 | 51.9 | 41.1 | 76.7 |
| Cocoa (I.C.C.O. daily price) | US cents per lb | 21.11.02 | 81.0 | 91.1 | 59.4 | 56.0 |
| Tea (total tea, Mombasa) | US\$ per kg. | 19.11.02 | 1.54 | 1.51 | 1.39 | 1.5 |
| Bananas (Central America, f.o.b., Hamburg) | € per tonne | 24.11.02 | 722 ^{1/} 704 ^{2/} | 870 ^{1/} 763 ^{2/} | 816 ^{1/} 657 ^{2/} | 566 |
| Cotton (COTLOOK, index "A" 1-3/32") | US cents per lb | 22.11.02 | 52.5 | 49.6 | 35.9 | 78.5 |
| Wool (64's, London) | Pence per kg | 22.11.02 | 567 | 553 | 327 | 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 2000). 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 20 February | No. 2 16 May | No. 3 17 July | No. 4 17 October | No. 5 18 December |
|--|----------------------|-----------------|------------------|---------------------|----------------------|
| Cereal Supply/Demand Roundup ^{2/} | ● | ● | ● | ● | ● |
| 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 | ● | | | | |
| Special Features ^{3/} | | | | | |

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.

Food Outlook is issued by FAO under the Global Information and Early Warning System on Food and Agriculture. **This issue is based on information available up to 12 November 2002.**

Contributors to this issue are as follows: **Wheat and Coarse Grain Production:** S. Ahmed (Eastern Africa & Near East); Ms. L. Balbi (Southern Africa and Great Lakes); M. Gavela (North Africa & Oceania developing); A. Aziz (CIS); J. Senahoun (Western and Central Africa); M. Gavela (Latin America and Caribbean); K. Hansen (Asia); P. Racionzer (Europe, North America & Oceania developed). **Cereal Trade, Stocks, Prices** (excl. rice): A. Abbassian; **Rice:** Ms. C. Calpe; **Ocean Freight Rates:** International Grain Council; **Milk and Milk Products:** M. Griffin; **Oilseeds, Oils and Oilmeals:** P. Thoenes; **Pulses:** B. Benbelhassen; **Sugar:** K. Chang; **Fertilizers:** J. Poulisse.

Enquiries should be directed to The Chief, Global Information and Early Warning Service, Commodities and Trade Division (ESC), FAO - Rome. Direct Facsimile: 39-06-5705-4495; E-mail giews1@fao.org.

Food Outlook and other GIEWS reports are available on the Internet as part of the FAO World Wide Web (www.fao.org) at the following URL address: <http://www.fao.org/giews/>. In addition, some of the GIEWS regular reports can be received by E-mail through automatic mailing lists: subscription information is available at <http://www.fao.org/giews/english/listserv.htm>