

Oilseeds market summary

The upward trend in world prices for oilseeds and derived products that started in 2009 continued into the current 2010/11 marketing year and, in February 2011, quotations for several oilseeds and derived products came close to the 2008 peaks. The renewed surge in prices mainly reflects a progressive tightening in global supplies combined with steady demand growth and robust buying interest by major importing countries. Spillover effects from increasingly tight grain markets contributed to this development. Although prices have eased somewhat in the last few months, responding to improved production prospects for soybean and palm oil, this relief is not likely to last. Indeed, initial forecasts for 2011/12 suggest that the current tightness in world oil/meal markets could well carry on, and possibly intensify, during the forthcoming season. At this point, the 2011/12 season will set out with low carry-in stocks and the prospect of an only marginal rise in total oilcrop production, due particularly to increased competition for arable land between oilseeds and grains. This means supplies in the coming season may not be sufficient to satisfy the steadily expanding oil and meal demand, which would imply further reductions in global inventories as well as in stock-to-use ratios and, in consequence, continued firmness in prices for oilcrops and oilcrop products in the months to come.

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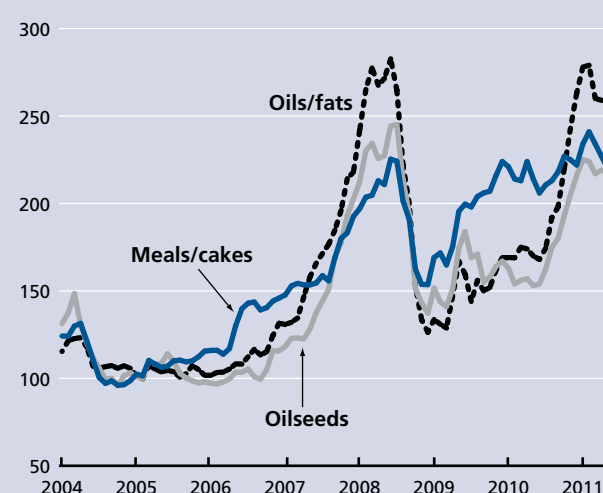
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World oilseed and product markets at a glance

	2008/9	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	Change 2010/11 over 2009/10
million tonnes				%
TOTAL OILSEEDS				
Production	409.7	456.0	464.7	1.9
OILS AND FATS				
Production	161.2	172.2	175.2	1.7
Supply	184.5	195.6	201.0	2.8
Utilization	161.7	170.1	175.1	3.0
Trade	86.3	89.1	91.2	2.3
Stock-to-utilization ratio (%)	14.5	15.2	14.7	
MEALS AND CAKES				
Production	98.2	113.8	116.1	2.0
Supply	116.0	127.7	135.0	5.7
Utilization	102.9	107.6	116.1	7.9
Trade	62.3	67.2	71.2	6.0
Stock-to-utilization ratio (%)	13.6	17.6	16.2	
FAO price indices (Jan-Dec) (2002-2004=100)	2009	2010	2011 Jan-May	Change: Jan-May 2011 over Jan-May 2010 %
Oilseeds	161	172	221	40.8
Meals/cakes	194	217	231	6.5
Oils/fats	150	193	267	56.1

Note: Refer to Table 10 for further explanations regarding definitions and coverage

FAO monthly international price indices for oilseeds, oils/fats and meals/cakes (2002-2004=100)



On the other hand, both **India** and the **United States** may close their crop seasons with larger carryovers. Among importing countries, **Bangladesh**, the **EU**, **Indonesia**, the **Islamic Republic of Iran** and **Saudi Arabia** are all foreseen to raise the size of their inventories, while they may fall in **Brazil**, the **Philippines**, **Malaysia**, **Nigeria** and the **Republic of Korea**.

Based on the very preliminary expectations for the 2011 season production, FAO's first forecast of global inventories in 2012 points to a further 5 percent increase to 143 million tonnes. If confirmed, this would be the eighth year of consecutive increases of world rice reserves and would raise the global stock-to-use ratio to 30 percent.

Figure 21. Global rice closing stocks and stock-to-use ratio

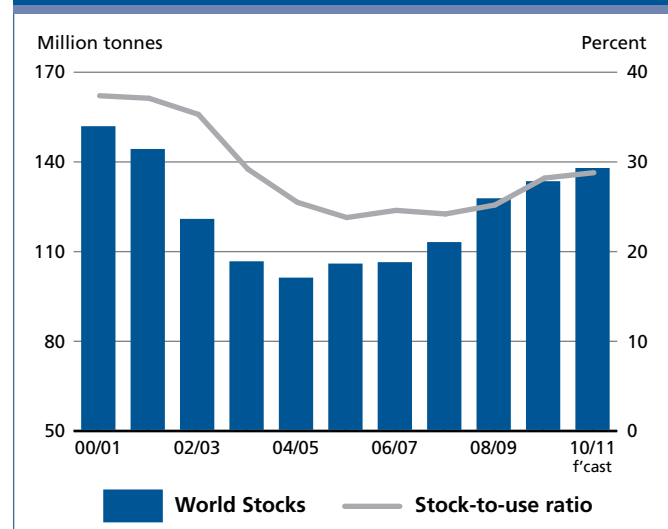
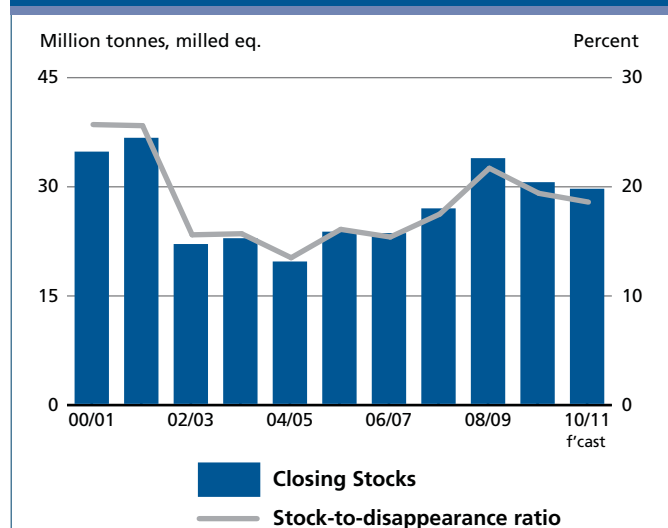


Figure 22. Stocks held by the five major rice exporters and stock-to-disappearance ratio



OILSEEDS, OILS AND MEALS^{2,3}

PRICES⁴

Recent relief to prices not expected to last

After the dramatic rise and subsequent drop seen in 2008, prices in the oilseeds complex embarked on a new, gradual upward trend in 2009. This reflected a progressive tightening in global supplies together with a resumption of global demand growth and a robust buying interest by major importing countries.

With the onset of the 2010/11 marketing year (October/September), prospects of prolonged market tightness propelled prices further increases until February 2011, when prices of several oilseeds and derived products came close to their 2008 peaks (as illustrated by the respective FAO price indices). The new surge was caused by a concurrence of factors: downward corrections in soybean and palm oil production forecasts, because of adverse weather conditions; continued strong import demand for oilcrops and derived products, combined with a mounting reliance on the United States as principal supplier; prolonged weakness of the US Dollar; renewed policy driven growth in the demand for vegetable oil used as biodiesel feedstock; and price spillover effects from increasingly tight grain markets.

After February 2011, prices for oilseeds and derived products have eased. This was a response to the temporary slow-down in import demand and improved production prospects for soybeans and palm oil as well as for rape and sunflower seed. However, the price relief is not likely to last.

² Almost the entire volume of oilcrops harvested worldwide 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, i.e. do not reflect the outcome of actual oilseed crushing nor take into account changes in oilseed stocks. Furthermore, the data on trade in and stocks of oils (cakes) refer to the sum of trade in and stocks of oils and cakes plus the oil (cake) equivalent of oilseed trade and stocks.

³ Notice to readers: The analysis of the overall supply and demand situation for oilseeds and derived products provided twice per year in *Food Outlook* is complemented by up-to-date information on market and policy developments in the *Monthly Price and Policy Update* (MPPU). Issued 10 times per year and published in English only, the bulletin reviews latest international price developments and spots specific policy, market and industry issues that are deemed important for the global oilseed economy. To read (and subscribe to) the MPPU please go to the following web page <http://www.fao.org/economic/est/publications/oilcrops-publications/oilcrops-monthly-price-and-policy-update/en/>

⁴ For details on prices and corresponding indices, see Appendix Table A24.

Figure 23. FAO monthly international price indices for oilseeds, oils/fats and meals/cakes (2002-2004=100)

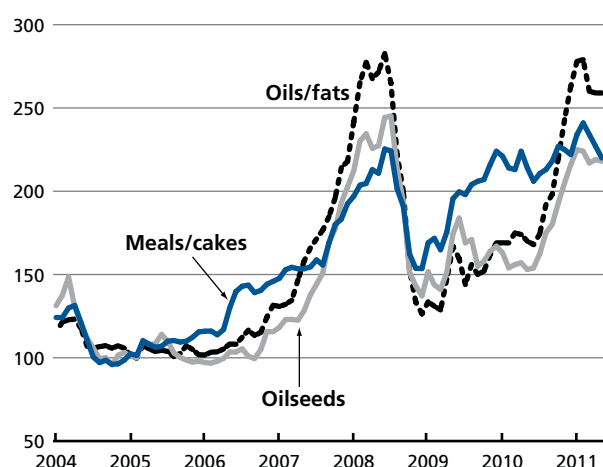


Figure 24. FAO monthly price index for oilseeds (2002-2004=100)

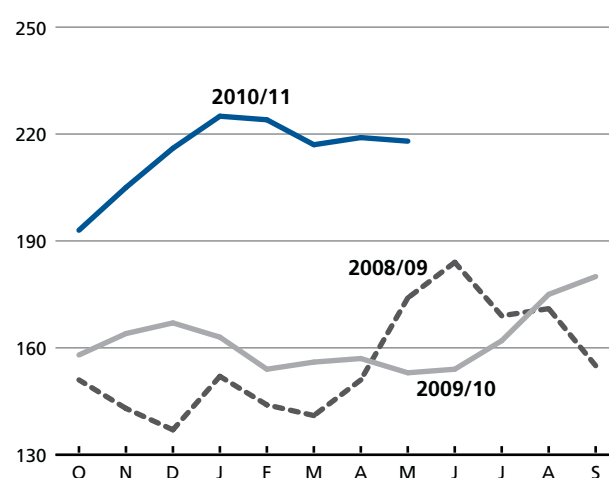


Figure 25. FAO monthly price index for oils/fats (2002-2004=100)

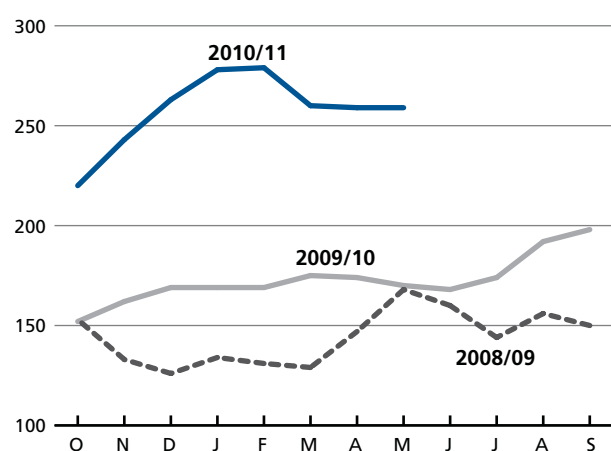
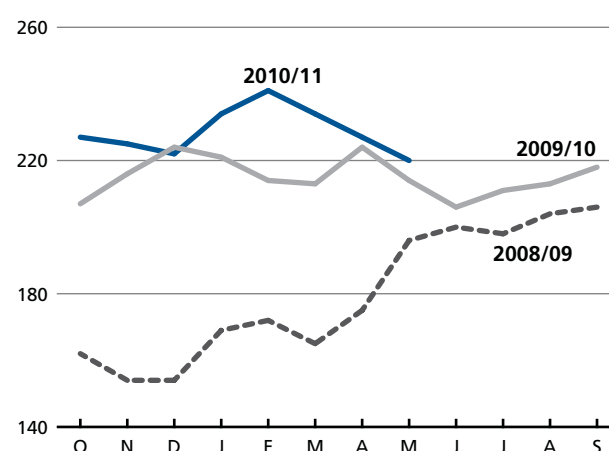


Figure 26. FAO monthly price index for meals/cakes (2002-2004=100)



First projections for 2011/12 suggest that the current overall tightness in world supply and demand could carry on, and possibly intensify, during 2011/12. At present, both, the oilseeds and the grain markets present an unusually tight supply and demand situation, which is resulting in increased competition for arable land in several countries. Especially in the United States, where plantings have just started for the 2011/12 soybean crop, the current soy-maize price ratio promises higher returns in maize, which may thus hinder an expansion in soybean. Moreover, oilseed crops already in the ground in the EU reportedly have suffered from adverse

weather. Consequently, even barring further weather problems and assuming continued production gains in South America and Southeast Asia next year, global supplies might not be sufficient to satisfy the steadily expanding oil and meal demand. This would imply further reductions of global inventories and stock-to-use ratios and, hence, firming prices in the months to come. Recent market sentiments confirm this assessment: in the second half of May 2011, the CBOT soybean futures contract for September was traded around USD 495 per tonne, which compares with USD 338 one year earlier.

Figure 27. CBOT soybean futures for September

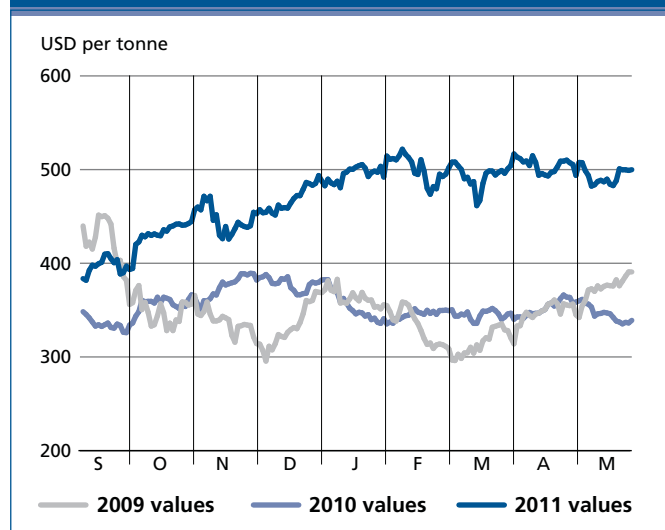


Table 9. World production of major oilseeds

	2008/09	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	Change 2010/11 over 2009/10 %
<i>million tonnes</i>				
Soybeans	211.6	259.9	263.5	1.4
Cottonseed	41.8	39.7	43.9	10.4
Rapeseed	58.3	61.4	60.0	-2.2
Groundnuts (unshelled)	35.6	34.7	36.5	5.3
Sunflower seed	34.6	32.4	32.6	0.5
Palmkernels	11.6	11.6	12.3	5.8
Copra	5.2	5.8	5.2	-10.4

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 crops, which are produced throughout the year, calendar year production for the second year shown is used.

OILSEEDS

Global oilcrop production growing modestly in 2010/11

After last season's extraordinary rise, only a modest increase in world oilcrop production is expected in 2010/11. Estimated at 465 million tonnes, production should exceed last season's all-time record by no more than 2 percent. Growth will be mainly area-driven as average yield levels should remain close to those of last season.

Looking at individual oilcrops, a sizeable drop is reported for rapeseed and copra. Global soybean, cottonseed, groundnut and palmkernel production are forecast to increase.

World 2010/11 soybean production should exceed last season's record by about 1 percent. Farmers have expanded plantings in response to firm soybean prices and generally favourable weather conditions. Among northern hemisphere producers, the **United States** reported a 1 percent drop in output, mostly due to a reduction in yields. In **China**, production reportedly remained about unchanged, while in **India**, extensive plantings and favourable weather led to a marked rise in output. Furthermore, record crops were harvested in **Canada**, the **Russian Federation** and **Ukraine**, where farmers expanded plantings, taking advantage of high prices and improved export opportunities. In **South America**, the 2010/11 harvest is just now approaching completion, and latest estimates point to a repeat of last year's record output; despite initial concerns that both plantings and productivity might suffer from dry La Niña weather, eventually, a slight increase in the area under soybean was reported and the general yield level should be

well above the historic average. While prolonged dryness did cause production falls in **Argentina** and **Uruguay**, new all-time highs are expected in **Brazil** and **Paraguay**.

As to the other oilseeds, a strong rise is expected in global cottonseed production, mainly sustained by **Brazil**, **India** and the **United States**. With regard to rapeseed, global output should be well below the average of recent years, as adverse weather conditions lowered production in major producing areas, notably **Canada**, **China**, the **EU** and **Ukraine**. While unfavourable weather also hampered sunflower seed cultivation in **India** and the **Russian Federation**, global crop output is expected to remain about unchanged thanks to production increases in **Argentina** and **Ukraine**.

OILS AND FATS⁵

Global oil/fat supplies held up by ample carry-in stocks

Current 2010/11 crop estimates translate into a below average 1.7 percent increase in global oils/fats production. Oil extracted from annual oil crops is expected to remain virtually unchanged from last season, reflecting poor harvests of two high oil-yielding oilseeds - rape and sunflower seed. However, perennial crops are expected to compensate for this decrease, particularly palm oil, which is forecast to expand by over 4 percent after last year's exceptionally

⁵ This section refers to oils from all origins, which, in addition to products derived from the oilcrops discussed under the section on oilseeds, include palm oil and marine oils as well as animal fats.

Table 10. World oilseed and product markets at a glance

	2008/09	2009/10 estim.	2010/11 f'cast	Change 2010/11 over 2009/10
	million tonnes			%
TOTAL OILSEEDS				
Production	409.7	456.0	464.7	1.9
OILS AND FATS¹				
Production	161.2	172.2	175.2	1.7
Supply ²	184.5	195.6	201.0	2.8
Utilization ³	161.7	170.1	175.1	3.0
Trade ⁴	86.3	89.1	91.2	2.3
Stock-to-utilization ratio (%)	14.5	15.2	14.7	
MEALS AND CAKES⁵				
Production	98.2	113.8	116.1	2.0
Supply ²	116.0	127.7	135.0	5.7
Utilization ³	102.9	107.6	116.1	7.9
Trade ⁴	62.3	67.2	71.2	6.0
Stock-to-utilization ratio (%)	13.6	17.6	16.2	
FAO price indices (Oct-Sep) (2002-2004=100)				
	2008/09	2009/10	2010/11 Oct-May	Change: Oct-May 2010/11 over Oct-May 2009/10 %
Oilseeds	156	162	215	35.2
Meals/cakes	180	215	229	5.5
Oils/fats	144	173	258	53.6

Note: Refer to footnote 2 in the text for further explanations regarding definitions and coverages

¹ Includes oils and fats of vegetable, animal and marine origin

² Production plus opening stocks

³ Residual of the balance

⁴ Trade data refer to exports based on a common October/September marketing season

⁵ All meal figures are expressed in protein equivalent; meals include all meals and cakes derived from oilcrops as well as meals of marine and animal origin

poor growth, thanks to more favourable weather conditions across producing regions in Southeast Asia, as well as to further rises in mature areas, notably in **Indonesia**. Global oils/fats supplies in 2010/11, which comprise 2010/11 production plus 2009/10 ending stocks, should expand by almost 3 percent, reflecting large carry-in stock positions. However, the anticipated growth in supplies remains relatively weak in historic terms. Among main producing countries, domestic availability of oils/fats is set to expand in **Argentina, China, India, Indonesia** and, particularly, **Brazil**. By contrast, modest or no growth is expected in **Canada, Malaysia** and the **United States**, while an exceptional drop is likely in the **EU**.

World consumption to expand less than in past years

Expansion in global oil/fat demand is expected to proceed in 2010/11. However, with an anticipated rise of 3 percent,

consumption growth would be below the rate recorded in past years. Persistently firm oils/fats prices are contributing strongly to this slowdown. In numerous developing countries, growth in demand is expected to decelerate. The exception is **China**, where oils/fats consumption is accelerating, primarily in the food sector. In **India** and **Indonesia**, Asia's second and third largest oil users, year-on-year rises should fall well behind past rates. Slowdowns are also expected among developed nations, notably the **EU** and the **United States**, where consumption expansion is constrained by thin domestic availabilities. Commodity-wise, the expansion in world oil/fat consumption is likely to rely primarily on soy oil for both food purposes and biodiesel feedstock, given the poor sunflower and rapeseed harvests and unusually tight palm oil supplies, which have resulted in more competitive soy oil prices.

Approximately half of the anticipated rise in global consumption is attributed to renewed demand growth in biodiesel industries. In fact, this year, biodiesel production is tentatively estimated to account for around 12 percent of total oils/fats utilization, compared with no more than 10 percent last year. Price is not the main driving force. Instead, the main drivers are higher mandatory blending rates in gasoline as well as support given to the biofuel sector in several countries and, consequently, further expansion in biofuel production capacities. In **Canada**, the **EU** and the **United States**, total consumption growth is largely due to biodiesel production. In **Argentina** and **Brazil**, rising domestic demand from the biodiesel sector continues to curtail export availabilities.

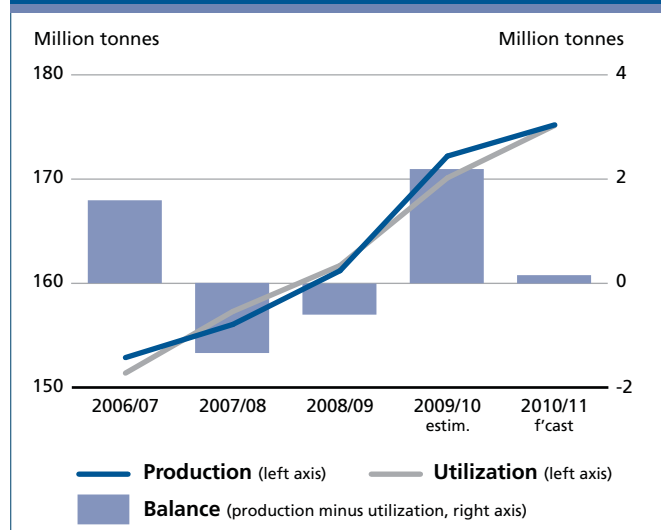
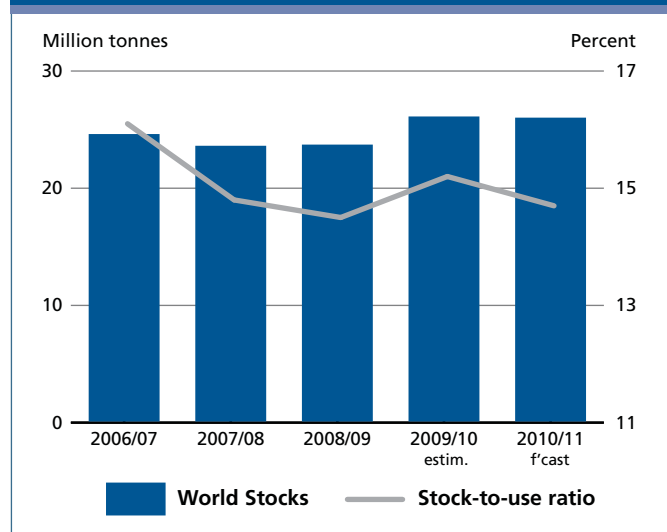
Figure 28. Global production and utilization of oils/fats

Figure 29. World closing stocks and stock-to-use ratio of oils/fats (including the oil contained in seeds stored)



Global stock-to-use ratio to fall again

As opposed to last season, when the global oils/fats output exceeded demand, production in 2010/11 is anticipated to just match consumption. Consequently, total inventories (measured as oil/fat stocks, plus the oil contained in stored oilseeds) are expected to remain about unchanged compared with last season. Rising soy oil inventories should compensate for lower ending stocks of rape and sunflower oil, and improved stock positions in **Argentina, Brazil, China, India and Malaysia**, are anticipated to offset reductions in **Canada, the EU, Indonesia and the United States**. When related to the projected world consumption, current stock forecasts indicate a global stock-to-use ratio of 14.7 percent, down from last season's 15.2 percent and close to the low levels recorded during and immediately after the 2007/08 crisis.

Trade in oils/fats to expand at a below average rate

In 2010/11, global trade in oils/fats (including the oil contained in traded oilseeds) is forecast at 91 million tonnes, which amounts to a year-on-year increase of 2.3 percent - well below the average rise of previous seasons. One reason for the relatively weak expansion is high international oil/fat prices and their depressing effect on import demand. Furthermore, growth in world export availability is being depressed by this year's slow increase in palm oil supplies as well as by the large domestic utilization for biodiesel production in the countries that are leading providers of soy oil.

Trade expansion is anticipated to rely primarily on soybean and palm oil. Among main soy oil suppliers, only **Brazil** can expect a strong expansion in exports (following the country's abundant harvest). In **Argentina** and the **United States**, poor domestic output and additional demand from biodiesel industries should constrain export growth. While **Indonesia** should be able to raise palm oil shipments by 1.4 million tonnes (or about 8 percent), in **Malaysia**, below-record production may lead to an unprecedented contraction in the volume of shipments. Interestingly, **Canada** is set to expand exports of rapeseed oil despite this season's poor harvest. The country is prepared to draw down inventories in an apparent effort to capitalize on high international rapeseed oil prices.

Figure 30. Total oil/fat imports by region or major country (including the oil contained in seed imports)

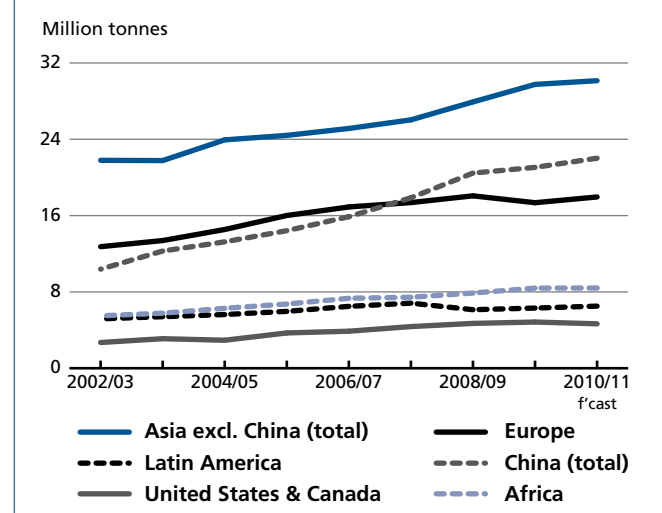
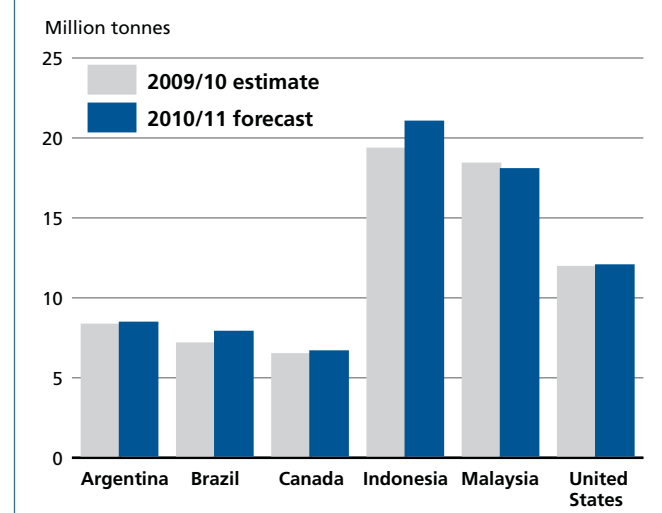


Figure 31. Oil/fat exports by major exporters (including the oil contained in seed exports)



As for imports, continued firmness in world prices is expected to curb growth, and could even reduce the volume of purchases in many developing countries. In Asia, the destination of nearly half the world trade, imports are estimated to expand by less than 3 percent on average, compared with 5 and 10 percent in the 2009/10 and 2008/09 seasons, respectively. The main exception is **China**, where imports are forecast to increase by 5 percent, due to poor harvests and continued strong economic growth. In the case of **India**, import requirements should fall. Not only did the country have a record crop outturn, its higher domestic prices have led to a release of stocks and an acceleration in crushing. In the **EU**, the leading developed country buyer, oils/fats imports are bound to rise as poor domestic harvests coincide with rising demand from biodiesel producers.

MEALS AND CAKES⁶

Global meal supplies sustained by abundant opening stocks

Based on the latest 2010/11 crop estimates, global meals/cakes production (measured in protein equivalent) should exceed last season's all-time record by a small margin of 2 percent. An anticipated drop in rapeseed meal is expected to be more than offset by a record soymeal output, and by a production recovery in sunflower and cottonseed as well as fishmeals. World supplies of meals/cakes in 2010/11, which comprise 2010/11 production plus 2009/10 ending stocks, are anticipated to expand by almost 6 percent. Improved soybean carry-in stocks have contributed strongly to the anticipated rise in global supplies. With regard to main producers, supplies are set to surpass previous records in **Brazil**, **Canada**, **China** and **India**, owing to ample opening stocks, abundant crops or a combination of the two. Although domestic availabilities in **Argentina** and the **United States** have improved marginally, they are estimated to fall short of historic records. By contrast, the **EU's** combination of low carry-in stocks and poor harvests should result in an unusual drop in supplies.

Meal consumption to grow markedly in spite of firm prices

In spite of historically high prices, global consumption of meals/cakes (measured in protein equivalent) is estimated to expand by about 8 percent in 2010/11, well above the average rate of recent years. The expansion in demand will

Figure 32. Global production and utilization of meals/cakes (in protein equivalent)

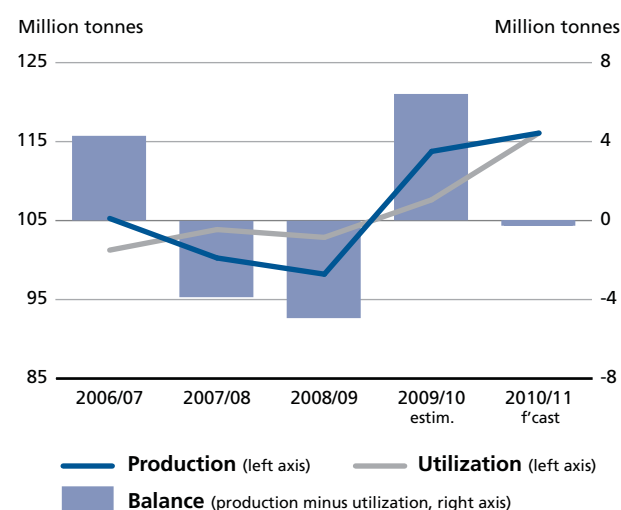
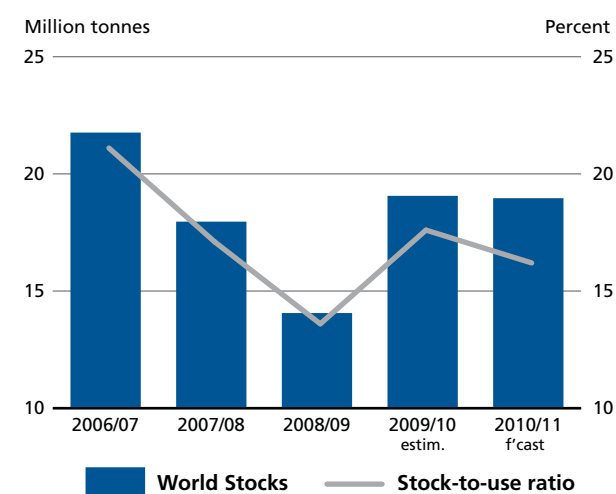


Figure 33. World closing stocks and stock-to-use ratio of meals/cakes (in protein equivalent and including the meal contained in seeds stored)



be primarily on account of soybean meal, the consumption of which should climb to an all-time high. About two thirds of the global consumption rise is expected to occur in Asia, with **China** alone responsible for over half of global growth. The 17 percent year-on-year surge in China's consumption is being driven by rising population and higher income levels that propel per capita consumption of livestock products. The country's livestock sector is estimated to absorb one quarter of world meal utilization. Significantly smaller growth is expected in the world's second and third largest consumers, the EU and the United States. In the **EU**, meal utilization should recover from recent drops, given a

⁶ This section refers to meals from all origins, which, in addition to products derived from the oilcrops discussed under the section on oilseeds, include fishmeal as well as meals of animal origin.

revival of livestock production and the relatively high prices of competing feed grains. By contrast, with only modest gains in livestock production and continued availability of attractively priced distilled dried grains, the **United States** consumption is expected to remain below historic levels.

Stock-to-use ratio to be pushed down by strong rise in consumption

Last season's abundance of meal production over consumption proved short-lived and 2010/11 global output is expected to just match demand. As a result, the level of global inventories (measured as meal stocks *per se*, plus the meal contained in stored oilseeds) is expected to remain unchanged from last season's about average level. Among major stockholding countries, **China**, where public stockholding expanded strongly in recent years, may face a contraction of stocks on account of large sales from public inventories launched by the Government (along with other measures) in an attempt to check food price inflation. In **Argentina**, inventories will need to be drawn upon to keep exports growing. By contrast, stock replenishments are expected in the **EU**, the **United States** and, in particular, **Brazil**. Due to the projected hefty increase in global meal consumption, the overall stock-to-use ratio is anticipated to fall again, thus departing from last season's comfortable level.

Trade in meals to expand further

Last season's strong rise in global meal/cake transactions is expected to be followed by another robust increase in 2010/11. World trade is forecast to expand by 6 percent, surpassing 71 million tonnes (expressed in protein equivalent and including the meal contained in oilseeds traded). Competitively priced soymeal is expected to account for virtually all of this season's growth. Headed by **Brazil**, South American suppliers are anticipated to supply the bulk of increased world meal exports, thanks to good harvests and/or ample opening stocks. The continent's share in total shipments is estimated at 55 percent. The **United States** is expected to be the world's single most important supplier. However, the country faces dismal domestic production growth and strong external competition from South America. Thus, United States sales are likely to remain below last season's record. A number of second-tier exporters, such as **Canada**, **Paraguay** and **Ukraine**, are set to drive up their exports to take advantage of favourable international prices. **India** should enjoy a strong recovery in soymeal shipments following this season's ample crop.

With regard to imports, more than half of the projected rise in global demand is expected to occur in Asia, primarily

Figure 34. Meal/cake imports by region or major country (in protein equivalent and including the meal contained in seed imports)

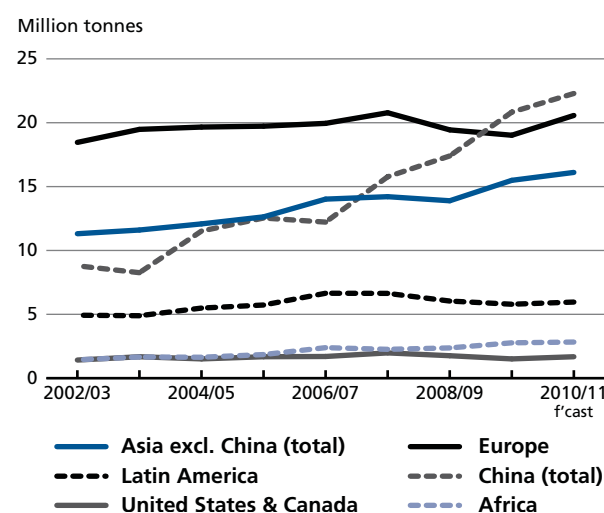
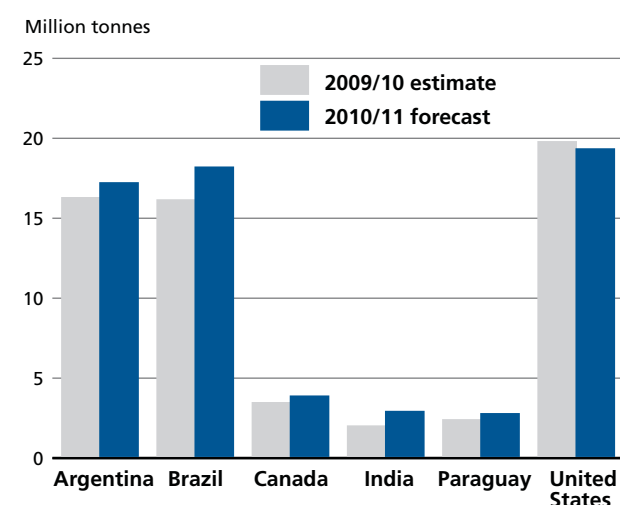


Figure 35. Meal/cake exports by major exporters (in protein equivalent and including the meal contained in seed exports)



in **China**, where meal purchases are forecast to exceed 22 million tonnes in protein equivalent, including the meal contained in imported oilseeds. In the **EU**, import volumes are estimated to return close to record levels after two seasons of decline.

EARLY PROSPECTS FOR 2011/12

With historically high world prices in the oilseed complex throughout 2010/11, farmers generally would be expected

to maintain 2011/12 oilseed plantings at last season's record level, at least in the northern hemisphere, where the new season oilcrops are currently being sown. However, as discussed below, there could be some important exceptions.

Starting with soybeans, in the United States, the area devoted to the new crop could fall slightly despite persistently high prices, because of better price prospects for alternative crops, in particular maize. Year-on-year, US plantings and production of soy are tentatively estimated to fall by 1 percent, assuming normal weather conditions. In China, in line with recent trends, soy plantings and production may contract further, reflecting reduced profitability in oilcrop production and a general intensification of competition for arable land. By contrast, in South America, where the new crop will be planted only later this year, the key producing countries may well head towards another record breaking output, as top earnings reaped over the 2010/11 season are likely to induce farmers to expand sowings. On aggregate, global soybean production is forecast to increase only marginally.

With regard to rapeseed, the 2010/11 drop in global output could be followed by a further slight decrease, which would drag down production to a four-year low, mainly on account of China and the EU. In China, output should be affected by a cut of plantings, while production in the EU is reported to be suffering from adverse weather. By contrast, in Canada, Ukraine and other CIS countries, production could rise, barring major weather problems, as farmers are expanding plantings and input use to capitalize on record-high international prices. Buoyant world market prices also could foster a significant expansion in global plantings and production of sunflower and cottonseed (assuming normal weather), with output climbing to near-record or record levels.

These individual crop forecasts would translate into a small rise of about 1.5 percent in global 2011/12 oilseed output, much like in 2010/11. As to perennial oilcrops, the preliminary outlook for palm oil points to an average increase in production next year, taking into account the biological yield cycle of oil palms in Southeast Asia. Obviously, any deviations from normal weather patterns in the major producing regions would significantly alter those prospects.

Should the above-mentioned forecasts materialize, global production of both oils and meals would increase only marginally. The corresponding rise in global supplies could be even smaller, given the low level of carry-in stocks. By contrast, the year-on-year rise in global oils and meals demand is anticipated to remain in a 3–6 percent range. Thus, additional reductions in global inventories are likely

to be needed, resulting in a further deterioration of the stock-to-use ratios in 2011/12. Such a continued, or even increased, tightness of world supply and demand would sustain international prices of oilseeds and oilseed products. Eventually, persistently high prices could dent demand, but if and when this occurs will depend on a number of factors, such as prices of competing commodities, especially grains but also petroleum, economic growth in major consumer countries and globally, and changes in national policies.

SUGAR

PRICES

Sugar prices sharply down, as markets adjust to improved supply

After reaching a 30-year high of US 29.61 cents per pound⁷ in January 2011, international sugar prices retreated slightly in February to US 29.47 cents per pound before embarking on a decisive downward trend. By April, prices averaged US 24.36 cents per pound, and by May, US 22.00 cents per pound, which was 26 percent below the January peak. The fall in prices was largely attributed to unexpected bumper crops in Brazil and Thailand, as well as to positive prospects for exports from India. As mentioned in the November 2010 issue of the Food Outlook, while a gradual increase in prices was to be expected given the tightening of the global market, the speed and magnitude of the price run-up were an overreaction and prices were likely to adjust downward by the end of the first quarter of 2011, when new supplies from Brazil enter the market. With the latest preliminary estimates showing a constructive production outlook for 2011/12, and a large production surplus anticipated after three consecutive seasons of tight markets, prices are likely to fall back to more normal levels. The large surplus is likely to facilitate a replenishment of relatively low global sugar inventories. It is doubtful that prices in the coming months will revert to their peaks of early 2011, barring extreme weather events in major producing regions.

PRODUCTION⁸

World sugar production to increase in 2010/11

With most of the 2010/11 sugar-cane and sugar-beet crops already harvested in the main producing areas, FAO's current

⁷ USD 652.78/tonne

⁸ Sugar production figures refer to centrifugal sugar derived from sugar cane or beet, expressed in raw equivalents. Data relate to the October/September season.

Table A10. Total oilcrops statistics (million tonnes)

	Production ¹			Imports			Exports		
	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>
ASIA	124.1	125.4	129.4	58.8	76.9	79.4	2.6	2.1	2.1
China	57.8	58.9	59.8	40.0	55.8	59.3	1.4	1.2	1.1
of which Taiwan Prov.	0.1	0.1	0.1	2.3	2.5	2.5	-	-	-
India	35.1	33.9	37.1	0.1	0.1	0.2	0.6	0.3	0.4
Indonesia	8.0	8.9	9.4	1.5	1.9	2.0	0.1	0.1	0.1
Iran, Islamic Republic of	0.7	0.7	0.7	0.8	0.8	0.8	-	-	-
Japan	0.3	0.3	0.3	6.4	6.1	6.1	-	-	-
Korea, Republic of	0.2	0.2	0.2	1.4	1.4	1.5	-	-	-
Malaysia	4.5	4.4	4.6	0.7	0.7	0.7	-	-	-
Pakistan	4.8	5.1	4.6	1.0	1.5	1.2	-	0.1	0.1
Thailand	0.7	0.7	0.7	1.7	1.8	1.9	-	-	-
Turkey	2.1	1.9	2.2	2.0	2.9	2.4	-	0.1	0.1
AFRICA	16.3	16.6	17.0	2.6	3.1	3.2	0.8	0.9	0.9
Nigeria	4.7	4.8	4.7	-	-	-	0.1	0.3	0.2
CENTRAL AMERICA	1.1	1.2	1.3	5.9	6.1	5.9	0.1	0.2	0.2
Mexico	0.7	0.7	0.8	5.3	5.3	5.3	-	-	-
SOUTH AMERICA	118.8	141.9	145.2	3.4	1.5	1.1	42.1	48.6	50.7
Argentina	46.9	57.9	54.5	2.3	0.1	0.1	10.3	13.2	10.4
Brazil	61.7	71.4	76.9	0.1	0.2	0.1	26.6	28.5	32.7
Paraguay	6.2	7.5	8.7	-	-	-	4.1	4.8	5.8
NORTH AMERICA	104.8	116.6	118.4	2.0	2.0	2.0	42.6	52.3	53.4
Canada	14.8	17.2	17.5	0.7	0.7	0.7	9.2	10.3	10.9
United States of America	90.0	99.4	100.9	1.3	1.3	1.2	33.4	42.0	42.5
EUROPE	43.5	51.3	49.7	19.6	19.4	21.1	3.4	3.7	3.8
European Union	25.6	30.3	29.2	18.5	17.7	19.1	0.9	0.9	0.9
Russian Federation	7.9	8.2	7.4	0.5	1.1	1.3	0.3	0.2	0.1
Ukraine	8.1	10.4	11.2	-	-	-	2.0	2.5	2.6
OCEANIA	2.1	3.0	3.9	0.1	0.1	0.1	0.7	1.3	1.7
Australia	1.7	2.6	3.5	0.1	0.1	0.1	0.7	1.3	1.7
WORLD	410.7	456.0	464.7	92.5	109.1	112.8	92.4	109.1	112.7
Developing countries	255.4	280.4	287.2	63.3	80.5	82.7	45.4	51.6	53.7
Developed countries	155.3	175.6	177.5	29.2	28.6	30.1	47.0	57.5	59.1
LIFDCs	128.0	130.1	133.1	43.8	60.8	63.9	3.2	2.8	2.7
LDCs	10.0	10.3	10.2	0.3	0.4	0.3	0.4	0.4	0.4

¹ 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 crops which are produced throughout the year, calendar year production for the second year shown is used.

Table A11. Total oils and fats statistics ¹ (million tonnes)

	Imports			Exports			Utilization		
	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>	06/07-08/09 average	2009/10 <i>estim.</i>	2010/11 <i>f'cast</i>
ASIA	32.8	35.7	36.9	37.3	41.7	42.7	76.8	83.6	87.0
Bangladesh	1.2	1.3	1.3	-	-	-	1.4	1.5	1.5
China	10.6	10.5	11.1	0.6	0.8	0.9	29.0	31.8	34.0
of which Taiwan Prov.	0.4	0.5	0.5	-	-	-	0.9	0.9	0.9
India	6.8	9.2	8.7	0.5	0.5	0.4	16.2	18.4	18.6
Indonesia	0.1	0.1	0.1	16.5	18.9	20.6	5.2	6.2	6.4
Iran	1.2	1.1	1.5	0.2	0.1	0.2	1.6	1.6	1.7
Japan	1.1	1.1	1.1	-	-	-	3.1	3.1	3.1
Korea, Republic of	0.8	0.9	0.9	-	-	-	1.1	1.2	1.3
Malaysia	1.2	2.0	2.2	16.3	18.0	17.7	3.8	3.7	4.0
Pakistan	2.0	2.1	2.2	0.1	0.1	0.1	3.5	3.9	3.8
Philippines	0.4	0.5	0.5	0.9	1.4	1.0	1.1	1.1	1.1
Singapore	0.6	0.6	0.9	0.3	0.3	0.3	0.3	0.3	0.6
Turkey	1.2	1.0	1.1	0.3	0.2	0.2	2.3	2.4	2.4
AFRICA	7.1	7.8	7.8	1.2	1.2	1.2	12.5	13.4	13.8
Algeria	0.6	0.6	0.6	0.1	-	-	0.6	0.7	0.8
Egypt	1.5	1.8	1.7	0.1	0.1	-	1.8	2.1	2.2
Nigeria	0.6	0.9	1.0	0.1	0.2	0.1	2.3	2.5	2.7
South Africa	0.7	0.8	0.7	0.1	0.1	0.1	1.1	1.1	1.1
CENTRAL AMERICA	2.3	2.3	2.4	0.6	0.6	0.7	4.5	4.5	4.6
Mexico	1.1	1.2	1.2	0.1	0.1	0.1	2.9	2.9	3.0
SOUTH AMERICA	2.2	2.3	2.6	10.7	8.4	9.1	10.9	13.5	14.4
Argentina	0.1	-	0.1	6.9	5.4	6.1	1.4	2.8	3.0
Brazil	0.4	0.5	0.5	2.4	1.7	1.7	6.0	7.0	7.4
NORTH AMERICA	3.7	4.3	4.1	5.6	6.5	6.8	17.2	17.8	17.9
Canada	0.5	0.6	0.6	2.1	2.6	2.9	0.9	1.0	0.9
United States of America	3.2	3.7	3.5	3.6	3.9	3.9	16.4	16.9	17.0
EUROPE	13.3	13.2	13.5	5.0	6.0	5.7	33.9	36.1	36.3
European Union	10.8	10.7	10.7	1.9	2.2	2.2	28.4	30.3	30.1
Russian Federation	1.2	1.0	1.2	0.7	0.7	0.4	3.5	3.5	3.8
Ukraine	0.5	0.5	0.5	2.0	2.7	2.8	0.8	0.9	1.0
OCEANIA	0.5	0.6	0.6	1.7	1.8	1.8	1.0	1.1	1.1
Australia	0.3	0.4	0.4	0.6	0.6	0.7	0.7	0.7	0.8
WORLD	61.9	66.2	67.9	62.0	66.2	67.9	156.8	170.1	175.1
Developing countries	42.2	45.9	47.4	50.1	52.4	54.1	99.6	110.0	114.7
Developed countries	19.7	20.3	20.5	11.8	13.8	13.8	57.2	60.1	60.4
LIFDCs	28.4	31.7	31.9	20.2	23.5	24.8	69.6	76.9	79.6
LDCs	4.1	4.4	4.6	0.4	0.4	0.5	7.0	7.3	7.5

¹ Includes oils and fats of vegetable, marine and animal origin.

Table A12. Total meals and cakes statistics¹ (million tonnes)

	Imports			Exports			Utilization		
	06/07-08/09 average	2009/10 estim.	2010/11 f'cast	06/07-08/09 average	2009/10 estim.	2010/11 f'cast	06/07-08/09 average	2009/10 estim.	2010/11 f'cast
ASIA	24.2	27.5	30.0	13.6	13.1	14.8	100.5	116.1	129.1
China	2.4	3.5	3.7	1.4	1.7	1.0	49.5	62.5	72.2
of which Taiwan Prov.	0.5	0.5	0.5	-	-	-	2.4	2.4	2.4
India	0.1	0.2	0.2	5.6	3.7	5.8	11.1	12.0	12.5
Indonesia	2.6	2.7	3.2	2.6	3.0	3.3	2.9	3.1	3.4
Japan	2.4	2.8	2.9	-	-	-	7.1	7.1	7.3
Korea, Republic of	3.4	3.4	3.5	-	-	-	4.5	4.5	4.6
Malaysia	0.9	1.2	1.2	2.3	2.3	2.4	1.7	1.9	2.0
Pakistan	0.4	0.5	0.6	0.1	0.2	0.2	2.8	3.0	3.1
Philippines	1.8	1.6	1.9	0.4	0.6	0.5	2.3	2.3	2.5
Saudi Arabia	0.6	0.5	0.6	-	-	-	0.6	0.5	0.7
Thailand	2.6	2.9	3.1	0.1	0.1	0.1	4.5	4.8	5.1
Turkey	0.9	0.9	1.0	0.1	-	0.1	3.1	3.4	3.5
Viet Nam	2.2	3.1	3.3	-	0.1	0.1	2.4	3.1	3.6
AFRICA	3.5	4.0	4.1	0.9	0.9	0.9	9.1	10.0	10.6
Egypt	0.5	0.7	0.6	-	-	-	1.7	2.1	2.2
South Africa	1.2	1.1	1.2	0.1	0.1	0.1	1.8	1.8	2.0
CENTRAL AMERICA	3.5	3.2	3.4	0.2	0.2	0.2	8.2	7.9	8.1
Mexico	1.9	1.7	1.9	0.1	0.1	0.1	6.2	5.8	6.0
SOUTH AMERICA	4.2	4.5	5.1	43.2	41.4	47.0	23.1	22.6	24.1
Argentina	-	-	-	26.5	25.2	29.5	3.4	2.7	2.7
Bolivia	-	-	-	1.0	1.1	1.2	0.2	0.2	0.2
Brazil	0.2	0.2	0.2	12.6	12.6	13.9	14.0	13.9	14.8
Chile	0.9	0.8	1.0	0.6	0.4	0.4	1.3	1.2	1.3
Paraguay	-	-	-	0.9	0.8	0.8	0.3	0.5	0.5
Peru	0.7	0.8	0.9	1.5	1.2	1.1	0.9	0.9	1.1
Venezuela	1.1	1.3	1.4	-	-	-	1.2	1.5	1.6
NORTH AMERICA	3.5	2.6	3.2	11.0	13.3	12.5	36.2	32.2	33.4
Canada	1.5	1.2	1.2	2.6	2.8	3.4	2.3	2.0	2.1
United States of America	2.0	1.5	2.0	8.4	10.4	9.1	33.9	30.2	31.2
EUROPE	32.3	29.8	32.3	4.2	4.8	4.8	60.5	61.3	64.0
European Union	29.7	27.5	29.7	1.1	1.1	1.0	55.2	55.0	57.4
Russian Federation	0.7	0.5	0.7	1.1	0.9	0.7	2.7	3.4	3.8
Ukraine	0.1	0.1	0.1	1.6	2.3	2.6	0.3	0.3	0.3
OCEANIA	1.7	2.2	2.4	0.2	0.2	0.2	2.4	2.8	3.2
Australia	0.8	0.8	0.8	-	-	-	1.4	1.4	1.6
WORLD	72.9	73.8	80.4	73.2	73.9	80.4	240.0	253.0	272.4
Developing countries	31.5	35.0	38.0	57.7	55.4	62.7	130.3	146.0	160.8
Developed countries	41.4	38.8	42.4	15.5	18.5	17.7	109.7	107.0	111.6
LIFDCs	10.0	11.7	12.8	11.2	10.3	11.9	76.5	91.6	102.5
LDCs	0.4	0.5	0.5	0.4	0.4	0.4	3.3	3.5	3.5

¹ Expressed in product weight; includes meals and cakes derived from oilcrops as well as fish meal and other meals from animal origin.

Table A24. Selected international prices for oilcrop products and price indices

Period	International prices (USD per tonne)					FAO indices (2002-2004=100)		
	Soybeans ¹	Soybean oil ²	Palm oil ³	Soybean cake ⁴	Rapeseed meal ⁵	Oilseeds	Edible/soap fats/oils	Oilcakes/meals
Annual (Oct/Sept)								
2004/05	275	545	419	212	130	105	105	104
2005/06	259	572	451	202	130	100	125	107
2006/07	335	772	684	264	184	129	153	148
2007/08	549	1325	1050	445	296	217	202	243
2008/09	422	826	627	385	196	156	144	180
2009/10	429	924	806	388	220	162	173	215
Monthly								
2009 - October	427	891	676	413	187	158	152	207
2009 - November	442	939	728	422	196	164	162	216
2009 - December	448	931	791	425	219	167	169	224
2010 - January	435	919	793	407	243	163	169	221
2010 - February	406	915	804	393	230	154	169	214
2010 - March	410	920	832	381	200	156	175	213
2010 - April	412	900	826	378	205	157	174	224
2010 - May	406	864	813	353	226	153	170	214
2010 - June	408	860	794	342	194	154	168	206
2010 - July	426	911	811	361	225	162	174	211
2010 - August	457	1002	901	389	245	175	192	213
2010 - September	468	1036	910	398	277	180	198	218
2010 - October	496	1165	998	415	285	193	220	227
2010 - November	526	1248	1117	430	292	205	243	225
2010 - December	550	1321	1229	437	289	216	263	222
2011 - January	572	1384	1279	454	313	225	278	234
2011 - February	569	1366	1286	447	290	224	279	241
2011 - March	552	1305	1172	423	264	217	260	234
2011 - April	553	1310	1148	406	277	219	259	227
2011 - May	556	1291	1155	403	280	218	259	220

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

² Soybean oil: Dutch, fob ex-mill.

³ Palm oil: Crude, c.i.f. Northwest Europe.

⁴ Soybean cake: Pellets, 44/45 percent, Argentina, c.i.f. Rotterdam.

⁵ Rapeseed meal: 34 percent, Hamburg, f.o.b. ex-mill.

Note: The FAO indices are calculated using the Laspeyres formula; the weights used are the average export values of each commodity for the 1998-2000 period. The indices are based on the international prices of five selected seeds, ten selected oils and fats and seven selected cakes and meals.

Sources: FAO and Oil World.