

food outlook

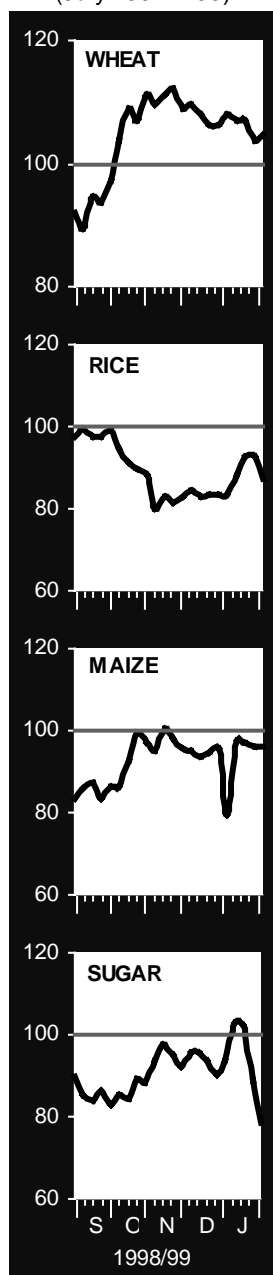
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highlights

EXPORT PRICES

(July 1997=100)



The outlook for cereal supplies in 1998/99 has improved slightly, following upward revisions for the 1998 wheat and coarse grains harvests. Global cereal production in 1998 is now estimated at 1 880 million tonnes, just below the anticipated consumption requirements in 1998/99. Global stocks would have to be drawn upon, but very slightly, and would remain within the minimum safe range for world food security.

Serious food emergencies afflict several Asian and Latin American countries following extreme natural disasters in late 1998. Also in **Africa**, despite generally favourable 1998/99 cereal production throughout the region, localized food supply difficulties persist in several countries due to adverse weather and/or civil strife.

The early outlook for 1999 cereal crops is mixed. In the northern hemisphere, winter wheat plantings have fallen in the United States, Europe and the Russian Federation, but overwinter weather has been generally favourable so far. In Asia, persistent drought has affected the crop in China but prospects are satisfactory in India and Pakistan. In the southern hemisphere, prospects are favourable for the 1999 coarse grains in southern Africa and South America. In the equatorial belt and the southern hemisphere, the outlook for the 1999 rice crop is mostly favourable.

FAO's latest forecast of world trade in cereals in 1998/99 is 204 million tonnes, 3 million tonnes more than earlier anticipated but still some 3 percent below the previous year's volume. Latest indications point to a 2.5 percent reduction in global wheat shipments, a virtually unchanged volume of coarse grain trade, but a sharp reduction for rice, after a record in the previous year.

International wheat and coarse grains prices remain relatively weak due largely to sluggish import demand. By contrast, rice prices strengthened slightly in early 1999 in response to a revival in trade of high quality rice and concerns over supplies due to drought affecting the second Thai crop.

Global meat production is forecast to grow by two percent in 1999, boosted again by low feed prices. International trade in meat should remain close to the 1998 level, as special measures by major exporters could help restore meat flows to the Russian Federation. While world beef and sheep meat prices are expected to strengthen this year, relatively large supplies may delay a recovery of pig and poultry meat prices.

Global output of oilseeds is forecast at a record 305 million tonnes in 1998/99, outstripping the expected increased in demand. As a result, stocks of oilcrop-based products are forecast to build up, putting downward pressure on prices.



BASIC FACTS OF THE WORLD CEREAL SITUATION

	1994/95	1995/96	1996/97	1997/98	1998/99 forecast	Change 1998/99 over 1997/98
WORLD PRODUCTION ^{1/}	(..... million tonnes					(. .percentage .)
Wheat	528	548	590	614	598	-2.6
Coarse grains	891	812	921	904	909	0.5
Rice, milled (paddy)	362 (540)	369 (550)	383 (571)	387 (577)	373 (557)	-3.6 -3.5
All cereals (including milled rice)	1 781	1 730	1 893	1 905	1 880	-1.3
Developing countries	932	960	1 027	1 005	1 020	1.4
Developed countries	850	770	867	899	860	-4.4
WORLD IMPORTS ^{2/}						
Wheat	93	94	98	96	93	-2.5
Coarse grains	89	93	89	89	90	1.0
Rice (milled)	21	19	19	27	21	-20.5
All cereals	203	207	206	211	204	-3.3
Developing countries	146	152	150	158	150	-5.3
Developed countries	58	55	56	53	54	2.6
FOOD AID IN CEREALS ^{3/}	9.4	7.4	5.3	5.3	9.0 ^{4/}	68.4
WORLD UTILIZATION						
Wheat	555	564	577	591	599	1.4
Coarse grains	879	859	891	896	899	0.3
Rice (milled)	367	372	380	383	382	-0.2
All cereals	1 801	1 795	1 849	1 871	1 881	0.5
Developing countries	1 051	1 080	1 110	1 117	1 128	1.0
Developed countries	750	715	739	754	753	-0.1
Per Caput Food Use	(..... kg/year					
Developing countries	170	171	172	171	172	0.5
Developed countries	127	128	128	129	129	0.4
WORLD STOCKS ^{5/}	(..... million tonnes					
Wheat	117	104	115	137	136	-1.1
Coarse grains	147	104	131	139	142	2.5
Rice (milled)	55	53	56	55	50	-9.7
All cereals	320	260	302	331	328	-1.0
Developing countries	158	155	175	161	155	-4.2
Developed countries	162	106	127	170	173	2.0
Stocks as % of world cereal consumption	(..... percentage					
	17.8	14.1	16.2	17.6	17.2	
EXPORT PRICES ^{3/}	(..... U.S.\$/tonne					
Rice (Thai, 100%, 2nd grade) ^{1/}	289	336	352	316	315	-0.3
Wheat (U.S. No.2 Hard Winter)	157	216	181	142	123 ^{7/}	-17.0 ^{6/}
Maize (U.S. No.2 Yellow)	104	159	135	112	95 ^{7/}	-17.1 ^{6/}
OCEAN FREIGHT RATES ^{3/}						
From U.S. Gulf to Egypt	19.0	16.8	12.8	11.7	8.4 ^{7/}	-34.7 ^{6/}
LOW-INCOME FOOD- DEFICIT COUNTRIES ^{8/}	(..... million tonnes					
Roots & tubers production ^{1/}	343	357	379	359	338	-5.9
Cereal production ^{1/}	861	887	952	931	939	0.9
Per caput production (kg.)	249	252	266	257	255	-0.6
Cereal imports ^{2/}	71.7	77.3	66.7	76.2	66.6	-12.5
of which: Food aid ^{3/}	7.9	6.4	4.4	4.8	8.0	65.4
Proportion of cereal import covered by food aid	(..... percentage					
	11.0	8.3	6.7	6.4	12.0	

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. ^{4/} Forecast based on donors' budgetary allocations and their minimum contributions under the Food Aid Convention (FAC) 1995. ^{5/} Stock data are based on aggregate of national carryover levels at the end of national crop years. ^{6/} Change from corresponding period of previous year for which figures are not shown. ^{7/} Average of quotations for July 1998-January 1999. ^{8/} Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. U.S.\$ 1 505 in 1996), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid.

CEREA LS

SUPPLY/DEMAND ROUNDUP

The outlook for global cereal supplies in 1998/99 has improved marginally since the last report in November, following a slight upward revision to the aggregate estimate of cereal production in 1998. The latest revisions mostly concern increased estimates for wheat and coarse grains output in the Russian Federation, which have more than offset a reduction for rice. World cereal output in 1998 is now put at 1 880 million tonnes (including rice in milled terms), just 1.3 percent down from the previous year's record. At the revised level, cereal output would be just below the anticipated consumption requirements in 1998/99, and as a result stocks would have to be drawn down, albeit only slightly. However, the global stock-to-utilization ratio, at 17.2 percent, would remain within the 17-18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security. Furthermore, apart from rice, stocks held by the major exporters, which usually provide the main buffer against variations in world output, are forecast to rise considerably in 1998/99 as a result of an increase in production in these countries in 1998 and sluggish world import demand. Early indications for 1999 crops point to a smaller global wheat output in 1999, following

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reduced plantings, especially in the United States and the EC, but in view of the expectation of larger carryover stocks, international markets for wheat remain quiet and prices relatively weak. Similarly,

WORLD CEREAL PRODUCTION, SUPPLIES, TRADE AND STOCKS

	1996/97	1997/98 estim.	1998/99 f'cast
	(. million tonnes)		
Production 1/	1 893	1 905	1 880
Wheat	590	614	598
Coarse grains	921	904	909
Rice (milled)	383	387	373
Supply 2/	2 154	2 207	2 211
Utilization	1 849	1 871	1 881
Trade 3/	206	211	204
Ending Stocks 4/	302	331	328

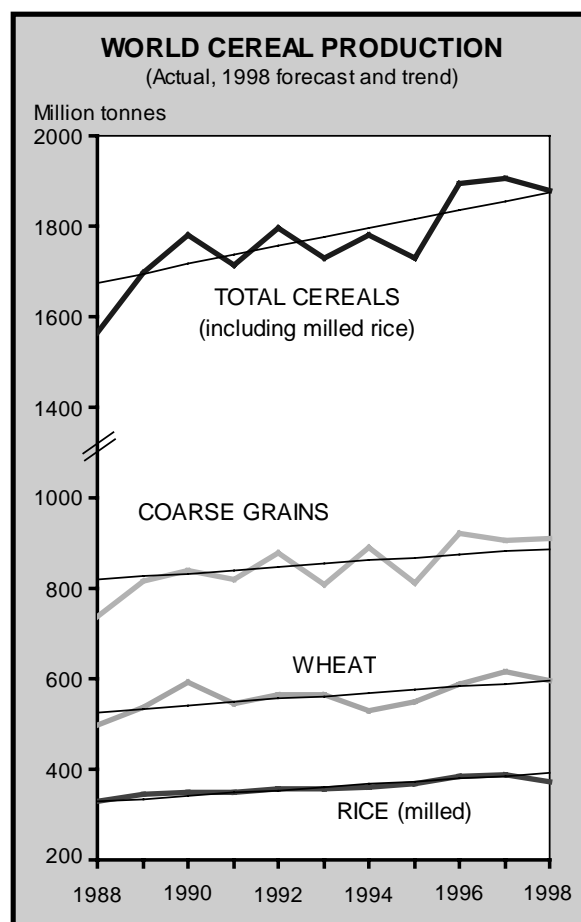
SOURCE: FAO

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 for rice.

4/ May not equal the difference between supply and utilization due to differences in individual country marketing years.



UNPRECEDENTED NATURAL DISASTERS EXACERBATE FOOD EMERGENCIES

The closing months of 1998 saw extreme weather anomalies, associated with the La Niña phenomenon, that resulted in catastrophic floods in parts of Latin America and Asia, with a heavy toll on human lives, loss of property, housing and crops, and extensive damage and destruction of infrastructure.

In **Central America**, hurricane "Mitch" was particularly devastating, causing over 9 500 casualties, severely affecting more than 3 million people and inflicting damage of unprecedented scale to housing, infrastructure and agriculture. Worst affected were Honduras and Nicaragua, where severe losses to foodcrops have been incurred, and production of major export commodities in 1999 is expected to be sharply reduced. El Salvador, Guatemala and some south-western parts of Mexico, as well as Costa Rica and Panama, also suffered the effects of the hurricane. Relief assistance has been received from the international community and programmes for the rehabilitation of agriculture have been initiated.

In **Asia**, several countries continue to face food supply difficulties mainly due to adverse weather. In Bangladesh, severe monsoon floods sharply reduced the main 1998 paddy crop. In Indonesia, despite a favourable outlook for the coming rice harvest in March/April, food security remains precarious following 1998's reduced rice crop and the effect of the economic crisis. In Afghanistan, prospects for the 1998 harvest in May/June remain uncertain, due mainly to ongoing fighting in the northern provinces, which account for much of the country's cereal production. In Iraq, malnutrition remains a serious problem despite some improvement in food supply following the implementation of the oil-for-food deal. In DPR Korea, despite an improved cereal harvest, the grave food supply difficulties persist due to a combination of economic problems and adverse weather conditions. In Laos, despite recent delayed rains, prolonged drought in some provinces has caused severe crop damage exacerbating the already precarious food supply situation. In Mongolia, vulnerable sections of the population continue to face food supply problems.

In **eastern Africa**, despite a satisfactory overall cereal harvest in 1998, food supply difficulties persist due to weather adversities in parts and/or civil strife. In Sudan, some 2.36 million people are estimated to be in need of emergency food assistance in southern parts due to the long-running civil conflict. In Uganda, emergency food assistance is still needed for some 400 000 displaced people in northern areas, affected by continuing insurgency, as well as for 130 000 people in the east where the harvest was poor. In Tanzania, emergency food assistance is required in parts of central, northern and coastal regions where the harvest was reduced. In Ethiopia, some 2 million vulnerable people require food aid in the current year, excluding those in pastoral areas and displaced persons in the north. In Burundi and Rwanda, food assistance is needed for large numbers of displaced people affected by persistent insecurity in parts.

In **western Africa**, the food supply situation is critical in Sierra Leone, and remains difficult in Liberia. In the Sahel, food supply difficulties are likely in some parts of Cape Verde and Mauritania where 1998 harvests were below average. Difficulties are also expected in Burkina Faso, Senegal and Guinea-Bissau.

In **central Africa**, civil strife in the Democratic Republic of Congo continues to disrupt food production, particularly in the Kivu region in the east, where increasing population displacement is reported. The food supply situation is also deteriorating in Republic of Congo following renewed civil disturbances in the capital and several other towns.

In **southern Africa**, the food supply situation is anticipated to tighten in Angola in the coming months reflecting renewed fighting, and to remain tight in Zambia where production declined significantly last year due to adverse weather. Other countries including Lesotho, Namibia and Zimbabwe have large cereal import requirements that are expected to be covered mainly by commercial imports, with limited food aid.

In the **Commonwealth of Independent States (CIS)**, the financial crisis in the Russian Federation has increased inflation and disrupted the economies of the countries in the region. The overall food supply is not critical, even in the Russian Federation, but the hardship experienced by the poor and other vulnerable groups such as the unemployed and pensioners has been exacerbated. Food aid shipments to provide relief to the most affected people and areas in the Russian Federation are just getting underway. In Armenia, Azerbaijan, Georgia and Tajikistan, vulnerable populations, including refugees, the displaced and the aged dependent on social benefits continue to need humanitarian assistance.

In **Europe**, displaced people in Bosnia-Herzegovina, Albania and the Kosovo Province of the Federal Republic of Yugoslavia are receiving food assistance.

coarse grains markets remain sluggish and prices are low. While the early outlook for the 1999 coarse grains crops in the southern hemisphere is mostly favourable, much will depend on spring plantings in the major northern hemisphere producing countries. For rice, however, the depleted stock situation, following reduced 1998 crops in several major producing countries and the possible reduction of the second Thai crop, due to drought, has increased pressure on the rice market and prices have risen.

As mentioned above, FAO's latest estimate puts world cereal production in 1998 at 1 880 million tons (including rice in milled equivalent), 8 million tons above the previous estimate. The latest increase reflects upward revisions for wheat and coarse grains, mostly in the Russian Federation, which more than offset a reduction for rice in Asia. At the revised level, world cereal production in 1998 would be 25 million tonnes, or 1.3 percent, below that in the previous year, but still just above trend. Global output of wheat is now put at 598 million tons, 4 million tons above the previous forecast but still 2.6 percent down from 1997. The sharp drop in the CIS harvest, but also significantly smaller crops in China and Argentina, account for most of the reduction. The latest estimate of coarse grains production is 909 million tons, about 6 million tons up from the previous forecast and now just marginally above the revised estimate for the previous year. Larger crops in Asia and Africa offset the reduced harvests in Europe and the CIS. Harvesting of the 1998 main rice crop is virtually complete in major rice producing countries in the northern hemisphere. In a number of those countries, the second paddy crop is being planted. FAO's current estimate for world paddy rice production in 1998 is 557 million tonnes, down by 4 million tonnes from the previous report and 20 million tonnes from the revised 1997 record output. The recent downward revision comes in response to flood damage in a number of the major northern hemisphere rice producing countries in Asia.

Early prospects for the **1999 wheat** crop point to a smaller output, although aggregate global production is likely to remain above the average of the past five years. Winter wheat plantings fell in the United States because of poor price prospects, and Canada's crop, to be planted in the spring, is likely to be reduced for the same reason. In Europe, a combination of adverse autumn weather and an increase in the area set-aside requirement in the EC led to a reduced winter wheat area. In the CIS the outlook is uncertain. Reduced plantings were reported in the Russian Federation but assuming normal weather conditions this season's production should recover from the drought-reduced levels in 1998. In Asia, drought conditions persist in northern and northwestern parts of China, which could lead

to another reduction in their wheat crop. However, conditions are reported to be generally satisfactory in India and Pakistan where outputs should be similar to last year.

Regarding **1999 coarse grains**, crops are in the ground in some of the major southern hemisphere producing countries. In southern Africa, the outlook is favourable following good planting rains throughout the region. Likewise, in South America, weather conditions have generally favoured planting. Plantings have decreased in Argentina after the record crop in 1998 but remained above average, while a recovery from last year's reduced area is reported in Brazil. In the northern hemisphere, some winter coarse grains are already in the ground but the bulk of the crops will be sown in April/May. In the United States, farmers' intentions for spring sown coarse grains are still very uncertain. Although land freed up from wheat leaves scope to increase the coarse grains area, much will depend on market developments in the coming weeks, and the relative attractiveness of feed grains versus non-cereals. In Europe, as for wheat, winter coarse grains plantings are also tentatively estimated to have fallen throughout the region, but the bulk of the coarse grains crop will not be planted until spring. In the equatorial belt and the southern hemisphere, prospects for the **1999 rice** crop (main season) are mostly favourable, although weather-related problems delayed planting in some South American countries. Harvesting of the crops generally starts around March.

FAO's forecast of world trade in cereals in 1998/99 (July/June) has been revised upward by 2.7 million tonnes, to 204 million tonnes, since the last report. Nevertheless, this would still be about 7 million tonnes, or 3 percent below the revised estimate for the previous year. The latest revision mostly reflects an increased estimate for wheat imports in the CIS and several Asian countries, but also small upward revisions for coarse grains and rice trade. Global wheat imports in 1998/99 are now forecast at 93 million tonnes, 1.8 million tonnes up from the previous forecast but still some 2 million tonnes down compared to the previous year. Global coarse grains imports are still seen to remain virtually unchanged from the previous year at 90 million tonnes, while trade in rice in 1999 is forecast to drop sharply back from last years record to a more normal level of about 21 million tonnes. The sharp reduction in rice trade mostly reflects a recovery in production expected in several countries whose output in 1997 was reduced by El Niño-related weather problems.

International wheat prices remained relatively weak over the past two months, reflecting generally limited trading activity. In late January, U.S. wheat

No. 2 (HRW, fob) was quoted at US\$125 per tonne, some US\$8 per tonne lower than in October 1998 and US\$20 per tonne down from a year ago. Lack of demand and strong competition among exporters have also put pressure on new crop prices in Argentina, which weakened in recent weeks, despite the reduced output expected. With regard to coarse grains, a pick-up in export sales in late 1998 did little to alleviate the dull market situation, and prices remain under downward pressure. In late January, United States maize export prices were quoted at US\$97 per tonne, slightly below October, and US\$19 per tonne lower than a year earlier. International rice prices also began to feel the pressure of shrinking demand towards the end of 1998, but recovered somewhat in early 1999, when increased quotations for Thai rice began to sustain the market. The FAO Export Price Index for rice (1982-84=100) averaged 125 points in January, 1 point up from December, although prices generally remain below those of a year ago.

FAO's forecast of cereal **stocks** for the crop years ending in 1999 has been raised since the last report by 4.5 million tonnes, to 328 million tonnes, which would be just below their opening levels. The latest increase largely reflects higher wheat and coarse grains stock building expected in the United States, and the possibility of a smaller drawdown in some CIS countries where 1998 production is now estimated to have fallen less than earlier reported. By contrast, latest information confirms the sharp fall in global inventories of rice. Nevertheless, assuming that current forecasts of production and utilization materialize, the global ratio of end-of-season cereals stocks in 1999 to trend utilization in 1999/2000 would still be, at 17.2 percent, within the 17-18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security.

CURRENT PRODUCTION AND CROP PROSPECTS

POSITION BY REGION

ASIA

In Asia, the outlook for the winter **wheat** crop, for harvest from April, is mixed. In China, rainfall in December somewhat improved earlier dry conditions in the southern provinces of Guangxi, Guandong and Hunan, but drought persists in northern and north-western parts of the country, where precipitation is reported to have averaged less than 25 percent of normal since the autumn. Several million hectares of normally rainfed crops are reported to be harmed. By contrast, in India, a good wheat crop is anticipated due to favourable weather and an increase in cultivated area. In

Pakistan, conditions for the winter wheat crop improved with the arrival of rains in early January after earlier dry conditions. Latest official reports indicate that the 1999 wheat output will likely fall about 1 million tonnes short of the targeted 19 million tonnes.

The region's **coarse grains** output in 1998 is estimated at some 218 million tonnes, about 13 percent higher than last year's reduced harvest and 8 percent above than the average for the previous five years. In China, a bumper maize crop of 125 million tonnes, 20 percent above the reduced 1997 harvest, is estimated following favourable growing conditions and increased plantings. China's total coarse grains output in 1998 is estimated at 141.5 million tonnes, some 12 percent above the average for the previous five years. In India, coarse grains output is estimated at 31 million tonnes, which is about average. In Indonesia, a record maize harvest of 9.8 million tonnes, about 24 percent above average, is reported. In Korea, D.P.R., maize output in 1998 is estimated at 1.8 million tonnes, a recovery from 1997's record low output, but still about 11 percent below average.

The latest estimate for the region's 1998 **paddy** output is 510 million tonnes, about 4 million tonnes down from the previous report mostly reflecting downward revisions for India, Bangladesh and the Philippines. At this level, paddy production would be 16 million tonnes less than the revised figure for 1997.

In Bangladesh, floods that affected most of the country during the period July to September resulted in severe damage to the paddy fields. Total 1998-99 paddy output is estimated at 26.3 million tonnes, which is about 1 million tonnes lower than previously reported and 2 million tonnes down from the previous season. Planting of the Boro crop is just gaining momentum and a campaign has been launched by the Agriculture Extension Department to boost rice area during the season. In India, harvesting of the main season Kharif rice crop is almost complete, while planting of the Rabi crop is nearing its conclusion. However, floods brought by heavy post-monsoon rains damaged crops in a number of major producing states. Accordingly, the 1998 paddy production has been revised downwards by 4 million tonnes to about 122 million tonnes, just below the 1997 revised record of 123 million tonnes. In Pakistan, harvesting of the 1998 paddy crop is virtually complete and output is estimated at a record 7 million tonnes, 500 000 tonnes up from 1997 following favourable growing conditions and a slight increase in planted area in response to Government incentives such as credit facilities, higher procurement prices and increased availability of inputs. In Myanmar, harvesting of the main-season crop is nearing completion and a slight

WORLD CEREAL PRODUCTION - ESTIMATES FOR 1998

	Wheat		Coarse grains		Rice (paddy)		Total ^{1/}	
	1997	1998	1997	1998	1997	1998	1997	1998
	(..... million tonnes)							
Asia	249.9	242.2	192.9	218.2	526.3	509.9	969.1	970.3
Africa	15.3	19.2	76.1	84.4	16.9	15.6	108.3	119.2
Central America	3.7	3.3	28.2	28.6	2.1	2.0	34.0	33.8
South America	20.1	15.7	63.7	63.7	17.7	16.0	101.5	95.4
North America	91.8	93.8	285.9	298.5	8.3	8.5	386.0	400.9
Europe	132.2	139.8	175.7	161.7	2.7	2.7	310.6	304.3
CIS	81.2	62.4	70.8	44.6	1.1	1.2	153.0	108.2
Oceania	19.7	21.4	10.7	9.1	1.4	1.4	31.9	31.9
WORLD	614.0	597.9	903.9	908.8	576.6	557.2	2 094.5	2 063.9
Developing countries	286.0	279.8	351.0	386.5	550.6	532.2	1 187.6	1 196.9
Developed countries	327.9	319.7	553.0	522.3	26.0	25.0	906.9	866.9

SOURCE: FAO

^{1/} Total cereal, including rice in paddy terms.

decline in output is anticipated largely due to reduced plantings.

In Cambodia, although recent rains have improved conditions for the developing rice crop, potential yields have most likely been limited by the effect of earlier dry conditions during the critical stage of flowering. In addition, there are reports of localized incidents of pest attacks. A joint FAO/WFP Crop and Food Supply Assessment Mission visit the country in late January to assess the situation and the results are expected in February. In Viet Nam, harvesting of the main-season crop is nearing completion and the 1998 paddy output is estimated at 28.4 million tonnes, slightly down from last year's revised record but about 1 million tonnes more than expected earlier. Planting of the winter-spring crop is in progress and the Government's target is for an area of 2.8 million hectares and a paddy output of 14 million tonnes. In the southern part of the country, planting is about one month ahead of last year's pace and, accordingly, harvesting is expected to start earlier. Gathering of the main season crop in the Philippines has been completed but the early part of the season was conditioned by persistent El Niño-related drought that had depressed plantings. Harvesting of the secondary crop is expected to start soon. Overall, the forecast for paddy production in 1998-99 has been cut by about 500 000 tonnes from the previous report to 10.2 million tonnes, which would still be slightly more than the 1997-98 output that was greatly reduced by drought. Contrary to earlier expectations, a combination of relatively favourable weather conditions and international assistance supplying some essential inputs, helped production in the Korea, D.P.R. The 1998 paddy output is estimated

at about 2.1 million tonnes, up from 1.7 million tonnes produced in 1997 but still lower than the 4 million tonnes achieved in 1989.

Elsewhere in the region, no major changes have been made to the crop estimates held in the previous report. In Thailand, harvesting of the 1998/99 main-season crop is nearing completion and an increase in output is expected as strong price incentives motivated producers to expand the rice area. However, the irrigation-dependent second crop, whose planting began in January, may be affected by water shortage expected during the dry season months of January to May. The Government has advised farmers to drastically reduce the second-season rice area because of reduced water reserves. In China (Mainland), the 1998 paddy output is estimated at 191 million tonnes, unchanged from the previous report and 9 million tonnes less than last year's record largely due to floods that affected Central and Southern China during most of July and August.

In Indonesia, harvesting of the 1998-second season crop is virtually complete and output is estimated at 46.4 million tonnes, down from 49.4 million tonnes produced in 1997. The decline is attributed mainly to the El Niño-related drought that caused a reduction in planted area and to the country's economic problems that resulted in a shortage in input supplies. Planting of the 1999 main season crop is nearing completion and an increase in area is anticipated as the high paddy prices are expected to boost plantings. The Government's target for paddy production in 1999 is set at 52 million tonnes. In Sri Lanka, harvesting of the Yala

(second) crop is over and the overall total paddy output is estimated at approximately 2.6 million tonnes or 18 percent more than the previous year due to area expansion. Planting of the 1999 Maha (main season) crop is complete but planted area is reported to be lower than the Government target due to inadequate rainfall at planting time.

AFRICA

NORTHERN AFRICA: The subregion's **wheat** output in 1998 is estimated at about 14 million tonnes, 40 percent up compared to the drought-reduced 1997 crop of 10 million tonnes. Most of the countries in the subregion harvested above-average crops. Production more than doubled in Algeria to 2 million tonnes and increased by 90 percent in Morocco to 4.4 million tonnes, while in Tunisia output rose 53 percent. Output of the mostly irrigated crop in Egypt, estimated at 6.1 million tonnes, is 4 percent higher than in the previous year. The subregion's **coarse grains** crop in 1998 is estimated at 10.7 million tonnes, about 18 percent more than the previous year's.

Growing conditions for the **1999** winter wheat crop are mostly satisfactory in Egypt and Tunisia. Prospects for the winter crop have improved in Algeria and Morocco. After a late start to the autumn rains, which delayed planting last year, medium to heavy rains in November and December, respectively in Algeria and Morocco, increased sharply the level of water reserves.

In Egypt, harvesting of the 1998 **paddy** crop is complete and the Government estimates an 18 percent reduction in output to 4.5 million tonnes. While area contracted by 21 percent from 1997, record yields of over 8.6 tonnes per hectare due to the favourable growing conditions and sufficient and timely availability of inputs during the growing season mitigated the decline.

WESTERN AFRICA: A record **cereal** harvest has been gathered in late 1998 in the Sahelian countries. Reflecting generally favourable growing conditions, particularly in August and September, the 1998 aggregate cereal production of the nine CILSS countries has been estimated by a series of FAO/CILSS Crop Assessment Missions at a record 10.6 million tonnes, which is 31 percent higher than in 1997 and 17 percent above the average of the last five years. Record crops are anticipated in Chad, Mali and Niger. Above-average output is anticipated in The Gambia, while output is close to average in Burkina Faso and Senegal but below average in Cape Verde and Mauritania. Cereal production in Guinea-Bissau is anticipated to be well below average due to civil disturbances which hampered agricultural activities. Output has clearly

increased relative to 1997 in all the major producing countries of the Sahel. It is below the 1997 output in Guinea-Bissau and in Cape Verde where a very poor harvest is again expected.

In the coastal countries along the Gulf of Guinea, harvest prospects are generally good in Benin, Cameroon, Nigeria and Togo but less favourable in Côte d'Ivoire and Ghana. Liberia remains heavily dependent on international food assistance despite some improvement in food production. In Sierra Leone, following the recent escalation of violence, the food supply situation has seriously deteriorated, virtually wiping out the modest gains in food security resulting from the recently harvested 1998 rice crop.

Harvesting of the 1998 **paddy** is almost complete in most of the countries in the subregion and growing conditions varied from country-to-country. Civil strife in some countries made it very difficult for farming activities to proceed normally. In Nigeria, the most important rice producing country in western Africa, dry periods during July and August in the central and south-western parts of the country together with a shortage of basic inputs, particularly fertilizers, during the growing season have likely affected crop development resulting in reduced yields. In Ghana, precipitation during the period August to early October was below average with a potentially negative impact on output.

CENTRAL AFRICA: Millet and sorghum have been harvested in Cameroon and Central African Republic. In the Democratic Republic of Congo, civil strife and large-scale population movements continue to hamper farming activities while in Congo Brazzaville, recent insecurity also caused large population movements.

EASTERN AFRICA: Harvesting of the 1998 **wheat** crop is complete in Kenya and Ethiopia. FAO's latest estimates put the subregion's 1998 aggregate output at 3.3 million tons, an increase of some 27 percent from the previous year. Output in Ethiopia, turned out better than earlier expectations and is estimated to be 51 percent up from the previous year at 2.3 million tons. In Kenya, production remained around the good level of 1997. In Sudan, where the **1999** crop is scheduled to be harvested in March, prospects are unfavourable reflecting a decline in the area planted.

Harvesting of the 1998 main season **coarse grains** is complete in the subregion. Secondary season crops are now being harvested everywhere except in Ethiopia where they are about to be planted. The outlook is uncertain following irregular rains in the past two months. The subregion's 1998/99 aggregate production is forecast at a

bumper level of some 24 million tons, one-third higher than in 1997/98. In Ethiopia, the main "meher" coarse grains output is estimated at 8.7 million tons, 38 percent above the disappointing crop a year earlier and slightly above the record 1996 meher harvest. This mainly reflects higher yields as a result of favourable rains, and increased use of fertilizers and improved seeds. A record coarse grains production was also recorded in Sudan following well distributed rains, timely availability of agricultural inputs and absence of pests or diseases. Latest estimates indicate a millet output of 1.1 million tons, almost twice the previous year's level, while that of sorghum is put at 4.6 million tons, 60 percent above the below-average 1997 crop. In Tanzania, the main 1998/99 main coarse grains harvest is estimated to be above average and one-third above the previous year's level. However, the outlook for the secondary crops, now being harvested, has deteriorated as a result of poor rains in the past month. Prospects for the secondary season sorghum and millet crops are also poor in Somalia due to late, scattered and irregular precipitation. The main season cereal output was sharply reduced by dry weather. In Kenya, the main "long-rains" coarse grain crops recovered substantially from the reduced harvest of 1997. By contrast, the outlook for the 1998/99 secondary "short rains" season are uncertain following delayed and irregular rains in eastern parts, which has resulted in reduced plantings. In Uganda, prospects for the 1998 second cereal crops being harvested are uncertain. However, following also a satisfactory first season crop, aggregate 1998 output is expected to improve from the previous year's reduced level to close to the average of the past five years. In Eritrea, above normal rains during the growing season resulted in a good coarse grain harvest in 1998. In Burundi and Rwanda, the 1998 cereal crops increased significantly from the previous year, returning to the pre-crisis levels. However, the recently harvested 1999 A coarse grain crops were negatively affected by a dry spell during the growing season and persistent insecurity in some areas.

Planting of the 1999 **paddy** crop in Tanzania, the largest producer in the subregion, is almost complete but the area sown is still uncertain. In 1998, the country produced an estimated 1 million tonnes of paddy, up significantly from 1997, due to abundant rainfall during the growing season together with a 12 percent rise in area.

SOUTHERN AFRICA: Estimates of the recently harvested 1998 **wheat** crop in the subregion stand at 1.8 million tonnes, some 32 percent below the previous year's production and below average. The reduction is mainly due to a sharp decline in the

area sown, particularly in South Africa, in response to low international and domestic wheat prices.

The 1998 **coarse grains** crop is estimated at 14.7 million tonnes, some 14 percent less than in the previous season and about 15 percent below average. Adverse weather conditions during the growing season resulted in lower plantings and reduced yields in several countries. As a result, output was much below average and below the previous year in South Africa, Zambia and Zimbabwe. However, production was above average in countries such as in Angola, Malawi and Mozambique on account of favorable weather conditions. Planting is nearly complete for the **1999** coarse grain crop to be harvested from March. Abundant rains in most areas have so far been favorable to crop development.

Planting of the 1999 **paddy** crop is nearing completion in the subregion. Output in 1998, estimated at 2.5 million tonnes was better than had been expected. The impact on rice production from the locust infestation in Madagascar, which accounts for over 90 percent of the subregion's rice harvest, was less severe than originally feared and output fell only 12 percent to 2.2 million tonnes. By contrast, in Mozambique, the other main producer in the subregion, output increased to an estimated 190 000 tonnes, following the generally favourable growing conditions.

CENTRAL AMERICA AND THE CARIBBEAN

Dry weather conditions have prevailed since December in the irrigated **wheat** growing areas of the north-west of Mexico, where planting of the 1999 crop has been recently completed. Water reservoirs are nevertheless reported at adequate levels, and early forecasts indicate an increase from the low 1998 output could be expected due to slightly larger plantings, although production will likely remain below average.

Harvesting of the 1998 second season **coarse grains** crops has been completed in most countries following the serious disruption caused by hurricane "Mitch" by end-October. Aggregate maize output in 1998/99 is preliminarily estimated at a below-average 20.8 million tonnes, similar to the 1997/98 output, when crops were severely affected by El Niño-related adverse weather. More than 350 000 tonnes of maize were lost in Honduras, Nicaragua, El Salvador and Guatemala as a direct consequence of the heavy and incessant rains. In Mexico, some parts in the south-west also suffered from the effects of the hurricane, but the country's aggregate maize output was nevertheless about average. To compensate for their large losses, some of the affected countries have implemented

emergency recovery programmes, either by continuing planting in November or by increasing third season crop plantings where conditions allow. In the Caribbean, the destruction left by hurricane "Georges" in late September has resulted in below-average 1998/99 outputs for paddy and maize, particularly in Cuba and the Dominican Republic. Below-average 1998/99 paddy outputs were also obtained in Haiti because of the serious localized losses inflicted by this hurricane.

SOUTH AMERICA

The 1998/99 **wheat** output in the southern areas is provisionally estimated at 14.9 million tonnes which compares to 19.8 million tonnes collected from 1997/98 crops. In Argentina, harvesting of the 1998/99 wheat crop is virtually complete, and output is provisionally estimated at a below-average 10.6 million tonnes, compared to last year's 14.8 million tonnes. This is due to a nearly 20 percent reduction in plantings coupled with adverse dry weather during much of the growing season. In Brazil, wheat output declined from last year's average 2.4 million tonnes to a below-average 2.2 million tonnes, largely reflecting weather problems in the main growing states of Parana and Rio Grande do Sul which contributed to lower than expected yields. In Uruguay and Paraguay, average outputs have been collected although somewhat lower than earlier anticipated. In Chile, which has endured severe dry weather practically throughout the whole year, harvesting of the wheat crop is still underway and output is officially forecast at a below-average 1.2 million tonnes, down from 1.7 million tonnes the year before. In the Andean countries, generally dry conditions have prevailed in the first half of January over most of the area. Fieldwork continues in Bolivia and Ecuador in anticipation of harvesting of the 1998/99 first season wheat crop to be started from March, while in Peru harvesting is due from April.

Dry weather conditions in the southern areas of the subregion throughout the growing season have contributed to a reduction in 1998/99 **coarse grain** plantings relative to 1997/98. In Argentina, planting is almost complete, although rains in the first half of January in the northern parts of the country have prompted farmers to continue sowing later than normal. The area planted for the whole country is provisionally estimated to decline by about 13 percent from the 1997/98 record level, but would still remain well above average. In Brazil, planting of the 1999 maize crop has been completed, and the area is provisionally estimated to have increased by almost 5.5 per cent from last year's well below average 10.8 million hectares. Sharp increases in plantings are reported in some areas of the north-east. In Uruguay and Paraguay, average maize plantings are reported. In Chile,

harvesting of the maize crop is due from March, and production is officially forecast to decline by some 30 percent from last year's average 940 000 tonnes because of the continuing drought. In the Andean countries, fieldwork continues in Bolivia and Ecuador for harvesting of the 1998/99 first maize crop. A recovery from the reduced 1998 crop is expected. In Peru, where maize is grown all year around, harvesting of the 1999 yellow maize crop is underway while fieldwork continues for harvesting of the white maize crop from April/May. In Colombia and Venezuela, weather conditions are favourable for land preparation for the 1999 coarse grain and other food crops, and average plantings similar to last year's are anticipated.

Planting of the 1999 **paddy** crop is virtually complete throughout the Latin American region and the crops are reported to be progressing well under generally favourable growing conditions. Harvesting of the crop is expected to start at the end of February/beginning of March and the regional paddy output in 1999 is provisionally forecast to increase by 14 percent from 1998 to about 18 million tonnes. This is largely the result of a 10 percent increase in rice area in response to attractive domestic and international prices at planting time, and a return to normal weather. In Brazil, the rice area is estimated at about 3.9 million hectares or 15 percent higher than the previous season and the highest in four years. A 4 percent rise in yields to 2.6 tonnes per hectare is anticipated which would lead to a 21 percent expansion in paddy output from 1998 to 10.3 million tonnes in 1999. Harvested rice area in Argentina is expected to increase by about 20 000 hectares from 1998 to 235 000 hectares and, accordingly, production is tentatively forecast to increase by about 30 percent from the previous season to 1.3 million tonnes. In Uruguay, a record output of about 1.1 million tonnes, compared to 864 000 tonnes in 1998, is anticipated due to a combination of larger area and higher yields.

NORTH AMERICA

In the United States, the final official estimate of the 1998 **wheat** crop is 69.4 million tonnes, 3 percent up from 1997 and above the average of the past five years. The winter wheat area for the 1999 crop is estimated at 17.6 million hectares, the lowest since 1972/73 and down 7 percent from 1998. The reduction is due to low prices last autumn which reduced farmers incentive to plant wheat. While some of the area sown to winter wheat a year earlier is likely to be planted with spring wheat crops, much is expected to be given over to other crops such as feed grains or oilseeds, or left fallow, especially in the drier areas of the Great Plains. Crop conditions are reported to be generally favourable across the

Plains. In the last crop progress report in 1998 at the end of November, 72 percent of the winter wheat crop was rated good to excellent, the same as a year earlier. December conditions were generally milder than normal but lack of snow cover is a concern in some areas as colder weather is expected in the coming weeks. In Canada, latest estimates put the 1998 wheat crop at 24.4 million tonnes, somewhat more than earlier expected and virtually unchanged from the previous year but below the average of the past five years. The reduction was mostly due to smaller plantings.

The final estimate of the United States 1998 **coarse grains** crop is 271.8 million tonnes, 4 percent up from the previous year's crop and above the average of the past five years. Of the total, maize is estimated to account for about 248 million tonnes. In Canada, aggregate output of coarse grains in 1998 is estimated at 26.8 million tonnes, 6 percent up from 1997, and above average.

In the United States, harvesting of the 1998 **paddy** crop is complete in all states and the production estimate has been revised upwards by 300 000 tonnes from the previous report to 8.5 million tonnes, the second largest crop on record. The estimate for rice area has also been increased by 4 percent to slightly over 1.3 million hectares. Planting of the 1999-rice crop is expected to start in April.

EUROPE

FAO estimates the regions aggregate 1998 **wheat** production at 139.8 million tonnes, about 6 percent up from the previous year. Above-average to record crops in the EC more than offset reduced outputs in some eastern European countries. By contrast, **coarse grains** output fell back to 161.7 million tonnes, mostly due to reduced summer maize crops in the EC and in the major producing countries in the east of the region.

With regard to **1999**, early indications point to a likely downturn in wheat production, after last year's bumper crops in several countries. Winter wheat plantings in the EC are tentatively estimated to be down by between 2 and 4 percent, in response to an increase in the area set-aside requirements but also due to adverse weather at planting. Adverse autumn weather also hit several of the major producing eastern European countries, causing some reductions in winter wheat plantings. Winter coarse grain plantings are also tentatively estimated to have fallen throughout the region, but the final outcome of the 1999 coarse grain crop also depends largely on the level of spring plantings. It is unlikely that spring plantings will increase much, if at all, in the EC because of the higher set-aside requirements this year, but better yields could be

expected for maize after last year's drought-affected levels. Among the eastern European countries, even if weather conditions are favourable for spring planting, farmers' limited finances for inputs are expected to again limit plantings and yields. In the Baltic countries, the outlook for winter grains is satisfactory so far. Aggregate output in 1998 declined somewhat to 4.5 million tons including an estimated 1.6 tons of wheat.

Harvesting of the 1998 **paddy** crop in the EC is complete. Based on reports of reduced yields and harvested area, especially in Italy, which accounts for over 50 percent of EC rice production, the estimate of total EC output has been lowered by 190 000 tonnes from the previous expectation to slightly over 2.6 million tonnes, almost identical with the 1997 revised figure. The lower yields were a consequence of insufficient rainfall during the summer.

COMMONWEALTH OF INDEPENDENT STATES^{1/}

In the CIS, persistent dry condition from June to August caused significant crop losses and the latest official estimates indicate a very sharp slump in the 1998 **cereal and pulse** harvest. However, well-informed traders and government officials in the major producing states have indicated that farmers, in response to the deteriorating economic and financial situation and burgeoning farm debt, have underreported the production of substantial quantities of marketable grains (mainly wheat). To allow for this, FAO has increased its estimates of the 1998 cereal and pulse harvest in the CIS to 111 million tons, some 15 percent more than official estimates but still sharply below the 157 million tonnes harvested in 1997. Of the total, wheat is put at 62 million tons (1997: 81 million tons), and coarse grains at about 45 million tons (1997: 71 million tons). Production of pulses also fell but that of rice remained stable at about 1.3 million tons.

In the Russian Federation, the Minister for Agriculture has stated that the grain harvest is under-reported by 15 percent: traders and other experts think output could be 20 million tons higher than the official estimate of 48.5 million tons. FAO estimates total cereal output at 55 million tons, (1997: 88.6 million tons) including 30 million tons of wheat. In the Ukraine, grain production fell to an estimated 30 million tons, (1997: 37million tons) including 17 million tons of wheat. In Kazakhstan

^{1/} The Commonwealth of Independent States (CIS) includes 12 member states (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, Turkmenistan, the Ukraine and Uzbekistan).

output is estimated to have fallen by one-third to 8 million tons, of which nearly 6 million tons is wheat. Elsewhere, the 1998 harvests were poor in Belarus (4.9 million tons) and Moldova (2.7 million tons) and declined significantly in Azerbaijan (1 million tons). By contrast, output increased sharply in Uzbekistan (by 14 percent to 4.3 million tons) and Turkmenistan.

The early outlook for the **1999** grain harvest is mixed. Indications are that the aggregate area sown to winter grains has declined somewhat mainly reflecting reduced plantings in the Russian Federation. Moreover, in the Russian Federation, crop damage by winterkill is higher than last year, with almost one third of the area sown reported to be in poor condition and the outlook for crops in the North Caucasus is poorer than last year. By contrast, the early outlook is satisfactory in the Ukraine, where the area sown could be marginally higher than last year. Many countries have substantial backlogs in field preparation for spring plantings and inflation will make it difficult for farmers to mobilise adequate working capital and inputs in 1999.

OCEANIA

In Australia, the 1998 winter **wheat** crop harvest is virtually complete. The latest official forecast indicates an output at some 21 million tonnes, somewhat down from earlier expectations but still 9 percent up from the previous year's crop and well above the average of the past five years. Aggregate **coarse grains** output in 1998 is now estimated at 8.4 million tonnes, about 16 percent down from the previous year. Prospects for the small summer coarse grains crop for harvest in **1999** (mostly sorghum and maize) are favourable reflecting good planting conditions in late 1998. However, the area sown may have been limited by the larger availability of feed wheat and barley expected after rains caused downgrading of some crops during the recent winter grain harvest. The 1999 **paddy** crop is progressing well under favourable weather conditions. Output is forecast at a bumper level of about 1.35 million tonnes which, if realised, would be the second highest on record. Harvesting is expected to begin late February/early March.

TRADE^{1/}

FAO's forecast for world trade in **cereals** in 1998/99 now stands at 204 million tonnes, up 2.7 million tonnes from the previous report in November (table A.2) with the bulk of the revision accounted for by wheat. Nevertheless, at this level, global cereal imports would remain 7 million tonnes, or 3 percent, below last year's volume. Reduced commercial purchases of wheat and rice are expected to more

than offset an anticipated increase in world imports of coarse grains.

World trade in **wheat** and wheat flour (in wheat equivalent) in 1998/99 (July/June) is forecast at 93.3 million tonnes, down 2 million tonnes from the already reduced volume in 1997/98 but 1.8 million tonnes above the November figures. Most of the increase in this month's forecast reflects higher import estimates for CIS and a few countries in Asia. Aggregate wheat imports by the developing countries in 1998/99 are put at 73 million tonnes, some 4 million tonnes, or 5 percent, below the previous year and the smallest volume since 1994/95. By contrast, total imports by the developed countries are forecast to rise slightly from the previous year and approach 20 million tonnes, owing mostly to an increase in food aid shipments to the Russian Federation.

Aggregate wheat imports into **Africa** are forecast at nearly 22 million tonnes, 1.6 million tonnes less than in the previous season. The decline would be mostly on account of reduced imports by several countries in North Africa because of larger domestic production, particularly in Algeria, Morocco and Tunisia. However, imports by Egypt, being driven by sustained demand, are expected to match last year's high volume of some 7.2 million tonnes. At this level, Egypt would again be the world's largest wheat importer this season. Current indications point to a small reduction, of around 500 000 tonnes, in imports into Sub-Saharan Africa, mostly on account of reduced imports by Kenya and the likely absence of Ethiopia as an importer because of a record crop. While in the past years wheat imports into Ethiopia were mainly in the form of food aid, this year it is expected that food aid for vulnerable groups would be bought locally.

Total imports into **Asia** in 1998/99 are currently forecast at 43 million tonnes, down 3 million tonnes from last year but 1 million tonnes more than was anticipated in November. Import estimates for several Asian countries have been revised this month. For Bangladesh, the forecast for wheat imports has been raised to 2.4 million tonnes, up 600 000 tonnes from November and 1.6 million tonnes up from the previous year, to compensate for large crop losses caused by floods. In Pakistan, this year's imports, currently put at 2.2 million tonnes, are likely to fall sharply below last

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

OVERVIEW OF WORLD CEREAL IMPORTS – FORECAST FOR 1998/99

	Wheat		Coarse grains		Rice (milled)		Total	
	1997/98	1998/99	1997/98	1998/99	1998	1999	1997/98	1998/99
	(..... million tonnes)							
Asia	46.0	43.1	54.1	53.1	16.9	11.6	117.0	107.8
Africa	23.5	21.9	10.5	11.3	3.9	4.2	37.9	37.4
Central America	5.2	5.5	9.8	10.5	1.3	1.5	16.3	17.5
South America	10.0	11.1	5.8	6.6	2.0	1.4	17.7	19.1
North America	2.6	2.5	4.0	3.2	0.6	0.6	7.2	6.3
Europe	5.3	4.6	4.1	3.9	1.0	1.1	10.4	9.6
CIS	2.7	4.2	0.3	0.7	0.5	0.5	3.5	5.4
Oceania	0.4	0.4	0.1	0.1	0.3	0.3	0.9	0.8
WORLD	95.7	93.3	88.6	89.5	26.6	21.1	210.9	204.0
Developing countries	77.2	73.5	57.4	58.5	23.3	17.6	157.9	149.6
Developed countries	18.5	19.8	31.2	31.1	3.3	3.5	53.0	54.3

SOURCE: FAO

year's volume due to higher production, but they would be up 400 000 tonnes from the previous report, mostly reflecting the fast pace of purchases in recent months. The forecasts for wheat imports by the Islamic Republic of Iran and Malaysia have also been adjusted slightly upwards. By contrast, the forecast for wheat imports by India has now been reduced by 300 000 tonnes to 900 000 tonnes, some 1.4 million tonnes less than in the previous year, largely because of high stocks and prospects for bumper wheat crops in 1999. Indonesia's wheat imports are currently put at 2.8 million tonnes, down 400 000 tonnes from November and 1.2 million tonnes less than last year. This reduction would be mostly on account of large stocks of wheat flour currently being held by the cereal parastatal BULOG, which no longer has a monopoly of imports. While so far domestic prices have remained well above international prices, they could eventually fall under the pressure of BULOG stocks, making private sales of imported flour difficult and less profitable.

Wheat imports into **Europe** are expected to reach 4.6 million tonnes, slightly higher than was reported in November, mostly due to an upward revision for durum imports into the EC. Despite this month's upward revisions, however, total imports into Europe would still be about 700 000 tonnes lower than in the previous year. The bulk of the decline would be on account of reduced purchases by the EC, which harvested a record crop, whereas imports by most other countries are likely to remain close to last year's levels.

By contrast, following this year's poor harvests in the **CIS** countries, their aggregate wheat imports in 1998/99 are currently forecast at 4.2 million tonnes, 1

million tonnes up from the previous report following upward adjustments in several countries and 1.5 million tonnes up from last year. At this level, total wheat imports into the CIS would be nearly 1 million tonnes higher than was reported in November. The bulk of the increase compared to last year is expected in the Russian Federation, where food aid deliveries alone could exceed 2 million tonnes. Elsewhere, the forecast for imports into **Latin America and the Caribbean** has been lowered this month, by around 500 000 tonnes, to 16.6 million tonnes. At this level, total imports would still be 1.4 million tonnes above 1997/98. While most of the increase from last year would be on account of larger purchases by Brazil, the forecast for Brazil has been reduced this month by about 400 000 tonnes to 5.8 million tonnes, owing mostly to the recent devaluation of the Real which would make imports more expensive.

As regards **exports** (table A.3), the latest prospects for the 1998/99 (July/June) season point to a substantial decline in aggregate shipments from the five major exporters. Among them, only the EC and the United States could be expected to expand their wheat exports this season, mostly due to increases in their food aid. For other major exporting countries, this year's export prospects are less favourable than in the previous season because of weaker international demand and above-average supplies in several smaller exporting countries. Bumper crops and aggressive marketing is expected to help Turkey to boost its exports to at least 2.5 million tonnes, up 1 million tonnes from last year's already high level. Unconfirmed reports point to large exports from the Russian Federation and Ukraine. While the Russian Federation is expected to be a major recipient of food aid, sizeable wheat exports to other CIS as well as

non-CIS countries seem to have continued, owing mostly to relatively low domestic prices following last year's sharp currency devaluation and the need for foreign exchange.

Global trade in **coarse grains** in 1998/99 (July/June) is now forecast at 89.5 million tonnes, up slightly from the previous report and some 1 million tonnes more than last year's reduced volume. Imports by the developing countries are forecast to increase slightly, while imports by the developed countries are likely to remain unchanged from the previous year. Among the individual coarse grains, higher barley and rye imports would account for the bulk of the anticipated increase. Trade in barley could reach 15 million tonnes, up almost 1.5 million tonnes from last year, mostly because of larger purchases by several countries in Asia. Imports of rye may double this season and approach 1.8 million tonnes, mostly on account of large EC food aid to the Russian Federation. Trade in other major coarse grains, is likely to remain unchanged to or decline slightly; imports of maize, the largest traded coarse grain are forecast to match last year's reduced volume of around 63 million tonnes.

Total coarse grain imports into **Africa** in 1998/99 are put at 11.3 million tonnes, up 800 000 tonnes from the estimated imports in 1997/98. This increase is almost entirely due to higher import demand by several countries in southern Africa, particularly Zambia and Zimbabwe, due to a sharp decline in 1997/98 maize production caused by El Niño-related weather anomalies. In **Asia**, imports are currently forecast at around 53 million tonnes, 300 000 tonnes up from the previous report, reflecting this month's upward revisions to maize and barley import estimates for China and the Islamic Republic of Iran, but still 1 million tonnes down from last year's reduced volume. Asian coarse grain imports are likely to decline this season mostly because of larger domestic production and weaker demand from the animal feed sector, especially in countries affected by the financial crisis. The largest decline, of 900 000 tonnes, is forecast for Indonesia, following an increase in domestic production, while continuing weak demand is expected to result in a drop of about 800 000 tonnes in purchases by the Republic of Korea. However, a few Asian countries are likely to buy more coarse grains this season, in particular China and Saudi Arabia are forecast to raise their barley purchases.

In **Europe**, total imports are currently put at almost 4 million tonnes, slightly lower than last year, owing mostly to a likely decline in maize and rye imports by Poland which would more than offset a likely rise in barley and maize purchases by the Czech Republic. The forecast for imports into the **CIS** has been raised to 700 000 tonnes, up 500 000

tonnes since November due to the EC's recent agreement to provide 500 000 tonnes of rye as food aid to the Russian Federation. Imports into **Latin America and the Caribbean** are put at nearly 17 million tonnes, down 700 000 tonnes from the previous report but 1 million tonnes more than last year. The bulk of the increase from last year would be due to larger maize and barley purchases by Mexico and higher maize import requirements by several countries affected by the hurricane "Mitch". Mostly due to lower production, Brazil is also forecast to import 400 000 tonnes more maize than in the previous year. However, Brazil's coarse grains imports would be down 600 000 tonnes from the previous report, largely reflecting the recent currency difficulties combined with the apparent slowing of domestic feed use.

Turning to coarse grains **exports**, this year's limited expansion in trade would mean improved market opportunities for only a few exporting countries. Among the main factors contributing to higher exports by some countries, expanded credit facilities and enhanced food aid play the most important roles. Based on the July/June trading season, higher import demand for barley combined with substantial rye food aid are expected to boost shipments from the EC, while larger maize exports from Australia, Canada and the United States would in part compensate for a decline in maize sales from Argentina, China and South Africa. Maize shipments from Hungary and Romania are also likely to decrease, while Turkey is forecast to increase its barley sales for the second consecutive year.

FAO's estimate for world trade in **rice** in 1998 has been adjusted upwards by 1.5 million tonnes from the previous report to a new high of 26.6 million tonnes. This would be 7.6 million tonnes more than the estimate for 1997 and about 5.6 million tonnes above the previous record in 1995. The upward revision was triggered by new information that suggested larger import estimates than previously held for several of the major importing countries whose output was severely curtailed by weather-related problems. At the same time, record crops in some of the major exporting countries have made it possible to increase shipments to satisfy the exceptionally large demand on the international market.

The estimate for Indonesia's rice imports in calendar year 1998 has been lifted by 300 000 tonnes to a record 5.8 million tonnes. It should, however, be noted that some of the country's imports were supplied on special terms, particularly from the Government of Japan through rice loans to be honoured, at a future date, in kind or in cash. During the course of the year, Japan also provided Indonesia with financial assistance that enabled it to purchase

additional rice from the international market. The 1998 import estimate for Bangladesh was raised by 800 000 tonnes from the previous report to 2.4 million tonnes largely as a result of devastating floods that affected most of the country, inflicting greater damage to the rice crops than estimated earlier. A portion of the import needs was met by food aid. Likewise, imports by Brazil were adjusted upwards by 200 000 tonnes from previous expectations to 1.4 million tonnes. Rice imports by the Russian Federation were also raised by 120 000 tonnes to 320 000 tonnes based on reports of lower output. Most of the imports were supplied in the form of food aid from different donor countries. The estimate for rice imports by several other countries, including Kuwait and Ghana, was adjusted upwards by a total of 140 000 tonnes. By contrast, rice imports by the United States and Colombia were reduced by a combined total of about 150 000 tonnes to 300 000 tonnes and 225 000 tonnes, respectively, based on official estimates. African countries in general are estimated to have imported less rice in 1998 owing to the continent's record production in 1997.

On the export side, the official estimate for exports from Thailand, the leading rice exporter in the world, is 6.4 million tonnes, up by 200 000 tonnes from the previous report. India's exports were raised by 500 000 tonnes to 4 million tonnes based on information of larger shipments to Bangladesh and some African countries towards the end of the year. The estimate of rice shipments from China (Mainland) in 1998 has been increased by 800 000 tonnes from the previous expectation to 3.3 million tonnes based on official data. Shipments from Japan were also adjusted upwards by 100 000 tonnes to 800 000 tonnes owing to additional food aid shipments to Indonesia. Export shipments from the United States were increased by 100 000 tonnes to 3.1 million tonnes based on official government data. The estimate for rice shipments out of Viet Nam for 1998 remained unchanged at a record 3.8 million tonnes. The Government of Viet Nam monitored rice export volumes during the course of the year and implemented temporary freezes on rice shipments on different occasions with the aim of ensuring sufficient domestic food supplies. By contrast, expected 1998 rice shipments from Pakistan were cut by 200 000 tonnes to 1.9 million tonnes based on the slowdown in the pace of export shipments towards the end of the year.

For **1999**, global rice trade is provisionally forecast to decline from the estimated record in 1998, by more than 5 million tonnes, to around 21 million tonnes. This is based on the expectation of stepped-up production in many of the major importing countries whose output in 1997 was reduced by El Niño-related weather problems. Increased production, and therefore lower imports,

may materialize particularly in Indonesia, the Philippines, Bangladesh and Brazil, the leading importers in 1998.

CARRYOVER STOCKS

The forecast for global **cereal** stocks by the close of the seasons ending in 1999 has been raised to 328 million tonnes, up 4.5 million tonnes from the previous report. While at the forecast level, world cereal carryover stocks would still be about 3 million tonnes down from their opening levels, the reduction would be considerably less than anticipated earlier, due mostly to higher stocks in the United States. Among individual cereals, the largest decline is expected in rice inventories followed by some reduction in wheat stocks. These contractions are expected to be partly offset by increases in coarse grain stocks. Overall, at 17.2 percent, the ratio of global cereal carryovers to trend utilization in the 1999/2000 season would be within the 17-18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security. The improvement in the estimate of the global stock-to-use ratio reflects higher cereal production and slower growth in utilization caused by the economic slowdown in several regions.

WORLD CARRYOVER STOCKS OF CEREALS

	Crop year ending in:		
	1997	1998 estim.	1999 f'cast
	(. . . million tonnes . . .)		
Wheat	114.8	137.3	135.9
Coarse grains	131.1	138.8	142.3
Rice (milled)	56.4	54.9	49.6
TOTAL	302.3	331.1	327.7
of which:			
Main exporters	101.2	127.2	148.5
Others	201.0	203.9	179.2

SOURCE: FAO

Global **wheat** stocks for crop years ending in 1999 are forecast to reach 136 million tonnes, some 5 million tonnes more than was reported in November and only 1.4 million tonnes below their relatively high opening levels. At the forecast level, total wheat stocks held by the major wheat exporters are expected to rise for the third consecutive year and reach almost 52 million tonnes, up 11 million tonnes, or 27 percent, from the previous year, mostly reflecting bumper crops in the EC and the United States. This month's upward revisions concern mostly the EC, the United States and the Russian Federation. In the EC, the forecast

for end-of-season stocks has been raised by 1 million tonnes, mainly due to downward adjustments to wheat consumption estimates. In the United States, following a slight reduction in this month's estimates for domestic use combined with a downward revision to export estimates, the forecast for carryover stocks has been raised by 2.6 million tonnes. In the Russian Federation, end-of-season stocks are expected to increase in response to upward adjustments to its production estimates.

The level of world **coarse grains** stocks for crop years ending in 1999 is currently put at 142 million tonnes, up 3 million tonnes, or 2.5 percent, from last year and almost unchanged from the previous forecast. Based on the latest official figures, the forecast for coarse grains stocks in the United States has been raised to 51 million tonnes, of which maize would account for almost 46 million tonnes. At this level, the increase over last year would be 13 million tonnes, or 34 percent, and nearly 4 million tonnes more than was anticipated in November, mainly reflecting slower growth in domestic feed use and in exports of maize so far during the 1998/99 marketing season. By contrast, this month's forecast of total coarse grains stocks in the EC has been lowered by 2 million tonnes to 22.5 million tonnes. At this level, total coarse grains stocks in the Community would be 1 million tonnes smaller than their 7-year high opening levels, mainly because of a decline in production and the sharp increase in exports of barley and rye. In addition, the estimate for end-of-season stocks in Romania has also been lowered, by nearly 2 million tonnes, following a 35 percent drop in production caused mainly by lower maize yields.

FAO's forecast for global **rice** stocks at the end of the marketing seasons in 1999 is virtually unchanged from the previous report at about 50 million tonnes, which is 9 percent down from their revised opening level. The bulk of the reduction is forecast in countries whose production was severely curtailed by weather-related anomalies, particularly China (Mainland), Bangladesh and Indonesia.

EXPORT PRICES

Wheat prices have been rather weak in the past two months. During the first half (July to December) of the 1998/99 trade year, wheat export prices averaged around US\$122 per tonne, some US\$ 27 per tonne, or 18 percent, lower than in the corresponding period in the preceding year. A short-lived rebound in trade resulted in some recovery in prices during September and October, but a return to a slower pace of exports, in spite of increased credits and food aid, checked the recovery. By late January, US wheat No. 2 (HRW, fob) was quoted at US\$125 per tonne, some US\$8 per tonne lower

than in October 1998 and US\$20 per tonne, or 14 percent, below January 1998. In Argentina, despite the reduction in the size of the crop just being harvested, new crop prices have also been falling steadily in recent weeks amid weak international demand, greater competition among major exporters and the continuing absence of some traditional customers of Argentine wheat, such as the Islamic Republic of Iran. Correspondingly, fundamentals in the futures market are characterised by sluggish demand, large wheat inventories in major exporting countries and the recent unexpected depreciation in the Brazilian Real. By late January, the Argentine Trigo Pan was quoted at US\$105 per tonne (fob), some US\$26 per tonne lower than in October and 20 percent below the corresponding period last year. Similarly, at the Chicago Board of Trade (CBOT), the nearby March wheat futures contracts were quoted at US\$100 per tonne, pointing to a decline of about US\$14 per tonne since October and US\$25 per tonne compared to the corresponding period last year.

LATEST CEREAL EXPORT PRICES *

	1999	1998	
	Jan.	Oct.	Jan.
	(. US\$/tonne)		
United States			
Wheat <u>1/</u>	125	133	145
Maize	97	98	116
Sorghum	96	95	117
Argentina <u>2/</u>			
Wheat	105	131	131
Maize	93	110	107
Thailand <u>2/</u>			
Rice white <u>3/</u>	296	300	310
Rice, broken <u>4/</u>	223	258	182

SOURCE: FAO, see Appendix Table A.9

* Prices refer to the fourth week of the month.

1/ No. 2 Hard Winter (Ordinary Protein).

2/ Indicative traded prices.

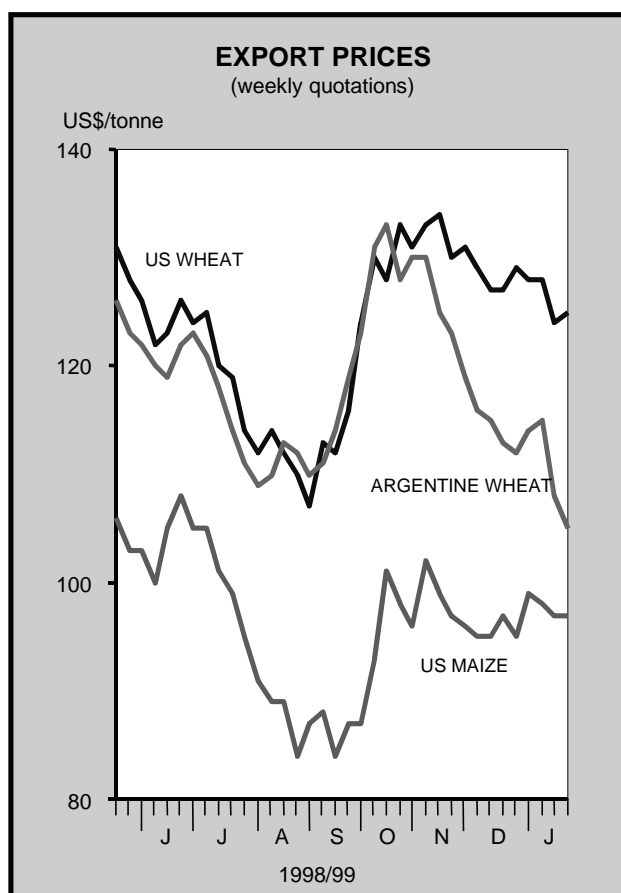
3/ 100% second grade, f.o.b. Bangkok.

4/ A1 super, f.o.b. Bangkok.

Looking further ahead, however, a moderate upturn in wheat prices towards the end of the current season can not be ruled out. The predicted sharp decline in Argentine wheat crop, reduced winter wheat plantings in the United States and the EC, and also a likely reduction in the spring wheat crop in Canada could result in a tighter supply situation during the next season. This may support prices, although much will also depend on the eventual size of the 1999/2000 wheat crops in major importing countries, which are the main driving force affecting global import demand.

Export prices for nearly all types of **coarse grains** remained under downward pressure in recent months, despite intensified export sales especially to major destinations in Asia. By late January, the US maize export prices were quoted at US\$97 per tonne, slightly below October 1998 and US\$19 per tonne lower than a year earlier. Two main factors exerting downward pressure on average prices this season have been the slow recovery in Asian import demand coupled with abundant supplies, especially in the United States. Overall, during the first half of the 1998/99 marketing season, US maize export prices averaged around US\$94 per tonne, US\$19 per tonne below the comparable period in the previous season.

In these circumstances, in late January, the nearby March maize future contracts quoted at the CBOT were US\$85 per tonne, a drop of some US\$4 per tonne since October and US\$24 per tonne, or 22 percent, down from the corresponding period last year. Over the medium-term, however, maize prices may find some support from the anticipated sharp decline in Argentina production in 1999, due to reduced plantings and unfavourable weather conditions, combined with a possible decrease in planting in other major exporting countries, mostly as a result of depressed prices.



International **rice** prices felt the effects of shrinking import demand towards the end of 1998 and the FAO Export Price Index for Rice (1982-84=100), which had registered a yearly high of 132 points during the July to September period, fell to 124 points in December. In January, however, the price index edged upwards by 1 point to 125 points primarily due to an increase in quotations for prices in Thailand, the world's leading rice exporter, where prices have been trending upwards since mid-December. This is largely the result of accelerated exports of Thai rice during the last few weeks of December and most of January, concerns of a potential sharp reduction in the second crop due to drought and a strengthening of the Thai baht during the period.

January prices for high quality Thai 100% B averaged US\$307 per tonne, up from the December average of US\$284 per tonne but down compared to the 1998 average of US\$315 per tonne. In the United States, the market has been generally subdued due to a lack of activity and prices for No. 2/4 percent broken rice averaged US\$395 per tonne in January, down from US\$403 per tonne in December and compared to the 1998 average of US\$413 per tonne. Export prices from other origins continued the general downward trend started in the last few months of 1998 primarily as a consequence of contracting import demand.

The current supply and demand outlook for the global **maize** market does not indicate the likelihood of any easing of the downward pressure on prices in the coming weeks. Recent reports from the United States point to much lower domestic feed use and, in turn, higher closing stocks.

In the next few weeks, rice export prices are expected to continue to react to information about the condition of the Thai irrigation-dependent second crop which may be affected by water shortages and the progress of the rice crops in the southern hemisphere countries where harvesting usually begins in late-February/beginning of March.

MEAT

Subdued import demand for meat combined with ample supplies resulted in steep declines of international prices in 1998. The fall accelerated in the last quarter, after the financial crash in the Russian Federation seriously compromised sales to that market. The price slide was particularly pronounced in the case of pig meat, which reached historical lows, reflecting excess supplies worldwide. While poultry meat was also traded at depressed price levels during most of the year, they fell especially sharply from September onwards when purchases by the Russian Federation virtually ceased. Prices of sheep and bovine meat also trended downward, influenced by keen competition from the other meats.

Global meat production and consumption rose by 2.5 percent in 1998 to 218 million tonnes. After several years of steady declines, production in the developed countries increased, albeit by only 1 percent, sustained by a large expansion in North America and, to a smaller extent, in Europe. However, production in the CIS continued to fall. Growth in the developing countries, at 3 percent, was half the level of the previous year, reflecting mainly a slow-down in China.

International trade in meat^{1/} fell marginally in 1998 to 14.2 million tonnes, after a decade of steady expansion. The key factor underlying this development was the fall in imports by the Russian Federation, which had emerged as the second most important destination for meat after Japan. Trade in all meat categories, except sheep meat, was adversely affected by the contraction in import demand, although a strong increase in EC export subsidies helped to sustain flows in pig meat.

Bovine Meat

Global bovine meat output rose by less than 1 percent in 1998 to 57.7 million tonnes, supported by a moderate expansion in the developing countries. China's production continued to increase in 1998, although, at 8 percent the growth was about half of that registered in the previous year. Notable expansions were also recorded in Egypt, India and Pakistan. By contrast, production fell in the Republic of Korea, Thailand and Indonesia with the ending of the cattle liquidation which had boosted output in 1997. In Argentina, Brazil and Uruguay, the sector's performance was constrained by a retention of animals for herd rebuilding. Among the developed countries, production rose to a new high in the United States, largely triggered by record carcass

^{1/} In carcass weight equivalent, excluding trade in live animals and trade among EC and CIS countries.

weights. An expansion was also recorded by Canada and Australia while drought led to increased slaughter and output in New Zealand. Production was down in the EC where a cyclical fall was accentuated by the launching, since 1996, of several schemes to limit surpluses. Production in most eastern European countries and in the CIS continued to decline.

WORLD MEAT PRODUCTION ^{1/}

	1996	1997	1998 estim.
	(. . . . million tonnes)		
WORLD TOTAL	205.8	212.5	217.8
Poultry meat	56.2	59.7	61.1
Pig meat	78.5	80.6	83.8
Bovine meat	56.7	57.4	57.7
Sheep meat and goat meat	10.4	10.8	11.1
Other meat	4.1	3.9	4.0
DEVELOPING COUNTRIES	104.9	111.8	115.7
Poultry meat	27.0	29.9	30.8
Pig meat	42.5	45.4	47.4
Bovine meat	25.9	26.8	27.4
Sheep meat and goat meat	7.0	7.4	7.7
Other meat	2.4	2.3	2.4
DEVELOPED COUNTRIES	100.9	100.7	102.1
Poultry meat	29.1	29.9	30.3
Pig meat	36.0	35.2	36.4
Bovine meat	30.8	30.6	30.3
Sheep meat and goat meat	3.4	3.4	3.4
Other meat	1.6	1.6	1.7

SOURCE: FAO

Note: Total computed from unrounded data.

^{1/} In 1998, following the disclosure of the results of a recent national agricultural census, China's official estimates of meat production in 1996 and 1997 have been revised downward. FAO statistics have been adjusted accordingly.

International trade in bovine meat contracted slightly to 5.2 million tonnes in 1998, remaining close to the record level reached in 1997. Larger imports were made by the United States, to which beef supplies were increasingly diverted in reaction to weak demand from Asia. Purchases by Brazil, Mexico and Japan were also up, although in the latter country there was a noticeable shift towards lower priced cuts and qualities. By contrast, imports by Canada and the Republic of Korea dropped. As for exports, the United States increased its

deliveries slightly in 1998, while Australia, Brazil, Canada and New Zealand recorded more substantial gains, in some cases assisted by a weakening of their currencies that enhanced their competitiveness. However, deliveries from Argentina and, to a smaller extent, Uruguay suffered from high domestic prices, while those from the EC declined in line with its URA commitments limiting subsidized exports.

WORLD MEAT EXPORTS ^{1/}

	1996	1997	1998 estim.
	(. . . thousand tonnes . . .)		
WORLD	13 675	14 293	14 180
Poultry meat	5 382	5 510	5 426
Pig meat	2 658	2 682	2 686
Bovine meat	4 742	5 200	5 158
Sheep meat and goat meat	657	665	674
Other meat	236	236	236

SOURCE: FAO

Note: Total computed from unrounded data.

1/ Includes meat (fresh, chilled, frozen prepared and canned) in carcass weight equivalent; excludes live animals, offals and EC intra-trade.

Sheep and Goat Meat

Global production of sheep and goat meat rose by 3 percent to 11.1 million tonnes in 1998. The largest increases occurred in Asia, especially China, India and Pakistan where the sector benefited from rising demand, and in Africa, in particular Algeria and Nigeria. In the EC, sheep meat prices have been depressed during most of the year which has accelerated the cull of the breeding herd, resulting in a sizeable increase in production. The collapse in sheep skin prices, a by-product of sheep meat, put additional pressure on producers' returns. Australia and New Zealand registered some increases in production, reflecting high drought-induced slaughter at the beginning of the season. By contrast, the sheep meat sector in the United States continued to shrink. Output also fell in Argentina and Uruguay as resources were diverted towards cattle production.

Global trade in mutton and lamb in 1998 is estimated at 675 000 tonnes, some 10 000 tonnes above the previous year. Most of the increase was accounted for by larger imports by Mexico, Saudi Arabia and the United States. In the latter country, the rise in shipments triggered the safeguard under the US Trade Act, resulting in slightly higher tariffs since July 1998. Australia was the exporter that

benefited the most from the expansion in trade, with sales by New Zealand remaining about the same as last year. Shipments from India were smaller.

Pig Meat

Reflecting large and widespread increases in the breeding herds in the last two years, world pig meat output grew 4 percent in 1998 to 84 million tonnes. Although this expansion coincided with record low producer prices, relatively cheap feed grains in 1998 relieved some of the downward pressure on the sector's returns. Large increases in output were recorded especially by Brazil, Canada, China, Indonesia, the Republic of Korea, the United States and the EC. By contrast, production fell in the CIS and in Thailand.

Despite ample supplies available for export, international trade in pig meat stagnated at about 2.7 million tonnes in 1998. Purchases by the Russian Federation dropped, although the concession by the EC of a special refund of 700 ECU per tonne on sales to that market in November encouraged trade flows to rebound late in the year, thus limiting the extent of the contraction overall. The increased availability of domestic supplies resulted in smaller shipments to the Republic of Korea while a draw-down of stocks led to a 1 percent decline in imports by Japan. By contrast, shipments to Hong Kong SAR, the Chinese Province of Taiwan and Mexico rose. Exports from most eastern and central European countries, which depend critically on up-take by the Russian Federation, were depressed by the contraction of that market and by competition from EC's exports. Canada also reduced shipments somewhat. By contrast, both the United States and the EC managed to raise exports by sharply reducing selling prices. The Republic of Korea also stepped up its deliveries, filling part of the gap left on the Japanese market by the withdrawal of the Chinese Province of Taiwan, prompted by the trade ban introduced in 1997 after the occurrence of foot-and-mouth disease.

Poultry Meat

Global poultry meat production is estimated to have risen by 2 percent in 1998 to 61 million tonnes. The sector generally benefited from low feed prices which helped sustain returns despite depressed poultry producer prices. The expansion was relatively small in the United States, the leading producer, dampened by the occurrence of Leukosis, a disease which raised bird mortality. Similarly, production increased much slower in China following several years of price declines. In the EC, the sector growth, at two percent, was rather modest, but there were notable increases in South

Africa, Chile, Peru, Poland and Mexico. For the first time since the launching of the market reforms, the poultry sector showed signs of stabilization in the Russian Federation. However, output fell in Indonesia, hindered by high domestic feed prices caused by the currency devaluation and in Japan, where consumption continued to be depressed.

Global trade in poultry meat contracted in 1998 for the first time in the decade, falling by 1 percent to 5.4 million tonnes. The reduction was mainly brought about by the retreat of the Russian Federation from the international market during the last quarter of the year, which led to a sizeable drop in its imports. Weak domestic demand in China caused their purchases to be reduced and also led to a reduction in imports by Hong Kong SAR, part of which are normally re-exported to China. Imports by Japan stagnated. By contrast, those by Canada, Mexico and Argentina were driven by dynamic domestic consumption. Much of the brunt of the decline in world trade was born by the United States although Brazil and China also exported less, the latter under pressure of increased competition from Thailand. By contrast, the EC recorded a modest increase reflecting the good export performance during the first three quarters. Thailand's exports also increased.

Outlook for 1999

Global meat production is forecast to expand by about 2 percent in 1999. Much of the increase is likely to be concentrated in the poultry and pig meat sectors, especially if they should continue to benefit from low feed prices. Indeed, despite poor returns in 1998, producers have given few signs of downsizing their operations. An increase in sheep and goat meat production is also anticipated. However, bovine meat production could stagnate with some important producing countries entering the negative phase of the production cycle.

There is considerable uncertainty regarding the prospects for international trade in meat in 1999. Preliminary estimates point to a relatively stable volume of aggregate meat flows, with some decline expected for beef, as exportable supplies could tighten in North America and Oceania and more than offset increased availabilities in South America. The expectation of reduced sheep meat output in New Zealand could also limit the volume of trade in mutton and lamb. Trade in poultry meat is expected to fall somewhat in the light of poor demand prospects in the Russian Federation. By contrast, trade in pig meat could reach a new high, sustained by abundant supplies in Brazil, Canada, the EC and the United States combined with more buoyant import demand by Japan. The increase is likely to be associated with very low prices at least for the

first half of the year. This could give rise to a resumption of trade with the Russian Federation whose meat processing industry relies critically on pig meat imports. However, the configuration of meat trade this year will also hinge, to a large extent, on the launching of special measures by exporters. The EC has already approved the granting of food aid to the Russian Federation which envisages the delivery of 150 000 tonnes of beef and 100 000 tonnes of pig meat. Likewise, the United States recently announced concessional sales to the Russian Federation of poultry meat under the "Food for Peace" programme, in addition to a food aid package agreed in December which included 120 000 tonnes of beef and 100 000 tons of pork.

International prices for meat are expected to follow a mixed pattern in 1999. Prices for bovine meat might strengthen under a combination of smaller supplies and an expected recovery in import demand in Asian markets. Sheep meat prices could also come under upward pressure as export availabilities dwindle in New Zealand and production falls in major importing countries. By contrast, poultry and especially pig meat prices are likely to remain depressed as supplies in both importing and exporting countries are expected to remain ample, although this will depend to a large extent on the evolution of feed prices. With the current expectation of low grain quotations at least during the first six months of 1999, it might take some time before a reduction in poultry and pig meat production materializes and prices for these two meat categories recovers.

INTERNATIONAL MEAT PRICES

	1996	1997	1998
	(. US\$/tonne)		
Chicken parts <u>1/</u> Fresh, frozen	978	843	782 <u>5/</u>
pork <u>1/</u> Manufacture	2 733	2 724	2 156 <u>5/</u>
cow beef <u>2/</u>	1 741	1 880	1 754
Frozen mutton carcass <u>3/</u>	1 119	1 072	912 <u>6/</u>
Lamb frozen whole carcass <u>4/</u>	3 295	3 393	2 750

SOURCE: FAO

1/ U.S. export unit value.

2/ Australia, cif prices to the United States.

3/ Australia, fob prices.

4/ New Zealand, wholesale prices London.

5/ January-October 1998.

6/ January-November 1998.

OILSEEDS, OILS AND OILMEALS^{1/}

Prices of oilcrop-based products are expected to come under downward pressure in 1998/99

International prices of oilseed products exhibited diverging trends during most of the 1997/98 season, with average prices of oilseeds and cakes and meals falling (by about 8 percent for oilseeds and 13 percent for cakes and meals) and those of oils and fats rising sharply (by 15 percent) over the previous season. The increase in average annual prices of oils and fats is expected to come to a halt, as the closing stocks-to-use ratio for oils and fats for the 1998/99 season is forecast to rise, albeit only slightly compared to that of the previous season. The main reason for this is another record global production of oilseeds foreseen for 1998/99, which is also likely to exert further downward pressure on the prices of cakes and meals.

^{1/} 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 oilseed, 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.

Another record output for major oilcrops and related products

Global **production** of the **seven major oilcrops** (see table next page) in 1998/99 is forecast at 305 million tons, a new record after the 301 million tons reached in 1997/98. The expected rise in output would be mainly on account of the increases in sunflower, rapeseed and groundnut crops which would more than offset reduced production of cottonseed and soybeans. The increase of sunflower production is expected largely in Argentina and the USA, that of rapeseed in Canada and the EC and that of groundnut in China. The decline foreseen in the cottonseed crop (about 8 percent) is concentrated in the United States and some Asian countries, while the fall in global soybean production (by about 2 million tons) would be mainly due to the expected contraction in crops in Argentina, Brazil and China.

Based on the above crop estimates, world production of **edible/soap oils and fats** in 1998/99 is forecast to surpass last season's level by some 3-4 percent, reaching some 108 million tons. The expansion in total output would mainly be on account of the increases in the production of sunflower and rapeseed oil together with a recovery in palm oil output. Soft oils are estimated to account for 55 percent of the global output of edible/soap oils and fats (45 percent of which will be soybean oil),

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	Soybean oil	Palm oil	Soybean cake
October/September	(. . . 1990-92=100 . . .)		(. US\$/tonne)			
1993/94	128	93	259	582	452	202
1994/95	154	94	247	641	645	184
1995/96	140	128	303	574	544	257
1996/97 - Oct.-March	136	134	301	527	560	282
- April-Sept.	134	132	295	546	530	275
1997/98 - Oct.-March	151	130	277	638	605	238
- April-Sept.	159	103	236	631	678	155
1998/99 - Oct.-Dec.	155	98	231	613	685	159

SOURCE: FAO

palm oil for 17 percent, lauric oils for 5 percent, and marine oils, animal and other fats and oils for the rest. As a consequence of the rise in output, global supplies of edible/soap oils and fats in 1998/99 are expected to be higher than in 1997/98 despite a lower stock level at the beginning of the 1998/99 season.

WORLD PRODUCTION OF THE SEVEN MAJOR OILSEEDS

	1996/97	1997/98	1998/99 f'cast
	(. million tonnes)		
Soybeans	133.6	157.9	156.9
Cottonseed	38.2	38.5	35.2
Groundnuts	30.0	30.0	31.6
Sunflowerseed	29.9	29.8	33.0
Rapeseed	31.8	34.4	37.9
Palm kernels	5.4	5.3	5.7
Copra	5.4	4.9	4.8
Total	274.3	300.8	305.3

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

World production of **cakes and meals** expressed in protein equivalent is foreseen to increase to nearly 75 million tons, rising over 2 percent above the bumper level of 1997/98. The increases in output would mainly be on account of rapeseed and sunflowerseed as well as fishmeal, while world production of soybean meal is likely to stagnate. Global supplies of meals and cakes in 1998/99 are also expected to be above the previous season's level, given the recovery in the volume of stocks at the beginning of the season.

Utilization of oilcrop-based products is expected to continue to expand, but at a slower pace

Despite relatively high prices, total **utilization of edible and soap fats and oils** is forecast to continue to expand in 1998/99, albeit at a slower pace (about 2 percent compared to 4 percent during the preceding season), to reach 107 million tons. The economic crisis affecting some countries since 1997 is not expected to alter per caput consumption of oils and fats notably. With respect to the composition of global consumption, the share of sunflower, rapeseed and palm oils is likely to increase slightly.

Global utilization of **cakes and meals** is forecast to increase further in 1998/99 although less marked than in the previous season, reaching more than 74 million tons in protein equivalent. The bulk of the increase is expected to occur in Asia, particularly China, despite a slow-down in the expansion of the consumption of meat (as a more income-sensitive, high-value added product) in the region. Moderate growth in utilization is anticipated in the EC and the USA, fueled by increases in meat production. As to the different meals, a strong rise in soybean meal consumption, as well as in cake of rapeseed, is likely, while global consumption of other vegetable cakes and meals is anticipated to change little and utilization of fishmeal is expected to recover slightly after falling in response to reduced production in 1997/98.

Ending stocks of oilcrop-based products are expected to increase

Based on the above supply and demand forecasts for the 1998/99 season, **stocks of oils and fats** at the end of the season are likely to recover slightly from last season's level as the level of utilization is expected to remain below that of production. A slight recovery in the stock-to-utilization ratio is also expected by the end of 1998/99. As a result, prices for oils and fats could come under downward pressure as the season progresses, although they are likely to remain at relatively high levels compared to the early-1990s.

Stocks of **cakes and meals** could also expand as a result of global production exceeding utilization, with the stock-to-utilization ratio edging further upwards. This in turn could lead to a further fall in the prices of these products to levels at or below those of the early-1990s.

International trade continues to expand

As in 1997/98, an increase in world **trade in oilcrop-based products** is expected in 1998/99 as a result of a further strengthening in global import demand for these commodities. A continued sharp expansion in imports of oilseed-based products is expected in China, due mainly to weather related production difficulties, which could further widen the domestic demand gap for oilseeds, oils and meals. The country's net imports of oils and fats as well as cakes and meals are estimated to increase from 4.5 and 3.7 million tons respectively in 1997/98 to 5.7 and 4.5 million tons respectively this season. Total imports of oils and fats are not expected to change substantially in other major importing countries. The anticipated slow-down in global oilmeal demand is unlikely to lead to reduced import volumes of cakes and meals in the major importing regions.

Total **exports** of oils and fats in 1998/99 are estimated to reach more than 44 million tons, rising some 1.9 percent above last season's level. Following the customary pattern, the main suppliers of oils would be Argentina, Brazil and the United States for soybeans, sunflowerseed and their oils, Indonesia and Malaysia for palm and palmkernel oil; the Philippines for copra and coconut oil; and Canada for rapeseed and its oil. The shares of soybean oil and palm oil in total shipments of oils and fats are estimated at 30 percent and 27 percent respectively, followed by sunflower seed oil (11 percent), rapeseed oil (9 percent), and coconut oil (3.5 percent). Total exports in 1998/99 of cakes and meals are likely to exceed 37 million tons of protein equivalent, increasing by more than 3.3 percent compared to the 4 percent achieved during the previous season. The share of soybean meal in the world exports is estimated to fall slightly from 79 percent to 77 percent, while the shares of the cakes of sunflowerseed and rapeseed, as well as fishmeal, are expected to increase due to increased export availability.

The outlook for global oilseeds production will govern the oilcrop economy during the rest of the 1998/99 season

On balance, while the driving force in the oilcrop economy prior to the 1997/98 season was the demand for oilcakes and meals, market developments during the 1997/98 season were influenced more by supply and demand factors underlying the oils and fats markets. Weather related problems reduced palm and coconut oil production and, combined with the continued expansion of demand, reversed the decline in the average prices of all oils and fats. The ensuing crush for oil, which was made possible by abundant supplies of oil bearing seeds, has slowed the increase in the prices of oils and fats since the beginning of the 1998/99 season. This situation, coupled with relatively weak grain markets, created an oversupply of cakes and meals, which is continuing to exert downward pressure on their prices. Although the oilseed crops in the southern hemisphere countries are still to be harvested, a notable recovery of prices will probably not occur during the rest of the 1998/99 season.

FERTILIZERS

Urea prices fell over the past two months. In eastern Europe, December prices were quoted at about 30 percent below those a year earlier, while in the Near East, prices were about 21 percent down. This downward trend is expected to continue, as demand for urea is normally limited at this time of the year. Currency devaluation during the last quarter of 1998 allowed CIS producers to divert output to the international market, where they are reportedly receiving prices of around US\$60 per tonne, which might lower the floor price in the world market. The timing and volume of the demand in Latin America will effect prices and production in the Black Sea and the Baltics. Production in Mexico is temporarily halted and stocks in Venezuela are low. Indonesia may become a net importer. India is scheduled to import 200 000 tonnes for the first quarter of 1999 and further imports of 2.2 million tonnes are envisaged. Pakistan imported small quantities of urea; other import allocations for 1999 will depend on domestic production. Turkey has entered the market and expects the arrival of 50 000 tonnes by end-January. In the United States, domestic market prices may show a slight increase prior to the temporary closure of the river transportation system, where after prices are expected to fall again quickly.

Prices for **ammonium sulphate** remained relatively stable during late 1998. December prices

in western Europe and the U.S. Gulf were 10 percent and 35 percent respectively less than a year ago, while prices in the Far East and eastern Europe were 10 percent and 24 percent respectively more than a year ago.

Ammonium prices have been declining in recent months and this trend is expected to continue in the near future because of generally low demand and ample supply. This is especially the case for the Black Sea producers where stocks are reportedly high (60 000 tonnes). Producers in the Near East have reduced ammonium prices to meet competition from Asian suppliers. Ammonium prices may increase when Indonesia starts to increase urea production again. DAP production in the United States decreased and therefore also the demand for ammonia.

Phosphate fertilizer prices on the international spot market declined somewhat, with latest quotations around 0.2 percent lower compared to last year. The DAP export market in the U.S. Gulf has apparently stabilized as China entered the market for about 2.5 million tonnes. India retroactively established subsidies for phosphate and potash fertilisers irrespective of origin. Import demand may now come earlier rather than at the beginning of the summer planting season. The availability of ample stocks in the CIS

continues to put downward pressure on export prices. Ethiopia is expected to import DAP from North Africa. Europe will continue to be supplied from the Baltic Sea, while Romania's entry into the market will add to the supply potential from the Mediterranean.

International prices of **potash** have increased marginally compared to the previous year in Canada and western Europe, and by 11 percent in eastern Europe. Demand in the Asian market is increasing, in particular from Sri Lanka, Nepal and Viet Nam.

Viet Nam increased its import allocation by 70 000 tonnes. Potash stocks in China are low and China has agreed to a price increase for its imports from Canada. Potash production capacity in China, however, is expected to increase in the next few years. Indonesia is scheduled to import 120 000 tonnes from China and Canada. Demand for potash in Brazil remained quiet due to foreign exchange uncertainties. In the United States potash fertilizer demand is low due to low grain and oilseed prices with the prospect of a possible reduction in the area planted. In Europe, however, demand increased following improved weather conditions for planting.

AVERAGE FERTILIZER SPOT PRICES (bulk, f.o.b.)

	1998		1997	Change from last year ^{1/}
	November	December	December	
	(. US\$/tonne)			(. percentage .)
Urea				
eastern Europe	69-71	64-66	88-97	- 29.7
Near East	87-98	81-84	100-109	- 21.1
Ammonium Sulphate				
eastern Europe	26-36	31-35	22-31	+ 23.1
U.S. Gulf	45-55	45-55	75-80	- 35.5
western Europe	40-45	40-45	45-50	- 10.5
Far East	50-51	50-51	42-50	+ 9.8
Diammonium Phosphate				
Jordan	213-220	209-213	209-214	- 0.2
North Africa	209-217	205-213	203-216	- 0.2
U.S. Gulf	203-206	200-203	199-202	+ 0.5
Triple Superphosphate				
North Africa	160-164	158-162	161-166	- 2.2
U.S. Gulf	163-171	163-170	170-173	- 2.9
Muriate of Potash				
eastern Europe	95-107	95-108	85-95	+ 12.8
Vancouver	114-128	116-129	115-127	+ 1.2
western Europe	130-139	127-135	126-136	-

SOURCE: Compiled from Fertilizer Week and Fertilizer Market Bulletin.

^{1/} From mid-point of given ranges.

A.1 a) - WORLD CEREAL PRODUCTION - Estimates for 1998 as of January 1999

	Wheat			Coarse Grains		
	1996	1997 prelim.	1998 estim.	1996	1997 prelim.	1998 estim.
	(..... million tonnes)					
ASIA	229.4	249.9	242.2	226.3	192.9	218.2
Bangladesh	1.4	1.5	1.8	0.1	0.1	0.1
China ^{1/}	110.6	123.3	110.0	145.9	119.6	141.7
India	62.1	69.3	66.4	34.3	30.2	30.9
Indonesia	-	-	-	9.3	8.8	9.8
Iran, Islamic Rep. of	8.8	10.2	12.0	3.7	3.8	3.8
Japan	0.5	0.6	0.6	0.3	0.2	0.2
Korea, D. P. R.	0.1	-	0.2	2.4	1.2	1.9
Korea, Rep. of	-	-	-	0.4	0.4	0.4
Myanmar	0.1	0.1	0.1	0.4	0.5	0.5
Pakistan	16.9	16.4	18.7	1.8	1.9	1.9
Philippines	-	-	-	4.2	4.3	3.8
Saudi Arabia	1.2	1.5	1.8	0.7	0.6	0.6
Thailand	-	-	-	4.6	4.1	4.8
Turkey	18.5	18.7	21.0	10.5	10.8	10.9
Viet Nam	-	-	-	1.3	1.3	1.2
AFRICA	22.7	15.3	19.2	88.4	76.1	84.4
North Africa	16.6	10.0	14.0	13.5	9.1	10.7
Egypt	5.7	5.8	6.1	6.6	6.7	7.0
Morocco	5.9	2.3	4.4	4.1	1.7	2.2
Sub-Saharan Africa	6.1	5.4	5.2	74.9	67.0	73.7
Western Africa	0.1	0.1	0.1	30.3	29.4	32.5
Nigeria	-	0.1	0.1	18.5	18.5	19.3
Central Africa	-	-	-	2.6	2.4	2.7
Eastern Africa	2.9	2.6	3.3	22.6	18.1	23.8
Ethiopia	1.9	1.5	2.3	8.9	6.8	9.0
Sudan	0.5	0.6	0.6	4.7	3.6	5.8
Southern Africa	3.1	2.7	1.8	19.4	17.1	14.7
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.7	2.3	1.5	10.8	9.6	8.1
Zimbabwe	0.3	0.3	0.3	2.8	2.4	1.6
CENTRAL AMERICA	3.4	3.7	3.3	29.2	28.2	28.6
Mexico	3.4	3.6	3.2	25.5	25.1	25.4
SOUTH AMERICA	22.1	20.1	15.7	54.6	63.7	63.7
Argentina	16.0	14.8	10.6	13.5	19.7	24.3
Brazil	3.4	2.4	2.2	33.0	35.6	31.4
Colombia	0.1	0.1	0.1	1.6	1.3	1.6
NORTH AMERICA	91.8	91.8	93.8	294.6	285.9	298.5
Canada	29.8	24.3	24.4	28.6	25.3	26.8
United States	62.0	67.5	69.4	265.9	260.6	271.8
EUROPE	128.6	132.2	139.8	160.1	175.7	161.7
Bulgaria	1.8	3.6	3.3	1.6	2.6	2.4
EC ^{2/}	100.1	95.1	103.0	105.1	110.6	105.1
Hungary	3.9	5.3	5.0	7.3	8.9	8.0
Poland	8.6	8.2	9.5	16.7	17.2	17.5
Romania	3.1	7.1	5.7	11.1	15.0	9.7
CIS ^{3/}	67.6	81.2	62.4	55.7	70.8	44.6
OCEANIA	24.0	19.7	21.4	11.7	10.7	9.1
Australia	23.7	19.4	21.2	11.1	10.0	8.4
WORLD	589.6	614.0	597.9	920.6	903.9	908.8
Developing countries	274.3	286.0	278.2	387.4	351.0	386.5
Developed countries	315.3	327.9	319.7	533.2	553.0	522.3

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Including Taiwan Province. ^{2/} Fifteen member countries. ^{3/} In cleaned weight; Commonwealth of Independent States.

Table A.1 b) - WORLD CEREAL PRODUCTION - Estimates for 1998 as of January 1999

	Rice (paddy)			Total Cereals ^{1/}		
	1996	1997 prelim.	1998 estim.	1996	1997 prelim.	1998 estim.
	(..... million tonnes)					
ASIA	522.7	526.3	509.9	978.4	969.1	970.3
Bangladesh	28.3	28.3	26.3	29.8	29.8	28.2
China ^{2/}	197.0	202.8	193.1	453.5	445.6	444.9
India	122.1	123.3	121.6	218.5	222.8	218.9
Indonesia	51.1	49.4	46.4	60.4	58.2	56.2
Iran, Islamic Rep. of	2.6	2.9	2.9	15.1	16.9	18.7
Japan	12.9	12.5	11.2	13.7	13.3	12.0
Korea, D. P. R.	2.0	1.7	2.1	4.5	2.9	4.2
Korea, Rep. of	7.3	7.5	7.0	7.7	7.9	7.4
Myanmar	17.7	16.7	17.0	18.2	17.3	17.5
Pakistan	6.5	6.5	7.0	25.1	24.8	27.5
Philippines	11.2	10.0	10.2	15.3	14.3	14.1
Saudi Arabia	-	-	-	1.9	2.1	2.4
Thailand	22.4	22.4	22.4	27.1	26.5	27.2
Turkey	0.3	0.3	0.3	29.3	29.7	32.3
Viet Nam	27.3	28.4	28.4	28.6	29.7	29.6
AFRICA	15.5	16.9	15.6	126.6	108.3	119.2
North Africa	5.0	5.5	4.5	35.1	24.6	29.2
Egypt	4.9	5.5	4.5	17.2	18.0	17.5
Morocco	0.1	-	0.1	10.1	4.1	6.6
Sub-Saharan Africa	10.6	11.4	11.1	91.6	83.8	90.0
Western Africa	6.6	7.5	7.0	36.9	37.0	39.6
Nigeria	3.1	3.8	3.4	21.6	22.3	22.8
Central Africa	0.4	0.4	0.4	3.0	2.9	3.1
Eastern Africa	0.8	0.7	1.2	26.3	21.4	28.2
Ethiopia	-	-	-	10.8	8.3	11.2
Sudan	-	-	-	5.2	4.3	6.4
Southern Africa	2.8	2.8	2.5	25.3	22.5	19.0
Madagascar	2.6	2.5	2.2	2.7	2.7	2.4
South Africa	-	-	-	13.5	11.9	9.6
Zimbabwe	-	-	-	3.1	2.7	1.8
CENTRAL AMERICA	2.1	2.1	2.0	34.7	34.0	33.8
Mexico	0.4	0.5	0.5	29.3	29.2	29.1
SOUTH AMERICA	18.1	17.7	16.0	94.8	101.5	95.4
Argentina	1.0	1.2	1.0	30.4	35.7	36.0
Brazil	10.0	9.5	8.5	46.4	47.6	42.1
Colombia	1.6	1.5	1.6	3.3	2.9	3.2
NORTH AMERICA	7.8	8.3	8.5	394.1	386.0	400.9
Canada	-	-	-	58.4	49.5	51.2
United States	7.8	8.3	8.5	335.7	336.5	349.7
EUROPE	2.7	2.7	2.7	291.5	310.6	304.3
Bulgaria	-	-	-	3.4	6.1	5.7
EC ^{3/}	2.7	2.7	2.6	207.8	208.3	210.7
Hungary	-	-	-	11.3	14.2	13.0
Poland	-	-	-	25.3	25.4	27.0
Romania	-	-	-	14.2	22.1	15.5
CIS ^{4/}	1.2	1.1	1.2	124.5	153.0	108.2
OCEANIA	1.0	1.4	1.4	36.7	31.9	31.9
Australia	1.0	1.4	1.3	35.8	30.8	31.0
WORLD	571.2	576.6	557.2	2 081.4	2 094.5	2 063.9
Developing countries	545.5	550.6	532.2	1 207.2	1 187.6	1 196.9
Developed countries	25.7	26.0	25.0	874.1	906.9	866.9

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Rice is included in the cereal total in paddy terms. ^{2/} Including Taiwan Province. ^{3/} Fifteen member countries. ^{4/} In cleaned weight; Commonwealth of Independent States.

Table A.2 a) - **WORLD IMPORTS OF CEREALS**

	Wheat (July/June) ^{1/}			Coarse Grains (July/June)		
	1996/97	1997/98 estim.	1998/99 f'cast	1996/97	1997/98 estim.	1998/99 f'cast
	(..... million tonnes)					
ASIA	49.2	46.0	43.1	56.1	54.1	53.1
Bangladesh	1.1	0.8	2.4	-	-	-
China ^{2/}	5.2	3.1	3.3	8.4	6.8	8.0
China, Hong Kong SAR	0.4	0.4	0.4	0.1	-	-
India	1.8	2.3	0.9	0.2	0.2	0.2
Indonesia	4.2	4.0	2.8	0.9	1.3	0.2
Iran, Islamic Rep. of	7.0	4.0	3.5	2.2	1.7	1.5
Japan	6.3	6.0	6.3	20.3	21.0	20.7
Korea, Rep. of	3.9	3.9	4.2	9.1	8.1	7.3
Malaysia	1.3	1.1	1.2	2.4	2.3	2.2
Pakistan	3.0	4.3	2.2	-	-	-
Philippines	2.0	1.9	2.0	0.6	0.4	0.5
Saudi Arabia	-	-	-	5.8	5.9	6.2
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	0.9	1.0	-	0.1	0.1
Syria	0.1	0.2	0.2	0.3	0.3	0.3
Thailand	0.8	0.7	0.7	0.2	0.3	0.1
Yemen	2.2	2.5	2.6	0.2	0.2	0.2
AFRICA	20.6	23.5	21.9	9.2	10.5	11.3
North Africa	14.0	16.7	15.6	5.9	6.4	6.5
Algeria	3.3	4.5	4.3	0.9	1.3	1.1
Egypt	6.9	7.2	7.2	3.1	3.2	3.2
Morocco	1.6	2.5	1.8	0.7	0.8	0.9
Tunisia	0.8	1.3	0.9	0.5	0.5	0.6
Sub-Saharan Africa ^{3/}	6.6	6.8	6.3	3.3	4.1	4.8
Cote d'Ivoire	0.2	0.3	0.3	-	-	-
Ethiopia	0.2	0.6	-	-	0.2	-
Kenya	0.6	0.5	0.3	1.1	0.8	0.6
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.1
Sudan	0.7	0.5	0.5	-	-	-
CENTRAL AMERICA	4.3	5.2	5.5	8.7	9.8	10.5
Mexico	1.9	2.2	2.3	6.3	6.8	7.4
SOUTH AMERICA	11.2	10.0	11.1	5.3	5.8	6.6
Brazil	6.5	5.2	5.8	0.7	1.1	1.5
Colombia	0.9	1.0	1.1	1.6	1.7	1.6
Peru	1.2	1.3	1.3	0.7	1.0	1.0
Venezuela	1.2	1.1	1.3	1.2	1.1	1.3
NORTH AMERICA	2.6	2.6	2.5	3.3	4.0	3.2
EUROPE	6.7	5.3	4.6	6.4	4.1	3.9
EC ^{4/}	2.1	3.1	2.5	2.8	1.9	2.0
CIS ^{5/}	2.8	2.7	4.2	0.3	0.3	0.7
OCEANIA	0.5	0.4	0.4	-	0.1	0.1
WORLD	98.0	95.7	93.3	89.3	88.6	89.5
Developing countries	77.5	77.2	73.5	57.0	57.4	58.5
Developed countries	20.5	18.5	19.8	32.3	31.2	31.1

SOURCE: FAO

Note: Totals computed from unrounded data.

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

^{2/} Including Taiwan Province.

^{3/} Including the Republic of South Africa.

^{4/} Excluding trade between the fifteen EC member countries.

^{5/} Commonwealth of Independent States; excluding intratrade.

Table A.2 b) - **WORLD IMPORTS OF CEREALS**

	Rice (milled)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1996/97	1997/98 estim.	1998/99 f'cast
	(..... million tonnes)					
ASIA	9.2	16.9	11.6	114.5	117.0	107.8
Bangladesh	-	2.4	1.1	1.1	3.2	3.5
China <u>2/</u>	0.3	0.2	0.6	13.9	10.1	11.9
China, Hong Kong SAR	0.3	0.3	0.3	0.8	0.8	0.8
India	-	-	-	2.0	2.5	1.1
Indonesia	1.0	5.8	2.4	6.1	11.1	5.4
Iran, Islamic Rep. of	0.9	0.6	0.6	10.1	6.3	5.6
Japan	0.6	0.6	0.7	27.2	27.6	27.6
Korea, Rep. of	0.1	0.1	0.1	13.1	12.1	11.6
Malaysia	0.6	0.7	0.7	4.3	4.1	4.1
Pakistan	-	-	-	3.0	4.3	2.2
Philippines	0.9	2.2	1.2	3.5	4.6	3.7
Saudi Arabia	1.0	0.7	0.8	6.8	6.6	7.0
Singapore	0.3	0.2	0.3	0.8	0.7	0.7
Sri Lanka	0.3	0.2	0.2	1.3	1.2	1.2
Syria	0.2	0.2	0.2	0.6	0.7	0.7
Thailand	-	0.2	-	1.0	1.2	0.8
Yemen	0.2	0.2	0.2	2.6	2.8	2.9
AFRICA	4.3	3.9	4.2	34.2	37.9	37.4
North Africa	0.2	0.2	0.2	20.1	23.4	22.3
Algeria	0.1	0.1	0.1	4.2	5.9	5.5
Egypt	-	-	-	10.0	10.4	10.4
Morocco	-	-	-	2.3	3.3	2.7
Tunisia	-	-	-	1.4	1.8	1.5
Sub-Saharan Africa <u>3/</u>	4.1	3.6	3.9	14.0	14.5	15.0
Cote d'Ivoire	0.5	0.5	0.5	0.7	0.8	0.8
Ethiopia	-	-	-	0.2	0.8	-
Kenya	0.1	0.1	0.1	1.7	1.4	1.0
Madagascar	0.1	0.1	0.1	0.1	0.2	0.2
Senegal	0.5	0.5	0.5	0.7	0.8	0.8
Sudan	-	-	-	0.7	0.5	0.5
CENTRAL AMERICA	1.4	1.3	1.5	14.3	16.3	17.5
Mexico	0.3	0.3	0.3	8.5	9.2	10.0
SOUTH AMERICA	1.4	2.0	1.4	17.9	17.7	19.1
Brazil	0.8	1.4	0.8	8.0	7.6	8.1
Colombia	0.3	0.2	0.2	2.8	2.9	2.9
Peru	0.2	0.3	0.3	2.2	2.5	2.5
Venezuela	-	-	0.1	2.4	2.2	2.6
NORTH AMERICA	0.6	0.6	0.6	6.6	7.2	6.3
EUROPE	1.1	1.0	1.1	14.3	10.4	9.6
EC <u>4/</u>	0.7	0.6	0.6	5.5	5.6	5.1
CIS <u>5/</u>	0.5	0.5	0.5	3.6	3.5	5.4
OCEANIA	0.3	0.3	0.3	0.9	0.9	0.8
WORLD	18.9	26.6	21.1	206.1	210.9	204.0
Developing countries	15.3	23.3	17.6	149.8	157.9	149.6
Developed countries	3.6	3.3	3.5	56.4	53.0	54.3

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/ Including the Republic of South Africa.

4/ Excluding trade between the fifteen EC member countries.

5/ Commonwealth of Independent States; excluding intratrade.

6/ Highly tentative.

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1996/97	1997/98 estim.	1998/99 f'cast	1996/97	1997/98 estim.	1998/99 f'cast
	(..... million tonnes)					
ASIA	4.7	3.9	4.6	3.4	8.9	6.2
China 2/	0.8	0.5	0.3	2.2	7.0	4.2
India	0.6	-	0.1	-	-	-
Indonesia	-	-	-	-	0.5	0.3
Japan	0.3	0.3	0.3	-	-	-
Korea, D. P. R.	-	-	-	-	-	-
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.1	0.1	-	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	0.1	-	0.1
Turkey	0.9	1.5	2.5	0.3	1.0	1.3
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.4	0.4	4.7	2.4	1.7
Egypt	-	-	-	-	-	-
South Africa	0.1	0.3	0.3	2.5	1.4	0.5
Sudan	-	-	-	0.1	0.1	0.4
Zimbabwe	-	-	-	0.3	0.3	0.1
CENTRAL AMERICA	0.1	0.3	0.2	-	0.1	0.1
SOUTH AMERICA	9.9	9.4	7.2	12.5	13.8	13.0
Argentina	9.6	9.1	7.0	11.4	13.1	12.5
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	44.9	49.2	44.5	57.1	47.9	53.0
Canada	17.9	21.1	15.0	5.0	3.5	4.5
United States	27.0	28.1	29.5	52.2	44.3	48.5
EUROPE	18.0	16.8	19.5	9.3	7.7	11.1
EC 3/	16.9	14.0	17.0	8.6	4.5	9.0
Hungary	0.7	1.2	1.2	0.5	1.8	1.2
Poland	0.1	0.1	0.1	0.1	0.1	0.1
Romania	0.2	0.9	0.5	-	1.2	0.7
CIS 4/	0.8	2.6	2.3	0.6	2.7	1.1
OCEANIA	18.4	15.3	14.5	4.4	2.9	3.5
Australia	18.4	15.3	14.5	4.4	2.9	3.5
WORLD	97.1	98.0	93.3	92.1	86.4	89.5
Developing countries	14.6	13.4	11.9	18.1	23.8	20.5
Developed countries	82.5	84.6	81.4	74.0	62.6	69.0

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 fifteen EC member countries.

4/ Commonwealth of Independent States; excluding intratrade.

Table A.3 b) - WORLD EXPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1996/97	1997/98 estim.	1998/99 f'cast
	(..... million tonnes)					
ASIA	13.8	20.5	15.5	21.9	33.2	26.3
China 2/	1.0	3.4	1.1	4.1	10.9	5.6
India	2.0	4.0	2.1	2.6	4.0	2.2
Indonesia	-	-	-	-	0.5	0.3
Japan	0.1	0.8	0.5	0.4	1.1	0.8
Korea, D. P. R.	-	-	-	-	-	-
Myanmar	-	0.1	0.1	0.1	0.2	0.1
Pakistan	1.9	1.9	2.2	2.0	2.0	2.2
Saudi Arabia	-	-	-	-	-	-
Thailand	5.3	6.4	5.5	5.4	6.4	5.6
Turkey	-	-	-	1.2	2.5	3.8
Viet Nam	3.6	3.8	3.9	3.7	4.0	4.1
AFRICA	0.4	0.6	0.3	5.4	3.4	2.5
Egypt	0.4	0.5	0.3	0.4	0.5	0.3
South Africa	-	-	-	2.7	1.7	0.8
Sudan	-	-	-	0.1	0.1	0.4
Zimbabwe	-	-	-	0.3	0.3	0.1
CENTRAL AMERICA	-	-	-	0.2	0.4	0.2
SOUTH AMERICA	1.8	1.5	1.7	24.3	24.7	21.9
Argentina	0.6	0.6	0.7	21.6	22.8	20.2
Suriname	0.1	-	0.1	0.1	-	0.1
Uruguay	0.7	0.5	0.7	0.8	0.6	0.8
NORTH AMERICA	2.3	3.1	2.8	104.4	100.2	100.2
Canada	-	-	-	22.9	24.6	19.5
United States	2.3	3.1	2.8	81.5	75.5	80.8
EUROPE	0.2	0.2	0.2	27.5	24.7	30.8
EC 3/	0.2	0.2	0.2	25.7	18.7	26.2
Hungary	-	-	-	1.3	3.0	2.4
Poland	-	-	-	0.2	0.1	0.1
Romania	-	-	-	0.2	2.1	1.2
CIS 4/	-	-	-	1.3	5.4	3.4
OCEANIA	0.6	0.7	0.7	23.4	19.0	18.7
Australia	0.6	0.7	0.7	23.4	18.9	18.7
WORLD	19.2	26.6	21.1	208.4	210.9	204.0
Developing countries	16.0	21.7	17.0	48.7	58.9	49.4
Developed countries	3.2	4.8	4.1	159.7	152.0	154.6

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

4/ Commonwealth of Independent States; excluding intratrade.

5/ Highly Tentative.

Table A.4 - WHEAT, COARSE GRAINS AND RICE: Supplies and utilization in main exporting countries, National Crop Years

	Wheat ^{1/}			Coarse Grains ^{2/}			Rice (milled basis)		
	1996/97	1997/98 estim.	1998/99 f'cast	1996/97	1997/98 estim.	1998/99 f'cast	1996/97	1997/98 estim.	1998/99 f'cast
	(..... million tonnes)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	10.2	12.1	19.7	14.4	27.0	38.2	0.8	0.9	0.9
Production	62.0	67.5	69.4	265.9	260.6	271.8	5.5	6.0	6.1
Imports	2.5	2.6	2.4	2.7	2.7	2.5	0.3	0.3	0.3
Total Supply	74.7	82.2	91.5	283.1	290.3	312.4	6.6	7.1	7.3
Domestic use	35.4	34.2	37.1	204.6	206.8	212.7	3.2	3.5	3.6
Exports	27.2	28.3	29.0	51.5	45.3	48.7	2.5	2.8	2.8
Closing stocks	12.1	19.7	25.4	27.0	38.2	51.0	0.9	0.9	0.9
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) ^{3/}		
Opening stocks	6.7	9.0	6.0	2.7	4.9	4.4	0.8	1.1	0.8
Production	29.8	24.3	24.4	28.6	25.3	26.8	14.8	14.8	14.8
Imports	0.1	0.1	0.1	0.8	1.5	0.6	0.0	0.2	0.0
Total Supply	36.6	33.4	30.5	32.2	31.7	31.7	15.6	16.2	15.6
Domestic use	8.2	7.4	7.4	21.9	23.4	22.8	9.3	9.0	9.3
Exports	19.4	20.0	15.9	5.4	3.9	3.9	5.3	6.4	5.5
Closing stocks	9.0	6.0	7.2	4.9	4.4	5.0	1.1	0.8	0.8
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) ^{3/ 4/}		
Opening stocks	0.4	1.0	0.7	0.3	0.1	0.3	10.6	12.3	14.4
Production	16.0	14.8	10.6	13.4	19.7	24.3	135.1	139.0	132.4
Imports	0.0	0.0	0.0	0.1	0.0	0.0	0.3	0.2	0.6
Total Supply	16.4	15.8	11.3	13.8	19.8	24.6	146.0	151.5	147.4
Domestic use	5.6	5.1	4.9	5.5	7.8	8.8	132.7	133.7	134.2
Exports	9.8	10.0	5.8	8.2	11.7	15.2	1.0	3.4	1.1
Closing stocks	1.0	0.7	0.6	0.1	0.3	0.7	12.3	14.4	12.2
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) ^{3/}		
Opening stocks	1.9	2.9	2.0	1.0	1.1	2.0	0.4	0.5	0.5
Production	23.7	19.4	21.2	11.1	10.0	8.4	4.3	4.3	4.7
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	25.6	22.3	23.2	12.1	11.1	10.4	4.7	4.8	5.1
Domestic use	3.5	5.1	5.2	5.8	5.8	5.5	2.4	2.4	2.5
Exports	19.2	15.2	15.5	5.2	3.4	3.3	1.9	1.9	2.2
Closing stocks	2.9	2.0	2.5	1.1	2.0	1.6	0.5	0.5	0.4
	EC (July/June) ^{5/}			EC ^{5/}			VIET NAM (Nov./Oct.) ^{3/}		
Opening stocks	9.4	11.0	12.3	12.6	15.8	23.4	1.7	1.7	1.9
Production	100.1	95.1	103.0	105.1	110.6	105.1	17.8	18.5	18.5
Imports	2.1	3.1	2.5	2.8	1.9	2.0	0.0	0.0	0.0
Total Supply	111.5	109.2	117.8	120.4	128.3	130.5	19.5	20.2	20.3
Domestic use	83.3	82.6	84.3	96.0	100.4	99.0	14.2	14.5	14.7
Exports	17.2	14.3	17.5	8.6	4.5	9.0	3.6	3.8	3.9
Closing stocks	11.0	12.3	16.0	15.8	23.4	22.5	1.7	1.9	1.7
TOTAL ABOVE									
Opening stocks	28.7	36.0	40.6	31.1	48.9	68.2	14.3	16.3	18.4
Production	231.5	221.1	228.6	424.2	426.2	436.4	177.4	182.6	176.5
Imports	4.7	5.7	5.0	6.4	6.1	5.1	0.7	0.8	0.9
Total Supply	264.9	262.8	274.2	461.7	481.2	509.7	192.3	199.8	195.8
Domestic use	136.1	134.3	138.8	333.8	344.2	348.8	161.8	163.1	164.3
Exports	92.8	87.8	83.7	79.0	68.9	80.1	14.2	18.3	15.5
Closing stocks	36.0	40.6	51.7	48.9	68.2	80.8	16.3	18.4	16.0

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Trade data include wheat flour in wheat grain equivalent. For the EC semolina is also included.

^{2/} **Argentina** (Dec./Nov.) for rye, barley and oats, (March/February) for maize and sorghum; **Australia** (November/October) for rye, barley and oats, (March/February) for maize and sorghum; **Canada** (August/July); **EC** (July/June); **United States** (June/May) for rye, barley and oats, (September/August) for maize and sorghum.

^{3/} Rice trade data refers to the calendar year of the second year shown.

^{4/} Including Taiwan province. ^{5/} Excluding trade between the fifteen EC member countries.

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

	Crop Years ending in:						
	1993	1994	1995	1996	1997	1998 estim.	1999 forecast
	(..... million tonnes)						
TOTAL CEREALS	382.4	344.4	319.5	260.4	302.3	331.1	327.7
held by:							
- main exporters ^{2/}	170.0	119.5	110.8	74.0	101.2	127.2	148.5
- others	212.4	224.9	208.8	186.4	201.0	203.9	179.2
BY GRAINS							
Wheat	147.5	145.4	117.3	104.1	114.8	137.3	135.9
held by:							
- main exporters ^{2/}	55.6	46.9	32.6	28.7	36.0	40.6	51.7
- others	91.9	98.6	84.8	75.4	78.8	96.7	84.2
Coarse Grains	168.2	136.8	147.0	103.8	131.1	138.8	142.3
held by:							
- main exporters ^{2/}	91.2	53.5	63.7	31.1	48.9	68.2	80.8
- others	76.9	83.3	83.3	72.7	82.2	70.6	61.5
Rice (milled basis)	66.7	62.2	55.2	52.5	56.4	54.9	49.6
held by:							
- main exporters ^{2/}	23.2	19.1	14.5	14.3	16.3	18.4	16.0
- others	43.5	43.1	40.7	38.2	40.0	36.5	33.6
BY REGIONS							
Developed Countries	215.7	175.7	162.0	105.7	126.9	169.7	173.0
of which:							
North America	96.4	59.9	69.4	35.0	54.0	69.2	89.6
Canada	17.6	16.2	9.2	9.5	14.0	10.4	12.2
United States	78.8	43.7	60.2	25.5	40.0	58.7	77.4
Others	119.3	115.8	92.6	70.8	72.9	100.5	83.4
Australia	5.6	4.6	2.6	3.0	4.0	4.1	4.3
CIS ^{3/}	46.5	49.0	35.0	20.7	15.6	30.3	14.1
EC ^{4/}	46.1	36.0	25.1	22.2	27.0	35.8	38.6
Japan	4.5	4.3	5.4	6.3	6.7	6.5	6.0
Developing Countries	166.7	168.7	157.5	154.7	175.4	161.4	154.7
of which:							
Asia ^{5/}	137.0	138.4	123.7	126.5	141.2	130.6	124.7
Bangladesh	3.3	3.0	2.6	1.9	1.9	1.8	1.7
China ^{6/}	58.1	56.4	48.2	53.3	63.7	56.3	53.7
India ^{7/}	11.3	19.0	24.1	18.4	10.7	14.0	18.3
Indonesia	6.3	6.1	5.0	6.0	6.4	4.7	4.2
Korea, Rep. of	4.0	3.3	2.4	1.8	2.5	2.8	2.8
Pakistan	3.6	4.1	3.2	3.3	3.7	4.0	3.6
Philippines	2.0	2.1	2.0	2.6	2.8	2.9	2.5
Turkey	2.2	4.5	1.9	4.1	5.9	4.9	4.1
Africa	16.4	15.3	18.7	12.1	19.8	16.4	17.4
Central America	4.3	4.6	4.6	6.3	6.8	7.0	6.5
South America	8.9	10.3	10.5	9.7	7.4	7.3	6.1
Argentina	0.4	1.1	0.7	0.8	1.3	1.1	1.3
Brazil	5.6	5.2	5.8	5.0	2.5	2.6	1.8
WORLD STOCKS	(..... percentage)						
as % of consumption	21.7	19.1	17.8	14.1	16.2	17.6	17.2

SOURCE: FAO

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

^{1/} Stock data are based on an aggregate of carryovers at the end of national crop years and should not be construed as representing world stock levels at a fixed point in time. ^{2/} For a list of main exporters of wheat, coarse grains and rice see table A.4. ^{3/} FAO estimates; up to crop years ending in 1991, former U.S.S.R.; thereafter, Commonwealth of Independent States. ^{4/} From 1996, includes 15 member countries. ^{5/} Total includes FAO estimates for privately-held stocks. ^{6/} FAO estimates and including Taiwan Province. ^{7/} Government stocks only.

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 2/	Argentina Trigo Pan 3/	U.S. No.2 Yellow 4/	Argentina 3/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 4/
	(..... US\$/tonne)						
July/June							
1994/95	157	145	136	104	110	103	221
1995/96	216	198	218	159	160	156	273
1996/97	181	158	157	135	133	125	299
1997/98	142	129	137	112	109	111	262
1998 - January	141	130	126	115	106	115	257
July	120	97	118	101	104	101	243
August	112	93	111	88	99	91	213
september	113	97	114	87	96	84	207
October	129	109	129	95	103	92	210
November	132	110	126	98	110	96.0	222
December	128	104	115	96	100	94.0	216
1999 - January 5/ I	128	107	114	99	96	97.0	214
II	128	105	115	98	94	95	209
III	124	100	108	97	95	96	207
IV	125	103	105	97	93	96	201

SOURCES: International Grain Council, USDA, and Reuters.

1/ F.o.b. U.S. Gulf ports. 2/ F.o.b. U.S. Atlantic ports. 3/ F.o.b. Argentine ports. 4/ Delivered U.S. Gulf ports.

5/ Weekly prices refer to Thursdays, except for U.S. No.2 Hard Winter Wheat which is based on Tuesday quotations.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 1/ 100%	Thai broken	U.S. Long grain	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and meals
	B	2/	3/		High	Low			
January/December	(.... US\$/tonne ...)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
1995	289	186	379	114	118	104	1988/89	102	118
1996	336	268	361	129	124	146	1989/90	93	97
1997	352	210	414	136	136	136	1990/91	97	100
1998	315	215	413	127	128	126	1991/92	103	104
1998 - January	311	187	429	124	126	115	1992/93	103	97
September	335	247	396	132	131	136	1993/94	128	93
October	305	253	404	129	127	137	1994/95	154	94
November	278	233	408	124	122	128	1995/96	140	128
December	284	234	403	124	123	125	1996/97 - Oct.-Mar.	136	134
1999 - January I	300	232	401	125	126	123	- Apr.-Sep.	134	132
II	316	235	401				1997/98 - Oct.-Mar.	151	130
III	315	230	392				- Apr.-Sep.	159	103
IV	296	223	385				1998/99 - Oct.-Dec.	155	98

SOURCES: FAO for indices. Rice prices: International rice brokers and trading companies. Vegetable oils prices: Ista Miele & Co. "Oil World Weekly".

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

1/ White rice, 100% second grade, f.o.b. Bangkok, indicative traded prices. 2/ A1 super, f.o.b. Bangkok, indicative traded prices 3/ U.S.No.2, 4% broken f.a.s.. 4/ Crude Dutch f.o.b. ex-mill. 5/ Indonesian origin f.f.a., c.i.f. north European ports. 6/ Edible/soap fats and oils.

Table A.8 - WHEAT AND MAIZE FUTURES PRICES ^{1/}

	March		May		July		September	
	this year	last year	this year	last year	this year	last year	this year	last year
(..... US\$/tonne))								
WHEAT								
December 24	104	124	107	127	111	129	115	131
31	101	120	105	123	109	125	113	128
January 7	106	121	109	124	113	126	117	128
14	102	121	105	124	110	127	113	129
21	98	121	102	124	106	128	110	129
28	100	125	105	129	108	132	112	134
MAIZE								
December 24	87	106	90	109	92	111	94	111
31	84	104	87	107	89	109	92	109
January 7	86	104	89	106	91	108	94	108
14	85	108	87	110	89	112	92	110
21	85	109	87	111	89	113	92	111
28	85	109	87	112	89	114	92	112

SOURCE: Chicago Board of Trade

^{1/} Prices refer to Thursday quotations.

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam ^{1/}	CIS Black Sea ^{1/ 2/}	Egypt (Alexandria) ^{1/}	Bangladesh ^{1/}	East Africa Sudan ¹	China ^{1/}	Japan ^{1/}
(..... US\$/tonne))							
July/June							
1993/94	10.40	38.41	15.05	21.50	54.66	20.91	29.20
1994/95	15.25	30.46	18.74	23.75	39.65	22.29	32.46
1995/96	12.95	30.00	16.83	21.67	41.65	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	-	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	-	27.00	28.00
1998 - January	10.25	15.25	13.00	20.00	-	27.00	28.50
June	7.00	22.00	8.00	20.00	-	27.00	28.00
July	8.00	22.00	8.25	20.00	-	27.00	28.00
August	8.00	22.00	8.00	20.00	-	27.00	28.00
September	8.00	22.00	8.25	18.50	-	27.00	28.00
October	8.00	22.00	8.60	18.50	-	27.00	28.00
November	8.50	22.00	8.00	18.50	-	27.00	28.00
December	8.00	22.00	8.30	18.50	-	27.00	29.00
1999 - January	7.50	22.00	8.60	18.50	-	27.00	30.00

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 50 000 tons; CIS 20-40 000 tons; Egypt over 30 000 tons; Bangladesh 20-40 000 tons; East Africa 15-25 000 tons; China 20-30 000 tons; Japan 15-24 999 tons.

^{2/} Excludes CIS and U.S. flag vessels.

Table A.10 – UNITED STATES: CEREALS AND SOYBEANS – PRODUCTION FOR 1998

	1996	1997	1998	Change 1998 over 1997
	(. million tonnes)			(. . . percentage . . .)
Wheat	62.0	67.5	69.4	2.8
of which: winter	(40.0)	(50.2)	(51.2)	2.0
Coarse grains	265.9	260.6	271.8	4.3
of which: maize	(234.5)	(233.9)	(247.9)	6.0
Rice (paddy)	7.8	8.3	8.5	2.8
Soybeans	64.8	73.2	75.0	2.5

SOURCE: USDA: Crop production, 12 January 1999.

Table A.11 - CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 1998

	1996	1997	1998	Change 1998 over 1997
	(. thousand tonnes)			(. . percentage . . .)
Wheat	29 801	24 280	24 393	0.5
Oats	4 361	3 485	3 958	13.6
Barley	15 562	13 527	12 699	-6.1
Rye	309	320	398	24.4
Maize	7 541	7 200	8 912	23.8
Mixed Grains	582	603	540	-10.4
Linseed	851	895	1 106	23.6
Rapeseed	5 062	6 393	7 588	18.7

SOURCE: Statistics Canada, 7 December 1998.

Table A.12 - AUSTRALIA: CEREAL PRODUCTION FOR 1998

	1996	1997	1998	Change 1998 over 1997
	(. thousand tonnes)			(. . percentage . . .)
Wheat	23 700	19 417	21 205	9.2
Oats	1 700	1 580	1 240	-21.5
Barley	6 800	6 400	5 280	-17.5
Sorghum	1 555	1 210	1 070	-11.6
Maize	317	370	340	-8.1
Triticale	720	410	450	9.8
Rice (paddy)	951	1 380	1 340	-2.9

SOURCE: Australian Bureau of Statistics, 1 December 1998.

Table A.13 - **SELECTED INTERNATIONAL COMMODITY PRICES**

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1988-90
Sugar (I.S.A. daily price)	US cents per lb	26.01.99	6.9	7.8	11.3	11.4
Coffee (I.C.O. daily price)	US cents per lb	26.01.99	95.1	101.7	132.7	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	26.01.99	64.9	66.9	76.3	56.0
Tea (all tea, London, weekly)	US\$ per kg.	25.01.99	1.7	n.q.	2.7	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	28.01.99	2 004 ^{1/} 1464 ^{2/}	1 452 ^{1/} 1 229 ^{2/}	1 882 ^{1/} 1 392 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	27.01.99	51.2	46.0	49.0	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	22.01.99	55.6	n.q.	69.7	78.5
Wool (64's, London)	Pence per kg	22.01.99	315	n.q.	379	466

SOURCE: FAO

^{1/} EC duty paid, estimated.

^{2/} Estimated price for EFTA markets.

STATISTICAL NOTE:

Data are obtained from official and non-official 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 calendar year. Coarse grains refer to all other cereals except wheat and rice. Quantities are in metric tons unless otherwise stated.

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 former U.S.S.R.) 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.

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.

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