

# food outlook

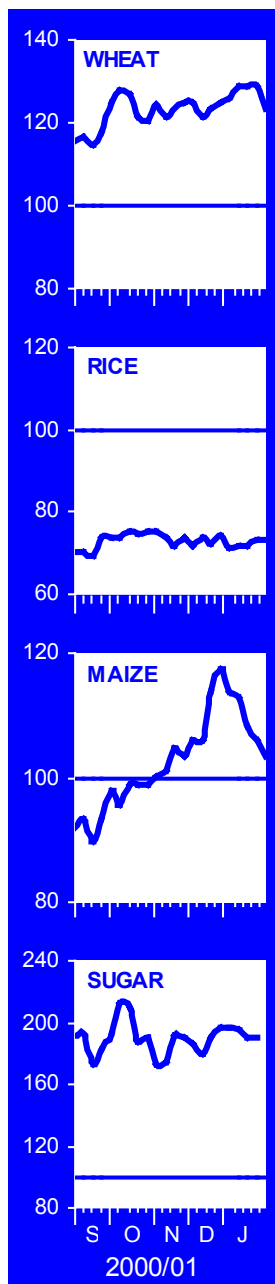
No. 1

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## highlights

### EXPORT PRICES

(July 1999=100)



**World cereal output in 2000 is provisionally estimated at 1 852 million tonnes**, up slightly from the forecast in November. The forecast for global cereal utilization has also been adjusted upward to 1 909 million tonnes. The shortfall in production will have to be met by a significant drawdown of global cereal stocks.

**The estimates of cereal stocks in China (Mainland) have been revised** substantially upward for all years beginning in 1980, leading to significantly higher figures for global stocks than were reported previously. However, the revisions, although large in absolute terms, only represent statistical adjustments in the historical supply and consumption series in China and, therefore, have negligible or no impact on the market fundamentals (see box on page 18).

**Latest information indicates that over 60 million people face food emergencies** throughout the world due to natural hazards and man-made disasters (see box on page 5).

**World cereal trade in 2000/01 (July/June) is now forecast at 236 million tonnes**, some 2 million tonnes less than was reported in November but slightly higher than the previous year's volume. Most of the increase is expected to be derived from larger import demand for coarse grains.

**International wheat and coarse grains prices made small gains since November**, but rice prices were generally lower. Large supplies in exporting countries continue to weigh on cereal markets.

**Prices of oilseeds and products are forecast to continue moving in opposite directions in 2000/01.** While anticipated ample supplies of oils and fats, relative to demand, will likely limit the chances for a sustained recovery in prices for oils/fats, for oilseeds, oilcakes and meals, the tightening supply/demand situation could result in further price recovery. Trade in oilseed products is expected to expand further, but at a lower rate than in the last two seasons.

**The growth in global meat output slowed in 2000**, mostly in response to smaller production in developed countries. Influenced by market disruptions caused by outbreaks in animal disease in major exporting countries, world meat trade grew at less than 2 percent. International trade prospects for 2001, while expected to expand, are likely to be influenced by continuing BSE concerns, a factor which could also weigh on beef prices during 2001.



## BASIC FACTS OF THE WORLD CEREAL SITUATION

	1996/97	1997/98	1998/99	1999/2000	2000/01 forecast	Change 2000/01 over 1999/2000
<b>WORLD PRODUCTION</b> <sup>1/</sup>	(..... million tonnes .....) (percentage)					
Wheat	588	613	599	591	586	-0.8
Coarse grains	920	905	911	886	869	-2.0
Rice, milled (paddy)	383 (572)	387 (579)	390 (584)	408 (611)	397 (594)	-2.7 -2.8
<b>All cereals (incl. milled rice)</b>	<b>1 891</b>	<b>1 906</b>	<b>1 900</b>	<b>1 885</b>	<b>1 852</b>	<b>-1.8</b>
Developing countries	1 025	1 005	1 040	1 037	996	-4.0
Developed countries	866	900	860	848	856	0.9
<b>WORLD IMPORTS</b> <sup>2/</sup>	(..... million tonnes .....) (percentage)					
Wheat	103	101	100	109	108	-1.2
Coarse grains	91	89	94	103	105	1.7
Rice (milled)	19	28	25	22	23	3.4
<b>All cereals</b>	<b>212</b>	<b>218</b>	<b>219</b>	<b>235</b>	<b>236</b>	<b>0.5</b>
Developing countries	150	160	160	169	168	-0.5
Developed countries	62	59	59	66	68	3.2
<b>FOOD AID IN CEREALS</b> <sup>3/</sup>	<b>5.6</b>	<b>6.2</b>	<b>11.0</b>	<b>10.2</b>	<b>10.0</b>	<b>-2.2</b>
<b>WORLD UTILIZATION</b>	(..... million tonnes .....) (percentage)					
Wheat	575	592	591	597	606	1.5
Coarse grains	890	889	891	897	899	0.2
Rice (milled)	378	381	389	404	405	0.2
<b>All cereals</b>	<b>1 843</b>	<b>1 862</b>	<b>1 872</b>	<b>1 898</b>	<b>1 909</b>	<b>0.6</b>
Developing countries	1 101	1 106	1 130	1 152	1 157	0.5
Developed countries	742	756	741	746	752	0.8
<b>Per Caput Food Use</b>	(..... kg/year .....) (percentage)					
Developing countries	167	167	168	168	168	0.0
Developed countries	130	130	130	130	131	0.7
<b>WORLD STOCKS</b> <sup>4/</sup>	(..... million tonnes .....) (percentage)					
Wheat	232	254	260	256	239	-6.7
Coarse grains	250	268	285	273	246	-9.8
Rice (milled)	151	152	156	162	155	-4.6
<b>All cereals</b>	<b>634</b>	<b>675</b>	<b>700</b>	<b>691</b>	<b>640</b>	<b>-7.5</b>
Developing countries	512	507	525	529	487	-8.0
Developed countries	122	168	175	162	153	-5.6
<b>EXPORT PRICES</b> <sup>5/</sup>	(..... US\$/tonne .....) (percentage)					
Rice (Thai, 100%, 2nd grade) <sup>1/</sup>	352	316	315	253	207	-18.2
Wheat (U.S. No.2 Hard Winter)	181	142	120	112	126 <sup>6/</sup>	13.3 <sup>7/</sup>
Maize (U.S. No.2 Yellow)	135	112	95	91	85 <sup>6/</sup>	-4.6 <sup>7/</sup>
<b>OCEAN FREIGHT RATES</b> <sup>5/</sup>	(..... US\$/tonne .....) (percentage)					
From U.S. Gulf to Egypt	12.8	11.7	9.3	13.7	15.3 <sup>6/</sup>	16.0 <sup>7/</sup>
<b>LOW-INCOME FOOD- DEFICIT COUNTRIES</b> <sup>8/</sup>	(..... million tonnes .....) (percentage)					
Roots & tubers production <sup>1/</sup>	377	362	387	402	398	-1.0
Cereal production (milled rice) <sup>1/</sup>	790	774	799	806	761	-5.6
Per caput production (kg.) <sup>9/</sup>	224	216	219	218	203	-6.7
Cereal imports <sup>2/</sup>	67.3	76.7	69.7	70.9	69.8	-1.7
of which: Food aid	4.5	5.3	7.9	6.8	7.5	10.6
Proportion of cereal import covered by food aid	(..... percentage ..%)					
	6.7	6.9	11.3	9.6	10.8	

SOURCE: FAO

Note: Totals and percentages computed from unrounded data.

<sup>1/</sup> Data refer to the calendar year of the first year shown. <sup>2/</sup> July/June except for rice for which the data refer to the calendar year of the second year shown. <sup>3/</sup> July/June shipments. <sup>4/</sup> Stock data are based on aggregate of national carryover levels at the end of national crop years. <sup>5/</sup> July/June. <sup>6/</sup> Average of quotations for July 2000-January 2001. <sup>7/</sup> Change from corresponding period of previous year for which figures are not shown. <sup>8/</sup> 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.\$ 1 460 in 1998), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid. <sup>9/</sup> Including milled rice.

## Cereals

### Supply/Demand Roundup

After a small upward revision, world cereal output in 2000 is now provisionally estimated at 1 852 million tonnes (including rice in milled equivalent), which is 1.8 percent less than the previous year, and also below the average of the past five years. The forecast of anticipated global cereal utilization in 2000/01 has also been adjusted upward since the previous report, by 14 million tonnes, taking it to 1 909 million tonnes. Thus, the shortfall in production now stands at 51 million tonnes. However, despite the prospect of a large reduction in stocks, prices for wheat and coarse grains in international markets have made only small gains in the past three months, mostly because of large supplies in exporting countries.

### World Cereal Production, Supplies, Trade and Stocks

	1998/99	1999/2000 estimate	2000/01 forecast
	( . . . . . million tonnes . . . . . )		
<b>Production <sup>1/</sup></b>	<b>1 900</b>	<b>1 885</b>	<b>1 852</b>
Wheat	599	591	586
Coarse grains	911	886	869
Rice (milled)	390	408	397
<b>Supply <sup>2/</sup></b>	<b>2 574</b>	<b>2 585</b>	<b>2 543</b>
<b>Utilization</b>	<b>1 872</b>	<b>1 898</b>	<b>1 909</b>
<b>Trade <sup>3/</sup></b>	<b>219</b>	<b>235</b>	<b>236</b>
<b>Ending Stocks <sup>4/</sup></b>	<b>700</b>	<b>691</b>	<b>640</b>

Source: FAO

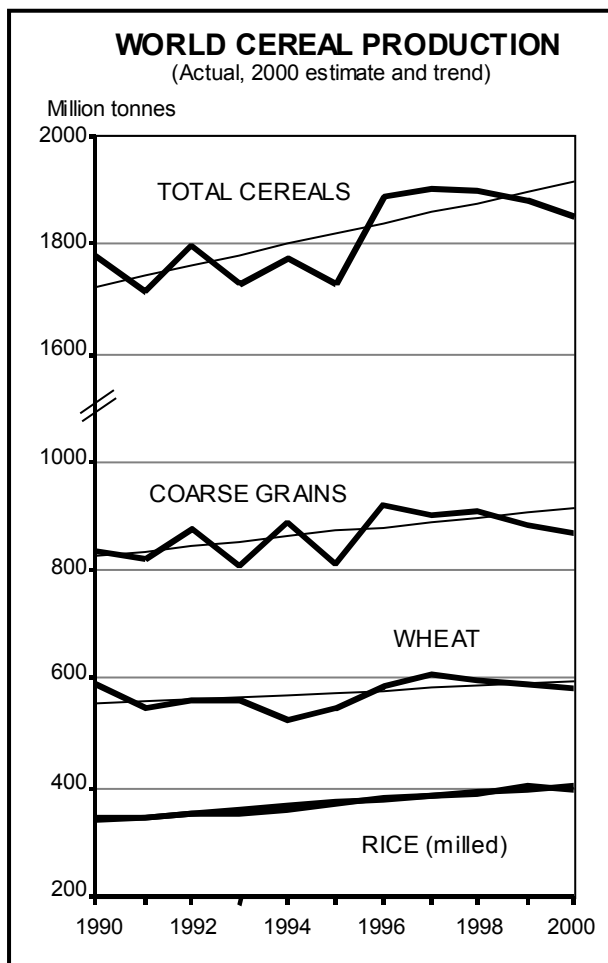
- 1/ Data refer to calendar year of the first year shown. Rice in milled equivalent.
- 2/ Production plus opening stocks.
- 3/ July/June basis for wheat and coarse grains and calendar year (second year shown) for rice.
- 4/ May not equal the difference between supply and utilization due to differences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

Early indications for the **2001 wheat** crop in the northern hemisphere, which is already mostly planted, suggest that output could at best remain close to the reduced level in 2000. In North America, winter wheat plantings fell again in the United States mostly due to dry conditions at planting time, while in Canada, the area of wheat to be planted this spring is expected to remain virtually unchanged. In Asia, early indications point to smaller wheat crops in China, India and Pakistan. In Europe, the wheat area in the EC is expected to decrease, reflecting adverse weather at planting time in some parts and a likely diversion of land to feed cereal and oilseed crops. However, elsewhere in Europe, some recovery in production could be expected after drought reduced output in 2000. In the Russian Federation and the Ukraine,

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plantings have increased significantly and conditions have been satisfactory. In North Africa, conditions for the winter wheat crops have been generally favourable so far, and output could recover somewhat from last year's reduced level. In the southern hemisphere, wheat planting for the 2001 harvest will start from April.



Regarding **2001 coarse grains**, crops are already planted in some of the major southern hemisphere producing countries. In southern Africa, despite generally favourable growing conditions during the season so far, output may decline this year due to a reduction in area. In South America, growing conditions have also been generally favourable. Plantings are down in Argentina but increased in Brazil. Coarse grain planting in the northern hemisphere starts from about April. In the southern hemisphere and around the equatorial belt, the **2001 paddy** season (main crops) is well advanced and harvesting of the crop is expected to begin around March. In the northern hemisphere, planting for the 2001 season will not start until April/May.

World wheat **production** in **2000** is provisionally estimated at 586 million tonnes, 4 million tonnes up from the forecast in November, but still about 1 percent below 1999 and just below the average of the past five years. This month's revision mostly reflects upward adjustments to the final estimates for some Asian countries, Canada, and the EC. World output of coarse grains in 2000 is now put at 869 million tonnes, virtually unchanged from the forecast in November, 2 percent down from the 1999 level and 2 percent below the average of the past five years. Latest revisions involved a further significant reduction of the estimated output in the United States and downward revisions for some African countries, but these were mostly offset by upward revisions for some countries in Asia, South America and the EC. In the northern hemisphere, harvesting of the 2000 paddy season is still underway in several countries in Asia, with some delays caused by flooding in Laos, Thailand, Bangladesh and Cambodia. Global paddy output is now provisionally estimated at 594 million tonnes, marginally up from the forecast in November. At this level, global production would be some 17 million tonnes below the revised estimate for 1999, the most significant decline in three decades. A number of factors have contributed to this large contraction: ranging from natural disasters and low prices that have prevailed in the past and current seasons, to government policies aimed at cutting excess supply.

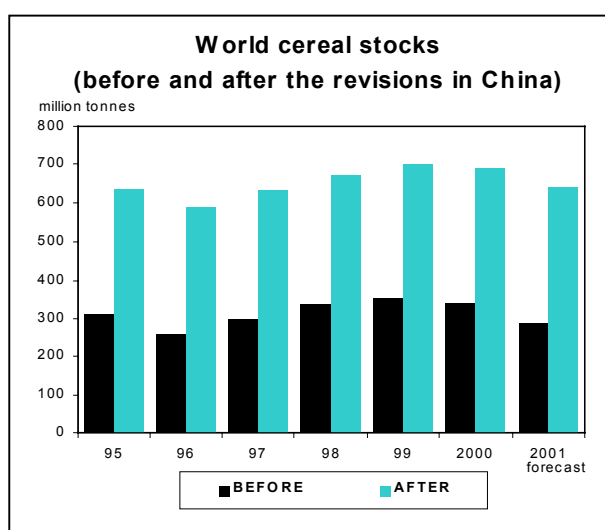
The latest forecast for world cereal **trade** in 2000/01 (July/June) now stands at 236 million tonnes, some 2 million tonnes less than was reported in November but, nevertheless, a record high level, over 1 million tonnes above the previous year's volume. The forecast for global trade in wheat and wheat flour (in grain equivalent) in 2000/01 has been lowered to 108 million tonnes, 1.5 million tonnes less than forecast in November and slightly below the estimate for the previous year. By contrast, the forecast for world trade in coarse grains in 2000/01 has been raised by 500 000 tonnes since the last report, to 105 million tonnes. This would be a record level for trade in coarse grains, 1.8 million tonnes, or almost 2 percent, above

the previous year's level. The forecast of rice trade in 2001 has been adjusted downward, from the last report, by 80 000 tonnes to 23.2 million tonnes. At this level, it would be about 3.5 percent above the estimated volume traded in 2000.

Total cereal imports by the developing countries in 2000/01 are likely to reach 168 million tonnes. This would be above average but slightly below the previous season's record volume. In value terms, the cereal import bill of the developing countries is expected to total US\$23 billion in 2000/01, almost US\$2 billion, or 9 percent, more than in 1999/2000. Total imports by the Low Income Food Deficit Countries (LIFDCs) in 2000/01 are now forecast at around 70 million tonnes, down from the previous report and over 1 million tonnes below the previous year's estimated level. At the current forecast level, the overall cereal import expenses for the LIFDCs, as a group, could reach US\$9.5 billion, up 8 percent from 1999/2000. The increase would be mostly because of relatively stronger prices this season.

The estimates of world cereal **stocks** and **utilization** have been adjusted for the past two decades following major revisions in the cereal supply and demand balances of China. A review of China's historical supply and demand balances for cereals resulted in much higher stocks and feed use, but lower per caput food consumption than estimated earlier. However, it is important to highlight that the changes, as large as they might seem in absolute terms, only represent statistical adjustments in the historical supply and consumption series and, therefore, have negligible or no impact on the world cereal markets.

To illustrate, while the estimates for world cereal stocks had to be raised, in line with revisions in China, the decline in world cereal stocks currently forecast for this season remains the same as was reported in the November issue of Food Outlook.



## Over 60 Million People Facing Food Emergencies Worldwide<sup>1/</sup>

The number of people in need of urgent food assistance in various parts of the world continues to exceed 60 million, some 30 percent of whom live in Eastern Africa.

In **eastern Africa**, around 18 million people are currently affected by serious food shortages (total Africa: 27 million people) due to the lingering effects of drought and conflicts in parts. In Eritrea, mass displacement of farmers from the main cereal producing regions of Gash Barka and Debub, which account for more than 70 percent of cereal production, has jeopardised production this year. The food situation of nearly 1.5 million war-displaced and about 300 000 drought-affected people gives cause for serious concern. In Ethiopia, despite an increase in grain harvest, the overall food supply situation remains highly precarious. The number of people in need of food assistance is anticipated to decline to 6.2 million from last year's peak of nearly 10.2 million. In Somalia, 750 000 people are estimated to rely on emergency food assistance, reflecting diminished livelihoods due to a succession of droughts and insecurity. In Kenya, drought-induced food shortages persist with nearly 4.4 million people in urgent need of food assistance. In Sudan, serious food shortages have emerged in many parts due to prolonged dry spells; food prices have more than doubled over the same period last year. An estimated 2.9 million people will need food assistance due to civil conflict and adverse weather. In Tanzania, food production in a number of regions was adversely affected by late and insufficient rains, leaving an estimated 800 000 people in need of food assistance. In Uganda, the food supply situation remains precarious in the north-east due to drought and in the west, due to civil strife. In **western Africa**, food shortages persist in Sierra Leone, where rebel activity disrupted agricultural production, while in Liberia, production remains constrained by the effects of past civil strife. In Guinea, rebel attacks are affecting agriculture and marketing activities in border areas. In the Sahel, following reduced harvests, the food supply situation will be tighter in 2001 than in 2000, notably in Chad, Niger and parts of Burkina Faso. In **central Africa**, persistent civil war in the Democratic Republic of Congo continues to cause massive population displacement, currently affecting an estimated 2 million people. In the Republic of Congo, the security situation has improved but food assistance is still being provided to refugees and internally displaced persons. Elsewhere in the Great Lakes region, Rwanda and Burundi have suffered long dry spells which have reduced production of basic staples. In **southern Africa**, growing insecurity in Angola has disrupted agricultural activities at the critical planting time and will result in a reduced harvest, further aggravating the already precarious food situation in the country. In Madagascar, food aid is needed for 240 000 people in drought-affected southern regions.

In **Asia**, while some 25 million people are in need of food assistance, severe winter weather in several countries is raising serious concerns over additional food emergencies. In the Democratic People's Republic of Korea, an already desperate food situation following a poor harvest in 2000, has been greatly exacerbated by the coldest winter in 50 years. Lack of heating and food through the Public Distribution System may result in an increasing number of fatalities. Similarly, in Mongolia, large numbers of livestock, which provide an important source of livelihood and income for a large section of the population, have died due to severe winter conditions and food assistance is urgently required in parts. Elsewhere, in the Indonesian province of East Nusa Tenggara, severe food shortages due to drought and crop failure are reported whilst food shortages persist for vulnerable groups in Cambodia. In the drought affected low-income food deficit countries of the **CIS** - notably in Armenia, Georgia and Tajikistan - some 4 million people continue to require international donor assistance to survive. Moreover, a significant recovery in food production this year will require further assistance with the provision of inputs. In northern Uzbekistan, vulnerable populations in Karakalpakstan have suffered heavy losses and need relief. Vulnerable people in Azerbaijan also continue to receive emergency assistance.

In the **Near East**, over 7 million people urgently require food assistance, mainly as a result of continuing drought conditions that have affected crop and livestock production in parts. In Afghanistan, despite recent beneficial rains, a very serious food crisis has emerged following two consecutive years of drought and continuing civil conflict with renewed displacements of thousands of people. In Iraq, two years of drought have decimated crops and exacerbated the already tight food supply situation. The drought has also affected crops and pasture in Jordan, leaving thousands of farmers in need of assistance.

In **Latin America**, over 1 million people face food problems, while food assistance is still being provided in Honduras and Nicaragua as a result of the severe impact of hurricane "Mitch" in late 1998. Food aid is also being distributed in El Salvador as a consequence of the strong earthquake which struck the country in mid-January. In Haiti, food assistance is needed due to chronic economic problems.

In **Europe**, food assistance continues to be necessary for about 1 million vulnerable people in the Balkans, especially in the Federal Republic of Yugoslavia and in the Russian Federation.

<sup>1/</sup> This updates information published in the November 2000 issue of Foodcrops and Shortages. Countries facing exceptional food emergencies are underlined.

The upward revision of stocks in China results mainly from higher estimates for the private (mostly on-farm) as well as the public stocks. It must be underlined that the latest revisions provide a more accurate picture of the domestic cereal supply situation in China and help to explain the continuation of large cereal exports and low domestic prices against the background of a sizeable cut in cereal production in 2000.

Another aspect of the revisions in China is the reduction in the estimates for per caput cereal food consumption. An analysis of domestic cereal utilization in China reveals lower per caput food consumption figures than previously assessed, while cereals used for animal feed are believed to be much higher, especially in recent years. Given its large population, the changes in per caput food consumption estimates in China have also a noticeable impact on the estimates of per caput cereal food use at the global and regional levels. For example, the lowering of the per caput food consumption in China, from over 200 kg to just under 190 kg, resulted in a reduction of around 5kg in the average for the developing countries as a group. Overall, however, because the revision of cereal utilization in China mostly involves redistribution between the food and feed categories, the revised total world cereal utilization has only been slightly affected.

Overall, international wheat **prices** continued to rise slightly in late 2000 and early 2001. However, the gains were limited in view of reduced purchasing activity during the year-end holiday period and the arrival of new crop supplies in the southern hemisphere. In January, the US wheat No. 2 (HRW, fob) averaged US\$134 per tonne, some US\$3 per tonne more than in October 2000 and as much as US\$23 per tonne, or 17 percent, above the previous year. However, with exportable supplies still ample, and prospects for the 2001 crops reported to be generally satisfactory, futures markets remain under downward pressure and the near-by wheat futures ended January slightly weaker than a month earlier. International maize prices also rose overall from October to January. In January, the US maize export prices averaged US\$95 per tonne, up US\$10 per tonne from October and US\$2 per tonne higher than a year earlier. However, large supplies among the major exporters continue to influence the market and the average price for the first half of the current marketing season, remained below the comparable period of last season. In the futures market, near-by maize futures came under pressure again in January, reflecting the expectation of a likely resumption in large sales from China. Rice export prices resumed their downward slide through November and December 2000, after a short respite in October, when they temporarily recovered, in reaction to the weather problems which hampered shipping activities in Viet Nam. The FAO Export Price Index averaged 95 points in January 2001, down from the 97 points in October 2000. Barring any unexpected shock, prices are likely to resume a downward trend in the coming weeks, largely due to the arrival, in February-March, of new rice crops

from exporters in the southern hemisphere and from Viet Nam.

## Current Production and Crop Prospects

### Position by Region

- **Asia**

The latest estimate of the aggregate 2000 **cereal** output in Asia is 987.8 million tonnes, 4.5 percent down from the previous year's crop. The region's output of **wheat** is now estimated at 253.7 million tonnes, 2.5 percent down from 1999, while that of **coarse grains** is estimated to have fallen by about 12 percent to 193.1 million tonnes. Most of the decline, in both cases, is attributed to China due to adverse growing conditions and area reductions. The region's **paddy** production in 2000 has been revised upward slightly since the last report to 541 million tonnes. At this level, aggregate output would be about 15 million tonnes down from 1999.

**Far East:** In China, the winter **wheat** crop is still dormant. The area planted is reported to have declined for the second year in succession and is estimated at some 6-7 percent lower than last year. This is attributed to more attractive prices for alternative crops and rising input costs, particularly for irrigation water. In India, production is also set to fall due to drought and higher than normal temperatures, with reports indicating a likely appreciable decline compared to last year's record crop of 75.5 million tonnes. The drought particularly affected rain-fed states like Madhya Pradesh, Gujarat and Rajasthan, where a poor monsoon last year resulted in low soil moisture levels. Early prospects for the wheat crop in Pakistan improved with rains in December, following a prolonged dry spell earlier. Current indications, however, suggest that aggregate output may be lower than last year's bumper harvest.

Very early indications point to a slight reduction in the **coarse grain** (mostly maize) area in China in 2001. In India, the bulk of the coarse grains are produced under rain fed conditions during the main monsoon (kharif) season from June to September. Latest estimates indicate that production of 2000 Kharif maize, millet and sorghum was about 23 million tonnes, marginally above 1999.

In China (Mainland), the 2000 **paddy** season has been concluded with the harvesting of the late double crop in November. Overall, the estimate of paddy production in 2000 remains unchanged at 188.5 million tonnes, 10 million tonnes less than in the previous season. About 3 million tonnes of the decline was in the early rice crop, which generally gives a poor quality rice, reflecting reduced plantings following the removal government support for this rice variety. Unfavourable growing conditions combined with low producer prices also depressed output of the single and of the late rice crops, causing another 7 million tonnes contraction in

output. Preliminary forecast for 2001 points to another decline in China's paddy production, though likely to be much less pronounced, at about 500 000 tonnes. In Viet Nam, harvesting of the 10th Month paddy crop is about to be concluded. Planting of the winter-spring rice, the country's main crop destined for exports, has started in spite of the slowly receding flood, shortage of seeds, and the high cost of inputs. Despite successive natural disasters and assuming good growing conditions for the winter-spring rice crop, the country's 2000 paddy production is expected to reach 32.7 million tonnes, up 100 000 tonnes from the previous forecast and close to the revised production in 1999.

In Thailand, harvesting of the main rice crop is underway. The recent floods caused by heavy rains and typhoons have had an overall favourable impact on rice production. Consequently, the 2000 rice output has been revised upward to 24 million tonnes, 700 000 tonnes more than the earlier forecast, but still 200 000 tonnes less than the revised estimate for 1999. Gathering of the main season rice crop is near completion in Myanmar. The estimate for the aggregate 2000 output remains unchanged from the last report at 20 million tonnes, up 200 000 tonnes from the previous season, although producers prices have reportedly fallen in the course of the year to record low levels. In the Philippines, harvesting of the main season rice crop is well advanced. The forecast for the 2000 rice season is unchanged at 12.2 million tonnes, some 200 000 tonnes above the revised forecast for 1999. Harvesting in Japan is mostly concluded and the estimate of rice output this season remains at 11.8 million tonnes, some 400 000 tonnes above the previous year's production, as favourable growing conditions boosted yields. In Cambodia, the main wet season rice crop about to be completed has been severely affected by the floods that have stricken the country in September last year. The loss incurred is estimated at 400 000 tonnes, part of which is expected to be recovered during the dry season crop, which will be harvested in March/April. As a result, paddy production in 2000 has been lowered from the last report by 200 000 tonnes to 3.8 million tonnes, down from 4.0 million tonnes in 1999. In the Democratic People's Republic of Korea, the 2000 paddy production estimate has been reduced by some 300 000 tonnes to 1.6 million tonnes, as the lack of rainfall during the planting period and input shortages are believed to have caused greater damage than first anticipated. At this level, production would be some 700 000 tonnes less than in 1999.

In Bangladesh, gathering of the main season Aman crop is near completion while the country's third Boro rice crop is being planted. Although floods reportedly damaged some rice fields, output for the 2000 rice season has been adjusted upward by 1 million tonnes from the last report, to 35 million tonnes. The change reflects higher estimates for area and yields and assumes good growing conditions for the Boro crop, which will be harvested in spring. In India, the 2000 rice production, which was affected by severe flooding and by drought in some western states, is assessed at

about 130 million tonnes, unchanged from the last report but more than 4 million tonnes less than in 1999. Notwithstanding the decline, the country is currently gripped by serious oversupply problems and shortage of storage space. In order to reduce its bulging rice stocks, the Government is reported to have authorized sales of rice at subsidized prices for export by state trading agencies. In Pakistan, the 2000 rice output has been revised downward by about 200 000 tonnes to 6.9 million tonnes. At this level, the 2000 season would end with a contraction of over 800 000 tonnes compared with 1999, a reflection of low producer prices and shortages of irrigation water in the lower Sindh region, in August last year.

In Indonesia, the 2000 rice season output is forecast at 51 million tonnes, 1 million tonnes less than previously reported but slightly above the outturn in 1999. Planting of the 2001 main paddy season is well advanced and production is targeted to increase to 52 million tonnes. As part of a general change in the country's rice policy, an increase from Rp. 1 400 per kilogram (about US\$149 per tonne) to Rp. 1 500 per kilogram (US\$160 per tonne) in the minimum procurement prices for unmilled rice is anticipated to take effect, once approved, in early 2001. In Sri Lanka, the estimate of the 2000 paddy output has been raised to 2.8 million tonnes, 200 000 tonnes more than anticipated earlier, but down 100 000 tonnes from the previous year.

**Near East:** In Afghanistan, persistent drought and civil conflict reduced the 2000 rice production to 156 000 tonnes, 124 000 tonnes less than in 1999.

**CIS in Asia:** In the eight CIS countries in Asia, winter grains for harvest in 2001 have been planted. The outlook is uncertain. Following the drought reduced crops of 2000, seed shortages have limited the areas that could be sown with winter wheat in several countries, notably Armenia, Georgia and Tajikistan. In Uzbekistan the area sown is set to decline as about 100 000 hectares of marginal rainfed land have been taken out of wheat production. In Armenia, indications are that the area sown to winter wheat has fallen to about two-thirds of normal. By contrast, in Azerbaijan, where winter wheat largely escaped the effects of the summer drought, the area sown to wheat is expected to increase further. In many drought affected countries, soil moisture deficits after last year's mild winter and hot dry spring and summer have not yet been fully replaced. In Kazakhstan, the bulk of cereals are sown in the spring.

The aggregate 2000 cereal harvest in these eight countries fell to 21 million tonnes from 24 million tonnes in 1999. The bulk of the decline was in wheat production, which is estimated at 16.8 million tonnes compared to 19 million tonnes in 1999. Severe drought reduced production in many smaller countries with the exception of Azerbaijan and Turkmenistan, and average yields in Kazakhstan were also less than last

**World Cereal Production – Provisional Estimate for 2000**

	Wheat		Coarse grains		Rice (paddy)		Total	
	1999	2000	1999	2000	1999	2000	1999	2000
	( ..... million tonnes ..... )							
Asia	260.1	253.7	218.1	193.1	555.9	541.0	1 034.1	987.8
Africa	15.0	13.8	77.7	77.0	17.6	17.5	110.3	108.3
Central America	3.1	3.4	28.7	28.7	2.3	2.4	34.1	34.5
South America	20.1	19.3	58.9	62.5	21.1	20.0	100.1	101.7
North America	89.5	87.3	290.6	299.2	9.3	8.7	389.4	395.2
Europe	177.6	188.6	203.0	198.4	3.3	3.0	383.9	390.0
Oceania	25.3	19.8	9.3	10.2	1.4	1.1	36.0	31.1
<b>WORLD</b>	<b>590.6</b>	<b>585.8</b>	<b>886.3</b>	<b>869.0</b>	<b>610.9</b>	<b>593.7</b>	<b>2 087.9</b>	<b>2 048.5</b>
					<b>(408)1/</b>	<b>(397)1/</b>	<b>(1 885)2/</b>	<b>(1 852)2/</b>
Developing countries	276.9	270.7	370.6	346.2	584.8	568.5	1 232.3	1 185.3
Developed countries	313.7	315.2	515.7	522.8	26.1	25.2	855.6	863.1

**Source:** FAO

1/ Milled rice. 2/ Including milled rice.

year's post independence bumper levels. In Kazakhstan, the 2000 grain harvest is officially forecast at 11.6 million tonnes (1999: 14.3 million tonnes), including 9.1 million tonnes (1999:11.2 million tonnes) of wheat. Aggregate coarse grain output in the region was also down to 3.8 million tonnes in 2000 compared to 4.6 million tonnes in 1999, mainly due to inadequate moisture (irrigation and rainfall) for spring crops. The paddy harvest was also affected, notably in Uzbekistan where the irrigated crop in the northern areas was affected by lack of irrigation water supplies. By contrast, total cereal - and wheat production in particular - increased sharply in Azerbaijan and Turkmenistan, reflecting the incentive effects of land privatization and a sharp increase in the areas sown.

- **Africa**

**Northern Africa:** The subregion's aggregate production of **wheat** in 2000 is estimated at about 9.7 million tonnes, some 14 percent below the previous year and 20 percent below the 5-year average. Production increased slightly only in Egypt where wheat is largely irrigated. Elsewhere, dry conditions during the growing season resulted in sharply reduced output. In both Algeria and Morocco, production was less than half of the 5-year average and some 37 percent below the previous year's level. Production in Tunisia was down 40 percent and below average. The 2000 **coarse grains** crop in the subregion is estimated at 8.7 million tonnes, down 12 percent on the 1999 level, as a result of unfavourable weather conditions. Output decreased substantially in Algeria, Morocco and Tunisia, while a marginal increase (one percent) was noted in Egypt.

In Egypt, the 2000 **rice** crop is estimated at about 6 million tonnes, which is somewhat above the good 1999 crop and above average.

Growing conditions for the **2001** winter wheat and coarse grain crops are so far generally favourable in the subregion. Conditions between October and December were generally good for land preparation and planting of crops in Morocco while farming activities in Tunisia and Algeria were somewhat delayed by below-normal rainfall. Overall, timely rains over growing areas in the subregion will be crucial during the next few months to ensure a recovery of major food crops production in Algeria, Morocco and Tunisia. In Egypt, area planted to both wheat and barley is expected to increase, suggesting a higher production of the irrigated wheat and barley in 2001.

**Western Africa:** In the Sahel, the 2000 aggregate **cereal** production of the nine CILSS member countries has been estimated by a series of joint FAO/CILSS Crop Assessment Missions at 9.5 million tonnes, which is 15 percent lower than in 1999 and 2 percent below the average of the last five years. Below average outputs are anticipated in Burkina Faso and Chad. Near average production is expected in Mali, Mauritania and Niger, and above average outputs are foreseen in Cape Verde, Guinea-Bissau and Senegal. A record level has been reached in The Gambia. Compared to 1999, output has significantly increased in The Gambia and Guinea Bissau, but it is significantly lower than the record levels reached in Burkina Faso, Cape Verde, Mali, Niger and Chad, and to a lesser extent Mauritania. In the coastal countries along the Gulf of Guinea, following generally favourable growing conditions during the 2000 crop season, prospects for the 2000 cereal output are favourable. Cereal production is likely to be above normal, except in Liberia and Sierra Leone where past or present civil strife hampered agricultural activities. Preliminary FAO estimates for the aggregate cereal production in the nine coastal countries point to a total of about 29.2 million tonnes. However, these estimates are very tentative, since crop production forecasts by local



administrations are not available to date for most countries.

Harvesting of the 2000 **rice** crop is complete in most of the subregion. Overall, growing conditions have been favourable and rice production estimates are generally satisfactory. In Nigeria, the largest rice producer in the subregion, paddy production is anticipated to increase slightly above the 1999 level of 3.4 million tonnes. In Mali, the estimate of the 2000 rice production has been reduced to 745 000 tonnes, following a downward revision in the area and yield. Nonetheless, it remains 18 000 tonnes higher than in the 1999 season. In Cote d'Ivoire, the 2000 rice production forecast remains unchanged from the last report, at 1.1 million tonnes, somewhat higher than the previous year. The estimate of output in Benin has been raised substantially to 45 000 tonnes, following an upward revision in plantings. As a result, the country would end the season with an 20 percent increase compared with 1999. By contrast, rice production in 2000 is expected to drop in Sierra Leone, where persistent civil conflict has seriously disrupted agricultural activities.

**Central Africa:** **Millet** and **sorghum** have been harvested in Cameroon and Central African Republic and prospects are generally favourable. Agriculture is recovering in the Republic of Congo following civil disturbances in 1998 and 1999. Civil strife in the Democratic Republic of Congo has severely hampered agricultural and marketing activities. In Rwanda and Burundi, abundant rains in the past months, which followed prolonged dry weather, improved prospects for the 2001 first season cereal and pulses being harvested.

**Eastern Africa:** Harvesting of the 2000 **wheat** crop is complete in Kenya and Ethiopia, while in Sudan the 2001 crop is scheduled to be harvested from March. In Ethiopia, despite a late start to the season, production is anticipated to be considerably higher than last year's crop of 1.2 million tonnes, reflecting the benefit of prolonged rains. In Kenya production is anticipated to decline by nearly 4 percent on last year's already poor crop, to 130 000 tonnes, due to continued drought. In Sudan, the 2001 wheat crop is forecast at 334 000 tonnes, about 56 percent above the 2000 poor harvest due to favourable planting conditions.

Harvesting of the 2000 main season **coarse grains** is completed in the subregion. Secondary season crops are now being harvested, except in Ethiopia, where planting is expected to start shortly. In Eritrea, the coarse grains harvest is expected to decline by nearly 70 percent from last year's crop of 287 000 tonnes due to the displacement of large number of farmers by the war with neighbouring Ethiopia. In Ethiopia, following improved rains, the main season coarse grain crop, accounting for some 90 percent of the annual production, is anticipated to improve considerably on the 1999 average crop. In Kenya, output of the 2000 maize crop, affected by prolonged drought, is estimated at 1.7 million tonnes, nearly 24 percent below the 1999 harvest and 27 percent less than the

average for the past five years. The outlook for the secondary crop, harvested in late 2000 and early 2001, is also unfavourable due to drought conditions. In Somalia, production of coarse grains in 2000, estimated at 310 000 tonnes, is about 28 percent above 1999 and 19 percent above the average for the previous five years due to favourable weather conditions. In Sudan, the coarse grain crop, estimated at 3.3 million tonnes, is about 10 percent above the 1999 poor crop but nearly 16 percent below the five-year average due to late and erratic rains. In Uganda, the main coarse grains harvest was a below average 1.5 million tonnes, but the outlook for the secondary season crop, being harvested, is favourable reflecting good rains. In Tanzania, the coarse grains harvest, estimated at 2.8 million tonnes, is about 16 percent below the previous year's below average crop. Prospects for secondary season crops, harvested in late 2000 and early 2001, is uncertain despite recent beneficial rains.

The estimate of the 2000 **paddy** production in the subregion has been lowered by 91 000 tonnes to 828 000 tonnes, which would still represent a 5 percent increase from the previous year. In Tanzania, the main producing country in the subregion, the 2000 rice production estimate has been lowered by 85 000 tonnes to 615 000 tonnes, following reports of drought last October.

**Southern Africa:** The 2000 aggregate **wheat** crop is estimated at 2.2 million tonnes, some 10 percent higher than in 1999 but still below the five-year average. Production increased sharply in South Africa, the main producer of the subregion. By contrast, in Zimbabwe, the output was estimated to be one-quarter lower than in the previous year, following civil disturbance in agricultural areas.

Prospects for the subregion's 2001 **coarse grains**, to be harvested from April, are favourable, reflecting generally good precipitation since the beginning of the season. However, more rains are needed in some countries. Despite the general favourable growing conditions so far, production may decline this year as a result of a decrease in the area planted from last year's level. In South Africa, the area planted is preliminary estimated to be substantially below last year's level in response to low grain prices. More rains are needed following dry weather in early January. In Zimbabwe, the outlook for the 2001 maize crop is poor. Disruptions due to the resettlement programme of commercial farms has resulted in a one-third decline in the area planted. Dry weather in the first half of January has worsened growing conditions and, if more rains are not received soon, further reductions in production are likely. In Malawi, the outlook for the maize crop is satisfactory following normal to above-normal precipitation since October and free input distribution to vulnerable groups. In Mozambique, abundant rains since mid-October have generally benefited coarse grains despite localized floods; however, conditions could deteriorate, reflecting high levels of the rivers and saturated soils in several areas.

In Angola, erratic rains since the beginning of the season, coupled with reduced planting due to the intensification of the civil conflict at sowing time, are likely to result in another below-average output. In Zambia, widespread abundant rains since planting time have benefited the 2001 coarse grains, but early assessments indicate a decline in plantings due to shortages of agricultural inputs. In Lesotho, above average rains have benefited of coarse grain planting and development. In Namibia, more precipitation is urgently needed following dry and hot weather in the past month. More rains are also needed in Botswana, where precipitation has been erratic since the beginning of the season.

Planting of the 2001 **rice** is progressing in the subregion. The 2000 rice season remains one of the poorest in the decade, following adverse weather conditions in Mozambique and Madagascar, the two main rice producers. Madagascar's 2000 rice output is put at 2.2 million tonnes, about 400 000 tonnes less than in the previous year, while in Mozambique it is estimated to have fallen by 25 percent to 140 000 tonnes.

- **Central America and the Caribbean**

Harvesting of the 2000/01 **wheat** crop is due to start from April in the irrigated northwest producing areas of Mexico. Water reservoir levels are considered adequate and early forecasts indicate that output should be about average assuming normal weather conditions persist.

Harvesting of the 2000/01 second season **coarse grain** (mainly maize) and bean crops has been completed while it is about to start for the third season "apante" crop in some Central American countries. Below-average to outputs are provisionally estimated in Nicaragua, Honduras and El Salvador, as these countries have been affected by adverse weather during the first and second season crops. In the case of El Salvador, the situation has been worsened by the serious January 2001 earthquake. Localized losses are reported to the "apante" maize and beans crop. A detailed assessment of damage to the agricultural sector is not yet available. The main possible damage, however, could be to planting of the 2001/02 first season crop, which is due to start from late April or May, as landslides and severe damage to farming infrastructure are reported in some of the cereal growing areas. No significant damage to the sector is reported in Guatemala, also affected by the earthquake and average outputs for 2000/01 are reported. In Costa Rica, an average maize output for the year has also been collected. In Mexico, dry weather conditions are favouring the preparation for the forthcoming April/May sorghum planting. In the Caribbean, maize and sorghum output has recovered to average to above-average levels in the Dominican Republic, after adverse weather affected crops in the previous year. In Cuba, an average maize output has been collected. Outputs from other minor food and fruit crops have

also been average. In Haiti, land is being prepared for planting of the 2001/02 first season coarse grain crops. Cereal production was affected last year by a severe dry spell during the first half of the year.

In Central America, the 2000 **rice** season has been completed in most countries, while planting of the new season crop will not start before March/April. After the long dry spell in July last year, some countries in the area were hit by hurricane 'Keith'. As a result, the production is estimated to have fallen in 2000 in various countries, including El Salvador and Haiti. By contrast, rice output rose in Nicaragua to almost 300 000 tonnes, 14 percent more than in 1999, sustained by a sizeable expansion in the area planted.

- **South America**

Recent favourable weather conditions have benefited harvesting of the 2000/01 **wheat** crop in Argentina, the main producing country in the subregion. By early January, about 81 per cent of the harvest had been gathered and quality of the wheat collected is reported normal. Latest forecasts indicate that output should be slightly less than last year's above average level of 15.5 million tonnes. In Brazil, harvesting has been completed and a low output of 1.6 million tonnes has been gathered. This is the result of the adverse weather at planting and during the growing period. In Chile, harvesting is underway and early forecasts point to a recovery from last year's reduced crop. An average output of 1.4 million tonnes is anticipated which would be about 20 percent up from last year's weather-affected crop. In Uruguay, output is provisionally estimated at a below-average 400 000 tonnes, the result of reduced plantings caused by continuous rains. In the Andean countries, planting of the 2000/01 first season wheat crop has been completed in Bolivia, under normal weather conditions. A recovery is expected in the main producing eastern Department of Santa Cruz which was affected last year by intensive floodings. In Peru, a record 180 000 tonnes were collected in 2000. The bulk of the planting operations for the 2001 wheat crop are underway.

Early prospects for the 2001 **coarse grain** crops, mainly maize, are favourable in most of the southern countries. In Argentina, harvesting is due to start from March. Growing conditions are reported to be good, although recent high temperatures and lack of adequate moisture in some of the main growing areas could have some adverse effect on the crop; further, the area planted to maize is reduced with respect to last year. Early forecasts point out to a decrease in production from the 1999/2000 crop, but output will nevertheless remain above average. In Brazil, where harvesting is about to start, a significant recovery in maize production from the previous year is anticipated, assuming favourable weather conditions persist. This is principally the result of a near 10 percent increase in the area planted according to official sources. In Chile, harvesting is due from March and early forecasts point to an increase from last year's low level, but production would still remain below average. In Uruguay,

production of maize is also expected to improve from last year's but still be below average.

In the Andean countries, in Bolivia, the Government declared a state of emergency in the departments of La Paz, Beni, Cochabamba and Oruro after heavy rains caused localized floods and mudslides. In Ecuador and Colombia, normal to above-normal rains have benefited planting of the 2001 maize crop currently underway, while in Peru, the bulk of the white maize sowing operations have been completed. In Venezuela, harvesting of the 2000 second season coarse grain crops has been completed and below-average maize and sorghum outputs collected.

In South America, where the planting of the 2001 **rice** season is well advanced, there are clear indications of a contraction in rice cultivation following the very poor returns faced by rice producers last year. The contraction is anticipated to be largest in the exporting countries, especially Argentina and Uruguay, at about 33 percent and 20 percent, respectively, as producers are shifting to more profitable crops. A decline of 7 percent in area is also projected in Bolivia. Low prices have also affected Brazil, the main rice producer and importer in the region, despite Government purchases to sustain the market last year. As a result, both rice area and output are forecast to drop in 2001 by about 9 percent and 6 percent, respectively.

- **North America**

In the United States, the final official estimate of the 2000 **wheat** crop is 60.5 million tonnes, 3.3 percent down from 1999 and the smallest crop since 1995. The decrease mostly reflects a lower average yield for the winter wheat crop than in 1999. According to the USDA Seedings report of 11 January, the winter wheat area for the 2001 harvest has declined to 16.7 million hectares, some 800 000 hectares or 5 percent less than the previous year and the lowest level since 1971. Dry conditions, which hampered planting in the main growing areas are cited as the major cause of the reduction. Growing conditions, however, have been generally satisfactory, although there is concern that above normal temperatures in some regions could render crops susceptible to damage if the weather should turn cold. In Canada, latest estimates put the 2000 wheat output at about 26.8 million tonnes, virtually unchanged from the previous year. However, the harvest was hampered by wet weather and the average quality of the crop is reported to be somewhat poorer than normal. Early indications for the 2001 wheat crop, the bulk of which will be sown in April/May, point to a similar overall area as in the previous year. The milling wheat area may increase at the expense of durum and oilcrops.

The final estimate of the United States 2000 **coarse grains** crop is 275 million tonnes, some 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 253 million tonnes. In Canada, aggregate output of coarse grains in 2000 is estimated

at 24.5 million tonnes, some 9 percent down from the previous year and the smallest crop since 1995. The decrease is largely due to wet and cold conditions throughout the season which affected yields.

In the United States, harvesting of the 2000 **rice** season has ended. Estimates of the country's rice output are unchanged from the last report, at 8.7 million tonnes, or 7 percent less than in 1999. The decline follows from a strong contraction in area, while record high yields were achieved. Most of the shortfall stemmed from reduced output of the long grain varieties.

- **Europe**

The latest estimate for the region's aggregate 2000 **cereal** output remains virtually unchanged from that forecast in November at 390 million tonnes, 1.6 percent up from the previous year. Output of **wheat** is estimated at almost 189 million tonnes, 6.2 percent more than in 1999. The bulk of the increase occurred among the EC countries and the Russian Federation. The latest estimate of the region's **coarse grains** output has been revised up by 5 million tonnes since November but nevertheless, at 199 million tonnes, remains below the previous year's output by almost 2 percent. Severe reductions in maize crops in several eastern European countries due to drought more than offset larger crops in the EC and the Russian Federation.

In the EC, early indications point to an overall reduction in the area sown to wheat for the **2001** harvest. Although adverse weather hampered autumn planting in northern parts of the community, a switch of land to feed cereal and oilseed crops was already expected in anticipation of increased demand from the feed industry following the ban on the use of meat and bone meal. The main reductions in winter wheat area are reported in France and the United Kingdom, while increased areas are reported in Austria, Germany and Sweden. Planting is still underway in some of the most southern producing areas of the Community. As of mid-January, planting was still not complete in some parts of Spain where adverse weather has persisted in recent weeks. The final wheat area may be reduced if conditions don't improve rapidly.

Harvesting of the 2000 **paddy** crop is complete in the EC. Flood problems in October in Italy reduced the country's rice production to 1.2 million tonnes, some 200 000 tonnes less than the previous year, also affecting negatively the quality of the crop. Rice output is also estimated to have fallen in Spain by close to 100 000 tonnes, to 750 000 tonnes. As a result, the estimate of EC paddy output in 2000 has been reduced from the previous report by about 200 000 tonnes to 2.4 million tonnes, 11 percent less than in 1999 and the lowest level since 1995.

In the central and eastern European countries, prospects for the winter cereal crops are somewhat unfavourable, reflecting persisting drought in Hungary

and most of the Balkan peninsula to the south. Dry conditions hampered crop emergence in these countries while unusually warm temperatures have encouraged premature crop development, rendering them susceptible to any sudden drops in temperature. Winter weather conditions in Poland, the Czech Republic and the Slovak Republic are reported to be closer to normal.

In Bosnia Herzegovina, the area sown to wheat for 2001 is likely to decline in response to unremunerative support prices. In Bulgaria, the winter wheat area is officially estimated at some 1.2 million hectares, up about 10 percent from 1999. The barley area is also estimated up at about 230 000 hectares. Prospects for the crops improved in mid-January with the arrival of snow which will provide much needed moisture for development this spring. Latest reports as of late January indicate the crop is generally in good condition and almost certainly better than last year's at the same time. In Croatia, the outlook for the 2001 wheat crop is uncertain. Official plans, and support for the 2000/2001 winter crops sowing campaign, call for an 18 percent reduction in the sown area to wheat, and moisture supplies remain tight. In the Czech Republic, the winter cereal area is officially estimated at just over 1 million hectares, of which 865 000 hectares are wheat and 165 000 hectares are barley. Conditions for crops are reported to be somewhat more favourable than in the neighboring countries to the south as rainfall has been closer to the norm.

In the Federal Republic of Yugoslavia (Serbia and Montenegro), the 2000 cereal harvest fell by 40 percent to an estimated 5.2 million tonnes. Unremunerative prices for wheat, critical shortages of inputs, flooding and water logging reduced the 2000 wheat harvest to about 1.8 million tonnes while persistent drought virtually halved the spring maize crop (3.1 million tonnes) and also affected most other foodcrops. The outlook for the 2001 winter grain harvest is uncertain. Reports indicate that the area sown to wheat may have recovered to about normal levels, but much of the planting was late due to dry conditions in October/November and the availability of inputs remains problematic.

In Hungary, winter wheat and barley plantings are estimated at 1.2 million hectares and 200 000 hectares respectively, somewhat up from the previous year's level, which could allow some recovery in production this year. However, soil moisture reserves are reported to be very low after prolonged drought. Good precipitation is required soon to replenish reserves for spring growth. In Poland, where autumn and winter rainfall has been closer to normal than in the countries further south, some recovery in winter grain production is also expected after last year's reduced output. In Romania, early indications suggest that the winter wheat area is similar to that in the previous year at around 1.9 million hectares. After a long summer drought some scattered showers in the autumn

allowed planting to progress satisfactorily in the main producing areas. However, significant precipitation is needed to replenish soil moisture reserves for crop growth this spring. In the Slovak Republic, prospects for the winter grain crops are satisfactory and plantings have likely remained similar to last year's levels.

In the Baltic countries, (Estonia, Latvia and Lithuania) the 2000 cereal output recovered to about 3.8 million tonnes (1999: 3.3 million tonnes), with wheat output increasing somewhat to 1.4 million tonnes and coarse grain production rallying by 23 percent to 2.4 million tonnes. The early outlook for 2001 crops is satisfactory.

In the CIS countries west of the Ural Mountains, (Belarus, Moldova, Russian Federation and Ukraine) the early outlook for 2001 crops is satisfactory. The aggregate area sown to winter cereals for harvest in the spring summer of 2001 increased, notably in the Ukraine and the Russian Federation. Overall growing conditions have been satisfactory to date despite spells of extremely cold weather. In the Russian Federation, the area sown to winter crops increased by 0.5 million hectares to about 14.7 million hectares, mainly due to larger plantings in the North Caucasus. In the Ukraine, the area sown increased by an estimated 0.6 million hectares to 8.4 million hectares. Growing conditions have been good in the 2000/2001 season to date and some 88 percent of the crop is reported to be in good condition.

The aggregate 2000 cereal harvest of the four CIS countries in Europe is now estimated by FAO at 99 million tonnes, some 9 million tonnes more than the preceding year's low level, mainly due to better harvests in Belarus and the Russian Federation, which more than offset a reduction in the Ukraine. Aggregate wheat production rose to an estimated 52 million tonnes. Aggregate output of coarse grains in 2000 is estimated at 46 million tonnes, 6 million tonnes up from 1999. Output of paddy has remained stable at 0.5 million tonnes.

In Belarus, the 2000 cereal harvest is estimated at 4.4 million tonnes (1999: 3.6 million tonnes). In the Russian Federation, FAO's estimate of cereal production in 2000 is 70 million tonnes, some 11 million tonnes higher than FAO's estimate for production in 1999. FAO's estimates in both years are about 10 percent higher than the official estimates, (2000: 65.4 million tonnes; 1999: 54.7 million tonnes) in view of systematic underestimation. By contrast, in Moldova and Ukraine, the 2000 cereal harvest was again affected by drought. Output in Moldova is estimated at 2.0 million tonnes, marginally less than last year's poor 2.1 million tonnes. In the Ukraine, FAO now estimates the 2000 cereal harvest at only 22.5 million tonnes, less than the poor output of 1999 (26.4 million tonnes) and less than the official forecast of 24.4 million tonnes in view of traders and expert reports of overestimation, notably of the spring course grain crop.

• **Oceania**

In Australia, the recently completed 2000 winter **wheat** harvest is officially estimated at 19.6 million tonnes, more than 20 percent down from 1999. Reduced yields in Western Australia and Queensland, due to dry weather, more than offset bumper crops in some other regions. Output of winter **coarse grains** (mostly barley and oats), recovered from the reduced level in 1999 due to increased plantings but remained below the average of the past five years. Aggregate coarse grains output in 2000 is estimated at 9.5 million tonnes, about 10 percent up from the previous year's reduced crop. Early prospects for the summer 2001 coarse grain crops (mostly sorghum), which have recently been planted are somewhat unfavourable because of dry conditions and the final area sown is likely to be reduced. Planting of the 2001 season **rice** is progressing and Government reports indicate that the planted area could expand by 19 percent.

**Trade<sup>1/</sup>**

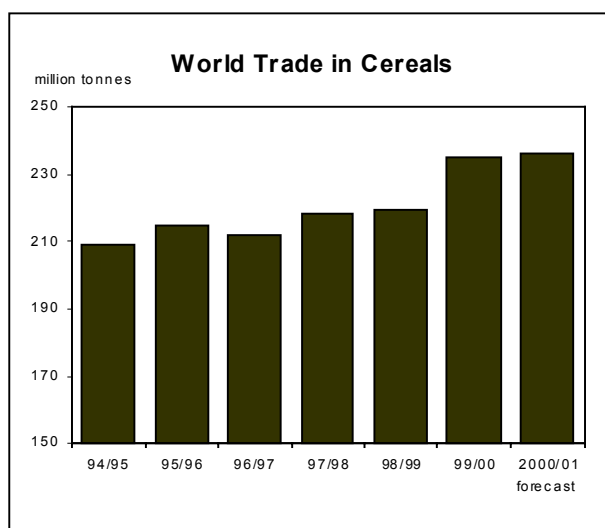
**World trade will expand further in 2000/01 but the increase is smaller than was anticipated in November**

FAO's forecast for world **cereal** trade in 2000/01 has been lowered to 236 million tonnes, some 2 million tonnes less than was reported in November. Nevertheless, this would be a record high level, over 1 million tonnes, or 0.5 percent, above the previous year's volume. Total cereal imports by the developing countries in 2000/01 are likely to reach 168 million tonnes. This would be above average but slightly below the previous season's record volume. In value terms, the cereal import bill of the developing countries is expected to total US\$23 billion in 2000/01, almost US\$2 billion, or 9 percent, more than in 1999/2000. Total imports by the Low Income Food Deficit Countries (LIFDCs) in 2000/01 are now forecast at around 70 million tonnes, down sharply from the previous report and over 1 million tonnes below the previous year's estimated level. The decline since last report is mostly on account of reduced forecasts for wheat imports by China and for rice imports by Indonesia. At the current forecast level, the overall cereal import expenses for the LIFDCs, as a group, could reach \$9.5 billion, up 8 percent from 1999/2000, mostly because of relatively stronger prices this season.

The forecast for global trade in **wheat** and wheat flour (in grain equivalent) in 2000/01 (July/June) has been lowered by 1.5 million tonnes to 108 million tonnes. At this level, world wheat imports would be slightly smaller

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

than in the previous year. The reduction in this month's forecast reflects a cut in the forecast for imports by China, which more than offset the combined effect of increased forecasts for the Islamic Republic of Iran, the Republic of Korea and the EC. While reduced production is expected to be responsible for larger wheat import demand in several countries, overall trade is likely to remain below the previous year's volume mostly because of exceptionally large harvests in a few but important net-importing countries. For the developing countries as a group, imports are forecast at around 81 million tonnes, some 1.3 million tonnes smaller than last year's record. However, given the anticipated rise in export prices, the wheat import cost for the developing countries is forecast to rise by 14 percent to around US\$12 billion. For the LIFDCs, wheat imports are put at around 38 million tonnes, down 2.7 million tonnes, or 7 percent, from the previous season. However, because of expected higher prices, the latest forecast puts total value of wheat imports by the LIFDCs in 2000/01 at US\$5.3 billion, an increase of 8 percent from 1999/2000.



Total wheat imports by countries in **Asia** in 2000/01 are currently forecast at around 49 million tonnes, down 2 million tonnes from the previous year's estimated level. The forecast for imports by China has been lowered sharply this month to 2.6 million tonnes, compared to 4.7 million tonnes reported in November and the 2 million tonnes estimated for the previous season. Despite a sharp decline in 2000 wheat production in China, the slow pace of imports since the start of the season in July 2000 indicates that the country is relying on its large stocks to meet demand. Import demand in Asia has also been affected by this year's unexpectedly large domestic supplies in India and Pakistan. In 1999/2000, India and Pakistan together imported 3.6 million tonnes of wheat, but because of bumper 2000 production both countries have become net exporters in the 2000/01 season. However, not all countries in Asia are able to cut their imports this season, especially the drought-affected countries such as the Islamic Republic of Iran, where this year's imports are now expected to remain at last year's exceptionally high volume of around 7 million tonnes. Wheat imports by the Republic of Korea are forecast at 4

### COMESA – Africa's Largest Free Trade Area

After almost 16 years of market liberalization and economic adjustments, the 20 Nation Common Market for Eastern and Southern Africa (COMESA) finalized the agreement for the establishment of a Free Trade Area (FTA) in October 2000. Earlier in 1984, the member States agreed to give themselves 8 years within which to gradually reduce tariffs to zero so as to achieve an FTA by 1992. The tariff reduction programme then was applied to a selected list of products. However, the objectives of the agreement had not been achieved fully by the 1992 deadline due to some concerns about potential revenue losses. The tariff reduction programme was subsequently extended to all goods originating from member States and the deadline for the FTA was deferred to 2000. By the year 2000, however, only 9 out of the 20 member Nations were ready to join the FTA, with the rest of the members given until October 2001.

The establishment of the FTA is an important phase in the creation of a Common Market. By 2004, a customs union with common external tariffs and free mobility of factors is expected to be established, followed in 2025 with a complete economic community similar to that of the European Union. To date, intra-COMESA trade accounts for only about 5-7 percent of the total value of trade of all the member States, with intra-COMESA imports of agricultural products less than 1 percent, even with average tariffs already close to the desired zero level. Between 1994-99, the cumulative value of recorded imports of cereals, the main food item, among the members was only about US\$165 million. Although the potential exists for this to be a highly successful initiative given the huge and diverse resource base and a combined population of about 380 million people, some serious problems still have to be tackled before complete integration becomes feasible. These are:

- Large share of unreported cross border trade
- Intense civil and cross-border conflicts involving some member Nations
- Inadequate transport, infrastructure and communication systems
- Severe weather uncertainties that hamper efficient planning

To overcome some of these problems, co-operation programmes have been implemented by COMESA in the industrial, agricultural, energy and transport and communications sectors. A regional food security programme is being established to ensure adequate food supplies. In 1997, COMESA Heads of State advocated that the food sector be supported by the immediate implementation of an irrigation plan of action for the region. The organization also supports the establishment of common agricultural standards and phytosanitary regulations in order to stimulate trade in food crops.

Despite these problems, some countries are already realising the benefits from intra-COMESA trade. Egypt reported an increase in intra-COMESA trade by about one-third, from US\$78 million in 1998 to US\$107 million, in the first two quarters of 1999. Other major beneficiaries are Kenya and Zimbabwe, which together account for over half of COMESA's intra-trade.

Thus, given the right policies, including harmonization of non-tariff and technical barriers to trade among COMESA member States, the realization of the objectives of this initiative could help create opportunities for trade, food security and stability within the region.

<sup>1/</sup> The member Nations of COMESA are: Angola, Burundi, Comoros, Congo-DR, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

<sup>2/</sup> A survey conducted between just two member States (Kenya and Uganda) for one year, estimated the value of unrecorded food imports to be US\$57 million: Chris Ackello-Ogutu and Protase Echessah, Unrecorded Cross-Border Trade Between Kenya and Uganda: Implications for Food Security, Technical Paper No.59, July 1997, Office of Sustainable Development Bureau for Africa, USAID.

million tonnes, up slightly from the last report and the previous year. The increase would be mostly on account of higher imports of low quality wheat used as a substitute for maize in animal feed.

In **Africa**, the forecast for wheat imports has been lowered slightly this month to around 25 million tonnes, up nearly 1 million tonnes from the previous year. The expected increase is due to larger imports by the drought-affected countries in North Africa, primarily

Algeria and Morocco. In Algeria, wheat imports are forecast to reach a record 5.2 million tonnes, up 700 000 tonnes from 1999/2000. Imports by Egypt are also forecast to increase, even though its production rose in 2000. Larger import estimates for Egypt is mostly driven by strong demand for high quality wheat. By contrast, total wheat imports by countries in sub-Saharan Africa are expected to decline this year, by 1.3 million tonnes, or 15 percent. Most of this decrease would reflect a sharp reduction in imports by Ethiopia following an increase in domestic production. Imports by other

**Overview of World Cereal Imports - Forecast for 2000/01**

	Wheat		Coarse grains		Rice (milled)		Total	
	1999/2000	2000/01	1999/2000	2000/01	2000	2001	1999/2000	2000/01
	( ..... million tonnes ..... )							
Asia	50.8	48.8	57.6	56.9	11.2	11.6	119.5	117.2
Africa	23.9	24.8	13.4	14.3	5.7	5.9	43.1	45.0
Central America	6.0	5.9	13.0	12.3	1.5	1.6	20.6	19.8
South America	12.6	13.0	7.1	7.1	1.1	1.2	20.8	21.3
North America	2.6	2.6	3.3	4.0	0.5	0.6	6.4	7.1
Europe	13.0	12.4	8.7	10.3	1.9	1.9	23.6	24.6
Oceania	0.5	0.5	0.1	0.1	0.4	0.4	0.9	1.0
<b>WORLD</b>	<b>109.3</b>	<b>108.0</b>	<b>103.2</b>	<b>105.0</b>	<b>22.4</b>	<b>23.2<sup>1/</sup></b>	<b>234.9</b>	<b>236.1</b>
Developing Countries	82.5	81.2	68.3	68.0	18.3	19.0	169.1	168.2
Developed Countries	26.9	26.8	34.9	37.0	4.0	4.2	65.8	67.9

**Source:** FAO

<sup>1/</sup> Highly tentative.

countries are forecast to remain mostly unchanged from the previous season.

In **Europe**, imports into EC are forecast to reach 3.7 million tonnes, up 500 000 tonnes from the previous year, mostly in response to concerns over the quality of the 2000 domestic crop. Imports by Poland and Romania are forecast to rise because of smaller harvests, whereas, an increase in 2000 wheat production in the Russian Federation is expected to result in a cut of over 50 percent in wheat imports by that country. The forecast for imports into the **Latin American and Caribbean** region has changed little since the previous report. Imports by Mexico, the largest importer in Central America, is likely to exceed last year's levels and reach 2.6 million tonnes. In South America, imports by Brazil, the region's largest importer, are forecast to surge to 7.7 million tonnes, up 500 000 tonnes, while imports by most other countries are anticipated to remain close to previous year's volume. The increase in Brazil would be mostly met by purchases from the United States. In November 2000, Brazil eliminated restrictions on imports of soft red winter and hard red spring wheat from the United States. All wheat imports from the United States had been suspended since December 1996 due to phytosanitary concerns over the presence of a fungus (*Tilletia*), but Brazil began to allow imports of hard red winter wheat from the U.S. Gulf and Mississippi river ports in March 1999.

The leading feature in this season's wheat trade is the presence of relatively large exportable supplies in India and Pakistan. In India, following successive bumper crops over the past few years and the subsequent excess supplies, exports are being regarded as an important policy option to maintain domestic prices and reduce storage costs. Wheat sales from India are currently forecast to reach 1 million tonnes in 2000/01, up 500 000 tonnes from the previous year. The final estimate may prove even higher considering that nearly 800 000 tonnes have already been committed, most notably to Iraq (some 350 000 tonnes under the UN

administrated food for oil programme), Bangladesh, Indonesia and the Republic of Korea. Large exports are also anticipated from Pakistan, following a record harvest in 2000. Wheat exports of around 500 000 tonnes are likely, of which Afghanistan is reported to have already purchased 300 000 tonnes. Nevertheless, this year's expected sales from India and Pakistan are not likely to offset the decline in wheat exports in several European countries outside the EC, especially the drought affected Poland, Romania and Ukraine.

Among the major grain exporting countries, wheat exports from the United States are forecast to increase by some 4 million tonnes to 33.5 million tonnes. This year's stronger demand is expected to favour the United States, which has a relatively large supply of high quality wheat. Argentina is also forecast to increase sales slightly. In the EC, exports may reach last year's volume despite the slow pace of sales during the first half of the season. In late December 2000, the Commission resumed granting export refunds for the first time since August 2000, a move which is expected to accelerate exports during the second half of this marketing season. The recovery in the Euro against the US dollar was one of the factors in the decision to resume wheat export subsidies. The concern over the adequacy of high wheat quality supplies in the Community discouraged larger sales during the first half of the season but with the situation improving, exports from the EC are beginning to accelerate. Exports from Canada are also likely to remain unchanged from the previous year, while wheat sales from Australia could decline because of smaller domestic production.

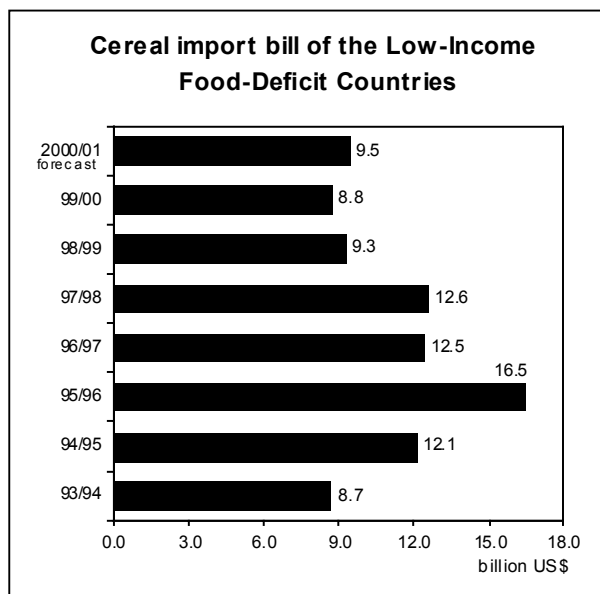
The forecast for world trade in **coarse grains** in 2000/01 (July/June) has been raised by 500 000 tonnes since the last report, to 105 million tonnes. This would be a record high level, almost 2 percent above last year's volume. World maize trade is put at around 74 million tonnes, up 1 million tonnes from 1999/2000. For barley, imports are expected to reach 20 million tonnes, up 1 million tonnes from the previous season. However, imports of sorghum

are forecast to decline slightly, to around 7 million tonnes. Total coarse grain imports by the developing countries are expected to reach 68 million tonnes, unchanged from the previous report and similar to last year. At this level, the cost of imports for the developing countries is estimated at around US\$8 billion. Imports by the LIFDCs are put at 21 million tonnes, some 1.4 million tonnes, or 7 percent, more than in 1999/2000. The import bill for the LIFDCs is also expected to rise in 2000/01, by about US\$200 million, to US\$2.4 billion.

In **Asia**, aggregate coarse grain imports in 2000/01 are put at around 57 million tonnes, down slightly from the previous report and some 700 000 lower than in the previous year. Imports by Japan, the world's largest importer, and the Republic of Korea, another major importer, are likely to remain unchanged from the previous year. The forecast for coarse grains imports into the Republic of Korea has been lowered slightly this month in the light of larger wheat purchases in recent months. Most other countries in Asia are likely to import the same amount as they did in 1999/2000. However, a sharp decline is anticipated in imports of barley by the Syrian Arab Republic, following an increase in domestic production, which is expected to more than offset the forecast rise in imports of maize and barley by the Islamic Republic of Iran, following two consecutive years of severe drought. Also, barley imports by Saudi Arabia, the world's largest importer, could increase slightly because of stronger demand and a decline in domestic production.

The forecasts for imports by most countries in **Africa** in 2000/01 have remained generally the same as in the previous report. Total imports into Africa are expected to reach 14.3 million tonnes, up slightly from the previous year. The increase over last year is expected to be most pronounced in North Africa, where Egypt, because of continuing strong demand, and Morocco, because of drought-reduced output, are expected to increase their imports. Aggregate imports by countries in the sub-Saharan region are likely to remain at about last year's levels as higher maize imports by Kenya, reflecting reduced production, would be largely offset by reduced imports by several countries in southern Africa, mostly because of bigger harvests.

The forecast for coarse grains imports into the **Latin American and Caribbean** countries has been raised slightly this month, mostly in view of stronger demand in Brazil. However, overall, total imports into the region are likely to decline by around 1 million tonnes compared to the previous season, largely because of Mexico. In **Europe**, total imports are forecast to increase sharply, mostly in response to higher import demand in several central and eastern European countries, especially the drought-affected ones. In Romania, the sharp decline in 2000 production is expected to result in a rise of about 1.7 million tonnes in maize imports. In Poland, lower barley production is likely to result in an overall increase in imports of at least 500 000 tonnes. Imports in the EC are likely to remain close to last year's volume despite stronger demand. This is mostly because of the exceptionally large supplies of low quality wheat, which



could substitute for maize in animal feed, especially in France. Elsewhere, imports by the Russian Federation could fall sharply because of larger domestic production.

Turning to export prospects during the current season (July/June), the largest beneficiary of the anticipated expansion in world trade is likely to be the United States. Total shipments from the United States are forecast at over 59 million tonnes, nearly 3 million tonnes more than in the previous year. In China, despite a sharp decline in domestic production, large maize exports continue. Higher exports are also anticipated from Argentina, but shipments from other major origins could remain similar to 1999/2000. Among the smaller exporting countries, larger crops in the Republic of South Africa could boost exports from that country. However, as in the case for wheat, the decline in output is the prime reason for reduced export supplies in Hungary, while Poland and Romania are expected to remain absent from the export market this season.

The forecast of **rice** trade in 2000 has been adjusted downward, from the last report, by 500 000 tonnes to 22.4 million tonnes. At this level, it would be 2.5 million tonnes below the volume traded in 1999 and 5.2 million tonnes less than the all time-high achieved in 1998. Most of the revision in the 2000 global import estimate originates from downward adjustments for Indonesia and DPR Korea. The estimate of Indonesia's purchases has been revised down by 200 000 tonnes from the previous forecast to some 2.0 million tonnes. This would be less than half the revised level for 1999. The estimate of shipments to DPR Korea has also been reduced by 400 000 tonnes from the earlier forecast to 350 000 tonnes, due to smaller food aid deliveries than were anticipated. The estimates of imports by Sri Lanka and the United States were also lowered by some 100 000 tonnes each, reflecting reports of abundant domestic supplies. By contrast, some upward revisions have been made to the import estimates for



the EC, Mexico and Saudi Arabia as well as of some other minor rice importers.

With regards to exports, the pace of shipments from Thailand picked up dramatically during the last quarter and the country's exports in **2000** are now estimated at 6.6 million tonnes, 600 000 tonnes above earlier expectations and only slightly below 1999. By contrast, the estimates of anticipated sales by other major exporters have been revised downward. This was especially the case for China, whose shipments are now estimated at 3 million tonnes, down 500 000 tonnes from the previous forecast. A reduction in Viet Nam's estimated exports, by 400 000 tonnes, has also been made, on account of the difficulties caused by the floods, including rice quality and logistic problems, which slowed substantially the movement of rice out of the country in the last quarter of 2000. Similarly, Pakistan and Argentina are now expected to export slightly less than earlier anticipated, while the estimate for Myanmar's exports has been raised by some 60 000 tonnes.

Rice trade in **2001** is currently forecast at 23.2 million tonnes, about 3.5 percent more than in 2000, but 0.8 million tonnes less than previously anticipated. The cut in the 2001 trade forecast was mainly on account of reports of lighter flood damage than originally anticipated in some importing countries, which would imply lower purchasing requirements during 2001. In addition, after the dramatic low prices facing farmers last year, several major importing countries are currently considering raising tariff protection. This is the case of Indonesia whose forecast purchases have been scaled down by 0.6 million tonnes to 1.8 million tonnes, the lowest volume since 1997. Similarly, forecast imports into Bangladesh were reduced by 100 000 tonnes to some 500 000 tonnes, about the same level as last year, following declarations that the country would not need to resort to external purchases to offset the recent flood-induced rice losses. Import forecasts were also cut for China and the United States by 200 000 tonnes and 100 000 tonnes respectively, but were raised for Brazil and the EC by some 100 000 tonnes each.

On the export side, the forecast for China's expected sales in **2001** has been trimmed by 200 000 tonnes from the previous report to 3.6 million tonnes, but would still be larger than the volume in the previous year by 0.5 million tonnes. In fact, although the country's production fell substantially last season, the high opening rice inventories should enable it to remain a major international rice supplier also in 2001. The forecast for shipments by Thailand, the world leading rice exporter, has also been lowered by 200 000 tonnes from the previous forecast to 6 million tonnes, the recently announced official export target. Export forecasts for Argentina, Uruguay and the United States were also reduced somewhat. Based on the revised trade estimates, commercial rice imports by the developing countries dropped by 10 percent, in calendar year 2000, as most of them harvested satisfactory crops over the last two seasons. For the

LIFDC's as a group the decline was more significant at 20 percent. The reduced volume of imports, combined with the low international prices that have prevailed in the course of 2000, resulted in an estimated 29 percent drop to US\$3 billion in the import bill of the developing countries last year. The fall was even more pronounced for the LIFDC's, at 36 percent, to US\$1.7 billion. Expectations for 2001 suggest a 7 percent increase in the rice import bill for the developing countries while that for the LIFDC's may increase by 4 percent, mainly reflecting a modest price recovery anticipated during the year.

### Carryover Stocks

#### The revision of stocks in China leads to much larger world inventories but does not alter the outlook for a sharp drawdown of stocks in 2001

Based on the revised figures for China, world **cereal** stocks by the close of the seasons ending in 2001 are now forecast to approach 640 million tonnes, down 52 million tonnes, or 7 percent from their opening levels and the smallest in four years. The expected drawdown this season reflects lower 2000 cereal production but higher anticipated utilization in 2000/01.

Since the previous report, the estimates of cereal carry-over stocks in China (Mainland) have been revised upward (see the box for more details). This revision resulted in a substantial increase in the estimates of China's inventories which, in turn, led to noticeably higher figures for global stocks than were reported previously. However, as shown in the table, neither the volume nor direction of annual variations in global stocks were changed significantly.

#### Annual Variation in Global Cereal Stocks: Before and After the Revisions in China<sup>1/</sup>

Seasons ending in	Before revisions	After revisions
	(..... million tonnes .....)	
1996	-55	-50
1997	40	46
1998	37	41
1999	18	25
2000	-14	-9
2001	-52	-52

<sup>1/</sup> Difference between opening and closing stocks for each season.

In view of the revisions to the estimates of cereal stocks in China and, hence, to the world cereal stocks, the use and methodology underlying some of the main FAO global food security indicators, such as the global cereal stock-to-use ratio, are also being re-examined. The issues involved will be raised at the forthcoming session of the FAO's Committee on World Food Security (CFS) in May 2001. It must be stressed, however, that the validity of the analyses of market developments conducted in the past using these empirical indicators remains unaffected.

### A Review of China's Historical Supply and Demand Balances for Cereals Leads to Higher Estimates for Stocks and Feed Use, but Lower per Caput Food Consumption<sup>1/</sup>

Availability of up-to-date and more accurate information on China's cereal sector has improved considerably in recent years, an important factor enabling a more coherent analysis of market developments, not only in China but also at the world level. In the past, among the main variables in China's cereal supply and demand balance, only production and trade figures were official, while data on cereal consumption and stocks were essentially FAO estimates. As regards the latter, information now available to FAO strongly suggests that a major revision of China's historical supply and demand balances is necessary to allow a more realistic assessment of the situation and outlook for cereals in China, and, hence, of international cereal market developments.

In countries where official cereal stocks figures are not readily available, the differences in supply and utilization are often taken as a first approximation for the quantity carried over into the next crop season. The weakness of such an approach, as a proxy for revealing actual stock levels, becomes apparent when large anticipated draw-down of stocks, such as those taking place in China during the current marketing season, would have obliged FAO to reduce its estimate of total inventories to very low levels (less than 30 million tonnes in the case of China). If that level were realistic, one would have expected to observe the Government of China taking immediate action to replenish the granaries. Instead, the country is continuing to export large volumes of maize and rice, domestic wheat and maize prices in China have increased only slightly and rice prices have remained under downward pressure.

These developments confirmed the validity of much higher estimates of cereal stock levels in China, available to the FAO Secretariat for some time, and called for a major review of China's historical supply and demand balances for cereals. The adjustments made take into account the officially reported (mostly for the past decade) domestic utilization estimates, including food consumption and feed use, and the annual variations in stocks (i.e. the difference between the season's opening and closing levels). As a result, the estimates for the per caput food consumption of cereals have been lowered, while the feed utilization and stocks figures have been adjusted upward. The upward revision of total carryover stocks in China reflects higher estimates than were previously supposed for both private and public stocks. The revised carryover stocks of cereals in China for the past 10 marketing years are shown in the Table below. As is noted in the more detailed analysis in the main text, neither the quantity nor the direction of annual variations in Chinese stocks (and global stocks) have changed significantly as a result of this upward shift of the level of stocks in China.

**China (Mainland): Supply and Demand Cereal Balance, 1991/92-2000/01**

	Opening Stocks	Production <sup>1/</sup>	Imports <sup>2/</sup>	Total Dom. Use	Exports <sup>2/</sup>	Closing Stocks	Per Cap. Food Cons.
	(..... million tonnes ..... )						(Kg/person)
<b>1991-1992</b>	375.3	335.3	16.3	330.6	11.3	385.0	191.4
<b>1992-1993</b>	385.0	341.2	7.2	338.7	14.7	380.0	191.0
<b>1993-1994</b>	380.0	348.5	7.9	346.9	14.0	375.5	190.3
<b>1994-1995</b>	375.5	337.9	13.8	355.2	1.8	370.3	189.4
<b>1995-1996</b>	370.3	358.3	18.9	365.2	0.8	381.6	190.2
<b>1996-1997</b>	381.6	389.8	6.5	374.2	5.7	397.9	189.6
<b>1997-1998</b>	397.9	380.1	4.1	377.0	10.5	394.6	189.0
<b>1998-1999</b>	394.6	393.0	3.0	380.7	6.5	403.4	188.9
<b>1999-2000</b>	403.4	390.8	3.7	384.1	13.3	400.5	188.0
<b>2000-2001<sup>3/</sup></b>	400.5	347.5	4.5	380.8	9.7	362.0	187.4

<sup>1/</sup> Production includes rice in milled equivalent.

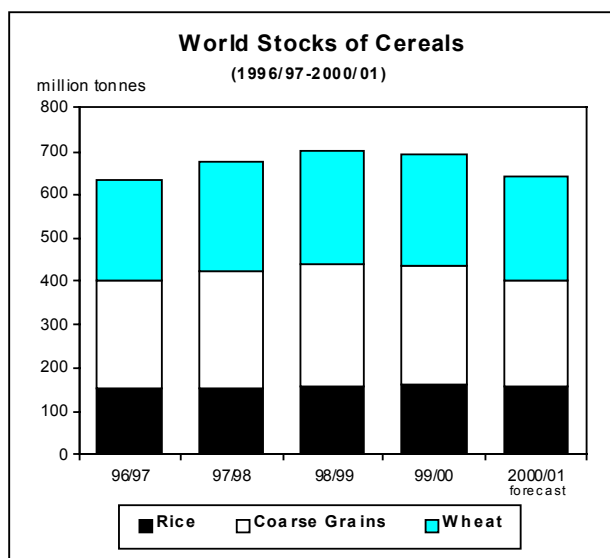
<sup>2/</sup> Trade data refer to individual cereal marketing seasons in China.

<sup>3/</sup> Forecast.

<sup>1/</sup> The revisions were based on extensive discussions and exchanges with international as well national experts on China's cereal economy. The findings also draw from an ad hoc expert meeting which was held in FAO in December 2000. In the absence of any official estimates for the level of stocks in China, several published sources were consulted, including the national press, papers and articles by high ranking academics in China and abroad. Among the two most recent sources of information which provided valuable insight into the level of stocks in China are:

OECD, *Agriculture in China and OECD Countries: Past Policies and Future Challenges*. Paris, 1999.  
Xing Zhigang, "Grain Reserves Sufficient", China Daily, 6 December, 2000, p.1.

The one-time adjustment made to the historical series of cereal stocks in China should not be perceived as either a reflection of or a cause for changes in the market fundamentals. Because of recent policy changes in China, which have been conditioned by the high costs associated with maintaining large stocks and by new economic and social priorities, it is important to have more accurate estimates of the level of stocks to better understand China's trade flows and their impact on international cereal markets. Given the magnitude of the likely decline in carryover cereal stocks during this season and new information, especially concerning the level of on-farm stocks, it was considered appropriate to revise the statistical data series on cereal stocks at this particular juncture to levels deemed to be more realistic.



World stocks of **wheat** for crop years ending in 2001 are now put at 239 million tonnes, some 17 million tonnes, or 7 percent, below the previous year's level. Lower carryovers are expected in all five major exporters, except for the EC where higher production and stagnate exports could result in some 2 million tonnes rise in this season's total ending stocks in the Community. Among the other major wheat exporting countries, wheat inventories in the United States are forecast to decline the most, by some 6 million tonnes. Elsewhere, wheat stocks in China are forecast to fall by 12 million tonnes to 121 million tonnes, mostly because of smaller domestic production. However, wheat inventories are forecast to increase significantly in Pakistan and India because of record production.

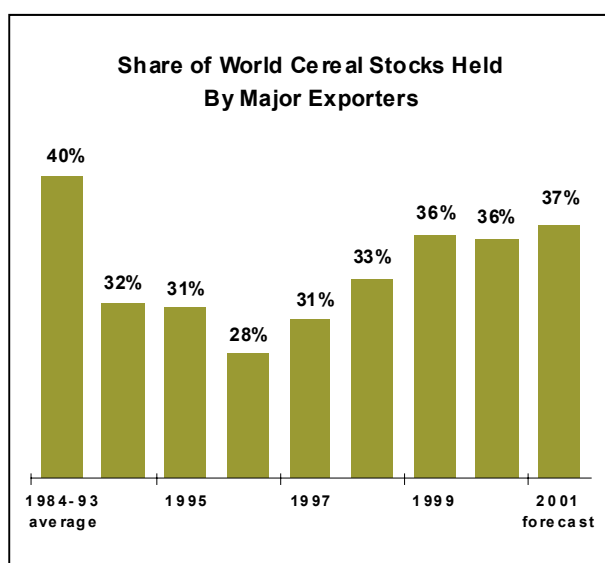
Total **coarse grain** inventories for crop years ending in 2001 are now at 246 million tonnes, down 27 million tonnes, or 10 percent, from the previous year. The decline mainly results from an expected sharp fall in stocks held in China, where a drastic decline in its maize production in 2000 combined with continued large export sales could bring down its total end-of-season inventories to 133 million tonnes, some 21 million tonnes, or 14 percent, below this season's opening levels. Total stocks in major exporting

countries are likely to remain at last year's levels, or around 77 million tonnes, mostly as a result of an increase in stocks in the United States because of a record maize crop in 2000. Except in Canada, where maize stocks are also forecast to decline, other major exporters are likely to end the season with the same level of inventories as last year.

### World Carryover Stocks of Cereals

	Crop year ending in:		
	1999	2000 estimate	2001 forecast
	(. . . million tonnes . . .)		
Wheat	259.9	255.9	238.7
Coarse grains	284.7	273.2	246.4
Rice (milled)	155.6	162.1	154.5
<b>TOTAL</b>	<b>700.2</b>	<b>691.2</b>	<b>639.6</b>
of which:			
Main exporters	254.7	248.7	236.8
Others	445.5	442.5	402.9

Global **rice** inventories at the end of the seasons in 2001 are forecast at 154.5 million tonnes, almost 8 million tonnes below their opening level. Most of the year-to-year reduction is expected to be concentrated in China, following a sizeable cut in production in 2000, combined with expectations of a stable domestic utilization and large exports this year. Carry-over stocks are also expected to fall in other important exporting countries that harvested smaller crops in 2000, especially Pakistan, Vietnam and the United States. India is also likely to cut its inventories, although much would depend on its ability to boost exports. By contrast, carry-over stocks are anticipated to rise somewhat in Thailand, mainly due to an anticipated contraction in foreign sales. Among importing countries, lower purchases by Indonesia may result in smaller inventories by the end of the season.



## Export Prices

Overall, during the first half of the 2000/01 marketing season (July-December), international **wheat** prices moved higher, reflecting stronger commercial import demand and the expectation of lower carry-over stocks in major exporting countries. The rise in wheat prices slowed in the run-up to the holiday period in late December, as a result of reduced purchasing activity and downward pressure from the main harvesting season in southern hemisphere. In January, the US wheat No. 2 (HRW, fob) averaged US\$134 per tonne, some US\$3 per tonne more than in October 2000 and as much as US\$23 per tonne, or 17 percent, above the previous year. The new Argentine wheat crop averaged US\$120 per tonne in January, down US\$3 per tonne on pre-Christmas values, but up US\$27 per tonne, or 23 percent, from the corresponding period last year. While the volume of world trade is forecast to expand slightly this season, competition among major exporters for market share combined with large export supplies, also among a number of non-traditional exporters, could restrain any significant increase in international wheat prices in the coming months.

### Cereal Export Prices \*

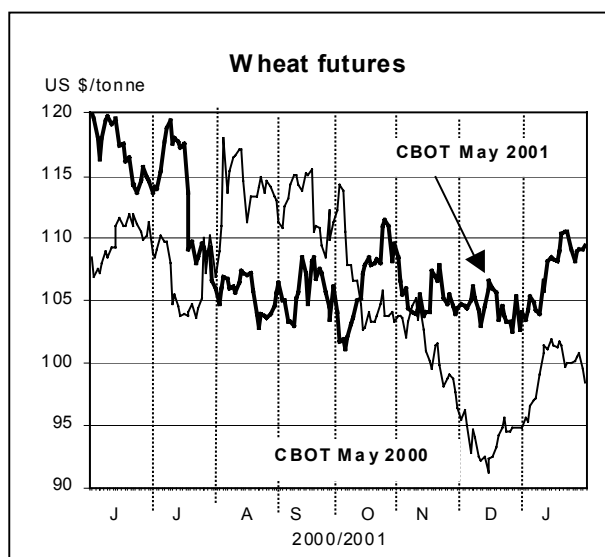
	2001		2000
	Jan.	Oct.	Jan.
	(. . . . . US\$/tonne . . . . .)		
<b>United States</b>			
Wheat 1/	134	131	111
Maize	95	85	93
Sorghum	104	92	91
<b>Argentina 2/</b>			
Wheat	120	123	93
Maize	84	76	93
<b>Thailand 2/</b>			
Rice white 3/	187	191	244
Rice, broken 4/	134	136	159

**Source:** FAO, see Appendix Table A.6

- \* Prices refer to the monthly average.
- 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.

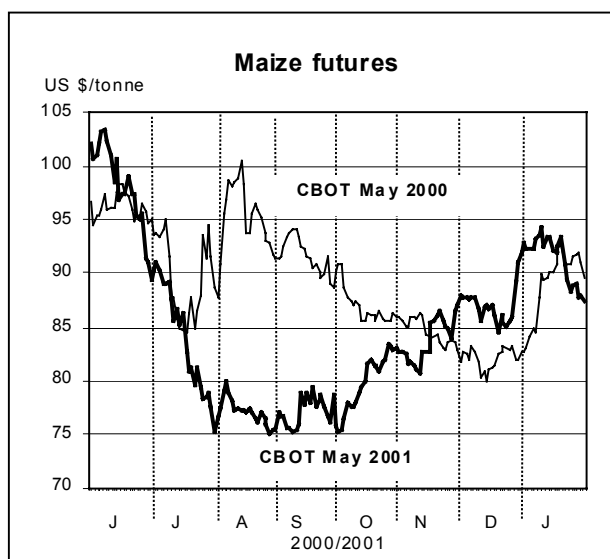
In the futures market, the supply pressure continued to weigh on prices and the near-by wheat futures ended the third week in January slightly weaker than a month earlier. In recent weeks, May prices for the soft red winter wheat contracts at the Chicago Board of Trade (CBOT) also weakened, although they were generally higher than the corresponding period a year ago. Given the present indications, any strong recovery in prices is difficult to envisage for at least another season.

International **maize** prices remained below 1999 levels through November 2000 but in December they rose sharply before starting to decline again. In January, the US maize export prices averaged US\$95 per tonne, up



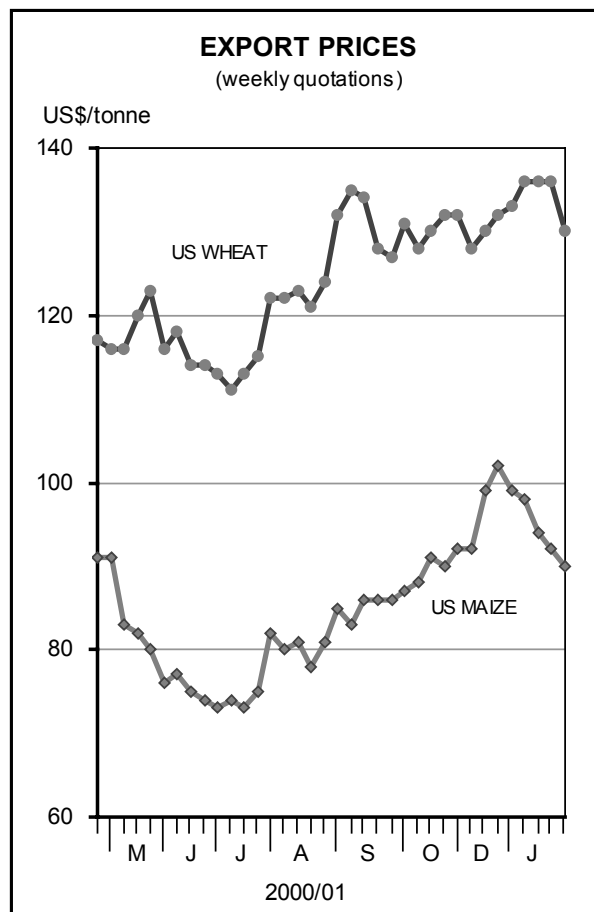
US\$10 per tonne from October 2000 and US\$2 per tonne higher than in January 2000. Overall, during the first half of the current marketing season, maize prices averaged around US\$83 per tonne, compared to US\$89 per tonne in the comparable period last season. The fundamental reason behind weak maize prices in recent years has been large supplies among exporting countries. Over the past few months, large sales from China and concerns over the export of the genetically modified (GM) maize from the United States, following the Starlink scare, put further downward pressure on US export prices. The controversial problem surrounding the sales of Starlink maize, which was not approved for human consumption in the United States, was raised when traces of this GM maize were found in Japan in October 1999. Considering that Japan is the largest importer of maize from the United States, uncertainty over future maize sales from the United States to Japan weakened prices further. In January, maize prices in the CBOT futures market also weakened and May contracts were quoted at US\$86 per tonne, pointing to a drop of around US\$6 per tonne since October and a decline of US\$4 per tonne from the corresponding period last year. The recent decline in prices was also driven by the expectation of a likely resumption in large sales from China, especially in the light of further evidence of GM maize in Japan (and lately also in the Republic of Korea). Against this background and given the continuing large supply pressure, any significant price recovery over the next few months seems unlikely. Stronger prices could only be expected if this season's ending stocks were to fall below the current expected levels and/or in the event of a notable cut back in 2001 production.

The year 2000 ended with the lowest **rice** price recorded since 1987. On an annual basis, the FAO Export Price Index for Rice (1982-84=100) averaged 98 points in 2000, down from 114 in 1999. Although prices were weak for all types of rice, low quality rice was the most affected with the 2000 average index 19 points lower than that in 1999.



Rice quotations resumed their downward slide through November and December 2000, after a short-lived recovery in October in reaction to the weather problems which hampered shipping activities in Viet Nam. The FAO Export Price Index averaged 95 points in January 2001, down from the 97 points in October 2000. The price of high quality Thai 100% B rice, which had risen to US\$191 per tonne in October, was down to US\$187 in January 2001, depressed by the arrival of the new Thai crop on the market. By contrast, the price of high quality US No. 2/4 percent broken rice was sustained during the last quarter of 2000 by Government purchases for food aid. As a result, they reached an annual high of US\$294 per tonne in November. Although prices fell to US\$291 in January 2001, they surpassed by about US\$20 the January 2000 quotation. The price of lower quality, fully broken rice (Thai A1 Super) dropped in January 2001 by two points to US\$134 from October last year. However, at that level, they were up by US\$4 and US\$3 from November and December 2000 respectively, when prices dipped to the lowest levels since 1987.

Barring any unexpected shock, prices are likely to resume a downward trend with the arrival, in February-March, of new rice crops from exporters in the southern hemisphere and from Viet Nam. Moreover, the policy measures under consideration in India, to boost exports, and in Indonesia, Malaysia and Nigeria, to raise import restrictions, would all contribute, if effectively implemented, to an aggravation of the price weakness that characterized the international rice market in 2000.



## Oilseeds, Oils and Oilmeals<sup>1/</sup>

### Prices for oilmeals strengthen while oils/fats prices remain weak

During the 1999/2000 season (October/September), international prices for oils and fats were under downward pressure, attributed, mostly, to ample supplies relative to demand. By contrast, prices for oilseeds and oilmeals strengthened as the expansion in global supplies of these products came to a halt while demand continued increasing. With the onset of the 2000/01 season, prices for oilcakes and meals continue to rise, while prices for oils and fats remain depressed. In the first quarter of the season (October-December 2000), the average FAO price index for oils and fats fell to 75 points, the lowest level recorded since 1986/87. In the same period, the average index for oilmeal prices climbed to 99 points, 27 points above the near record low registered in mid-1999.

Based on information currently available, chances for a sustained recovery in prices for **oils and fats** in 2000/01 are limited, barring any unforeseen demand and/or supply shocks. This outlook is based on record opening stocks and the expectation that, as demand for meals continues to rise, a larger crush will contribute to increased supplies of oils/fats. Although demand for oils/fats is anticipated to increase, especially in Asia, this may not be sufficient to outweigh the impact of burdensome stocks and higher production.

The recovery in international prices for **oilcakes and meals** that started during 1999/2000 is likely to continue through the current season, a consequence of an expansion in demand that is forecast to outweigh the expected increase in supply. In Asia as well as Europe, demand for soybean and soybean meal is

forecast to increase to record levels, a factor that should exert upward pressure on prices. However, the record soybean crop in the United States and the anticipated bumper soybean harvests in Brazil and Argentina during the current season are expected to prevent meal prices from rising drastically. The forecast increase in soybean production from the major producers in Latin America, if realized, would be a welcome relief, since supplies and export availability of

the other major meals, particularly rapeseed and sunflowerseed, are expected to contract compared to the previous season. The extent of the upward movement of oilmeal prices during the current season will also depend on what happens to feed grain prices, particularly maize. Current expectations are for feed grain prices to continue on their recovery path during the season, which, if realized, would limit the potential of substituting feed grains for oilmeals.

### 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 <sup>a/</sup>	Soybean oil <sup>b/</sup>	Palm oil <sup>c/</sup>	Soybean meal <sup>d/</sup>
	(. . . 1990-92=100 . . .)		(. . . . . US\$/tonne . . . . .)			
<b>October/September</b>						
1994/95	153	94	247	641	645	184
1995/96	140	128	303	574	544	257
1996/97	134	133	298	536	545	278
1997/98	154	116	256	634	641	197
1998/99 - Oct.-March	141	90	219	548	620	153
- April-Sept.	109	74	198	418	407	146
1999/00 - Oct.-March	98	87	206	374	356	176
- April-Sept.	84	90	213	337	318	184
2000 - Oct.- Dec.	75	99	209	317	257	207

**Source:** FAO, Oil World

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

### Global oilseeds production to increase only marginally in 2000/01

World production of the seven major oilseeds in 2000/01 is forecast to expand by slightly more than 2 million tonnes, or 0.8 percent, to about 306 million tonnes, the smallest season-to-season percentage increase in recent years. Other than soybean, the output of most of the other major oilseeds is expected to fall compared to last season. Rapeseed and sunflowerseed production, in particular, are forecast to drop by about 10 percent each. Among major rapeseed producers, output in Canada, the EC and eastern European countries fell as rapeseed prices, relative to other crops, and high carry-in stocks led to land diversion. In India and Australia, unfavourable weather is the reason for the expected drop in production. By contrast, rapeseed output in China expanded markedly as farmers continued to enjoy better returns compared to grains. For sunflowerseed, most of the anticipated output contraction will be in Argentina where the area sown is estimated to have declined by as much as 37 percent from the previous season.

### World Production of Oilseeds

	1998/99	1999/00	2000/01 f'cast
	(. . . . . million tonnes . . . . .)		
Soybeans	160.9	158.1	167.6
Cottonseed	33.2	33.5	33.1
Groundnuts	31.8	30.7	31.0
Sunflowerseed	27.9	26.7	24.1
Rapeseed	36.1	42.4	37.9
Palm kernels	5.9	6.3	6.7
Copra	4.0	5.3	5.3
<b>Total</b>	<b>299.9</b>	<b>303.2</b>	<b>305.6</b>

**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.

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

However, the forecast rise in global soybean output is expected to more than offset the forecast drop in production for the other oilseeds. The United States has harvested another bumper crop this season as farmers continued to benefit from the high soybean marketing loan rate relative to other crops, in addition to other favourable provisions contained in the 1996 Federal Agricultural Improvement and Reform Act. In Brazil and Argentina, area planted to soybeans is reported to have increased further and, assuming growing conditions remain favourable, record output could be achieved. Both countries have seen impressive growth in both area and production of soybeans in recent years due to a combination of factors that include favourable policy changes, increased profit margins to farmers and technological improvements. Likewise, soybean farmers in Bolivia and Paraguay are set to produce more of the crop. Although there are reports of a heat wave affecting some parts of Argentina during late December/early January, indications are that no significant harm has been done to the soybean crops as yet.

#### **Supplies of both oils/fats and oilmeals to expand but at a sluggish pace**

World production of **oils and fats** in 2000/01 is forecast to increase further, continuing the upward trend, but at a slower rate than what has been observed in recent years. Total production is currently expected to rise by a modest 1 percent to about 116 million tonnes. Soybean oil is expected to account for most of the anticipated increase in total oils production after a small drop last season. Nevertheless, the share of soft oils<sup>1/</sup> in total output of oils and fats is projected to decline for the third consecutive year while tropical oils<sup>2/</sup> production, as well as their share in global oils and fats output, is expected to reach record levels. The share accounted for by palm oil will likely reach 20 percent. Considering the expected sluggish expansion in production of oils and fats, global supplies of oils and fats in 2000/01 (including stocks at the beginning of the season) could experience a modest increase of about 1 percent to approximately 130 million tonnes. In comparison, total supplies jumped by about 4 percent in the two preceding seasons. For **oilcakes and meals**, world production, expressed in protein equivalent, is forecast to rise by about 2 percent, after a stagnation the previous season, to about 79 million tonnes. Almost all of the increase will be accounted for by soybean meal, which will more than make up for the anticipated drop in the production of most of the other meals. However, due to smaller carry-in stocks, global supplies of meals and cakes in 2000/01, expressed in protein equivalent, are forecast to stay close to previous season's level.

1/ This group of oils comprises soybean, rapeseed, sunflowerseed, cottonseed, groundnut and olive oil.

2/ Reference is made to the three main tropical oils: palm, palmkernel and coconut oil.

#### **Consumption of oils/fats and oilcakes/meals to increase moderately**

Total utilization of **oils and fats** is forecast to continue expanding in 2000/01, though at a reduced rate compared to previous seasons. As in past years, Asian countries, particularly China and India, will account for most of the expected expansion. A number of factors, including low prices, improving per capita incomes and higher population numbers will contribute to this increase. In terms of individual oils/fats, palm oil is expected to account for most of the increase, followed closely by soybean oil.

Consumption of **oilcakes and meals** in 2000/01 is also projected to expand. However, the gradual slow down in growth observed in recent years is expected to continue this season. During 2000/01, total world use of oilcakes and meals, expressed in protein equivalent, is forecast to reach about 80 million tonnes. As economic conditions continue to improve in some of the Asian countries that had been affected by the financial crisis of the late 1990s, the demand for meat has followed suit and, therefore, utilization of oilmeals in the region should continue increasing. In North America, the volume of oilmeal use is likely to remain virtually unchanged. Consumption of oilmeals in the EC is expected to expand due to its ban on the use of Meat and Bone Meal (MBM) in compound feed. For the entire 2000/01 season, the increase in EC oilmeal use, expressed in protein equivalent, is tentatively estimated at 0.4 million tonnes. The bulk of the increase is expected to consist of soybean meal. Also at the global level, soybean meal is forecast to account for most of the anticipated expansion in oilmeal consumption given that supplies of many of the other major meals will be limited in 2000/01. It should be pointed out that price developments, particularly soybean meal prices vis-à-vis feed grain prices, are likely to influence the volume of meal consumed during the season. Current indications are for feed grain prices to increase and the respective price ratio to decline, thus suggesting that some substitution of oilmeals for feed grain could occur during 2000/01.

#### **Stocks of both oils/fats and oilmeals to fall but oils/fats inventories to remain burdensome**

After climbing to new record levels in the last two seasons, closing stocks of **oils and fats** are forecast to fall during 2000/01, as global utilization of oils and fats is expected to exceed production by a small margin. Considering that global opening stocks are at above average levels, the anticipated decrease in inventories (and the resulting reduction in the stocks-to-use ratio) is not likely to lead to a sustainable recovery in vegetable oil prices. World end-of-season stocks of **oilcakes and meals** are forecast to be lower than their start-of-season levels for the second consecutive year, as global consumption is again expected to outweigh production. The corresponding drop in the stocks-to-use ratio is bound to sustain the upward support for prices during the season.

### **A small increase is forecast for international trade of oils/fats and oilmeals in 2000/01**

Although global trade in **oils and fats** (including the oil contained in oilseeds traded) in 2000/01 is expected to increase by 1.3 percent to 51 million tonnes, the rate of growth would be significantly lower than in previous seasons due to high stock levels and/or increased production in several major importing countries. Furthermore, assuming that the recent decline in oils and fats prices comes to a halt during 2000/01, the incentive for importers to purchase oils and fats for stockholding purposes (as seems to have occurred during the last two seasons) should be reduced. From a regional perspective, Europe is expected to account for most of the forecast trade expansion, followed closely by Asia. India, which imported about 35 percent of its domestic oils and fats requirements during each of the last two years, will likely see its import purchases undergo another big jump irrespective of import duty hikes that have been targeted at curbing the recent surge in imports. In an effort to reduce the country's high dependency on imported oils and fats, the Government is expected to increase efforts to stimulate domestic production of oilseeds. Purchases by North America could be similar to last season's, while imports by China are expected to contract slightly due to increased domestic availability. Stimulated by low prices, trade in soybean and palm oils will likely expand the most during the season, while imports of rapeseed and sunflowerseed oils are forecast to decline due to reduced availability.

As far as export shipments are concerned, Malaysia and Indonesia, the world's leading exporters of tropical oils, could boost their export total by 7 percent to a combined record of 16.4 million tonnes. If realized, the two countries would account for over 30 percent of the global trade of oils and fats (including the oil contained in oilseeds traded) forecast for 2000/01. Shipments for a number of the soft oils are anticipated to decline during the season, mostly due to lower supplies. The

exception in that group would be soyoil, exports of which are forecast to rise further due to ample availability and higher global demand. It should be noted that stiff competition between palm oil and soyoil for market share is likely to continue during the current season.

Overall, trade in oilseeds products in 2000/01 is expected to be driven largely by the demand for oilmeals. World trade in **oilcakes and meals** (including the meal contained in oilseeds traded) during the season is anticipated to exceed 95 million tonnes, growing at a rate of about 1.6 percent, which, if it materializes, would be markedly below last season's rate. Factors contributing to this slow-down include slackened growth in overall oilmeal consumption, the prospect of increasing prices and the fact that China, which was responsible for most of last season's increase in trade, is projected to import less due to higher domestic availability. From a regional perspective, Europe, which accounts for over 40 percent of global imports of oilcakes and meals, is forecast to show the biggest increase in import shipments. This projected expansion in imports is largely based on reduced domestic supplies and EC's ban on the use of MBM. In the region of Asia as a whole, import requirements are forecast to stagnate – as opposed to last season's surge. On the export side, Latin America, primarily Brazil and Argentina, are poised to increase their share in the export market for soybean and soybean meal in 2000/01. Barring damaging weather conditions over the next few months, both countries are likely to see record soybean crops and, therefore, increased export availabilities. Regarding individual meals, the supply outlook suggests that soybean meal will account for the lion's share of the forecast increase in trade, since reduced supplies of most of the other meals, particularly rapeseed and sunflowerseed meals, will likely constrain their trade. Fishmeal exports are also likely to contract as supplies in Peru, the largest exporter, are expected to decline.

## **Meat and Meat Products**

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After posting solid gains in 1999, international meat prices showed no decisive direction in 2000. Escalating pig prices during the first part of 2000, caused by supply reductions in major exporting countries, provided some upward price momentum; however, unexpectedly high cattle slaughter, especially in the United States, dampened the upward price movements in both beef and poultry meat during the latter part of the year. Sluggish price movements were also influenced by limited expansion in world import demand, with growth in international meat trade sharply below the strong gains recorded in 1999. Global meat trade in 2000 is estimated at 17 million tonnes, up less than 2 percent from 1999.

The global meat economy in 2000 was characterized by a slow-down in output growth, increased market disruptions and trade diversion in the second half of 2000 due to animal disease outbreaks in major exporting countries. Exporter competitiveness was also influenced by wide fluctuations of currency exchange rates and the reduced food aid and export subsidies. Animal disease outbreaks included incidence of foot-and-mouth disease (FMD) in Asia as well as the major export markets in South America and southern Africa, Rift Valley Fever in Eastern Africa and the Near East, swine fever in the United Kingdom and the Nipah swine virus in Malaysia. Food safety concerns re-emerged in Europe during late-2000 with increased



evidence of bovine spongiform encephalopathy (BSE) in EC member countries previously considered free from the disease.

Consequently, global meat production rose less than 2 percent to 232.8 million tonnes, with developing countries further expanding their share of the total to 55 percent. The strongest gains were in Asia and South America, prompted in part by continued low feed prices and stronger economic growth which stimulated demand for livestock products. Per caput meat consumption in the two regions is estimated to have risen to 2 percent to 26.7 kg and 66.8 kg respectively. In aggregate, per caput meat consumption in developing countries moved up 2 percent to nearly 28 kg, while that in developed regions dropped by nearly 2 percent to 78 kg.

**Bovine Meat**

Expectations of herd rebuilding and lower output in the cattle sector in major producing and exporting countries did not materialize in 2000 and global output rose to 59.6 million tonnes, up 1 percent from 1999. Most of the output gains were registered in developing countries, particularly those in Asia and South America. Growth in developed regions dropped by 1 percent, as EC slaughter was cut back in response to uncertainty caused by the BSE crisis and the decade-long industry decline in CIS countries continued. Despite the mid-year FMD outbreaks in South America, more than half of the global production gains in 2000 were realized in this region, with Brazil, Argentina, Uruguay, and Chile all registering increased output. High meat prices in China encouraged slaughter, while in Indonesia increased live animal

**International Meat Prices**

	FAO index of international meat prices	Average international meat prices			
		Chicken <sup>1/</sup>	Pork <sup>2/</sup>	Beef <sup>3/</sup>	Lamb <sup>4/</sup>
	(. . 1990-92=100 . .)	(..... US\$/tonne .....)			
1994	103	921	2 659	2 384	2 975
1995	100	922	2 470	1 947	2 621
1996	96	978	2 733	1 741	3 295
1997	93	843	2 724	1 880	3 393
1998	84	760	2 121	1 754	2 750
1999	86	602	2 073	1 894	2 610
2000	89 <sup>5/</sup>	591 <sup>6/</sup>	2 089 <sup>6/</sup>	1 957	2 619

**Source:** FAO

1/ Chicken parts, United States export unit value. 2/ Frozen pork, United States export unit value. 3/ Manufacture cow beef, Australia, cif prices to the United States. 4/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 5/ Estimated. 6/ January-November.

imports from Australia for feeding contributed to an almost 7 percent increase in production. Cattle producers in the Republic of Korea reduced cattle numbers and output in response to an FMD outbreak and prospects of market liberalization in 2001. Mexican output grew slowly due to prolonged drought, low profitability, overdue loans and tight credit. In Africa, beef output increased in the major producing countries of Egypt and South Africa, while erratic rainfall in the Horn of Africa and the some regions of the Near East induced high livestock losses due to drought and infectious diseases. In the developed regions, near record levels of heifer slaughtering in the United States prompted higher output, while production in both Australia and Canada was supported by higher carcass weights which more than compensated for lower slaughter numbers.

Disease-related market disruptions in the latter part of the year played an important role in keeping the volume of bovine meat trade unchanged at 5.5 million tonnes in 2000. Also contributing to dampened trade growth were the absence of food aid programmes and

constrained use of export subsidies by the EC. In particular, deliveries to the Russian Federation, in the absence of these measures, dropped a precipitous 60 percent in 2000. Imports by other countries, however, grew sharply, especially in Japan, Mexico, and the United States - markets which account for more than 50 percent of global imports. The mid-year FMD outbreak in Japan had no noticeable effect on import demand. In the United States, the world's largest import market, higher prices for manufacturing grade meat prompted an 8 percent increase in imports. Meanwhile, shipments to Mexico, despite the application of compensatory duties for US beef, witnessed a double-digit increase. South American exports, while up year-on-year, slowed in late 2000 as a consequence of FMD outbreaks in the region's major exporting countries, e.g. Brazil, Argentina, and Uruguay. Further disruptions to the region's exports stemmed from a sharp drop in demand for bovine meat in Europe emanating from the BSE-related concerns. Trade disruptions were also evident in parts of Africa where trade flows of both live animals and meat were impeded by regional disease outbreaks. With EC

## World Meat Production

	1999	2000	2001 estimate
	( . . . . million tonnes . . . . )		
<b>WORLD TOTAL</b>	<b>228.9</b>	<b>232.8</b>	<b>237.5</b>
Poultry meat	64.9	66.6	68.5
Pig meat	89.8	91.2	93.5
Bovine meat	59.0	59.6	59.9
Sheep & goat meat	11.2	11.4	11.5
Other meat	4.0	4.0	4.1
<b>DEVELOPING COUNTRIES</b>	<b>123.8</b>	<b>128.0</b>	<b>132.2</b>
Poultry meat	33.3	34.7	35.7
Pig meat	51.6	53.5	55.6
Bovine meat	28.6	29.5	30.2
Sheep & goat meat	7.9	8.0	8.2
Other meat	2.4	2.4	2.4
<b>DEVELOPED COUNTRIES</b>	<b>105.1</b>	<b>104.7</b>	<b>105.3</b>
Poultry meat	31.6	31.9	32.8
Pig meat	38.3	37.7	38.0
Bovine meat	30.4	30.2	29.7
Sheep & goat meat	3.3	3.3	3.3
Other meat	1.6	1.6	1.6

**Source:** FAO **Note:** Total computed from unrounded data.

shipments dropping an estimated 40 percent due to early year price increases, low subsidy levels, and the late-year BSE concerns, Australian, Canada, and New Zealand exports, stimulated by weakening currencies, reached record levels.

### Pigmeat

Price-induced production declines in the major exporting regions of Europe and North America constrained global output gains to 1.5 percent in 2000. However, gains of nearly 4 percent in developing countries pushed pigmeat output to an estimated 91.2 million tonnes in 2000, with China, the world's largest producer, accounting for much of the increase. Low feed prices in China and a 10 percent rise in pork prices compared to 1999, maintained favourable producer margins and pushed up output by 4 percent to 41.6 million tonnes. Similarly, industries in Taiwan Province of China and the Philippines responded favourably to higher prices by increasing slaughter, while government support to the FMD-afflicted pork industry maintained output in the Republic of Korea. Developed regions witnessed a 2 percent slide in both output and per capita consumption in 2000, with producers in eastern European and CIS countries reducing output in response to high feed costs which encouraged slaughter of low-weight animals. In addition, the increasingly concentrated industries in the United States and the EC - together contributing 30 percent of global production and over half of world exports - finally responded to the low prices in late 1998 and 1999 by reducing farrowing, decreasing output by an estimated 2 and 1 percent, respectively.

Expanded hog slaughter capacity, however, propelled Canadian output up by 7 percent.

The decade-long solid growth in pigmeat exports was disrupted in 2000, with shipments dropping by 2 percent to 3.2 million tonnes. The elimination of most EC export subsidies for pigmeat, combined with recovering domestic prices, resulted in the Russian Federation buyers scaling down purchases by an estimated 43 percent. Meanwhile, growth in Asian import demand slowed appreciably from 32 percent gains in 1999 to 3 percent in 2000. The mid-year FMD outbreak in the Republic of Korea, previously both a major exporter and importer of pigmeat, led to excess domestic supplies and an 18-percent drop in imports. Support to the sector, however, was generated by Japan and Malaysia. A recovery of South American demand led to strong import gains while, in Mexico, anti-dumping duties on United States live hogs stimulated a 16 percent jump in pigmeat imports. Declining output in the United States led to a nearly 23 percent import surge in 2000, mainly supplied by a rapidly expanding industry in Canada. In fact, Canada became the world's largest pigmeat exporter in 2000, due to soaring output and encouraged by the depreciating value of the Canadian dollar against the US dollar. Shipments from the United States, while up over the course of the year due to increased demand from Japan and Mexico, are not expected to recover to last year's level because of sluggish demand in the Russian Federation.

### Poultry Meat

Strong output growth in developing countries, particularly Brazil, China and other Asian countries, is prompting an estimated 3 percent increase in global poultry meat production to 66.6 million tonnes in 2000. Although more than three-quarters of the production and consumption gains were realized by developing countries, average annual per caput consumption of 7.6 kg per person there still lags considerably behind that of developed regions at 23.3 kg per person. The strongest regional output gains (5 percent) are expected in South America where robust gains in Brazil, Chile and Peru have compensated for recession-induced output declines in Argentina and Venezuela. Industry profitability in Brazil in late 2000 was squeezed, however, by higher feed prices, aggravated by concerns regarding the use of genetically modified imported maize. In Asia, economic recovery and favourable margins are fuelling strong output gains, particularly in Indonesia, Vietnam, Thailand and Malaysia. In China, the world's second largest producer, annual output gains are expected to slow from the decade average of 15 percent to only 3 percent, with output standing at 11.6 million tonnes. In contrast to robust growth in developing regions, that in developed countries languished at 1 percent in 2000. Record meat production has pressured poultry prices lower in the United States, slowing chick placements with output estimated up only by 2.2 percent. Meanwhile, in the EC sluggish export growth and weak prices early in the year resulted in a 1 percent output

decline in 2000. Output in the Russian Federation and the eastern European countries is estimated to have increased slightly; however, drought induced higher feed costs hamper industry profitability.

Economic recovery in Asia and the Russian Federation, combined with low poultry prices, induced an estimated 7 percent increase in trade to 6.1 million tonnes (excluding transshipments). The stabilization of the Russian Federation economy and lower tariffs for broiler meat in 2000 prompted an estimated 10 percent jump in imports to that market, which, in 1997, was the world's largest meat importer. Strong Asian buying stemmed from China, the Republic of Korea, and Singapore. Drought in some countries of the Near East, such as the Islamic Republic of Iran and Yemen, resulted in lower meat supplies and higher imports. Shipments to Angola continue to witness strong growth, as did deliveries to Mexico which saw a significant jump as growth in domestic output was constrained by an outbreak of Newcastle disease in the spring. In contrast, Argentina's introduction of a minimum price system for Brazilian imports resulted in a slide in 2000 import volumes. Strong competition among exporters characterize the international poultry market in 2000 with a 16 percent increase in Brazilian shipments constraining European shipments, particularly to the Middle East. The recent lifting of China's restriction on Brazilian imports, due to concerns about Newcastle disease, supported late-year exports, as did Brazil's competitive prices resulting from its weakening currency. United States exports are estimated up 8 percent, supported by robust demand from the Russian Federation, Mexico and Canada, while shipments from Thailand were up 10 percent due to strong demand from their traditional markets-Japan and the EC.

### Sheep/Lamb

Global production and consumption of ovine meat rose 1.4 percent in 2000 to 11.4 million tonnes. Output in developed regions grew marginally in 2000 with gains in Australia and New Zealand, the two largest exporters, offset by declines in the Russian Federation, eastern European countries and the United States. Most of the output gains in 2000 were generated in developing countries, resulting in higher per caput consumption at 1.8 kg. Average per caput consumption in developed countries, by contrast, declined by 2 percent to 2.3 kg in 2000. Recovering from last year's drought, output in Argentina and Uruguay surged by 5-6 percent, while high prices in Mexico prompted an increase in production. Output growth in Asia slowed, with India, the Islamic Republic of Iran and Turkey registering gains of less than 1 percent. The growth in Chinese output slowed as well, as national average prices for sheep and goat meat weakened; however, a firm wool market is prompting increases in sheep inventories in the north of the country. Erratic rainfall and high feed prices in Africa's largest producer, the Sudan, is combining with a disease-induced ban by countries in the Arabian peninsula on imports of live

animals to prompt Sudanese herd liquidation, inducing a three-fold drop in prices and incomes.

The world ovine meat market witnessed robust trade gains in 2000 with shipments estimated at 775 000 tonnes, an increase of nearly 12 percent compared to the previous year. Major import gains were registered in the EC, South Africa and the United States, despite the imposition of tariff-rate quotas (TRQ) in the latter. Uruguay has taken advantage of high United States lamb prices to increase exports four-fold to that market. Meanwhile, mutton demand from the Near East strengthened, causing higher imports of both meat and live animals, mainly from Australia and New Zealand where competitive prices stemmed from higher offtake and weakening currencies. Animal shipments from a number of African countries remain constrained due to bans related to the outbreak of Rift Valley Fever.

### Meat Outlook in 2001

Continued slow growth in meat supplies is likely to characterize the world meat market in 2001, with global meat production expected to expand to 237.4 million tonnes, up by 2 percent. The output gains are likely to be concentrated in pigmeat and poultry meat sectors in North America as well as in middle-income developing countries in Asia and South America. A recovery in the beef sector will be hampered by progressive herd rebuilding and consumer concerns regarding BSE. Considerable uncertainty clouds the outlook for the EC meat sector as beef consumption drops, intervention stocks increase and prospects for cattle slaughter in 2001 hinge on testing results of the cattle aged over 30 months. Late-year price shifts in favour of pigmeat and poultry should serve to boost output in these sectors.

### World Meat Exports <sup>1/</sup>

	1999	2000	2001 forecast
	( . . . thousand tonnes . . . )		
<b>WORLD</b>	<b>16 744</b>	<b>16 978</b>	<b>17 138</b>
Poultry meat <sup>2/</sup>	7 009	7 213	7 364
Pig meat	3 304	3 227	3 275
Bovine meat	5 483	5 498	5 442
Sheep meat and goat meat	695	775	790
Other meat	252	266	266

Source: FAO

Note: Total computed from unrounded data.

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

<sup>2/</sup> Includes transshipments from China, Hong Kong SAR and the Baltics.

Gains in international meat trade are expected to be around 2 percent, similar to last year but considerably less than the 5 percent annual average gains observed over the past five years. In Asia, slower growth is likely to stem from declining import demand for pork in the

Republic of Korea and high stocks of frozen beef in both this market and Japan. Constrained by only slight gains in supply availabilities, meat shipments from developed regions will decline slightly with gains in North American shipments of pigmeat and poultry not offsetting sliding EC beef exports. The containment of the FMD outbreak in parts of South America should signal a resumption in beef sales in 2001, however, the trade outlook for the various meats and relative meat price movements, both in the EC and globally, hinge in part on consumer responses to BSE concerns.

Trade policy developments which could potentially influence trade prospects over the next few years include two recent WTO rulings: one on the beef marketing structure in the Republic of Korea and the other regarding US lamb TRQs. The Republic of

Korea, in response to a ruling that their domestic regulations governing the import, distribution and retail sale of imported beef are inconsistent with the WTO regulations, is expected to introduce major reforms in its beef import and distribution regimes, which will coincide with the liberalization of the Korean beef market in 2001. Meanwhile, United States TRQ restrictions on lamb imports from New Zealand and Australia, implemented in July 1999, were found to violate WTO safeguard rules. The United States, however, may opt to appeal this decision. In Europe the "double-zero" option between the EC and most eastern European countries went into effect on 1 July, 2000. This provision allows for increased bilateral trade flows, especially for pork products, through higher quotas and zero in-quota tariffs and eliminates the use of export subsidies between participating countries.

### **BSE Becomes a Global Concern**

Considerable uncertainty clouds the outlook for the EC meat sector as late 2000 marked the discovery of bovine spongiform encephalopathy (BSE) cases in EC member countries previously considered free from the disease. The European Commission has instituted several BSE-related measures which include the temporary ban on feeding meat-and-bone meal (MBM) to farm animals, mandatory testing on slaughtered cattle over 30 months of age, and the purchase and destruction of all positively-tested cattle.

FAO, in late January 2001, emphasized that countries around the world should be concerned about "Mad Cow Disease" and should take action to reduce and prevent risks. Such action includes the implementation of effective surveillance for BSE in cattle and controls on the animal feed and meat industries. At present, this means: laboratory testing of samples from slaughtered cattle, and correct disposal of fallen stock and improved processing of offals and by-products. As an immediate measure countries which have imported animals and MBM from BSE-infected trading partners should consider a precautionary ban on the feeding of MBM to ruminants (cattle, sheep, goats) or, to reduce the risk of infection even further, to all animals.

More information on the subject can be obtained from the FAO website:

<http://www.fao.org/livestock/AGAP/FRG/Feedsafety/fs2.htm>

## **Fish and Fisheries Products**

### **Overview**

Total world fish production (capture plus aquaculture) in 1999 is estimated at a record 124.4 million tonnes, a significant recovery from the previous year's reduced production of 117.4 million tonnes. The decline in 1998 was due primarily to decreased catches of small pelagics fisheries in South America, particularly in Peru, caused by the "El Niño" phenomenon. Of the total world production in 1999, fish capture accounted for 92.1 million tonnes. Despite the recovery of the Peruvian fisheries after the negative impact of the "El Niño" in the previous year, this was still 1.3 million

tonnes short of the 1997 record capture of 93.6 million tonnes. Aquaculture production continued to expand in 1999, reaching 32.3 million tonnes, or 26 percent of total fisheries production, compared to a share of just 15 percent in 1990.

China is now by far the top producer of fish with some 39 million tonnes in 1999. Peru recovered its second position among the main producing countries, increasing catches in 1999 by 90 percent from the reduced 1998 level. Japan was the third major fishing nation in 1999 with catches of 5.9 million tonnes.

**Fishery Production<sup>1/</sup>**

	1995	1996	1997	1998	1999 provisional
	(..... 000 tonnes .....) )				
China	28 418	31 897	35 038	38 025	39 300
Peru	8 943	9 522	7 877	4 346	8 437
Japan	6 787	6 765	6 723	6 026	5 935
Chile	7 591	6 909	6 084	3 558	5 325
India	4 906	5 258	5 379	5 244	5 244
USA	5 638	5 395	5 422	5 154	5 154
Indonesia	4 139	4 291	4 454	4 595	4 797
Russian Federation	4 374	4 730	4 715	4 518	4 210
Thailand	3 573	3 562	3 430	3 470	3 541
Norway	2 802	2 960	3 223	3 259	3 052
Others	39	39	40	39	39
<b>World total</b>	<b>116 129</b>	<b>120 294</b>	<b>122 448</b>	<b>117 399</b>	<b>124 448</b>

<sup>1/</sup>Fish, crustaceans, molluscs, etc - nominal catches including aquaculture.

Total world imports of fish products expanded in 1999 in value terms to reach a record of US\$57 600 million. Developed countries accounted for more than 80 percent of the total. Japan was again the biggest importer of fishery products, accounting for some 25 percent of the global total, though a substantial decline from the 30 percent share that this country used to have. Japan's imports of fish and fishery products have declined due to economic recession. The EC further increased its dependency on imports for its fish supply. The share of the EC in the value of world imports increased to 35 percent. The United States, besides being the world's fourth major exporting country, was the second biggest importer of fish products in 1999.

Thailand and Norway are the world's major exporters of fish products in value terms, accounting for 16 percent each of total world trade. The increase in net earnings of foreign exchange by developing countries - deducting their imports from the total value of their exports - is impressive, rising from US\$5 200 million in 1985 to US\$15 600 million in 1999. For many developing nations, fish trade represents a significant source of foreign currency earnings.

The world market for fishery products in 2000 was characterized by an overall growth in demand while supplies tightened. Demand for fish is on an upward trend in the United States and Europe, while in Japan, demand is declining as the younger population moves to more westernized food patterns. In the EC, the bovine spongiform encephalopathy (BSE) scare affecting the meat industry led to a boom in fish consumption in the latter part of the year, and prices rose accordingly. However, growing demand is not matched by an increase in supply. On the contrary, wild fish stocks show signs of sharp declines due to over-exploitation, especially for groundfish species. Prices for all main fish commodities are expected to move up in 2001.

**Review by Commodity**

**Shrimp** is the world's most important fish commodity accounting for about 20 percent of international trade in value terms. The EC, Japan and the United States are the world's major importers of shrimp. Their combined imports expanded further in 1999 to reach 950 000 tonnes up from 900 000 tonnes in 1998. Increased imports by Japan and the United States more than offset a decline in the EC.

In the EC, the world's major importing region, shrimp imports declined by about 10 000 tonnes in 1999 to an estimated 372 000 tonnes. The decrease was principally due to the weakness of the Euro but also reflected the crisis of the Ecuadorian shrimp industry, normally a major supplier to the EC. Both of these factors continued to affect the EC shrimp market in 2000. By contrast, Japan's shrimp imports recovered somewhat in 1999 to 247 000 tonnes, but this level was nevertheless well below the almost 300 000 tonnes imported annually in the mid-1990s. The economic crisis was the main reason for the decline in 1997 and 1998. The United States has been the main driving force on the world shrimp market in the past few years, its imports increasing from 275 000 tonnes in 1998 to 330 000 tonnes in 1999.

Shrimp aquaculture output in 2000 was lower than in 1999, due to reduced production in Latin America. Ecuador, which used to be the second major aquaculture producer, continued to have disease problems and its production in 2000 is estimated to have been cut by a staggering 100 000 tonnes, or about 90 percent of its normal production before the crisis. These lower supplies in a general climate of strong demand - the economic crisis in Asia seems to be finally over - led to higher international shrimp prices in the second half of 2000.

In the United States, a slow-down in economic growth in late 2000 is expected to lead to a decline in demand for shrimp in the coming months. Year-end demand for shrimp in the EC was good, as shrimp played an important role in the Christmas and New Year festive period celebrations. However, the weak Euro led to increased prices in the EC market for all main tropical species, where European traders have to compete with Japanese and United States buyers. With continued strong demand expected in Japan in the coming months, and supplies from the aquaculture industry still limited, substantial increases in shrimp prices are expected in the course of 2001.

**Tuna** catches increased further in 1999, by about 400 000 tonnes, to reach an estimated 4 million tonnes, continuing an upward trend in the past few years. The main tuna catching nations are concentrated in Asia, with Japan and Taiwan Province of China being the main producers. Other important tuna catching nations in Asia are Indonesia and the Republic of Korea. In Europe, Spain and France are important tuna fishing countries, mainly catching in the Indian Ocean, while the United States tuna fleet, which had experienced setbacks in recent years, is regaining importance.

Skipjack is by far the main species caught, and catches increased by 80 percent over the past decade. There is even potential for further expansion in the future. In fact, skipjack accounts for most of the increase in the total catch of 1999. Yellowfin is the second major tuna species, also growing in importance in recent years, but at a slower path than skipjack. This species is generally higher priced than skipjack. Bigeye catches have also increased in recent years while Albacore catches have remained relatively stable.

Though tuna catches were not as large in 2000 as in the preceding year, prices declined sharply in May 2000, to US\$400 per tonne, and stayed on that level until end of the year. The main canneries were fully supplied, especially in the United States and Europe. As price levels were below operation costs in the second half of 2000, boat owners agreed on a fishing stop in December 2000. However, prices stayed low and are not expected to increase until shortages are felt on the market which could be later in 2001.

The **groundfish** market remains generally depressed. Following a brief tightening of supplies in early 2000 which caused prices to strengthen somewhat, a sudden oversupply of Alaska Pollack once again flooded the market mid-year pressuring prices downward for all groundfish species.

The Norwegian groundfish industry is in a major crisis. The estimated size of the cod resource, which is the main species caught, is low, and prospects for recovery are poor. As a result, quotas have been reduced but prices remain low. In three years, the cod quota in the Barents Sea had to be lowered by 460 000 tonnes, with negative effects on the Norwegian and Russian Federation industry. Vessels from these countries are now mainly landing small cod, that means 3-4 year old, which also does not help in rebuilding the stock.

**Cephalopod** catches recovered in 1999, to about 3.5 million tonnes, after a sharp decline in the previous year due to oversupply and the negative impact of El Niño in the Eastern Pacific.

Squid, mainly *Illex* and *Loligo* - are by far the main species produced, accounting for about 1.7 million tonnes or 77 percent of total cephalopod catches and accounting for most of the year-to-year variations in cephalopod landings. Octopus is the second major cephalopod species produced accounting for about 300 000 tonnes of the annual catch. In recent years this catch has gone down due to conservation methods in the Eastern Central Atlantic. However, in 1999 catches of octopus were very high, as not all the catches are under stringent control. Cuttlefish catches have been about stable at 240 000 tonnes over the last decade, and no major changes are foreseen for the near future.

Japan continues to be the main cephalopod producing country, with catches fluctuating between 500 000 and 800 000 tonnes. In 1998, Japanese cephalopod catches hit a historical low of 450 000 tonnes, but recovered strongly in 1999. The second major producing country is the Republic of Korea with 310 000 tonnes in 1998, a significant decline from the 1997 production. Similarly to Japan, the Republic of Korea expanded its catches, especially in the South West Atlantic in 1999.

In the 2000 season, *Illex* production in the South West Atlantic was less than foreseen. Markets are experiencing a shortage of supply, after a year of oversupply and very low prices. Prices of squid are likely to increase strongly. Octopus supply was very strong, especially of Moroccan origin. Although demand and consumption of octopus expanded in Japan, price improvements are unlikely to occur in the coming months. Cuttlefish is in short supply, and prices are forecast to increase.

## Fertilizers

International **Urea** spot prices continued to increase from December 2000 onwards. Urea production in the United States was 50 percent of normal output due to high natural gas prices. The demand in the United States market drove prices up, and suppliers in Indonesia and China benefited from tight supply in the Arab Gulf. However, in the last week of January the gas price fell and production is estimated to have reached 75 percent of normal output in February. Compared to the same period a year ago urea prices have increased by 50 to 60 percent. Apart from the developments in the United States market, production capacity in Egypt is curtailed as the result of plant shut down, which made supply even tighter. Export prices from the Black Sea region are unstable, and were expected to move up again in anticipation of increased European imports when the spring planting season approaches. Output in the Black Sea rose from 25 to 50 percent of production capacity, while Indonesian producers schedule to shut down 2 plants for a month. Indonesian producers are allowed to export provided that the domestic market is supplied. Due to import demand from the United States, global supply is tight, and strong demand in the south Asian market resulted in higher urea prices. Indonesia is supplying Viet Nam (requirement 150 000 tonnes), the Philippines and Taiwan. Turkey has entered the market for considerable quantities. Production capacity in Argentina became operational after some initial problems. The demand in Latin America is increasing, but purchases are postponed in anticipation of price

reduction, while Peru delays purchases in expectation of the government decision on import duties on urea. In Sri Lanka the subsidy on urea was increased to RS 9 842 per tonne. Near East producers are committed to supply the United States; exports are scheduled to meet demand in Australia, Iran, the Philippines, Sudan and Thailand.

**Ammonia** prices doubled since January 2000, again reflecting temporary closure of plants in the United States. Prices continue to increase, especially in the Near East. Producers in the Black Sea area intend to sell 300 000 tonnes and cut back on urea production to increase ammonia surplus production.

International spot market prices of **ammonium sulphate** were some 30 percent higher in the eastern European, Far East and US Gulf markets in January compared to the same period in 2000. In western Europe, the increase was less pronounced at around 9 percent.

**Diammonium phosphate** (DAP) prices showed a slight increase in the beginning of 2001 compared to a year earlier. Due to increased ammonia input prices, DAP prices are unlikely to decrease as producers in the United States and CIS reduced their production. Production cut backs have somewhat increased the global DAP prices. Demand for United States' DAP is

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

	December 2000	January 2001	January 2000	Change from last year <sup>1/</sup>
	(. . . . . US\$/tonne . . . . .)			(. percentage .)
<b>Urea</b>				
eastern Europe	100-102	120-124	79-81	52.5
Near East	140-147	179-186	109-113	64.4
<b>Ammonium Sulphate</b>				
eastern Europe	47-50	54-57	42-43	30.6
Far East	65-69	70-72	55-56	27.9
U.S. Gulf	50-52	53-57	42-44	27.9
western Europe	55-60	60-65	55-60	8.7
<b>Diammonium Phosphate</b>				
Jordan	170-175	170-174	164-169	3.3
North Africa	159-169	158-168	159-164	0.9
U.S. Gulf	155-157	155-156	147-151	4.4
<b>Triple Superphosphate</b>				
North Africa	129-133	129-133	131-135	-1.5
U.S. Gulf	127-134	127-134	136-140	-5.4
<b>Muriate of Potash</b>				
eastern Europe	91-106	91-106	95-109	-3.4
Vancouver	116-130	116-130	117-131	-0.8
western Europe	115-122	115-122	129-137	-10.9

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

low, small amounts are exported to Australia, China, Colombia, Ecuador and Africa. Due to high nitrogen prices domestic United States DAP demand could rise, when farmers increase the soybean acreage at the expense of maize. The CIS is supplying Uruguay and Viet Nam. Demand from Europe and Latin America is low in the presence of substantial stocks. Pakistan secured considerable supplies from Morocco, CIS, Jordan and Tunisia; the requirements for the Kharif planting season are largely covered. China's import quota is expected to be in the range of 2 million tonnes in anticipation of high local production; the official announcement of the import quota will be end January. Indian importers have tendered for 50 000 tonnes.

Prices for **triple superphosphate** (TSP) in January were about 5 percent less than a year earlier but remained stable during the month. Demand has been generally weak in the past few weeks.

Latest prices for **muriate of potash** (MOP) have decreased somewhat compared to the same period in 2000 in Europe and Canada. Demand is expected to increase in Europe and the United States in the coming weeks for spring season planting. MOP demand in Latin America is increasing. The MOP import quota for China is expected around 5 to 6 million tonnes and several imports are scheduled in various South East Asian countries.



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## A.1 a) - WORLD CEREAL PRODUCTION – Provisional estimate for 2000 as of January 2001

	Wheat			Coarse Grains		
	1998	1999	2000 estim.	1998	1999	2000 estim.
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>254.8</b>	<b>260.1</b>	<b>253.7</b>	<b>228.8</b>	<b>218.1</b>	<b>193.1</b>
Bangladesh	1.8	1.9	1.8	0.1	0.1	0.1
China <sup>1/</sup>	109.7	113.9	102.0	147.4	141.2	116.9
India	66.3	70.8	75.6	31.7	30.4	30.2
Indonesia	-	-	-	10.1	9.2	9.2
Iran, Islamic Rep. of	12.0	8.7	8.0	4.3	2.8	2.3
Japan	0.6	0.6	0.6	0.2	0.2	0.2
Kazakhstan	5.5	11.2	9.1	1.5	2.8	2.3
Korea, D. P. R.	0.1	0.1	0.1	1.8	1.3	1.2
Korea, Rep. of	-	-	-	0.3	0.4	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	18.7	18.0	21.0	1.9	1.8	1.9
Philippines	-	-	-	3.8	4.6	4.5
Saudi Arabia	1.8	1.5	1.5	0.6	0.7	0.6
Thailand	-	-	-	5.2	4.6	4.7
Turkey	21.0	18.0	19.0	10.9	9.7	10.2
Viet Nam	-	-	-	1.6	1.8	1.9
<b>AFRICA</b>	<b>18.7</b>	<b>15.0</b>	<b>13.8</b>	<b>79.5</b>	<b>77.7</b>	<b>77.0</b>
<b>North Africa</b>	<b>14.3</b>	<b>11.3</b>	<b>9.7</b>	<b>10.8</b>	<b>9.9</b>	<b>8.6</b>
Egypt	6.1	6.3	6.6	7.4	7.2	7.3
Morocco	4.4	2.2	1.4	2.2	1.7	0.6
<b>Sub-Saharan Africa</b>	<b>4.4</b>	<b>3.8</b>	<b>4.1</b>	<b>68.7</b>	<b>67.8</b>	<b>68.4</b>
<b>Western Africa</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>31.1</b>	<b>31.9</b>	<b>29.8</b>
Nigeria	-	-	0.1	17.8	18.1	17.4
<b>Central Africa</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>
<b>Eastern Africa</b>	<b>2.2</b>	<b>1.5</b>	<b>1.6</b>	<b>19.8</b>	<b>17.3</b>	<b>16.5</b>
Ethiopia	1.1	1.1	1.2	6.1	6.6	6.3
Sudan	0.5	0.2	0.2	5.0	2.9	3.2
<b>Southern Africa</b>	<b>2.2</b>	<b>2.2</b>	<b>2.4</b>	<b>15.1</b>	<b>15.9</b>	<b>19.5</b>
Madagascar	-	-	-	0.2	0.2	0.1
South Africa	1.8	1.7	2.1	8.3	8.0	11.0
Zimbabwe	0.3	0.3	0.3	1.6	1.7	2.2
<b>CENTRAL AMERICA</b>	<b>3.3</b>	<b>3.1</b>	<b>3.4</b>	<b>28.8</b>	<b>28.7</b>	<b>28.7</b>
Mexico	3.2	3.1	3.4	25.4	25.2	25.4
<b>SOUTH AMERICA</b>	<b>17.4</b>	<b>20.1</b>	<b>19.3</b>	<b>62.8</b>	<b>58.9</b>	<b>62.5</b>
Argentina	12.4	15.5	15.3	24.2	17.8	21.2
Brazil	2.2	2.4	1.5	30.6	33.3	33.2
Colombia	0.1	0.1	0.1	1.6	1.5	1.5
<b>NORTH AMERICA</b>	<b>93.4</b>	<b>89.5</b>	<b>87.3</b>	<b>298.7</b>	<b>290.6</b>	<b>299.2</b>
Canada	24.1	26.9	26.8	26.8	27.0	24.5
United States	69.3	62.6	60.5	271.9	263.6	274.7
<b>EUROPE</b>	<b>188.7</b>	<b>177.6</b>	<b>188.6</b>	<b>202.4</b>	<b>203.0</b>	<b>198.4</b>
Bulgaria	3.3	3.1	2.9	2.4	2.5	1.6
EC <sup>2/</sup>	103.7	96.9	106.1	106.6	103.9	110.8
Hungary	4.9	2.6	3.8	8.1	8.7	6.4
Poland	9.5	9.1	8.2	17.6	16.7	13.8
Romania	5.2	4.7	4.4	10.3	12.4	5.4
Russian Fed.	30.0	34.0	40.0	22.2	24.6	29.6
Ukraine	17.0	15.0	11.0	11.4	11.3	11.8
<b>OCEANIA</b>	<b>22.3</b>	<b>25.3</b>	<b>19.8</b>	<b>9.8</b>	<b>9.3</b>	<b>10.2</b>
Australia	22.1	25.0	19.6	9.2	8.7	9.5
<b>WORLD</b>	<b>598.5</b>	<b>590.6</b>	<b>585.8</b>	<b>910.6</b>	<b>886.3</b>	<b>869.0</b>
Developing countries	278.6	276.9	270.7	388.3	370.6	346.2
Developed countries	319.9	313.7	315.2	522.3	515.7	522.8

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including Taiwan Province. <sup>2/</sup> Fifteen member countries.

Table A.1 b) - WORLD CEREAL PRODUCTION – Provisional estimate for 2000 as of January 2001

	Rice (paddy)			Total Cereals <sup>1/</sup>		
	1998	1999	2000 estim.	1998	1999	2000 estim.
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>535.8</b>	<b>555.9</b>	<b>541.0</b>	<b>1 019.4</b>	<b>1 034.1</b>	<b>987.8</b>
Bangladesh	29.9	34.2	35.1	31.7	36.2	37.0
China <sup>2/</sup>	200.6	200.5	190.5	457.7	455.6	409.3
India	129.1	134.4	129.9	227.1	235.5	235.6
Indonesia	49.2	50.9	51.0	59.3	60.1	60.2
Iran, Islamic Rep. of	2.8	2.3	2.4	19.0	13.9	12.7
Japan	11.2	11.5	11.8	11.9	12.3	12.6
Kazakhstan	0.2	0.2	0.2	7.2	14.2	11.6
Korea, D. P. R.	2.1	2.3	1.7	3.9	3.8	3.0
Korea, Rep. of	7.0	7.2	7.2	7.3	7.6	7.7
Myanmar	17.1	19.8	20.0	17.7	20.4	20.6
Pakistan	7.0	7.7	6.9	27.6	27.5	29.7
Philippines	10.3	12.0	12.2	14.1	16.5	16.7
Saudi Arabia	-	-	-	2.4	2.2	2.1
Thailand	23.6	24.2	24.0	28.8	28.8	28.7
Turkey	0.3	0.3	0.3	32.2	28.0	29.5
Viet Nam	30.9	32.7	32.7	32.5	34.5	34.6
<b>AFRICA</b>	<b>16.1</b>	<b>17.6</b>	<b>17.5</b>	<b>114.2</b>	<b>110.3</b>	<b>108.3</b>
<b>North Africa</b>	<b>4.5</b>	<b>5.9</b>	<b>6.0</b>	<b>29.6</b>	<b>27.0</b>	<b>24.3</b>
Egypt	4.5	5.8	6.0	17.9	19.4	19.9
Morocco	-	-	-	6.6	3.9	2.0
<b>Sub-Saharan Africa</b>	<b>11.6</b>	<b>11.7</b>	<b>11.4</b>	<b>84.7</b>	<b>83.3</b>	<b>83.9</b>
<b>Western Africa</b>	<b>7.2</b>	<b>7.7</b>	<b>7.7</b>	<b>38.3</b>	<b>39.6</b>	<b>37.6</b>
Nigeria	3.3	3.4	3.4	21.1	21.6	20.9
<b>Central Africa</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>
<b>Eastern Africa</b>	<b>1.2</b>	<b>0.8</b>	<b>0.8</b>	<b>23.2</b>	<b>19.6</b>	<b>18.9</b>
Ethiopia	-	-	-	7.2	7.7	7.5
Sudan	-	-	-	5.5	3.1	3.4
<b>Southern Africa</b>	<b>2.7</b>	<b>2.9</b>	<b>2.4</b>	<b>20.0</b>	<b>20.9</b>	<b>24.3</b>
Madagascar	2.4	2.6	2.2	2.6	2.8	2.3
South Africa	-	-	-	10.1	9.7	13.1
Zimbabwe	-	-	-	1.9	2.0	2.4
<b>CENTRAL AMERICA</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>34.2</b>	<b>34.1</b>	<b>34.5</b>
Mexico	0.4	0.4	0.4	29.1	28.7	29.2
<b>SOUTH AMERICA</b>	<b>16.8</b>	<b>21.1</b>	<b>20.0</b>	<b>96.9</b>	<b>100.1</b>	<b>101.7</b>
Argentina	1.0	1.7	0.9	37.6	35.0	37.4
Brazil	8.5	11.6	11.4	41.3	47.3	46.1
Colombia	1.8	1.8	1.8	3.4	3.4	3.4
<b>NORTH AMERICA</b>	<b>8.4</b>	<b>9.3</b>	<b>8.7</b>	<b>400.4</b>	<b>389.4</b>	<b>395.2</b>
Canada	-	-	-	50.9	53.9	51.3
United States	8.4	9.3	8.7	349.6	335.5	343.8
<b>EUROPE</b>	<b>3.2</b>	<b>3.3</b>	<b>3.0</b>	<b>394.2</b>	<b>383.9</b>	<b>390.0</b>
Bulgaria	-	-	-	5.7	5.6	4.4
EC <sup>3/</sup>	2.6	2.7	2.4	212.9	203.4	219.4
Hungary	-	-	-	13.0	11.3	10.2
Poland	-	-	-	27.2	25.7	22.0
Romania	-	-	-	15.4	17.0	9.8
Russian Fed.	0.4	0.4	0.5	52.6	59.0	70.0
Ukraine	0.1	0.1	0.1	28.5	26.3	22.9
<b>OCEANIA</b>	<b>1.4</b>	<b>1.4</b>	<b>1.1</b>	<b>33.5</b>	<b>36.0</b>	<b>31.1</b>
Australia	1.3	1.4	1.1	32.6	35.1	30.2
<b>WORLD</b>	<b>583.7</b>	<b>610.9</b>	<b>593.7</b>	<b>2 092.9</b>	<b>2 087.9</b>	<b>2 048.5</b>
Developing countries	559.1	584.8	568.5	1 226.0	1 232.3	1 185.3
Developed countries	24.7	26.1	25.2	866.9	855.6	863.1

SOURCE: FAO

Note: Totals computed from unrounded data.

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

Table A.2 a) - WORLD IMPORTS OF CEREALS

	Wheat (July/June) <sup>1/</sup>			Coarse Grains (July/June)		
	1998/99	1999/2000 estim.	2000/01 fcast	1998/99	1999/2000 estim.	2000/01 fcast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>46.5</b>	<b>50.8</b>	<b>48.8</b>	<b>52.8</b>	<b>57.6</b>	<b>56.9</b>
Bangladesh	2.4	1.7	1.4	-	-	-
China	1.5	2.0	2.6	6.8	8.0	7.9
Taiwan Province	1.0	1.1	1.1	4.5	5.4	5.2
China, Hong Kong SAR	0.4	0.4	0.5	-	-	-
Georgia	0.6	0.6	0.6	-	-	0.1
India	1.5	1.6	0.1	0.2	0.4	0.2
Indonesia	3.1	3.5	3.7	0.4	0.8	0.8
Iran, Islamic Rep. of	2.8	7.0	7.0	1.5	2.1	2.5
Japan	5.8	5.8	6.0	21.0	20.6	20.6
Korea, Rep. of	4.9	3.8	4.0	7.3	8.4	8.5
Malaysia	1.2	1.3	1.3	2.4	2.4	2.4
Pakistan	2.9	2.0	0.2	-	-	0.1
Philippines	2.2	2.8	2.6	0.2	0.5	0.3
Saudi Arabia	-	0.1	0.1	6.0	6.0	6.1
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	1.0	1.0	0.9	0.1	0.1	0.1
Syria	0.1	0.1	0.1	0.5	1.5	0.5
Thailand	0.8	0.8	0.8	0.1	0.3	0.3
Uzbekistan	0.5	0.6	0.6	-	-	-
Yemen	2.0	2.3	2.3	0.2	0.2	0.2
<b>AFRICA</b>	<b>24.4</b>	<b>23.9</b>	<b>24.8</b>	<b>11.9</b>	<b>13.4</b>	<b>14.3</b>
<b>North Africa</b>	<b>16.5</b>	<b>15.4</b>	<b>17.5</b>	<b>8.5</b>	<b>8.6</b>	<b>9.5</b>
Algeria	4.3	4.5	5.2	1.8	1.7	1.7
Egypt	7.4	6.0	6.8	3.6	3.8	4.2
Morocco	2.7	2.8	3.2	1.8	1.6	2.1
Tunisia	0.8	0.8	1.0	0.7	0.8	0.8
<b>Sub-Saharan Africa</b>	<b>7.8</b>	<b>8.5</b>	<b>7.2</b>	<b>3.3</b>	<b>4.7</b>	<b>4.7</b>
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.6	1.2	0.4	-	0.1	0.1
Kenya	0.4	0.6	0.6	0.4	1.0	1.4
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.2
Sudan	0.8	0.9	1.0	0.1	0.1	0.1
<b>CENTRAL AMERICA</b>	<b>5.7</b>	<b>6.0</b>	<b>5.9</b>	<b>11.7</b>	<b>13.0</b>	<b>12.3</b>
Mexico	2.5	2.6	2.5	8.9	10.0	9.2
<b>SOUTH AMERICA</b>	<b>12.5</b>	<b>12.6</b>	<b>13.0</b>	<b>7.0</b>	<b>7.1</b>	<b>7.1</b>
Brazil	7.3	7.2	7.7	1.5	1.8	1.7
Colombia	1.1	1.2	1.2	1.7	1.9	1.9
Peru	1.3	1.3	1.3	1.2	0.7	0.7
Venezuela	1.3	1.3	1.3	1.4	1.3	1.4
<b>NORTH AMERICA</b>	<b>3.0</b>	<b>2.6</b>	<b>2.6</b>	<b>3.7</b>	<b>3.3</b>	<b>4.0</b>
<b>EUROPE</b>	<b>7.6</b>	<b>13.0</b>	<b>12.4</b>	<b>6.6</b>	<b>8.7</b>	<b>10.3</b>
EC <sup>2/</sup>	2.7	3.2	3.7	3.5	2.9	2.8
Russian Fed.	1.9	5.2	2.5	0.8	2.5	0.8
<b>OCEANIA</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>WORLD</b>	<b>100.2</b>	<b>109.3</b>	<b>108.0</b>	<b>93.9</b>	<b>103.2</b>	<b>105.0</b>
Developing countries	78.6	82.5	81.2	60.7	68.3	68.0
Developed countries	21.6	26.9	26.8	33.3	34.9	37.0

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including wheat flour in wheat grain equivalent, but excluding semolina.<sup>2/</sup> Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals 1/		
	1999	2000 estim.	2001 fcast	1998/99	1999/2000 estim.	2000/01 fcast
	(..... million tonnes .....) )					
<b>ASIA</b>	<b>13.8</b>	<b>11.2</b>	<b>11.6</b>	<b>113.2</b>	<b>119.5</b>	<b>117.2</b>
Bangladesh	1.8	0.5	0.5	4.2	2.1	1.9
China	0.2	0.2	0.2	8.5	10.2	10.6
Taiwan Province	-	-	-	5.5	6.5	6.2
China, Hong Kong SAR	0.3	0.3	0.3	0.8	0.8	0.8
Georgia	-	-	-	0.6	0.6	0.7
India	-	0.1	-	1.7	2.1	0.3
Indonesia	4.2	2.0	1.8	7.7	6.3	6.3
Iran, Islamic Rep. of	1.0	1.1	1.2	5.3	10.2	10.7
Japan	0.7	0.8	0.8	27.5	27.2	27.4
Korea, Rep. of	0.1	0.1	0.1	12.3	12.3	12.6
Malaysia	0.6	0.7	0.7	4.2	4.4	4.4
Pakistan	-	-	-	2.9	2.0	0.3
Philippines	0.8	0.7	0.7	3.2	4.0	3.6
Saudi Arabia	0.8	0.9	0.9	6.8	6.9	7.1
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	0.2	0.2	0.2	1.2	1.2	1.2
Syria	0.1	0.2	0.2	0.7	1.8	0.8
Thailand	-	-	-	0.9	1.1	1.1
Uzbekistan	-	-	-	0.6	0.6	0.7
Yemen	0.2	0.2	0.2	2.4	2.7	2.7
<b>AFRICA</b>	<b>5.4</b>	<b>5.7</b>	<b>5.9</b>	<b>41.7</b>	<b>43.1</b>	<b>45.0</b>
<b>North Africa</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>25.2</b>	<b>24.2</b>	<b>27.2</b>
Algeria	-	-	-	6.1	6.3	6.9
Egypt	-	-	-	11.0	9.8	11.0
Morocco	-	-	-	4.6	4.4	5.3
Tunisia	-	-	-	1.5	1.6	1.8
<b>Sub-Saharan Africa</b>	<b>5.2</b>	<b>5.5</b>	<b>5.7</b>	<b>16.3</b>	<b>18.7</b>	<b>17.7</b>
Cote d'Ivoire	0.6	0.7	0.8	0.9	1.0	1.0
Ethiopia	-	-	-	0.7	1.4	0.5
Kenya	0.1	0.1	0.1	0.8	1.7	2.0
Madagascar	0.2	0.3	0.3	0.3	0.4	0.4
Senegal	0.7	0.6	0.6	0.9	0.8	1.0
Sudan	-	-	-	0.9	1.0	1.1
<b>CENTRAL AMERICA</b>	<b>1.6</b>	<b>1.5</b>	<b>1.6</b>	<b>19.0</b>	<b>20.6</b>	<b>19.8</b>
Mexico	0.4	0.4	0.4	11.7	13.1	12.1
<b>SOUTH AMERICA</b>	<b>1.3</b>	<b>1.1</b>	<b>1.2</b>	<b>20.8</b>	<b>20.8</b>	<b>21.3</b>
Brazil	1.0	0.7	0.8	9.8	9.7	10.2
Colombia	-	0.1	0.1	2.8	3.2	3.2
Peru	0.1	0.2	0.2	2.7	2.1	2.2
Venezuela	-	0.1	0.1	2.7	2.6	2.7
<b>NORTH AMERICA</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>7.3</b>	<b>6.4</b>	<b>7.1</b>
<b>EUROPE</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>16.0</b>	<b>23.6</b>	<b>24.6</b>
EC 2/	0.7	0.7	0.7	6.8	6.8	7.2
Russian Fed.	0.6	0.6	0.6	3.3	8.3	3.9
<b>OCEANIA</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>
<b>WORLD</b>	<b>24.9</b>	<b>22.4</b>	<b>23.2</b> 3/	<b>219.1</b>	<b>234.9</b>	<b>236.1</b>
Developing countries	21.1	18.3	19.0	160.4	169.1	168.2
Developed countries	3.8	4.0	4.2	58.7	65.8	67.9

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Excluding trade between the fifteen EC member countries.

3/ Highly tentative.

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

	<b>Wheat (July/June) 1/</b>			<b>Coarse Grains (July/June)</b>		
	<b>1998/99</b>	<b>1999/2000 estim.</b>	<b>2000/01 f'cast</b>	<b>1998/99</b>	<b>1999/2000 estim.</b>	<b>2000/01 f'cast</b>
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>7.8</b>	<b>10.8</b>	<b>9.8</b>	<b>5.9</b>	<b>9.5</b>	<b>9.0</b>
China 2/	0.3	0.2	0.2	3.4	7.3	7.5
India	0.1	0.5	1.0	-	-	-
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.4	0.5	0.6	-	-	-
Kazakhstan	2.1	6.1	4.1	0.4	0.9	0.4
Myanmar	-	-	-	0.2	0.1	0.1
Pakistan	0.3	0.3	0.5	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	0.2	0.1	0.1
Turkey	2.6	1.5	2.0	1.2	0.6	0.6
Viet Nam	-	-	-	0.2	0.2	0.2
<b>AFRICA</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>2.2</b>	<b>1.7</b>	<b>2.7</b>
Egypt	-	-	-	-	-	-
South Africa	0.1	0.1	0.1	1.1	0.5	1.7
Sudan	-	-	-	0.3	0.1	-
Zimbabwe	-	-	-	0.1	-	-
<b>CENTRAL AMERICA</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>SOUTH AMERICA</b>	<b>8.6</b>	<b>10.3</b>	<b>11.2</b>	<b>11.4</b>	<b>9.0</b>	<b>11.4</b>
Argentina	8.3	10.3	11.2	10.8	8.5	11.0
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
<b>NORTH AMERICA</b>	<b>43.2</b>	<b>47.9</b>	<b>52.0</b>	<b>55.5</b>	<b>59.9</b>	<b>63.4</b>
Canada	14.2	18.5	18.5	2.7	3.2	4.0
United States	29.0	29.5	33.5	52.8	56.7	59.4
<b>EUROPE</b>	<b>24.1</b>	<b>20.5</b>	<b>18.5</b>	<b>14.2</b>	<b>17.5</b>	<b>14.8</b>
EC 3/	13.7	15.0	15.0	9.1	11.8	12.0
Hungary	1.5	0.5	0.8	1.9	2.1	0.6
Poland	0.4	0.2	-	-	0.2	-
Romania	0.4	0.3	-	0.2	0.5	-
Russian Fed.	1.5	0.6	1.2	0.2	0.1	0.6
Ukraine	4.4	2.0	0.2	1.4	1.0	1.2
<b>OCEANIA</b>	<b>16.4</b>	<b>17.1</b>	<b>16.0</b>	<b>4.8</b>	<b>3.9</b>	<b>3.5</b>
Australia	16.4	17.1	16.0	4.8	3.9	3.5
<b>WORLD</b>	<b>100.8</b>	<b>107.0</b>	<b>108.0</b>	<b>94.0</b>	<b>101.4</b>	<b>105.0</b>
Developing countries	14.3	14.8	16.7	18.0	18.8	21.1
Developed countries	86.5	92.3	91.3	76.1	82.6	83.8

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals <sup>1/</sup>		
	1999	2000 estim.	2001 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>19.2</b>	<b>17.1</b>	<b>18.1</b>	<b>32.9</b>	<b>37.4</b>	<b>36.9</b>
China <sup>2/</sup>	2.8	3.1	3.6	6.6	10.6	11.2
India	2.6	1.3	1.7	2.6	1.8	2.7
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.6	0.7	0.9	1.1	1.3
Kazakhstan	-	-	-	2.5	7.0	4.5
Myanmar	0.1	0.2	0.2	0.2	0.2	0.2
Pakistan	1.9	1.8	1.9	2.2	2.1	2.4
Saudi Arabia	-	-	-	-	-	-
Thailand	6.7	6.6	6.0	6.9	6.7	6.1
Turkey	-	-	-	3.9	2.1	2.6
Viet Nam	4.6	3.4	4.0	4.7	3.5	4.2
<b>AFRICA</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>2.8</b>	<b>2.2</b>	<b>3.3</b>
Egypt	0.3	0.3	0.4	0.3	0.3	0.4
South Africa	-	-	-	1.3	0.6	1.8
Sudan	-	-	-	0.3	0.1	-
Zimbabwe	-	-	-	0.1	-	-
<b>CENTRAL AMERICA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>SOUTH AMERICA</b>	<b>1.8</b>	<b>1.5</b>	<b>1.3</b>	<b>21.8</b>	<b>20.8</b>	<b>24.0</b>
Argentina	0.7	0.4	0.3	19.8	19.2	22.5
Suriname	0.1	0.1	0.1	0.1	0.1	0.1
Uruguay	0.7	0.7	0.6	0.9	0.8	0.8
<b>NORTH AMERICA</b>	<b>2.6</b>	<b>2.8</b>	<b>2.7</b>	<b>101.4</b>	<b>110.5</b>	<b>118.1</b>
Canada	-	-	-	16.9	21.7	22.5
United States	2.6	2.8	2.7	84.5	88.9	95.6
<b>EUROPE</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>38.5</b>	<b>38.2</b>	<b>33.6</b>
EC <sup>3/</sup>	0.2	0.2	0.2	23.0	27.0	27.2
Hungary	-	-	-	3.4	2.6	1.4
Poland	-	-	-	0.4	0.4	-
Romania	-	-	-	0.7	0.8	-
Russian Fed.	-	-	-	1.6	0.7	1.8
Ukraine	-	-	-	5.8	3.0	1.4
<b>OCEANIA</b>	<b>0.7</b>	<b>0.5</b>	<b>0.6</b>	<b>21.9</b>	<b>21.5</b>	<b>20.0</b>
Australia	0.7	0.5	0.6	21.9	21.5	20.0
<b>WORLD</b>	<b>24.9</b>	<b>22.4</b>	<b>23.2 <sup>4/</sup></b>	<b>219.7</b>	<b>230.9</b>	<b>236.2</b>
Developing countries	20.8	18.3	19.1	53.1	51.9	57.0
Developed countries	4.1	4.1	4.1	166.7	179.0	179.2

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Trade in rice refers to the calendar year of the second year shown.<sup>2/</sup> Including Taiwan Province.<sup>3/</sup> Excluding trade between the fifteen EC member countries.<sup>4/</sup> 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)		
	1998/99	1999/2000 estim.	2000/01 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast
	( ..... million tonnes ..... )								
	<b>UNITED STATES (June/May)</b>			<b>UNITED STATES</b>			<b>UNITED STATES (Aug./July)</b>		
Opening stocks	19.7	25.7	25.8	38.2	51.3	48.8	0.9	0.7	0.9
Production	69.3	62.6	60.5	271.7	263.6	274.8	5.8	6.5	6.0
Imports	2.8	2.6	2.6	2.8	2.5	2.5	0.3	0.3	0.3
<b>Total Supply</b>	<b>91.8</b>	<b>90.9</b>	<b>88.9</b>	<b>312.7</b>	<b>317.5</b>	<b>326.1</b>	<b>7.0</b>	<b>7.5</b>	<b>7.2</b>
Domestic use	37.7	35.4	36.1	205.4	212.2	214.8	3.6	3.8	3.9
Exports	28.4	29.7	33.0	56.0	56.4	60.8	2.7	2.8	2.5
Closing stocks	25.7	25.8	19.8	51.3	48.8	50.5	0.7	0.9	0.8
	<b>CANADA (August/July)</b>			<b>CANADA</b>			<b>THAILAND (Nov./Oct.) 3/</b>		
Opening stocks	6.0	7.4	7.4	4.4	5.0	6.0	1.5	1.1	1.1
Production	24.1	26.9	26.8	26.8	27.0	24.5	15.6	16.0	15.9
Imports	0.1	0.0	0.1	1.0	1.1	1.6	0.0	0.0	0.0
<b>Total Supply</b>	<b>30.2</b>	<b>34.3</b>	<b>34.2</b>	<b>32.1</b>	<b>33.1</b>	<b>32.1</b>	<b>17.1</b>	<b>17.1</b>	<b>17.0</b>
Domestic use	8.0	8.7	9.0	24.3	24.0	23.6	9.3	9.4	9.7
Exports	14.7	18.3	17.9	2.8	3.1	4.0	6.7	6.6	6.0
Closing stocks	7.4	7.4	7.3	5.0	6.0	4.5	1.1	1.1	1.3
	<b>ARGENTINA (Dec./Nov.)</b>			<b>ARGENTINA</b>			<b>CHINA (Jan./Dec.) 3/ 4/</b>		
Opening stocks	1.6	1.6	1.3	0.4	1.9	1.8	111.0	113.1	113.8
Production	12.4	15.5	15.3	24.2	17.8	21.2	137.5	137.4	130.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2
<b>Total Supply</b>	<b>14.1</b>	<b>17.1</b>	<b>16.6</b>	<b>24.6</b>	<b>19.7</b>	<b>23.0</b>	<b>248.6</b>	<b>250.7</b>	<b>244.5</b>
Domestic use	4.7	4.9	4.9	9.1	9.4	9.6	132.7	133.9	133.0
Exports	7.8	10.8	10.8	13.7	8.6	11.4	2.8	3.1	3.6
Closing stocks	1.6	1.3	0.9	1.9	1.8	2.0	113.1	113.8	108.0
	<b>AUSTRALIA (Oct./Sept.)</b>			<b>AUSTRALIA</b>			<b>PAKISTAN (Nov./Oct.) 3/</b>		
Opening stocks	1.5	2.0	3.6	2.1	1.3	1.2	0.4	0.6	0.9
Production	22.1	25.0	19.6	9.5	8.9	9.4	4.7	5.2	4.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Supply</b>	<b>23.6</b>	<b>27.0</b>	<b>23.2</b>	<b>11.6</b>	<b>10.2</b>	<b>10.6</b>	<b>5.0</b>	<b>5.7</b>	<b>5.5</b>
Domestic use	5.3	5.8	5.6	5.6	5.5	5.7	2.6	3.0	2.9
Exports	16.4	17.6	15.5	4.7	3.5	3.8	1.9	1.8	1.9
Closing stocks	2.0	3.6	2.1	1.3	1.2	1.1	0.6	0.9	0.8
	<b>EC (July/June) 5/</b>			<b>EC 5/</b>			<b>VIET NAM (Nov./Oct.) 3/</b>		
Opening stocks	11.0	16.1	14.0	23.9	24.8	19.1	1.9	2.2	3.0
Production	103.7	96.9	106.1	106.6	103.9	110.8	20.1	21.3	21.3
Imports	2.7	3.2	3.7	3.5	2.9	2.8	0.0	0.0	0.0
<b>Total Supply</b>	<b>117.3</b>	<b>116.2</b>	<b>123.8</b>	<b>133.9</b>	<b>131.6</b>	<b>132.8</b>	<b>22.0</b>	<b>23.5</b>	<b>24.3</b>
Domestic use	87.4	87.1	92.5	100.0	100.6	101.7	15.2	17.1	17.5
Exports	13.9	15.1	15.3	9.1	11.8	12.0	4.6	3.4	4.0
Closing stocks	16.1	14.0	16.0	24.8	19.1	19.0	2.2	3.0	2.8
<b>TOTAL ABOVE</b>									
Opening stocks	39.9	52.8	52.2	68.9	84.3	76.9	115.6	117.6	119.6
Production	231.6	226.8	228.3	438.8	421.2	440.7	183.7	186.4	178.3
Imports	5.5	5.8	6.3	7.3	6.5	6.9	0.5	0.5	0.5
<b>Total Supply</b>	<b>277.0</b>	<b>285.4</b>	<b>286.8</b>	<b>514.9</b>	<b>512.0</b>	<b>524.5</b>	<b>299.8</b>	<b>304.5</b>	<b>298.5</b>
Domestic use	143.1	141.8	148.2	344.3	351.7	355.4	163.4	167.1	166.9
Exports	81.1	91.4	92.5	86.3	83.4	92.0	18.7	17.7	18.0
Closing stocks	52.8	52.2	46.1	84.3	76.9	77.0	117.6	119.6	113.6

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

3/ Rice trade data refer to the calendar year of the second year shown.

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



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

	Crop Years ending in:						
	1995	1996	1997	1998	1999	2000 estim.	2001 f'cast
	(..... million tonnes .....) )						
<b>TOTAL CEREALS*</b>	<b>637.5</b>	<b>588.0</b>	<b>633.6</b>	<b>674.8</b>	<b>700.2</b>	<b>691.2</b>	<b>639.6</b>
(as of November 2000)**	(313.2)	(257.9)	(298.0)	(335.3)	(353.6)	(339.7)	(287.9)
held by:							
- main exporters <sup>2/</sup>	200.4	167.3	194.6	224.3	254.7	248.7	236.8
- others	437.1	420.7	439.0	450.5	445.5	442.5	402.9
<b>BY GRAINS*</b>							
<b>Wheat</b>	<b>232.6</b>	<b>221.4</b>	<b>232.4</b>	<b>254.3</b>	<b>259.9</b>	<b>255.9</b>	<b>238.7</b>
held by:							
- main exporters	31.8	28.9	37.0	39.9	52.8	52.2	46.1
- others	200.8	192.5	195.4	214.5	207.1	203.7	192.6
<b>Coarse Grains</b>	<b>258.1</b>	<b>222.1</b>	<b>250.3</b>	<b>268.3</b>	<b>284.7</b>	<b>273.2</b>	<b>246.4</b>
held by:							
- main exporters	62.4	31.7	46.1	68.9	84.3	76.9	77.0
- others	195.7	190.3	204.1	199.5	200.4	196.3	169.4
<b>Rice (milled basis)</b>	<b>146.8</b>	<b>144.5</b>	<b>151.0</b>	<b>152.2</b>	<b>155.6</b>	<b>162.1</b>	<b>154.5</b>
held by:							
- main exporters	106.2	106.7	111.4	115.6	117.6	119.6	113.6
- others	40.6	37.9	39.6	36.6	38.0	42.4	40.9
<b>BY REGIONS*</b>							
<b>Developed Countries</b>	<b>157.7</b>	<b>103.4</b>	<b>121.7</b>	<b>168.3</b>	<b>174.7</b>	<b>162.2</b>	<b>153.0</b>
<b>North America</b>	<b>69.3</b>	<b>35.2</b>	<b>53.9</b>	<b>69.1</b>	<b>90.3</b>	<b>88.9</b>	<b>83.0</b>
Canada	9.2	9.8	14.0	10.4	12.5	13.4	11.8
United States	60.2	25.5	39.9	58.7	77.8	75.5	71.1
<b>Others</b>	<b>88.4</b>	<b>68.2</b>	<b>67.8</b>	<b>99.1</b>	<b>84.4</b>	<b>73.2</b>	<b>70.1</b>
Australia	2.6	3.1	4.1	3.7	3.4	4.9	3.3
EC <sup>3/</sup>	23.0	22.5	24.2	35.1	41.2	33.6	35.5
Japan	5.5	6.1	6.7	6.7	5.9	5.6	5.4
Russian Fed.	15.9	7.2	6.5	18.0	5.8	5.0	7.4
South Africa	3.2	1.3	1.9	3.3	1.9	1.3	1.9
<b>Developing Countries</b>	<b>479.8</b>	<b>484.6</b>	<b>511.9</b>	<b>506.6</b>	<b>525.5</b>	<b>529.1</b>	<b>486.6</b>
<b>Asia</b>	<b>446.6</b>	<b>456.1</b>	<b>476.2</b>	<b>474.3</b>	<b>488.6</b>	<b>492.5</b>	<b>454.4</b>
China <sup>4/</sup> *	372.5	383.6	399.9	396.7	405.3	402.5	364.0
India	35.8	31.7	32.0	37.3	40.2	47.9	50.9
Indonesia	5.0	6.0	6.4	4.7	5.4	5.6	5.0
Iran, Islamic Rep. of	5.4	4.6	5.5	4.4	4.2	4.5	4.3
Korea, Rep. of	2.5	2.0	2.4	2.7	2.7	3.1	3.2
Pakistan	3.2	3.4	3.7	4.1	4.4	4.2	4.0
Philippines	1.2	1.9	2.0	2.0	2.6	2.8	2.8
Syria	3.0	3.3	3.2	2.2	2.1	1.3	0.9
Turkey	1.9	4.0	5.9	6.2	7.3	5.0	4.4
<b>Africa</b>	<b>18.9</b>	<b>13.5</b>	<b>21.6</b>	<b>18.3</b>	<b>21.7</b>	<b>19.7</b>	<b>16.7</b>
Algeria	2.7	1.5	2.3	1.1	2.0	1.7	1.5
Egypt	1.3	1.6	2.2	2.8	3.4	2.8	3.2
Morocco	2.9	0.6	3.8	2.5	4.3	3.2	1.3
Tunisia	1.5	1.0	2.1	1.9	1.7	1.7	1.2
<b>Central America</b>	<b>4.6</b>	<b>6.3</b>	<b>7.0</b>	<b>6.9</b>	<b>7.1</b>	<b>7.3</b>	<b>7.0</b>
Mexico	2.8	5.0	5.7	5.9	6.1	6.3	6.1
<b>South America</b>	<b>9.5</b>	<b>8.5</b>	<b>7.0</b>	<b>7.0</b>	<b>7.8</b>	<b>9.4</b>	<b>8.3</b>
Argentina	0.7	1.0	2.3	2.2	3.5	3.3	2.9
Brazil	5.8	4.9	2.3	2.2	1.4	3.4	2.9

SOURCE: FAO

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

<sup>1/</sup> 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. <sup>2/</sup> The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EC and the United States; the major rice exporters include China (total), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details. <sup>3/</sup> From 1996, includes 15 member countries. <sup>4/</sup> Including Taiwan Province.

\* Stocks estimates have been adjusted for all the years shown following a major revision of the China cereal balance since the previous issue of Food Outlook in November 2000.

\*\* The numbers in brackets show the estimates for world cereal stocks, prior to the adjustments of China stocks, as was reported in November.

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 1/	Argentina Trigo Pan 2/	U.S. No.2 Yellow 1/	Argentina 2/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 1/
	(..... US\$/tonne .....						
<b>July/June</b>							
1996/97	181	158	157	135	133	124	299
1997/98	142	129	137	112	109	111	263
1998/99	120	100	118	95	98	92	202
1999/2000	112	97	104	91	88	89	190
2000 - January	111	98	93	93	93	91	191
August	115	90	111	76	74	76	182
September	123	97	109	80	74	82	191
October	131	104	123	85	76	92	182
November	130	103	126	89	79	96	187
December	130	105	109	97	88	102	199
2001 - January I	133	107	-	99	-	107	197
II	136	110	120	98	85	107	198
III	136	110	118	94	84	103	190
IV	136	112	120	92	85	102	187
V	130	107	119	90	79	102	184

SOURCES: International Grain Council, USDA, and Reuters.

1/ Delivered U.S. Gulf ports. 2/ Buenos Aires, indicative traded prices.

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			
<b>January/December</b>	(.... US\$/tonne ...)			(... 1982-84=100 ...)			<b>Oct./Sept.</b>	(... 1990-92=100 ...)	
1996	352	234	430	136	136	136	1990/91	97	100
1997	316	214	439	127	129	120	1991/92	103	104
1998	315	215	413	127	128	126	1992/93	103	97
1999	253	192	333	114	115	110	1993/94	127	93
2000	207	143	271	98	101	89	1994/95	153	94
2000 - January	244	159	272	106	107	100	1995/96	140	128
October	191	136	291	97	100	86	1996/97	134	133
November	190	130	294	96	99	84	1997/98	154	116
December	187	131	293	95	99	84	1998/99 - Oct.-Mar.	141	90
2001 - January I	185	135	291	95	98	84	- Apr.-Sep.	109	74
II	185	133	291				1999/00 - Oct.-Mar.	98	87
III	188	135	291				- Apr.-Sep.	84	90
IV	188	134	291				2000/01- Oct.-Dec.	75	99

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

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

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

Table A.8 - WHEAT AND MAIZE FUTURES PRICES

	March		May		July		September	
	this year	last year	this year	last year	this year	last year	this year	last year
<b>WHEAT</b>	(..... US\$/tonne .....) )							
December 26	101	91	104	95	109	98	112	102
January 2	102	91	106	95	109	98	113	102
9	105	93	109	97	113	101	116	105
16	105	97	109	101	113	105	116	109
23	105	98	109	102	113	105	117	109
30	99	94	104	98	108	102	112	106
<b>MAIZE</b>	(..... US\$/tonne .....) )							
December 26	89	80	92	83	95	86	97	88
January 2	89	79	93	82	95	85	98	87
9	90	81	93	85	96	88	98	90
16	85	87	88	90	91	93	94	95
23	84	89	87	92	91	95	94	98
30	82	87	86	90	89	92	92	95

SOURCE: Chicago Board of Trade

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
<b>July/June</b>	(..... US\$/tonne..... )					
1995/96	12.95	30.00	16.83	21.67	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.55	40.97	13.65	18.50	27.00	32.83
2000 - January	13.00	40.97	15.00	18.50	27.00	32.50
June	12.50	40.97	17.00	18.50	27.00	36.00
July	12.50	40.97	16.25	18.50	27.00	36.00
August	16.00	40.97	16.25	18.50	27.00	36.00
September	16.00	40.97	16.50	18.50	27.00	36.00
October	14.50	40.97	16.00	18.50	27.00	36.50
November	14.50	40.97	14.75	18.50	27.00	36.50
December	12.25	40.97	13.00	18.50	27.00	36.50
2001 - January	12.25	40.97	14.25	18.50	27.00	36.50

SOURCE: International Grain Council

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

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

2/ Excludes CIS and United States flag vessels.

Table A.10 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	( . . . . . million tons . . . . . )			( . . . percentage . . . )
Wheat	69.3	62.6	60.5	-3.3
of which: winter	51.2	46.2	42.5	-7.9
Coarse grains	271.9	263.6	274.7	4.2
of which: maize	247.9	239.5	253.2	5.7
Rice (paddy)	8.4	9.3	8.7	-7.2
Soybeans	74.6	72.2	75.4	4.4

SOURCE: USDA: January 2001

Table A.11- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	( . . . . . thousand tonnes . . . . . )			( . . percentage . . . )
Wheat	24 082	26 900	26 804	-0.4
Oats	3 958	3 641	3 389	-6.9
Barley	12 709	13 196	13 468	2.1
Rye	398	387	260	-32.8
Maize	8 952	9 161	6 827	-25.5
Mixed Grains	548	447	382	-14.5
Linseed	1 081	1 022	693	-32.2
Rapeseed	7 643	8 798	7 119	-19.1

SOURCE: Statistics Canada, December 2000.

Table A.12 - AUSTRALIA: CEREAL PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	( . . . . . thousand tonnes . . . . . )			( . . percentage . . . )
Wheat	22 100	25 012	19 550	-21.8
Oats	1 560	1 092	1 243	13.8
Barley	5 650	5 022	5 086	1.3
Sorghum	1 070	1 660	2 163	30.3
Maize	340	320	331	3.4
Triticale	480	521	600	15.2
Rice (paddy)	1 335	1 350	1 084	-19.7

SOURCE: Australian Bureau of Agricultural and Resources Economics, December 2000.

Table A.13 - SELECTED INTERNATIONAL COMMODITY PRICES

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	29.01.01	10.2	10.3	5.4	11.4
Coffee (I.C.O. daily price)	US cents per lb	30.01.01	48.1	48.1	78.7	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	31.01.01	38.0	37.5	40.2	56.0
Tea (all tea, London, weekly)	US\$ per kg.	31.01.01	1.8	1.9	2.0	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	26.01.01	1 864 <sup>1/</sup> 994 <sup>2/</sup>	1 613 <sup>1/</sup> 1 007 <sup>2/</sup>	1 905 <sup>1/</sup> 1 096 <sup>2/</sup>	1 107
Rubber (RSS 1, spot London)	Pence per kg.	26.01.01	50.3	49.8	48.3	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	26.01.01	63.5	66.0	50.1	78.5
Wool (64's, London)	Pence per kg	26.01.01	342	324	282	466

SOURCE: FAO

<sup>1/</sup> EC duty paid, estimated. <sup>2/</sup> Estimated price for EFTA markets.

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

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

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

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

**This month's issue** is based on information available up to 30 January 2001. Contributors to this issue are as follows:

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