June 2007

Food Outlook

Global Market Analysis

FOCUS

Food import bills reach a record high partly on soaring demand for biofuels

Based on FAO's latest analysis, global expenditures on imported foodstuffs look set to surpass US$400 billion in 2007, almost 5 percent above the record of the previous year. The bulk of the increase can be levelled against rising prices of imported coarse grains and vegetable oils, the commodity groups which feature most heavily in biofuel production. Import bills for these commodities are forecast to rise by as much as 13 percent from 2006. More expensive feed ingredients will lead to higher prices for meat and dairy products, raising the expenditures on imports of those commodities. In several cases, such as meat and rice, the import bills are likely to be driven higher also because of larger world purchases. On the other hand, in the case of sugar, generally high and volatile prices could lead to smaller import volumes, the net effect of which is likely to be a drop in the cost of global sugar imports. The rise of international freight rates to new highs also affected the import value of all commodities, putting additional pressure on countries' ability to cover their food import bills.

Among economic groups, developing countries as a whole are anticipated to face a 9 percent increase in aggregate food import expenditures in 2007. The more economically vulnerable countries are forecast to be most affected, with total expenditures by low-income food-deficit countries (LIFDCs) and least developed countries (LDCs) anticipated to rise by 10 percent each from 2006. To put matters in further perspective, the annual food import basket for LDCs in 2007 is expected to cost roughly 90 percent more than it did in 2000, which is in stark contrast to the 22 percent growth in developed country import bills over the same period.

MARKET SUMMARIES

CEREALS

World cereal production in 2007 is forecast to reach 2 125 million tonnes, up 6 percent from the reduced level in 2006. It would exceed world cereal utilization in 2007/08 which is forecast to grow by 2 percent, to 2 114 million tonnes. As a result, world cereal stocks are likely to rise by 10 million tonnes to 413 million tonnes, still a very low level. World trade in cereals in 2007/08 is forecast at 247 million tonnes, down slightly from 2006/07. While the prospect of a strong recovery in global cereal production in 2007 is a positive development for the 2007/08 marketing season, total supplies in the new season would still be barely adequate to meet an anticipated rising demand, not only from the traditional food and feed sectors but in particular from the fast-growing biofuels industry. As a result, international prices for most cereals are likely to remain high and volatile again in 2007/08.

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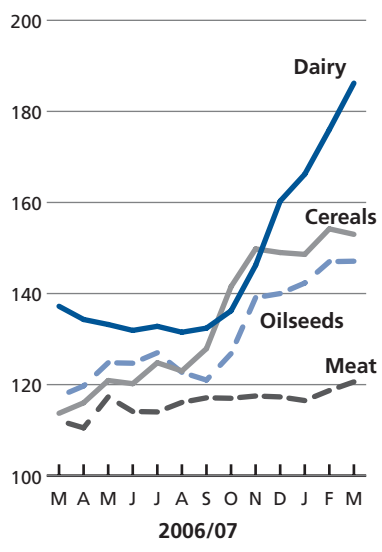
FAO food price indices (1998-2000=100)



WHEAT

World wheat production in 2007 is forecast to rise by over 5 percent to 630 million tonnes. Total wheat utilization is expected to reach 632 million tonnes, up one percent from 2006/07, mostly on faster demand for feed. World wheat inventories are forecast to decline for the second consecutive season, to 148 million tonnes, resulting in a fall of the world stocks-to-use ratio to 23 percent, its lowest level since 1980. International trade in 2007/08 is set to remain almost unchanged at 109 million tonnes but export supplies in the new season may prove larger than in 2006/07 mainly because of the expected recovery in Australia's production. As a result, wheat prices in 2007/08 are likely to remain strong, but somewhat below the high levels reached in the previous season.

COARSE GRAINS

Global coarse grain production in 2007 is forecast at 1 073 million tonnes, up 9 percent from 2006 and 3 percent above the ten-year trend. Industrial use, especially by the maize-based ethanol industry in the United States (the main protagonist), is the leading force behind a sharp expected rise in total coarse grain utilization in 2007/08. World inventories are forecast to recover from their very low opening levels, to 163 million tonnes, with most of the increase concentrated in Brazil, the European Union and the United States. As a result, the world stocks-to-use ratio for coarse grains is forecast to rise to 16 percent, up from the previous season's 14 percent low. International trade in coarse grains is anticipated to decline by 2 million tonnes to 108 million tonnes in 2007/08, mostly on smaller maize imports by several countries in Asia. In spite of larger exportable supplies this season, world prices are likely to remain high and volatile, supported by rapid increases in demand from the ethanol industry and uncertainties in the global petroleum sector.

RICE

Although still highly tentative, the FAO forecast of global paddy production in 2007 stands at some 633 million tonnes, virtually matching the record achieved in 2005 and 4 million tonnes above the estimate for 2006. Strong import demand is expected to drive international trade in rice to a new high of 30.2 million tonnes in 2007, largely spurred by a return of Indonesia as a major importer on the rice international scene. With production still running short of consumption, global rice reserves are forecast to shrink over the year, affecting predominantly major exporting countries. Thus, with most of them holding diminished supplies, the rise in import demand in 2007 will need to be balanced at higher price levels, therefore confirming the prevailing tendency for international rice prices to strengthen.

CASSAVA

The outlook for global cassava production in 2007, while still subject to much uncertainty, could surpass the 2006 record level. The favourable prospects are underpinned by measures to increase the utilization of the crop in the larger producing countries, especially for industrial usage including ethanol production. Global trade in cassava products in 2007 could expand considerably, reflecting the anticipated sustained price competitiveness of cassava relative to grains, combined with greater exportable supplies in Thailand, the world's leading international supplier. World quotations of cassava products have strengthened in the past 12 months and their firmness is set to continue on account of buoyant import demand in Asia and a return to the international market place by the European Union for procuring feed ingredients.

OILSEEDS

Despite a slowdown in growth in world oilseed production, global supplies of oilmeals and oils in 2006/07 are forecast to remain ample relative to demand owing to record opening stocks. Nonetheless, oilseeds and meal prices have continued to rise, largely under the influence of surging feed grain prices. Unusually high maize prices are dragging up soybean prices as the two commodities are competing in both the feed and energy markets. As for vegetable oils, the firmness of prices mainly reflects poor harvests of high oil-yielding crops and a slowdown in palm oil expansion, against a backdrop of rising demand for biofuels. First forecasts for the 2007/08 marketing season suggest that the steady growth in global oilseed production could come to a halt, as maize cultivation is likely to expand at the expense of soybeans. Given the continued rise in oil and meal demand, this would cause global ending stock levels to fall after three years of growth, which, combined with tightness in cereal markets, would point to continued price firmness in the oilseed complex for the remainder of the year.

SUGAR

World sugar prices reached their lowest level in two years in April 2007, when raw sugar prices averaged United States cents 9.72 per pound, reflecting expectations of a much larger global surplus than previously estimated. International prices hit a 25-year high in early 2006 as global sugar markets were confronted for the third consecutive year with short supplies and increased demand for ethanol. Producers

in many countries increased plantings in response to high sugar prices, with record crops in key producing nations expected to boost output to slightly more than 159 million tonnes in 2006/07, nearly 5 percent more than the previous season. The expected 2.3 percent growth in consumption would seem to provide only very limited support to the overall bearish outlook for the remainder of the 2006/07 marketing year.

MEAT AND MEAT PRODUCTS

Increased consumer confidence with meat quality and safety, following a reduced incidence of animal disease outbreaks in the past year, should result in a strong recovery in meat demand in developing countries in 2007, while in the more mature meat markets of developed countries, consumption growth is expected to remain modest. Overall, global meat output is beginning to respond to the renewed demand and is expected to grow by 2.3 percent in 2007. FAO's meat price index has significantly recovered from a low in 2006 and, in March 2007, stood 7.8 percent higher than in March 2006. Moreover, rising feed prices are putting further upward pressure on prices. Global meat exports are anticipated to increase by 4.8 percent as trade bans are gradually lifted and markets return to more normal patterns.

DAIRY

Prices of dairy products in international trade have soared since the fall of 2006 and are currently at historically high levels. The FAO price index of traded dairy products has risen by 46 percent since November 2006. International prices for milk powders have increased most and are now high relative to other milk products, as stocks in the European Union have disappeared and export refunds have not been applied. The surge in dairy product prices is expected to end over the next several months, especially for milk powders. Prices of other products such as cheese may remain firm or increase further. The outlook for 2007 is for stronger growth in global milk supply, which may increase by 2.7 percent, sustained largely by expansion in those countries more responsive to international prices. Drought in Australia, suspension of milk powder exports by India and Argentina's export taxes are restraining export supply in the short term. However, the European Union dairy policy reform is changing the structure of international markets as its export market share declines, creating opportunities for emerging exporters.

Market assessments

CEREALS

Record production but supplies remain tight

FAO's latest forecast for world cereal **production** in 2007 continues to point to a record output, now put at almost 2 125 million tonnes (including rice in milled terms), up 6.2 percent from 2006. The bulk of the increase is expected in maize, reflecting bumper crops already gathered in South America and, if the outlook for record plantings materializes, large production in the United States, should raise aggregate coarse grain production by over 9 percent. In spite of the strong anticipated increase in world cereal production, total cereal supplies in the new marketing season (2007/08) are foreseen to remain tight because of the expected surge in world cereal utilization. Total cereal **utilization** is forecast to rise by 2 percent from 2006/07 to 2 114 million tonnes, which would be some 1.4 percent above the ten-year trend. The main driver behind this expansion is strong demand from the biofuel and animal feed sectors. As a result, global end-of-season cereal **stocks** for crop years closing in 2008 are forecast to increase by only 2.1 percent (10 million tonnes) from their low opening level, to 413 million tonnes. At this level, world cereal stocks-to-use ratio in 2007/08 would reach 19.6 percent, slightly up from the 2006/07 reduced level. International **trade** in cereals in 2007/08 is forecast at 247 million tonnes, 3 million tonnes less than the 2006/07 estimated level, driven mostly by declines in maize and rice trade in 2007/08. The tight global cereal balance in 2006/07 and now, at the start of the 2007/08 season, have sustained **prices** of most cereals. With supply prospects for the new season pointing to continued tightness, they are likely to remain high, albeit generally weaker than in 2006/07.

Table 1. World cereal market at a glance

	2005/06	2006/07 *estim.*	2007/08 *f'cast*	Change: 2007/08 over 2006/07
	million tonnes			%
WORLD BALANCE				
Production	**2 050.3**	**2 001.5**	**2 124.9**	**6.2**
Trade	**247.0**	**249.9**	**246.5**	**-1.4**
Total utilization	**2 033.5**	**2 069.6**	**2 114.1**	**2.1**
Food	986.5	998.7	1 008.9	1.0
Feed	747.2	745.5	747.0	0.2
Other uses	299.8	325.4	358.2	10.1
Ending stocks	**471.5**	**403.0**	**412.8**	**2.4**
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (*Kg/year*)	152.9	152.9	152.6	-0.2
LIFDC (*Kg/year*)	157.7	157.5	157.2	-0.2
World stock-to-use ratio (%)	22.8	19.1	19.6	
Major exporters' stock-to-disappearance ratio (%)	19.0	13.0	13.5	

WHEAT

PRICES

In spite of improved supply prospects prices remain strong

Good global crop prospects coupled with generally better supply outlook in major exporting countries could result in a modest decline in international prices. However, at the onset of the new season, stocks in major exporting countries are still small and this factor is contributing to continued price volatility in world markets. The United States **hard wheat** (HRW, No. 2, f.o.b.) averaged US$203 per tonne in May 2007, down US$3 from April 2007 but still slightly above May 2006. **Wheat futures** on the Chicago Board of Trade (CBOT) lost some ground in recent months as good weather conditions increased chances of larger harvests in northern hemisphere countries. However, prices rose in recent weeks and as of late May, wheat futures for September 2007 delivery at the CBOT were quoted at US$186 per tonne, up US$31 from the corresponding period in 2006. The arrival on the market of newly harvested supplies is expected to add downward pressure on wheat prices in the coming months.

Figure 1. Wheat export price (US no. 2 H.W. Gulf)

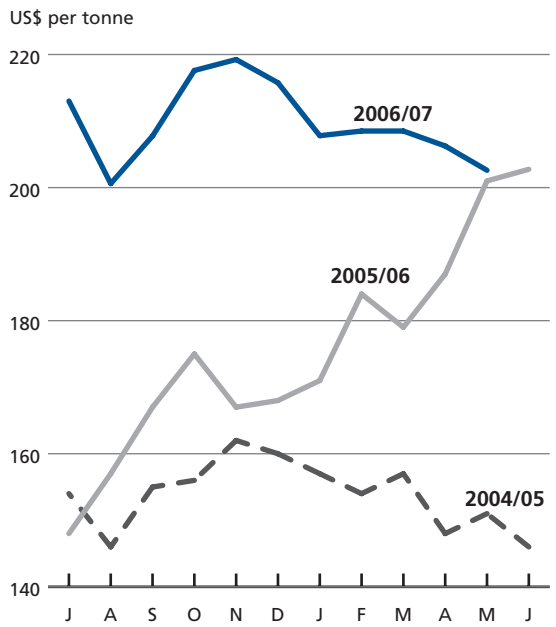


Figure 2. CBOT wheat futures for September

Table 2. World wheat market at a glance

	2005/06	2006/07 *estim.*	2007/08 *f'cast*	Change: 2007/08 over 2006/07
	million tonnes			*%*
WORLD BALANCE				
Production	**625.3**	**598.4**	**629.6**	**5.2**
Trade	**110.3**	**109.7**	**109.0**	**-0.7**
Total utilization	**622.7**	**626.7**	**631.9**	**0.8**
Food	442.9	446.3	450.1	0.8
Feed	115.0	110.4	114.9	4.1
Other uses	64.8	70.0	66.9	-4.4
Ending stocks	**175.6**	**149.0**	**147.5**	**-1.0**
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (*Kg/year*)	68.6	68.3	68.1	-0.4
LIFDC (*Kg/year*)	59.7	59.3	59.0	-0.4
World stock-to-use ratio (*%*)	28.0	23.6	23.1	
Major exporters' stock-to-disappearance ratio (%)	23.3	14.7	15.9	

PRODUCTION

Wheat production in 2007 is forecast to rise sharply

FAO's latest forecast for world wheat output in 2007 stands at 629.6 million tonnes, representing a significant (5.2 percent) increase from 2006. In the northern hemisphere, where crops are furthest advanced, bigger harvests are expected in Asia, Europe and North America. In Asia, **India's** production is forecast to rise well above trend. A record crop is in prospect in **Pakistan**, more than offsetting some reductions elsewhere in the region, the most notable being in **China**. In Europe, the aggregate wheat crop is currently forecast to rise by about 6 percent from 2006's somewhat reduced harvest. Despite predominantly hot and dry conditions during much of the spring, crops are generally faring better than 2006, when some areas suffered severe weather-related reductions, particularly in the Iberian Peninsula and in the Commonwealth of Independent States (CIS) countries. Moreover, the area due to be harvested in 2007 is estimated to be much larger. In North America, the outcome for the wheat crop in the **United States** was rather uncertain following a spell of harsh, freezing weather, in early April, but by late May, assessments revealed damage to be less than feared and the bulk of crops was still gauged in good to excellent conditions. The 2007 harvest could turn out to be the largest since the record harvest in 2003. Planting of the main soft wheat crop in **Canada** is progressing well but a smaller output is forecast because of farmers' intentions to switch land to other, more profitable, crops. Elsewhere in the northern hemisphere, poor crops are expected in North Africa due to drought; **Morocco** is severely affected and its production could drop by over 50 percent. In the southern hemisphere, planting of the major 2007 wheat crops is just underway or coming up in the next few weeks. Early indications point to a smaller crop in South America, with a forecast reduction in **Argentina** more than offsetting a likely recovery in **Brazil**. In Oceania, the outlook for the winter wheat planting in **Australia** is favourable following the timely arrival of rains. Surveys earlier this year indicated that Australian farmers were poised to plant a large area, should weather conditions allow it.

TRADE

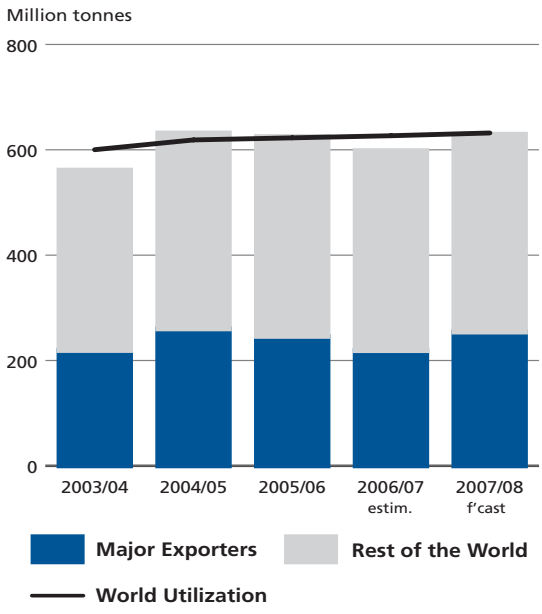
Wheat trade almost unchanged in 2007/08

Global trade in wheat in 2007/08 (July/June) is currently foreseen to reach 109 million tonnes, nearly unchanged from the estimated level in 2006/07, but some 3 million tonnes above FAO's first forecast for the new season reported in May[1]. Total wheat imports into Asia are currently forecast to reach 46 million tonnes, down 2 million tonnes from 2006/07. The decline is mostly a result of much smaller imports by India, now expected to reach 3 million tonnes in 2007/08 compared with 6.5 million tonnes in the previous season but one million tonnes more than had

[1] Crop Prospects and Food Situation, No. 3, May 2007.

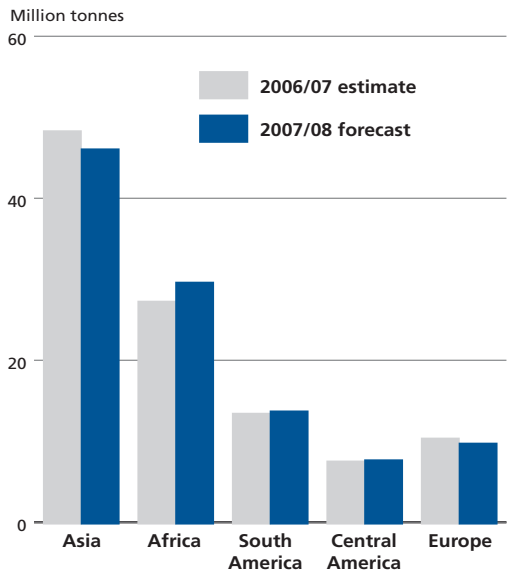
been anticipated earlier. In spite of this latest revision, the forecast for foreign wheat purchases by **India** remains tentative because much will depend on the final outcome of the 2007 harvest and price developments in the domestic market. In **Bangladesh**, the Government decided in March to waive the 5 percent duty on imports, a move expected to boost imports by at least 500 000 tonnes in 2007/08 to 2.8 million tonnes. Slightly higher imports are forecast for **China** in anticipation of a decline in domestic production. However, deliveries to most other countries in Asia are likely to change little from the previous season. In Africa, total imports are set to rise by over 2 million tonnes this season to 29.4 million tonnes. Most of the increase is expected in **Morocco**, where the 2007 production shortfall may cause imports to rise by 1.2 million tonnes to 2.5 million tonnes. Similarly, dry weather conditions in **South Africa**, which are seen to hamper production, could give rise to larger imports. In South America, purchases by **Brazil** are forecast to decline by 500 000 tonnes, largely as a result of the anticipated increase in domestic production.

Figure 3. Wheat production and utilization



In contrast to the situation in 2006/07, export supplies in the new season are likely to be more abundant. Among the major exporters, the expected recovery in **Australia's** production is likely to boost sales from that country. This, combined with higher shipments from the **United States** and the **European Union**, could compensate for the anticipated reductions from **Argentina** and **Canada**. Amid latest concerns over current crop conditions, slightly higher exports are expected from the **Russian Federation** and **Ukraine**. In May, Ukraine lifted the export quota imposed in December 2007 to contain the rise in the domestic wheat prices.

Figure 4. Wheat imports by region



UTILIZATION

Wheat total utilization to approach the long-term trend

Total world wheat utilization is forecast at 632 million tonnes, up 5 million tonnes from 2006/07 and close to its ten-year trend. **Food** consumption continues to account for over 70 percent of this total. In 2007/08, world food use of wheat is forecast to reach 450 million tonnes, nearly one percent more than in 2006/07, which would keep per caput consumption around 68 kg per year. **Feed** use of wheat is forecast to grow more rapidly than last season by roughly 4 percent. Strong coarse grain prices and improved wheat supplies are expected to drive up the use of wheat for animal feeding in 2007/08. **Industrial use** of wheat is also forecast to increase strongly, mostly reflecting growing use in Canada and in the EU for conversion into biofuels.

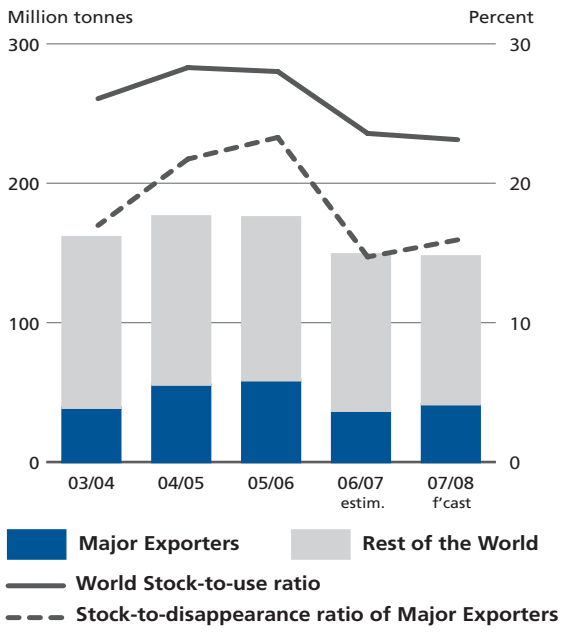
STOCKS

Wheat stocks to decline further despite higher production

Total wheat inventories by the close of the crop seasons in 2008 are currently forecast at 147.5 million tonnes, down 1.5 million tonnes from already low opening levels. At this level, the world wheat **stocks-to-use ratio** is forecast to reach 23 percent, slightly below the reduced level in 2006/07 and well under the 34 percent observed during the first half of the decade. Total wheat stocks held by major exporters are forecast to reach 41.5 million tonnes, up 5 million tonnes from their low opening level. Most of this increase is likely

to occur in **Australia** where production in 2007 is expected to rebound from the 2006 drought reduced level. Slightly higher stocks are also anticipated in the **United States** but inventories held by the other major exporters are likely to stay close or even decline from their opening levels, mostly as a result of larger domestic use and exports. The largest decline is forecast for **Canada** where the 2007 production is expected to drop by 3 million tonnes. As a result, the ratio of stocks held by the major exporters to their total disappearance (i.e. domestic consumption plus exports) is put at 15.9 percent, up from the 14.7 percent low in 2006/07. Among other countries, inventories are forecast to diminish in **China**, **Egypt** and **Morocco** but to increase in **India** if current forecasts for production and imports materialize.

Figure 5. Wheat stocks and ratios



COARSE GRAINS

PRICES

Prices remain high driven by strong demand

Despite the expected record world harvest to be collected this year, international coarse grain prices are likely to stay high in the 2007/08 season. The United States' yellow **maize** (US No. 2 Gulf, f.o.b.) averaged US$159 per tonne in May, up US$9 per tonne from April and US$48 above the corresponding period in 2006. Record crops in Argentina and Brazil helped to bring prices down between February and April. However, as overall demand for maize remains robust and larger supplies in the United States are used domestically by the ethanol sector, the likeliness of further reductions in world prices in the new season is weakening. Prospects for continued strong prices are confirmed by developments in the futures market: By late May, the CBOT December maize futures price stood at US$145 per tonne, some US$35 above the corresponding period in 2006.

Figure 6. Maize export price (US no. 2 yellow, Gulf)

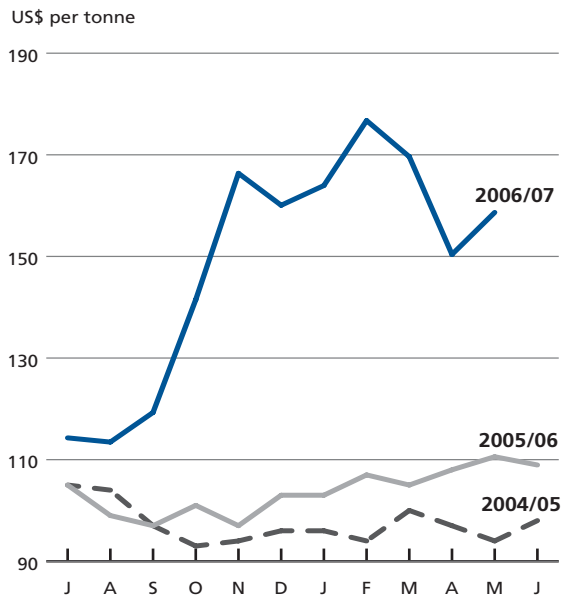


Figure 7. CBOT maize futures for December

Table 3. World coarse grain market at a glance

	2005/06	2006/07 *estim.*	2007/08 *f'cast*	Change: 2007/08 over 2006/07
	million tonnes			*%*
WORLD BALANCE				
Production	**1 002.4**	**983.1**	**1 072.8**	**9.1**
Trade	**107.5**	**110.0**	**108.0**	**-1.8**
Total utilization	**994.1**	**1 022.5**	**1 057.6**	**3.4**
Food	176.6	180.5	182.8	1.3
Feed	623.1	626.5	623.8	-0.4
Other uses	194.3	215.6	251.1	16.5
Ending stocks	**190.2**	**150.7**	**162.7**	**8.0**
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (*Kg/year)*	27.4	27.6	27.6	0.1
LIFDC (*Kg/year)*	28.4	28.6	28.7	0.4
World stock-to-use ratio (%)	18.6	14.2	15.6	
Major exporters' stock-to-disappearance ratio (%)	18.0	9.7	11.2	

PRODUCTION

Record coarse grain production in 2007

FAO's latest forecast for world production of coarse grains in 2007 is 1 073 million tonnes, up 9 percent from 2006 and a record high. The bulk of the increase is expected in **maize**, which accounts for about 70 percent of total coarse grain production with output set to reach a record 770 million tonnes in 2007. In the southern hemisphere, the main 2007 harvests are underway or already complete. In South America, a record main maize crop is being gathered in **Argentina**, **Brazil** and **Chile**, following increased plantings, in response to strong demand for ethanol production, and favourable growing conditions, which led to bumper yields. The secondary crop in **Brazil** also looks set to increase. In Southern Africa, however, prospects are less favourable and aggregate output is forecast slightly lower than the 2006 below-average crop. In the northern hemisphere, the bulk of the maize crops has now been sown, with all the main producing countries expected to harvest larger crops. However, by far the most noteworthy development this season is the approaching completion in the **United States** of the highest level of maize planting since 1944, mostly in response to exceptionally strong domestic demand for maize-based ethanol production.

Regarding **barley**, the second most important coarse grain, output is forecast to increase in 2007 by nearly 6 percent to about 148 million tonnes. A switch from wheat to barley in **Canada**, improved yields in parts of the **European Union**, after adverse weather in 2006, and a sharp recovery from the 2006 drought-reduced crop in **Australia** are expected to account for most of the increase.

The world **sorghum** output in 2007 is forecast at some 60 million tonnes, slightly up from 2006. The increase should mostly come from larger crops in just a few countries, namely **Argentina**, **Mexico**, and the **United States**. In Africa and Asia, which account for about 40 and 20 percent respectively, of the world sorghum output, production is forecast to change little in 2007.

TRADE

Small reduction in world trade

International trade in total coarse grains in 2006/08 (July/June) is forecast at 108 million tonnes, down 2 million tonnes from the previous season. Most of the reduction is expected in Asia, mainly because of expected cuts in maize imports. Total **maize** trade is set to reach 82 million tonnes, down nearly 3 million tonnes from 2006/07. However, the decline in maize trade would be in part compensated by larger trade in **barley** which is forecast to reach 17 million tonnes, one million tonnes more than in 2006/07. Trade in **sorghum** is expected to decline slightly, to 5.5 million tonnes.

In Asia, total imports in 2007/08 are forecast at 58 million tonnes, down 1.6 million tonnes from 2006/07. An expected bumper harvest in **Indonesia** and larger production in Turkey are the main reasons for this decline. Among countries in Latin America and the Caribbean, smaller maize imports by **Brazil** would more than offset some increase in sorghum imports by **Mexico**. In Africa, purchases of barley by **Morocco** are forecast to double in 2007/08 to 800 000 tonnes to compensate for the production shortfall while maize imports by **South Africa**, normally a net maize exporter, are expected to increase to one million tonnes as the increased production was not sufficient to cover needs.

Due to larger output in exporting countries, the overall exportable supply prospect for 2007/08 is favourable. **Argentina** and **Canada** in particular are set to increase sharply their shipments. However, sales to foreign markets by the **United States**, the world's largest maize exporter, may decline in spite of an anticipated record production because of strong domestic demand. Aside from the five major exporters, sales from **China** may decline by about 2 million tonnes, to 3 million tonnes, while improved supplies may boost exports from **Brazil** and **Ukraine**.

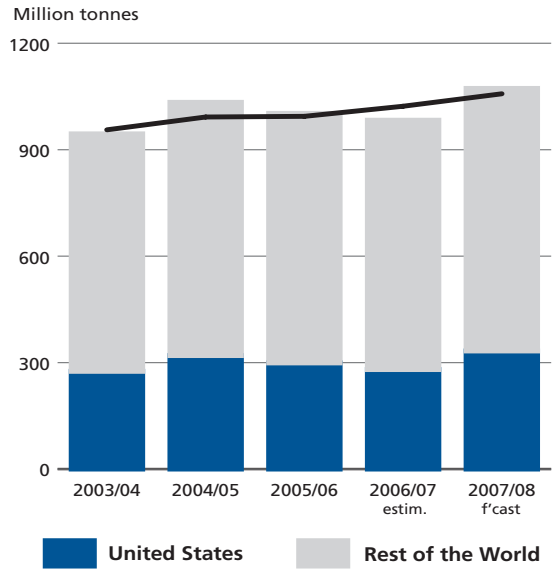
UTILIZATION

Higher industrial use boosts total demand for coarse grains

World utilization of coarse grains in 2007/08 is forecast to rise to roughly 1 058 million tonnes, both 3.4 percent above the estimated level in 2006/07 and the ten-year trend. Total use for **feed**, which normally accounts for the bulk of coarse grain utilization, is forecast at 624 million tonnes which is

slightly below the level estimated for 2006/07. High prices in most markets and expected reductions in maize feed use in the United States are among the main factors for the decrease. This contrasts with the prospect for a large expansion in coarse grain **industrial use**, predominately driven by strong demand from the ethanol sector, especially in the United States where, according to the latest official forecasts by the United States Department of Agriculture (USDA) (May 2007), some 86 million tonnes of maize are to be used for production of ethanol in 2007/08. This would represent a staggering 30 million tonnes, or almost 60 percent, increase from an already record use in 2006/07. Utilization of coarse grains for human **food** consumption is forecast to reach 183 million tonnes, up just over one percent from the previous season. Most of this increase is expected in several developing countries in Southern africa and Latin America.

Figure 8. Coarse grains production and utilization



STOCKS

Small recovery in world stocks

World coarse grain carry-overs by the close of seasons in 2008 are forecast to reach roughly 163 million tonnes, up 12 million tonnes, or 8 percent, from their sharply reduced level at the start of the season. Most of the increase reflects larger anticipated inventories in major exporting countries, forecast to reach 61 million tonnes. At the current expected levels, the world stocks-to-use ratio for coarse grains would reach 15.6 percent, up from the low 14.2 percent of the previous season and still relatively small. Among the major producers in the southern hemisphere, where most of the 2007 crops have been harvested, record maize crops in **Argentina** and **Brazil** are likely to result in a significant stock build-up in both countries, which will more than offset the anticipated stock drawdown in Southern africa, except in **Malawi** where a record crop is likely to boost reserves. Among northern

Figure 9. Coarse grains exports

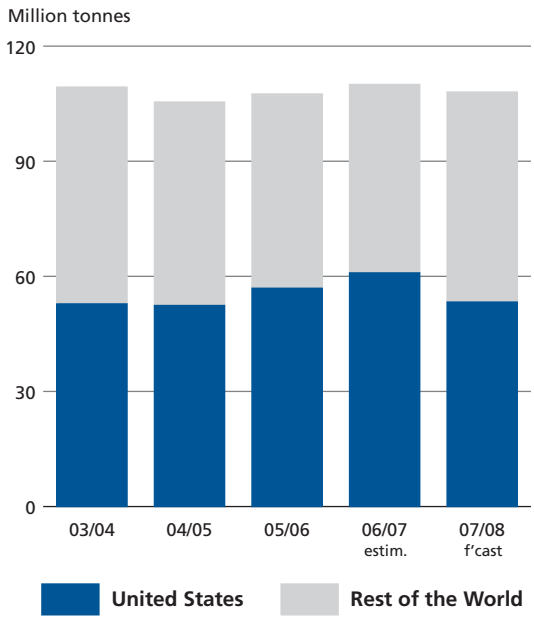
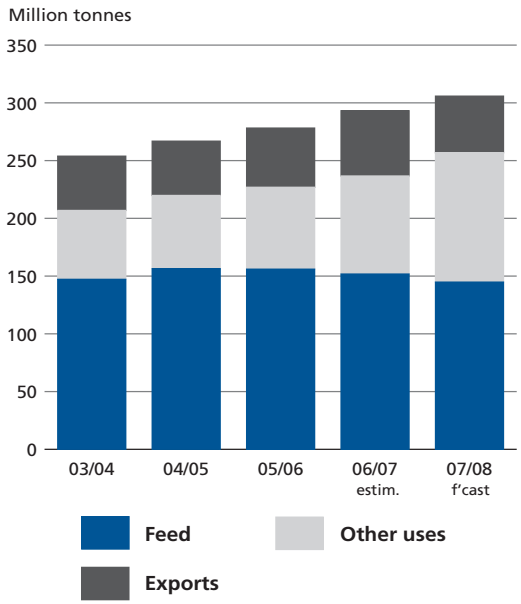


Figure 10 . Maize utilization and exports in the United States



hemisphere countries, coarse grain inventories in the **United States** are currently forecast to rise by 5 million tonnes. Some minor increases are also forecast in **Canada**, **China** and the **European Union**, mostly consistent with current expectations for higher production.

Figure 11. Coarse grains stocks and ratios

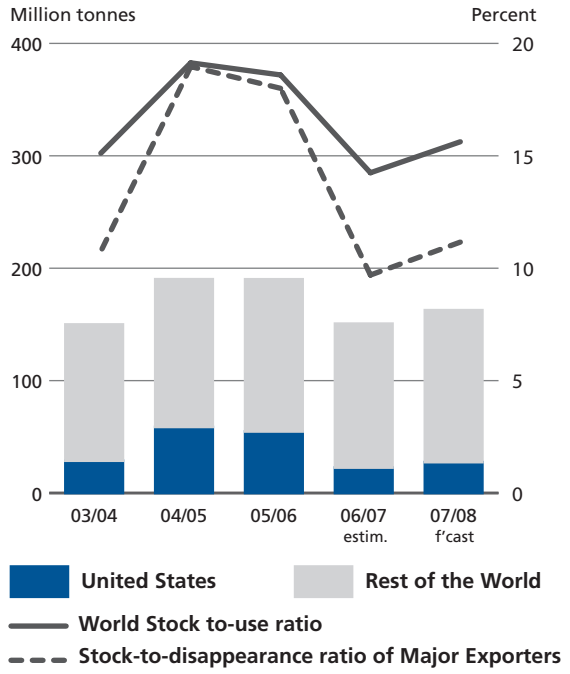
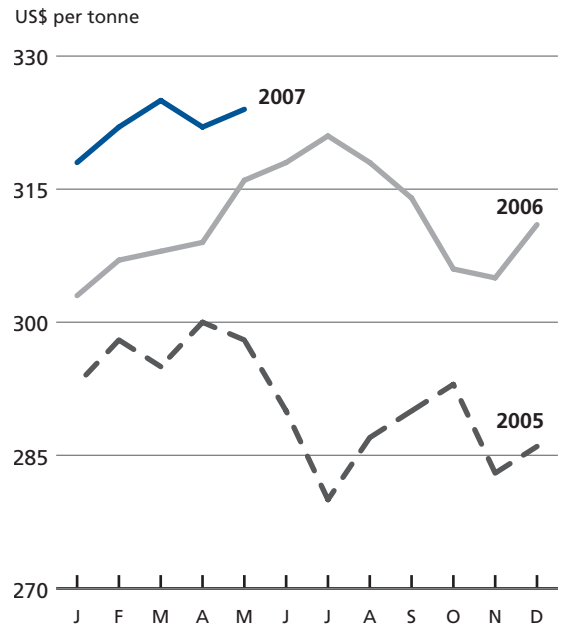


Figure 12. Rice export price (Thai 100% B)



RICE

PRICES

Prices to remain strong

International rice prices followed a steady upward trend between December 2006 and March 2007, but have stabilized since, largely influenced by falling export quotations in the United States. These tendencies were reflected in the FAO All Rice Price Index (1998-2000=100) that passed from 115 points in December 2006 to 120 points in March 2007, a value it retained also in April and May 2007. The pattern of prices was relatively consistent across all rice categories, except for aromatic rice, the prices of which continued to surge in the past three months, largely reflecting supply shortages of Basmati rice in **India** and **Pakistan**.

A slow pace of sales in the **United States** is largely behind the weakening of export quotations in the country, which suffered the imposition of tight quality certification requirements in key import markets. By contrast, despite the arrival of new supplies from the 2006 secondary crop and recurrent releases of rice from government stocks, prices in **Thailand** remained firm, sustained by brisk demand but also by the strong Baht relative to the United States Dollar. Buoyant sales also prevented prices from weakening in **Viet Nam** in the wake of new crop supplies. Moreover, news concerning the exchanging of price information between Thailand and Viet Nam have been recurring, an initiative launched several years ago by the Government of Thailand to keep export prices at remunerative levels. Supplies from India, on the other hand, are expected soon to become dearer, following the rise in the levy prices which the Food Corporation of India pays to buy rice locally, in competition with private traders, and a strengthening of the Rupee against the United States Dollar. In **Pakistan**, prices are also on the rise, based on scant availabilities for export.

With large imports anticipated for the rest of the year and limited current supplies in exporting countries, pressure for rice international prices to strengthen is likely to linger over the next few months, a tendency that could be further exacerbated should the United States Dollar weaken further vis-à-vis major exporters' currencies.

PRODUCTION

Global Paddy Production to recover in 2007

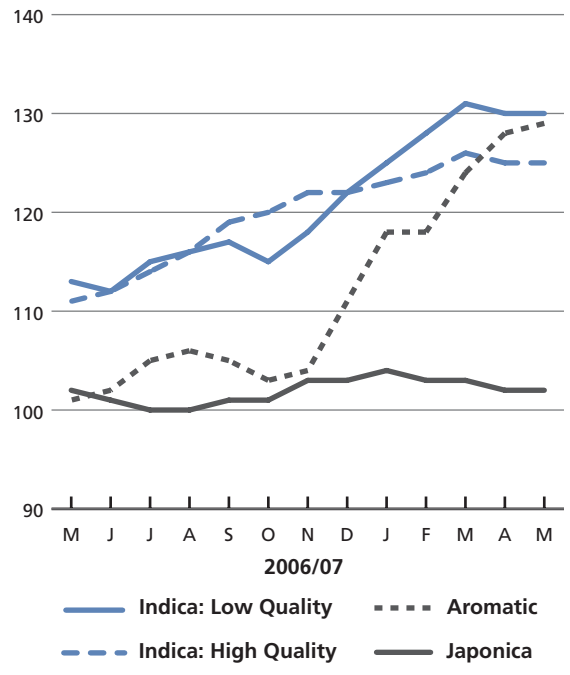
Following a series of setbacks, the 2006 paddy season concluded with a global production estimated at 629 million tonnes, 4 million tonnes less than the record-breaking 2005 season. The decline was concentrated in Asia and affected some of the major producing countries, in particular **Bangladesh**, **Cambodia**, **India**, **Japan**, the **Republic of**

Table 4. World rice market at a glance

	2005/06	2006/07 *estim.*	2007/08 *f'cast*	Change: 2007/08 over 2006/07
	million tonnes			%
WORLD BALANCE (milled basis)				
Production	**422.6**	**419.9**	**422.6**	**0.6**
Trade	**29.2**	**30.2**	**29.5**	**-2.2**
Total utilization	**416.8**	**420.4**	**424.5**	**1.0**
Food	367.0	371.9	376.0	1.1
Ending stocks	**105.8**	**103.3**	**102.6**	**-0.7**
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (*Kg/year*)	56.8	56.9	56.8	-0.2
LIFDC (*Kg/year*)	69.5	69.6	69.3	-0.4
World stock-to-use ratio (%)	25.2	24.6	23.8	
Major exporters' stock-to-disappearance ratio (%)	15.8	14.6	13.5	

More detailed information on the rice market is available in the FAO Rice Market Monitor which can be accessed at: http://www.fao.org/es/ESCen/20953/21026/21631/highlight_23001en.html

Figure 13. FAO rice price indices (1998-2000 = 100)



Korea, Nepal and **Thailand**. Moreover, growth in **China**, **Indonesia**, the **Philippines** and **Viet Nam** was very modest. In the other regions, smaller crops were harvested in **Brazil**, **Colombia**, **Peru** and **Venezuela** as well as in the **United States**, while production rose in most **African countries** and in **Australia**.

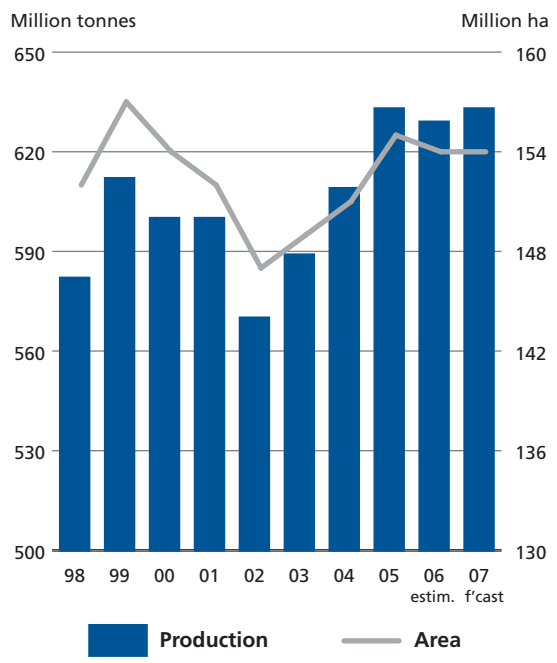
Although still highly tentative, the FAO forecast of global paddy production in 2007 stands at some 633 million tonnes, virtually matching the record achieved in 2005. Expectations of growth in 2007 not only reflect positive price expectations and renewed institutional support to the sector, but also assume a return to average growing conditions. Much of the 2007 anticipated gains are likely to originate in Asia, where the major producing countries are foreseen to grow more rice this season, with a few exceptions. Among these, production may fall in **Japan** and the **Republic of Korea**, a consequence of ongoing sectoral reforms, but also in **Indonesia**, where a late arrival of the rainfall depressed plantings, and in **Sri Lanka**. On the other hand, strong output growth is anticipated in **Bangladesh**, **Cambodia**, the **Islamic Republic of Iran**, **Laos**, **Malaysia** and **Nepal**, with more modest gains foreseen in **China**, **India**, **Thailand** and **Viet Nam**. In *Africa*, a further increase in paddy output may be witnessed in 2007, provided growing conditions remain favourable. Much of the increase would be prompted by rising prices but also by government support to the sector. However, in **Madagascar**, where the season is already quite advanced, production may fall, as a result of heavy floods that hit the country early this year. In *Latin America and the Caribbean*, the outlook is positive in Central America and the Caribbean, but negative in South America, especially for **Argentina**, **Brazil** and **Uruguay**. However, **Colombia**, **Guyana**, **Peru** and **Venezuela** may all reap larger crops, owing mainly to prospects for improved returns, which could boost plantings. In the *rest of the world*, expectations are mixed. In the wake of drought, **Australia** is set to garner one of the smallest crops on record. Similarly, production in the **United States** is foreseen to fall by 6 percent to its lowest level in the past ten years, reflecting a shift of land towards more profitable crops. The cut is expected to affect both long and medium grain rice varieties. In the **European Union**, drought constrained plantings in Spain, which may lead to a small contraction in output by the EU-25. However, adding 43 000 tonnes expected to be produced by Bulgaria and Romania, the two member states that joined the Union in January 2007, total production in the EU-27 is currently forecast at 2.644 million tonnes, compared with a level of 2.613 million tonnes for the EU-25 in 2006. Production is set to increase in the **Russian Federation**, following the stepping up of border protection.

Table 5. India – Rice production by crop

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	million tonnes, milled equivalent							
Kharif	77.48	72.78	80.52	63.08	78.62	72.23	78.27	78.54
Rabi	12.20	12.20	12.82	8.74	9.91	10.90	13.52	12.51
Total	89.68	84.98	93.34	71.82	88.53	83.13	91.79	91.05

Source: Department of Agriculture & Cooperation – India.

Figure 14. Global rice paddy production and area



TRADE

Rice trade to hit a record high in 2007

According to the latest FAO forecasts, world trade in rice may strike a record of 30.2 million tonnes in 2007, which would be one million tonnes or 3.4 percent more than in 2006. Surging import demand is the force driving trade growth in 2007, as there is less pressure for trade expansion from an exporter perspective, given the tight supply situation that most exporting countries are facing. Asian countries are anticipated to be responsible for most of the expansion in global imports, with much of it accounted for by **Indonesia**, where restrictions on rice importation had to be relaxed to check soaring domestic prices and to foster a rebuilding of stocks. As a result, the country is now foreseen to purchase 2 million tonnes of rice, substantially above the 800 000 tonnes it is estimated to have bought in 2006. Shipments to **Bangladesh**, **Nepal** and **Viet Nam** are also foreseen to increase, while those directed to the **Islamic Republic of Iran**, **Iraq**, **Malaysia** and the **Philippines** may decline.

Overall imports to African countries are currently anticipated to decline from 9.6 million tonnes in 2006 to 9.3 million tonnes in 2007. Deliveries to most countries in the region are expected to remain in the same order as in 2006, a reflection of the generally positive production outcomes last season, but they are forecast to be cut in **Guinea** and **Nigeria**, where Governments are promoting rice self-sufficiency. By contrast, imports by countries in Latin America and the Caribbean are set to rise, underpinned by larger purchases by **Brazil**, **Colombia**, **Cuba** and **Peru**. In the rest of the world, larger purchases are likely to be made by the **United States** and the **European Union**, while the **Russian Federation** may cut its, following an increase in tariffs and the application of more stringent controls over the quality of rice from all origins.

Among exporters, **Cambodia** and **Thailand** are anticipated to account for the bulk of the expansion of world trade. In the trail of an excellent 2006 crop, **Cambodia** is forecast to ship close to one million tonnes, three times

Figure 15. World rice trade and FAO rice export price index

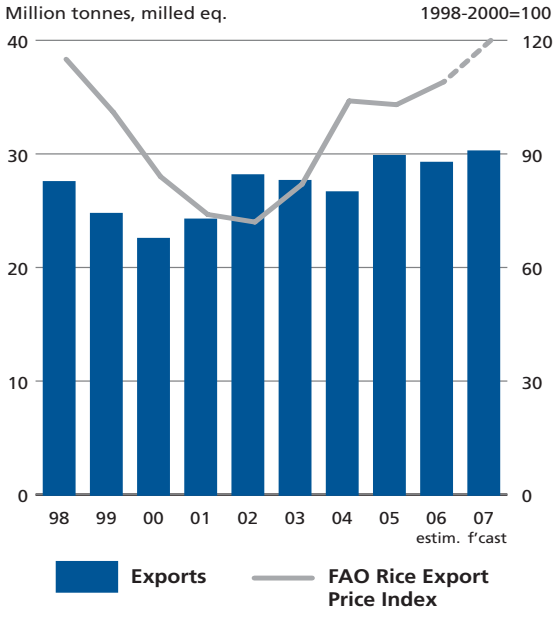
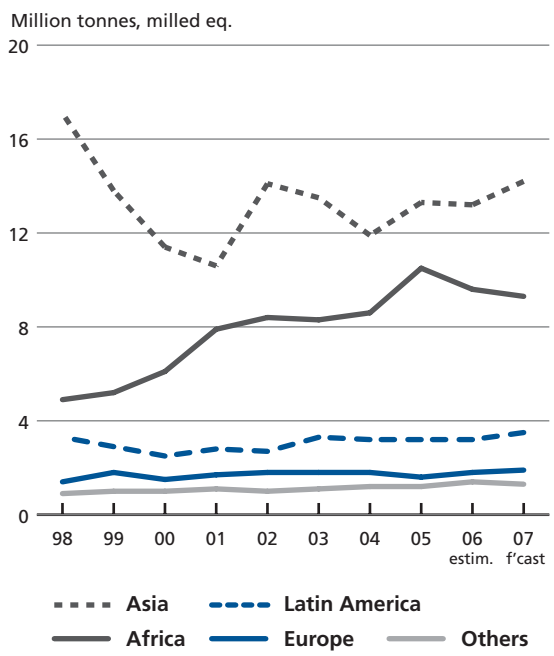


Figure 16. Rice imports by region



as much as estimated in 2006. Large stocks accumulated through the government procurement programme should also enable **Thailand** to sell 9 million tonnes of rice, up from 7.7 million tonnes last year. Attractive world prices may also foster some modest increases of exports by **China**, **Egypt** and **Guyana**, while shipments from India and **Viet Nam** are currently anticipated to remain more or less unchanged at 4.4 million tonnes and 4.7 million tonnes, respectively. All the other traditional suppliers, including **Argentina**, **Australia**, **Pakistan**, the **United States** and **Uruguay** are now foreseen to cut theirs, reflecting reduced availabilities.

UTILIZATION

Per caput rice consumption to decline slightly

Total rice utilization, the bulk of which is for human food consumption, is forecast to rise to 425 million tonnes (in milled equivalent) in 2007/08, 4 million tonnes more than estimated in 2006/07. On average, this would imply a small decline in global per caput availability to 56.8 kg per year. The world average is largely influenced by the pattern prevailing in Asian countries, where strong income growth is encouraging a diversification of diets, resulting in declining demand for rice. However, based on current estimates, rice availability per inhabitant could also fall in Africa, given the expected drop in imports. Per caput consumption is also forecast to fall somewhat in Latin America and the Caribbean, while little change is currently foreseen for the developed countries as a group.

STOCKS

End of season rice inventories likely to fall again

Given current forecasts of production, trade and utilization, world rice stocks by the end of season in 2008 may fall to 102.6 million tonnes, 700 000 tonnes below their opening levels. The entire decline is expected to be concentrated in the developed countries, reflecting bleak outlooks for 2007 paddy seasons while little stock change is anticipated for the developing countries as a group. Region-wise, inventories are expected to end lower in all the continents, except in Asia, where stocks are currently forecast to rise by 600 000 tonnes, largely reflecting some rebuilding taking place in China. Inventories held by the major exporting countries, excluding China, are forecast to decline by 1.3 million tonnes, which may give rise to further tightness of the market in 2008.

Figure 17. Rice exports by the major exporters

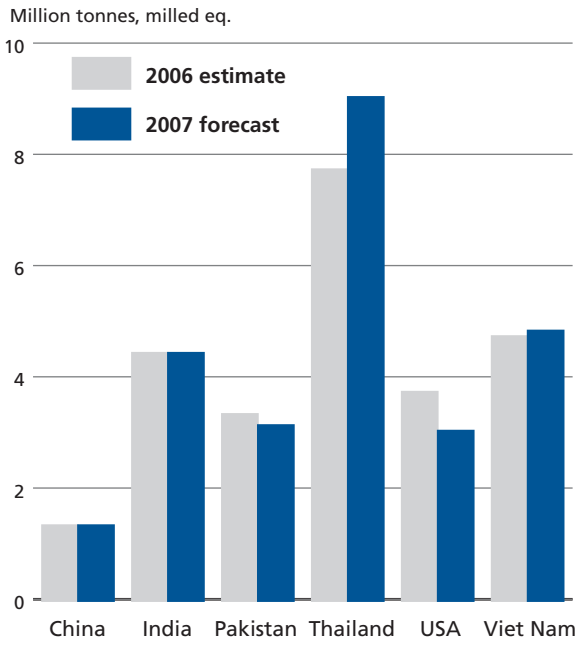


Figure 18. Global rice closing stocks and stock-to-use ratio

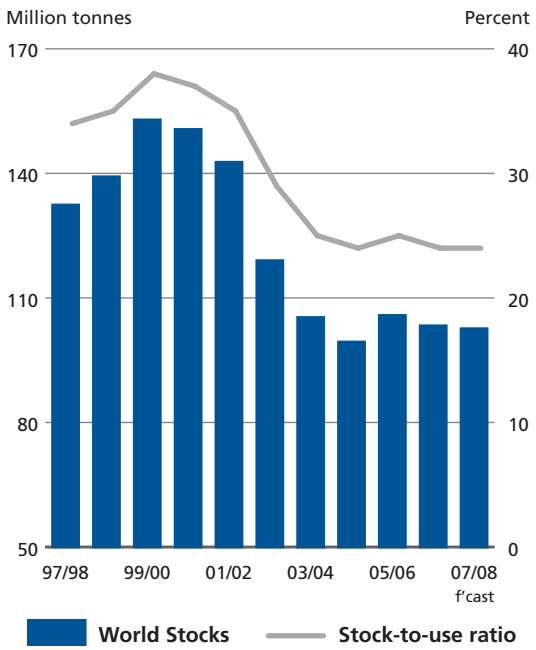


Figure 19. International cassava prices

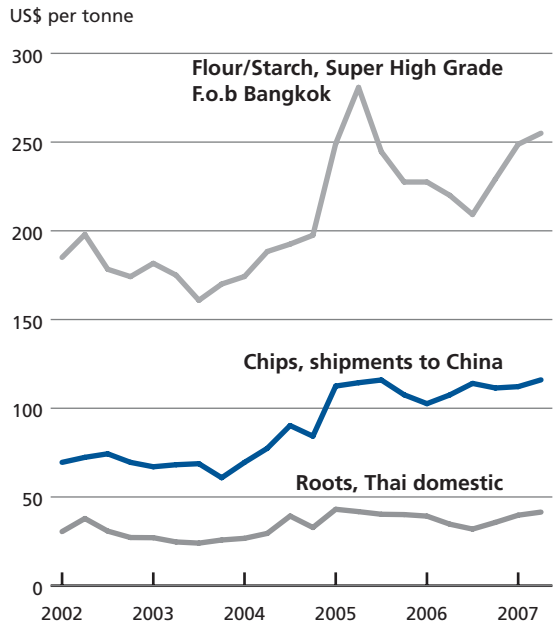


Figure 20. Thai baht per US dollars

CASSAVA

PRICES

Uninterrupted recovery in international quotations

The recovery in international prices of cassava products, which began early in 2006, has been sustained in the first four months of 2007.

Prices of **Thai cassava flour** and starch (f.o.b. Bangkok), denominated in United States Dollars, registered an increase of approximately 16 percent compared with the corresponding period in 2006, while prices of **Thai cassava chips** (destined for China) rose by around 13 percent. Much of the strengthening in these quotations can be attributed to the appreciation of Thailand's currency against the United States Dollars, which for example, has risen by 25 percent since the beginning of 2006. Quotations for pellets destined for Europe (f.o.b. Rotterdam) still remain sparse signalling the continued lack of serious interest in the European Union market for cassava feed ingredients.

Prospects for cassava prices for the remainder of 2007 will, by and large, depend on the buoyancy of demand in East and Southeast Asia and on the return of the European Union on the international arena, which will ultimately rest on the price competitiveness of cassava products relative to domestic and imported grains.

PRODUCTION

Promising outlook for 2007

The outlook for global cassava production in 2007 is generally favourable and output forecast, at 212 million tonnes, would surpass 2006's estimated record by 4 million

tonnes. However, the outcome is subject to a large degree of uncertainty, as in many countries, roots can be left in the ground for over one year and are generally harvested when food shortages arise or prices are favourable.

In Africa, the major producing region, government support for the commercialization of the crop in several of the larger producing countries, particularly **Nigeria**, underpins the continent's positive prospects. Production in Nigeria could reach 45 million tonnes, up 4 percent form 2006. However, in other parts of Sub-Saharan Africa where the root plays a critical role for food security as a primary staple or a subsistence crop, the production outlook remains mixed. In the **Democratic Republic of the Congo**, despite favourable weather conditions, civil strife and internal conflict could adversely affect cassava cultivation. In the **United Republic of Tanzania**, well distributed seasonal rains ought to provide for favourable growing conditions. Good weather in **Uganda** is also likely to be supportive to the 2007 crop; however, the country reported an outbreak of the cassava mosaic virus and cassava brown streak disease which threatens to undermine prospects. Excessive precipitation in the cassava growing belts in **Angola**, **Madagascar** and **Mozambique** could also negatively impact cassava cultivation.

Cassava production is expected to expand in Asia, especially following the annual planting survey in **Thailand** which pointed to a 12 percent rise in production in 2007 to 25.3 million tonnes. International demand for Thai cassava products is the main growth driver for the country's crop and is assisted by strong government support for the sector. In a bid to encourage farmers to harvest cassava more timely, intervention prices under the Thailand's cassava mortgage scheme were subject to incremental increases, from Baht 1.25/kg (US$36 per tonne) in November 2006 to Baht 1.50/ kg (US$39 per tonne) in April 2007. The measure has not been sufficient to stem the decline in domestic prices of roots which have fallen by 12 percent over the past 12 months. In **Indonesia**, the **Philippines** and **Viet Nam**, the region's other major producers, less than favourable weather conditions are unlikely to impinge on concerted efforts to expand cassava production there. Robust industrial demand in the region for cassava products is behind drives to expand cassava area and to improve yields. For instance, Indonesia has set aside 2.2 million ha for the cultivation of cassava and sugarcane for biofuel production. Additional area for cassava-based biofuel production is also being made available in the Philippines, via public investments from China, while in Viet Nam, rapid growth in the demand for starch is providing a strong stimulus to the cassava sector.

The 2007 production outlook for Latin America and the Caribbean also bodes well, reflecting good prospects in **Brazil**, the region's largest producer. The continuation of strong government support for the country's cassava sector could see Brazil's output surpass 2006's bumper crop of 28 million tonnes. As for **Colombia** and **Paraguay**, the region's other major cassava producing countries, little is known about the current situation, but both countries have experienced firm growth in cassava production in recent years.

TRADE

World cassava trade forecast to expand in 2007

Global trade in cassava products in 2007 is likely to reach some 12 million tonnes, on a pellet basis, exceeding the 2006 level of 10 million tonnes. The forecast is based on the sustained competitiveness of cassava relative to grains, combined with greater exportable supplies in **Thailand**, the world's leading international supplier. This expectation is also in line with a stronger pace of cassava shipments by the country to date. Overall, the country is anticipated to ship 10.6 million tonnes (pellet equivalent) of **cassava chips, pellets and starch** in 2007, up 19 percent from 2006. Countries in Asia are once again expected to be the major destination of internationally traded cassava products. **China** has firmly established itself as the leading importer of cassava products. The implementation of a free-trade area between China and Thailand, with the abolition of a 6 percent tariff on Thai cassava products in 2007, has provided a further boost to cassava trade between the two countries.

Turning to **chips and pellets**, **Thailand** is foreseen to increase exports by 28 percent over 2006. In that year, China accounted for well over 90 percent of the global market for these products and is expected to remain the major destination in 2007. The suspension, introduced earlier in the year, on new grain-based ethanol plants in China has paved the way for large-scale imports of cassava chips to be used as a feedstock for China's biofuel industry. The retreat from the import market of the **European Union**, once the major destination of international cassava shipments, shows some sign of abating. Industry sources in Thailand are preparing to ship as much as one million tonnes of pellets to European Union member states this year, three times the volume delivered in 2006, which would be on account of the increased price competitiveness of cassava feedstuffs vis-à-vis domestically produced feed grains.

As for **cassava starch and flour**, growth in trade is not expected to be as dynamic as forecast for chips and pellets, but still rising by 12 percent from the previous year. The expansion in starch trade would similarly reflect the price advantage that cassava is forecast to maintain over maize and wheat starch. Again **China** is expected to be the principal buyer, with **Indonesia** and **Japan** also set to engage in significant international purchases. Earlier in the year, imposed an anti-dumping duty on potato starch from the European Union, levying 35 percent on imports over the next five years. The measure could allow for substantial inflows of cassava starch into **China**, given the close substitutability between starch products.

Table 6. Thai exports in Cassava [1]

	2005	2006	2007 f'cast
Total	**6 240**	**8 877**	**10 550**
Flour and starch			
Total	**3 212**	**4 530**	**5 000**
Japan	622	694	725
China	525	756	1 000
Chinese Prov of Taiwan	502	680	750
Indonesia	348	936	1 000
Malaysia	229	312	350
Others	986	1 152	1 175
Chips and pellets			
Total	**3 028**	**4 348**	**5 550**
China	2 766	3 949	4 500
EU-25	246	341	1 000
Others	16	57	50

Source: TTTA, FAO

[1] In product weight of chips and pellets.

UTILIZATION

Cassava usage set to rise in 2007

Industrial applications of cassava are anticipated to increase markedly, particularly in Asia, where rapid economic growth is stimulating demand for starch and ethanol (see Box).

Global cassava utilization as **food**, the bulk of which is consumed in Sub-Saharan Africa and Latin America in the form of fresh roots and processed products, is anticipated to surpass 2006's level of 115 million tonnes. Production gains in both regions are expected to outpace growth in population, bringing about a moderate increase in per caput food availability. In **Brazil**, the Government policy, which mandates the inclusion of 10 percent cassava flour in wheat flour, has caused concern to the private sector. The policy seeks to reduce the country's dependency on wheat imports and to provide a market outlet to cassava producers. Questions have been raised about whether the country's cassava sector can meet this demand and regarding the possible impact of putting domestic blended flour at a disadvantage to imported wheat flour. In pursuit of the same objective, the Government of **Nigeria** announced a similar policy last year that also entails the 10 percent mandatory inclusion of cassava flour in the production of bread and confectionary products. Flour mills that do not comply face punitive measures including the closure of their business. Millers have established a N$500 million (US$4 million) fund to assist the cassava sector in producing industry grade flour. However, Nigeria recently lowered the import tariff on maize flour from 20 to 5 percent, which has put an added competitive pressure on the cassava sector.

Utilization of cassava as **animal feed**, in the form of dried chips and pellets, is mostly concentrated in **Brazil** and **Colombia** in Latin America and the Caribbean, **Nigeria** in Africa, **China** in Asia and the **Netherlands** and **Spain** in Europe. Current forecasts see global feed usage at some 61 million tonnes (root equivalent), 2 million tonnes higher than the previous year. The increase would reflect firm demand in Asia for non-grain feed ingredients, and also improved prospects for cassava as livestock feed in the **European Union**.

Biofuel provides a new growth market for cassava

With high protracted crude oil prices, cassava has emerged as a commercially viable feedstock for energy production. FAO research has shown that cassava becomes a competitive feedstock, without subsidies, when crude oil prices reach US$45 per barrel. The biofuel (ethanol) process begins with liquefied cassava starch which is fermented for two to four days using a yeast, Endomycopsis fibuligera, sometimes in combination with a bacterium, Zymomonas mobilis. A basic production system involving peelers, graters, fermenters and a distiller can produce about 280 litres of 96 percent pure ethanol from a tonne of cassava with 30 percent starch content. Many countries have or are about to embark on energy crop programmes using cassava. For instance, **China** has initiated investments within its own borders and in several neighbouring countries to use cassava as a feedstock to supply its burgeoning biofuel industry. **Indonesia** and the **Philippines** have already been targeted, and countries in Sub-Saharan Africa, especially **Nigeria**, are being evaluated for future biofuel investment. In **Nigeria**, an association of cassava growers has formed an alliance with the state petroleum company with the aim to produce 1 billion litres of ethanol per annum from cassava. Little is known, however, about how this plan might be realized. A private corporation based in the **Philippines** has earmarked over 300 000 ha in the country to be put under cassava for the production of biofuel. The corporation is engaging in large international purchases of cassava to sustain current biofuel plant capacity. In **Thailand**, a leading petroleum refinery is finalizing the construction of a cassava based biofuel plant. At the beginning of 2008 the refinery expects to be on-line producing up to 0.5 million litres of biofuel per day. Plans are underway to expand daily capacity by another 0.1 million tonnes in 2009.

OILSEEDS AND OILMEALS [2]

PRICES [3]

2006/07 price surge mainly driven by external factors

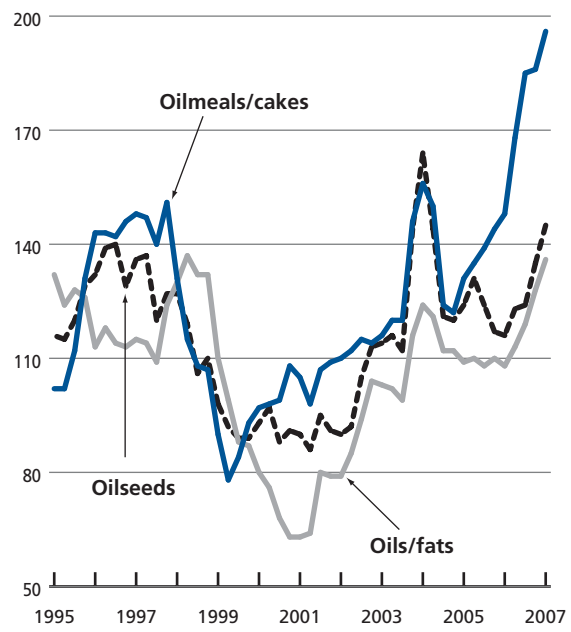
The rise in international prices for oilseeds, oils and meals that started in 2005/06 (September/October) is continuing during the current season. In the second quarter of 2006/07, the FAO price indices for oilseeds and oils/fats were almost 30 points above their corresponding values of the previous season, while for meals/cakes the difference was almost 50 points. In April and May 2007, prices have increased further, and have now hit 3, 13 and 20 year highs for oilseeds, oils and meals respectively.

At the beginning of this season, bleak crop production prospects gave rise to concerns of tightening supplies and falling stocks. However, global soybean output eventually exceeded the original expectations and 2006/07 supplies of oilseeds and derived products are now considered to be ample relative to demand and the global level of stocks is high, both in absolute terms and in relation to consumption. Therefore, the continued rise in oilseed, oil and meal prices cannot be explained by this season's own market fundamentals. Instead, prices have come under the direct influence of developments in the related feed grain markets, notably the unprecedented surge in international maize prices caused by a decline in global coarse grain (and wheat) production, which coincided with a strong increase in demand, especially for maize used as biofuel feedstock. With soybeans and maize both in demand in the feed and the energy market, the two commodities are competing for land. Considering the current shortage of maize, an expansion of global maize plantings at the expense of soybean appears inevitable in 2007/08. The prospect of further tightening soybean supplies (which traditionally satisfy two thirds of global meal demand) constitutes the main factor behind the observed rise in prices for oilseeds and oilmeals in recent months and leads to the expectation of continued price firmness during the remainder of the season. The futures' market points in the same direction: in May 2007, the CBOT September contract for soybeans was about US$59 per tonne (or 26 percent) higher than the corresponding value of 2006.

Reasons behind the concomitant rise in international vegetable oil prices reside also outside the soybean complex: a poor performance and thus tightening supplies of the key high-oil yielding oilcrops in 2006/07 coincided with a steady expansion in vegetable oil demand for human consumption and, in particular, as fuel and biodiesel feedstock. Such a situation explains the strong reaction of the market to reports on falling palm oil stocks and to downward revisions in the 2007 forecast of global palm oil production.

Additional factors contributing to this season's price strength include the rise in ocean freight costs, resulting from a shortage of vessels complying with the new international regulations that came into force in January 2007, and, more recently, the weakening of the United States Dollar.

Figure 21. FAO quarterly international price indices for oilseeds, oils/fats and oilmeals/cakes (1998-2000 = 100)



OILSEEDS

Growth in world oilseed production to slow down in 2006/07

In 2006/07, global oilseed production is estimated to increase by 2 percent to 233 million tonnes, a slow down compared with the last two seasons. Soybean output is anticipated to grow by 5 percent, reaching a new record, but part of this growth is expected to be offset by declining production of rape, groundnut and sunflower seed as well as copra.

With regard to **soybeans**, a record crop of over 86 million tonnes has been harvested in the United States, reflecting a rise in both area and yield. South America's

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

[3] For details on prices and corresponding indices, see appendix Table A23.

Figure 22. FAO monthly price indices of meals/cakes (October to September, 1998-2000 = 100)

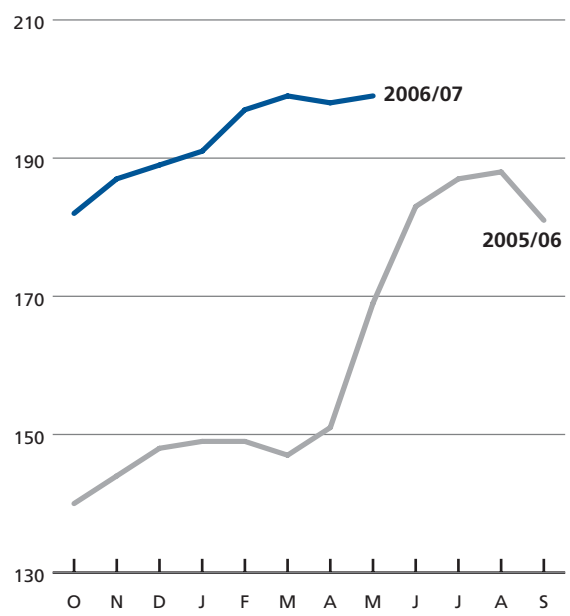


Figure 23. FAO monthly price indices of oils/fats (October to September, 1998-2000 = 100)

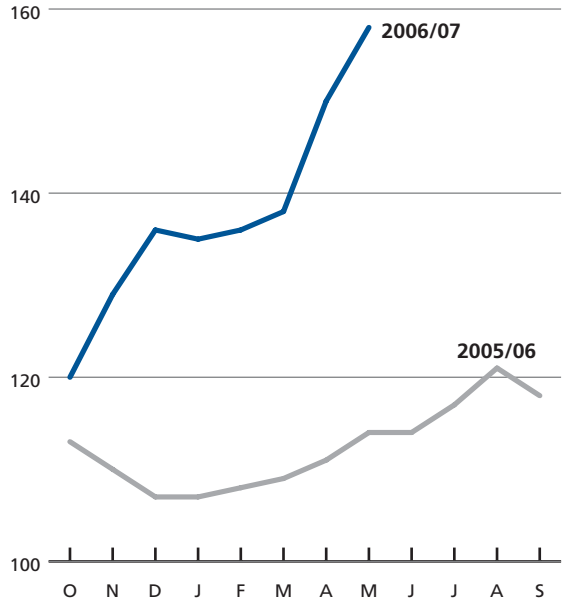


Table 7. World production of major oilseeds

	2004/05	2005/06 *estim.*	2006/07 *f'cast*
		million tonnes	
Soybeans	216.6	221.4	232.9
Cottonseed	44.7	48.9	47.0
Rapeseed	45.9	48.9	47.0
Groundnuts (unshelled)	34.8	35.7	34.0
Sunflower	25.4	29.9	29.3
Palm kernels	8.9	9.5	9.6
Copra	5.2	5.1	5.8
Total	**381.5**	**392.8**	**401.6**

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.

output is estimated to expand by 7-8 percent. Contrary to previous expectations, production has improved further in Brazil, where, after a sizeable reduction in plantings, excellent weather conditions have resulted in record yield levels, allowing production to exceed 58 million tonnes. In Argentina, larger plantings combined with favourable weather are expected to result in a record soybean crop of more than 45 million tonnes, 12 percent above last season's level and more than double the amount harvested in 2000. By contrast, China's output is estimated to fall for the second consecutive year. With regard to **rapeseed**, global output is forecast to decline sizeably after three years of record-breaking crops, mainly due to unfavourable weather conditions. Four out of the five major producers are reporting significant declines in production: in Canada, rapeseed production has fallen due to bad weather; in China

Figure 24. CBOT soybean futures for September

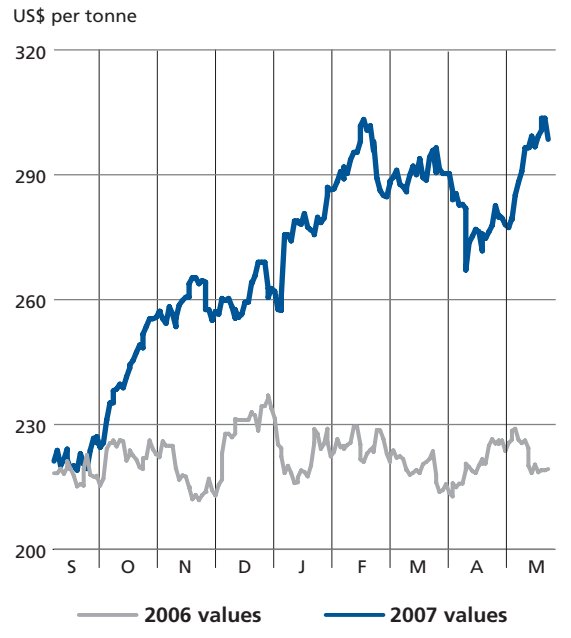


Table 8. World oilseeds and products markets at a glance

	2004/05	2005/06 estim.	2006/07 f'cast
		million tonnes	
Total oilseeds			
Production	391	403	412
Oils and fats[1]			
Production	142	149	152
Supply[2]	158	168	172
Utilization[3]	138	145	153
Trade[4]	67	72	76
Stock-to-utilization ratio (%)	14	14	13
Oilmeals and cakes[5]			
Production	99	102	105
Supply[2]	109	113	118
Utilization[3]	95	98	102
Trade[4]	53	56	59
Stock-to-utilization ratio (%)	13	15	16

Source: FAO
Note: Refer to footnote 2 in the text for further explanations regarding definitions and coverage
[1] Includes oils and fats of vegetable and animal origin
[2] Production plus opening stocks
[3] Residual of the balance
[4] Trade data refer to exports based on a common October/September marketing season
[5] All meal figures are expressed in protein equivalent; meals include all meals and cakes derived from oilcrops as well as fish meal

and India, plantings have decreased; and a combination of falling yields and area has hit Australia. By contrast, in the European Union and Ukraine, rapeseed output has increased reflecting an expansion in plantings. The fall in world **groundnut** production is confirmed, with decreases concentrated in India and the United States. With regard to **sunflower seed**, a sharp drop in output in the United States has been offset only partly by rising production in Europe.

OILS AND FATS [4]

Slower expansion in global supplies

Current 2006/07 crop forecasts translate into an increase of global oil/fat production of about 2-3 percent to 152 million tonnes, compared with 5 percent in the previous season. Reduced growth in **rapeseed** and **sunflower** oil and falling **groundnut** and **coconut** oil production are behind this slow down. By contrast, global **palm** and **soybean** oil production is expected to continue rising by 6 and 5 percent respectively. The projected increase in palm oil is due to a further expansion in the mature oil palm area, notably in Indonesia. As to soya oil, a major part of the increase comes from Argentina. Regarding global supplies of oils/fats (i.e. 2005/06 ending stocks plus 2006/07 production), they are forecast to augment further, though at a reduced rate compared with the last two seasons.

Demand keeps growing fast

Global demand for oils/fats, both for food and non-food purposes, is anticipated to expand further: during 2006/07, consumption is expected to increase to 153 million tonnes, or by 5 percent, mainly on account of **soybean** and **palm oil**. The outstanding driving force is the growing use of oils/fats as fuel and as feedstock for biodiesel production. Such utilization continues to expand in the European Union and the United States, while demand is also picking up in various other countries, including Argentina, Australia, Brazil, Canada, China, Indonesia, Malaysia and the Philippines. The key oils concerned are **soybean** and **rapeseed** oil, though **palm** and **coconut** oil as well as **animal fat** and **used cooking oil** are also gaining importance. Private sources estimate global utilization of oils/fats as biofuels to exceed 10 percent of total consumption in 2006/07. Thanks to various government incentives, the private sector has continued to invest in biodiesel production plants, irrespective of the uncertain prospects for fossil oil price. However, the industry's growth seems to be slowing down, possibly revealing concerns about rising vegetable oil prices. At the prevailing level of mineral and vegetable oil prices, the profitability of biodiesel production seems to be at risk and a significant portion of biodiesel plants worldwide is likely to run at less than full capacity.

Regarding overall oil/fat consumption, limited supplies of **rapeseed**, **groundnut**, **sunflower** and **copra** oil are leading to increased reliance on **soy** and **palm oil**. Together the two oils are expected to account for almost 60 percent of total consumption. Although, traditionally, most of the expansion in global demand occurs in the developing countries, in 2006/07 (like in the past two seasons), developed countries also experienced sizeable growth due to the advent of biofuel production. Demand expansion continues to be led by Asia. Particularly noteworthy is China, where population and Gross Domestic Product (GDP) growth continue to spur food oil consumption, whereas in Malaysia as well as in Brazil, growth seems to be determined by rising use of vegetable oils as fuel or for conversion into biodiesel.

Tightening supplies call for a reduction in stocks

Compared with overall demand, global supplies of oils/fats appear to be ample given large stock availability. However, 2006/07 production per se is forecast to fall short of demand, which would result in falling global inventories of oils/fats, reversing the pattern observed in the last two

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

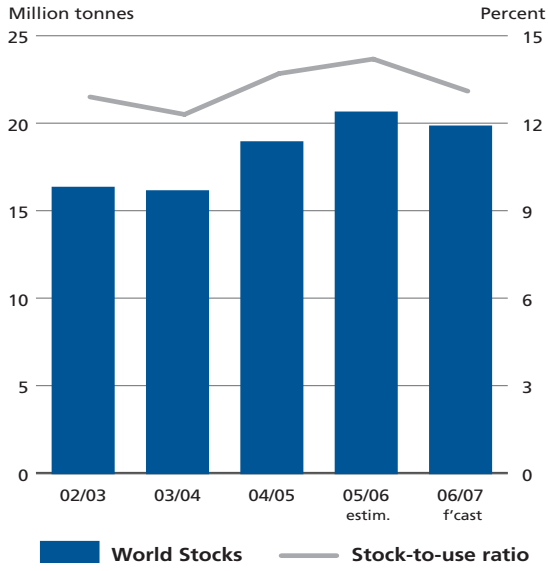
seasons. The projected reduction in inventories should mainly concern rape and sunflower oil in China, the European Union, India and North America, but also palm oil stocks in Malaysia and Indonesia are estimated to fall. Current forecasts for 2006/07 imply a reduction in the global stock-to-utilization ratio from 14 to 13 percent, which explains the firmness and further strengthening of oil/fat prices observed this season.

Trade to increase markedly

Similar to the past few years, world trade in oils/fats (including the oil contained in oilseeds traded) is anticipated to rise to 76 million tonnes or by about 6 percent in 2006/07. Once again palm and soya oil are forecast to account for most of this expansion, although the interest for rapeseed oil seems to be increasing following the recent surge in palm oil prices. Most of the increase in global import requirements is expected to originate from developing countries. China and India continue to be key buyers, with total imports forecast at 14.3 million tonnes and 5.4 million tonnes, respectively. The anticipated 11 percent rise in China is a result of poor crops and rising domestic demand, combined with the country's large crush capacity. In India, imports are expected to increase, due to this season's reduced crop and the resulting rise in domestic prices. The European Union is expected to account for most of the developing country's increase. Shipments into the European Union are likely to rise for the third consecutive year as domestic oilseed production is not sufficient to satisfy demand for both food uses and biofuel production.

As to exports, Argentina and the United States are expected to supply much of the increase in global imports of **soybeans** and their oil, while Malaysia and Indonesia continue to dominate palm oil exports. In Australia, export availabilities of **rapeseed** have fallen due to a poor crop. Also sunflower oil shipments by the Russian Federation and Ukraine are expected to fall due to both, crop shortfalls and rising domestic consumption. In view of these shortages, Canada's exports of **rapeseed** oil are estimated to remain more or less unchanged from last year's record level. Furthermore, Ukraine is emerging as a new supplier of rapeseed. Noteworthy is the growing importance that rising domestic utilization of oils/fats as biodiesel feedstock or fuel is having on export availabilities in some countries, notably Argentina, Brazil, Canada, Indonesia, Malaysia and the United States.

Figure 25. World closing stocks and stock-to-use ratio of oils/fats (including the oil contained in seeds stored)



MEALS AND CAKES [5]

Continued rise in supplies thanks to record carry-in stocks

Global production of meals/cakes is expected to keep growing in 2006/07, reaching 105 million tonnes. A record output of **soybean** meal, primarily in Argentina, Brazil, China and the United States, is estimated to compensate for this year's reduced availability of **rape**, **sunflower** and **groundnut** meal as well as **fish meal**. As to global supplies of meals/cakes (i.e. 2005/06 ending stocks plus 2006/07 production), they are forecast to grow by about 4 percent, largely supported by record carry-in stocks.

Sustained growth in demand

In 2006/07, world consumption of meals/cakes is anticipated to grow by about 4 million tonnes to 102 million tonnes (expressed in protein equivalent) or 3-4 percent, stimulated inter alia by a surge in feed grain prices. Soybean meal is expected to account for more than 90 percent of the anticipated growth. About three-quarters of the anticipated demand increase should originate in developing countries, where consumption is expanding at a considerably higher rate than in developed nations. Consumption growth continues to be concentrated in Asia, with the highest increase, in absolute terms, expected in China. In Brazil, demand is forecast to expand further, sustained by growth

[5] This section refers to meals from all origins, which, in addition to products derived from the oil crops discussed under the section on oilseeds, include fish meal as well as meals of animal origin.

in the livestock industry. Among developed countries, consumption is expected to remain more or less unchanged in the United States, whereas, in the European Union, usage of oil meals and cakes could expand further, reflecting both, the availability of attractively priced meal stemming from the biofuel-driven increase in domestic crush and the growing use of compound feed in Eastern European member states.

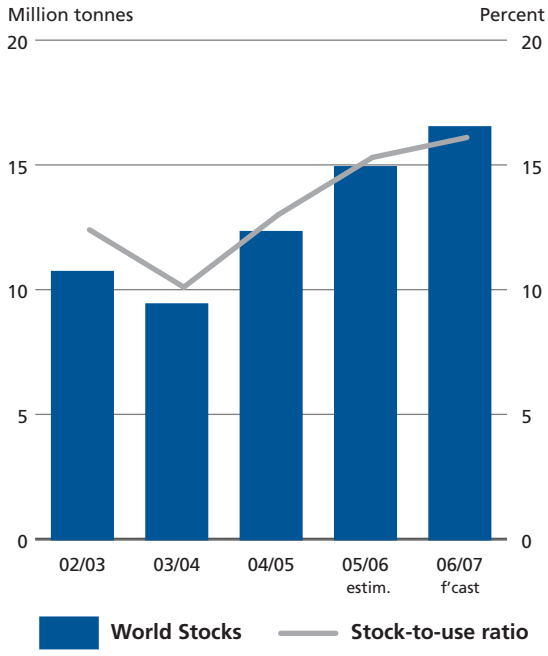
Further growth in inventories likely due to excess production

According to current forecasts, 2006/07 meal/cake production should, as in the two preceding years, exceed demand. As a result, inventories are expected to grow further, though less markedly than in recent years. The rise would largely be on account of higher **soybean** and **soya meal** inventories in South America. Based on current expectations of supply and demand, the global stock-to-utilization ratio for meals/cakes is estimated to rise compared with last season. The reason why this rise is not accompanied by a weakening in international meal prices lies in the strong pressure that tight feed grain markets are exerting on feedstuff prices.

Trade to expand further

The expansion of trade in meals/cakes is anticipated to continue in 2006/07. Global shipments (expressed in product weight and including the meal contained in seeds traded) should rise by 6 percent to 72 million tonnes. **Soybean** meal is expected to account for virtually all of this expansion, with only two countries, Argentina and the United States, responsible for the increase. By contrast, a reduction in export volumes is expected in Brazil and India due to, respectively, rising internal demand and poor domestic crops. Regarding imports, virtually the entire increase in global import demand is expected to originate in developing countries, notably in Asia. In China, the fall in domestic soybean production combined with rising meal demand are expected to push up imports by a further 2 million tonnes to 3 million tonnes (including the meal contained in imported seeds) or 10 percent. In the European Union, which accounts for about one-third of global import demand, meal purchases are estimated to rise by 3 percent.

Figure 26. World closing stocks and stock-to-use ratio of meals/cakes (in protein equivalent and including the meal contained in seeds stored)



PROSPECTS FOR 2007-08

Tightening supply and demand prospects, in particular for meals

Spring plantings of 2007/08 oilcrops are underway in the northern hemisphere and are already influencing the market. Starting with **soybeans**, reported planting intentions in the United States, point to a 10 percent drop in the area sown as farmers allocate more land to maize. Assuming average yields, output could drop by 12-14 percent. Forecasts for China suggest a fall in output for the second consecutive year. In South America, where soybeans will be planted towards the end of 2007, the area sown will depend on price developments over the next six months. Continued high maize prices would encourage farmers in Argentina and Brazil to expand maize plantings, partly at the expense of soybeans, thus constraining the crop's expansion in 2007/08. Although the effect of falling soybean production would be cushioned by record large opening stocks, a marked fall in 2007/08 ending stocks would be inevitable, which would result in a tightening of the market and continued firm international prices of soya beans and meals. By contrast, spurred by growing demand for biodiesel feedstock, Canada's **rapeseed** area is anticipated to rise by 12 percent to a new historic high, potentially resulting in a record crop of 10 million tonnes. In the European Union, rapeseed plantings for the new season are reported to have increased, for the second consecutive year, by over 10 percent and, depending on weather conditions, output is expected to rise by 10-15 percent. Sizeable output increases are also expected in the Russian Federation and Ukraine. These, along with a likely recovery of production in Australia and India, could boost global rapeseed production to a historic record in 2007/08. With regard to the new **sunflower seed** crop in the northern hemisphere, current estimates point towards a reduction in global output. Overall, aggregate oilseed production in 2007/08 could fall short of the two preceding seasons' levels as the anticipated rise in rapeseed production may not be sufficient to offset the prospective soybean decline.

As growth in demand for oilcrop products, and in particular oils, is expected to remain strong, the anticipated reduction in output would lead to a decline in global stocks, thus reversing the trend of the last three seasons. Such development, together with the anticipated tightness in global maize and wheat markets during 2007/08 (which also reduces the likelihood of a recovery in oilcrop production in the subsequent season), suggests that prices in the oilseed complex would remain firm during the remainder of this season and into the next season. As growth in global livestock production may slow down in response to persistent high prices for feedstuffs, the upward pressure on oilseed and oilmeal prices could lessen over time; by contrast, the push on vegetable oil prices could intensify given the prospects of continued tightness of global rape and palm oil supplies relative to demand for food and biofuel uses.

SUGAR

PRICES

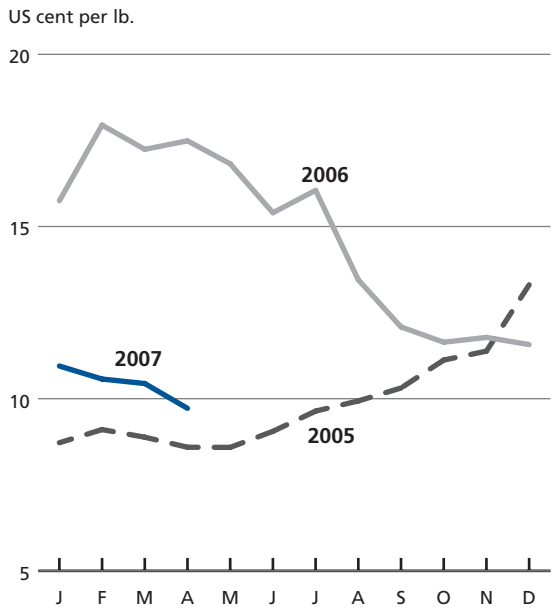
Large global surplus pressures sugar prices to two-year lows

The International Sugar Agreement (ISA) daily price for raw sugar averaged United States 9.72 cents per pound in April 2007, the lowest level since July 2005 and nearly 80 percent lower than the monthly average for April 2006. Major factors behind the steady decline in prices include the much larger than anticipated crops in Brazil, China, Cuba, the Dominican Republic, Guatemala, India, Pakistan, Thailand and Viet Nam. The recent Government of India announcement that it would provide export incentives for white sugar to national sugar mills has resulted in further downward pressure on world refined sugar prices, which fell to US 14.28 cents per pound in April 2007, compared with US 21.36 cents per pound in April 2006.

PRODUCTION

FAO has revised its 2006/2007 production estimates currently forecast to reach 159.2 million tonnes globally, 3.6 million tonnes more than the estimate released at the end of 2006 and 4.8 percent, or 7.3 million tonnes, above 2005/06. In 2006, at this time, global sugar markets were struggling with the third consecutive year of supply deficit, with prices hitting 25-year highs in early 2006. Producers in many countries planted more area to sugar in response to the record prices, and estimates of global output have been revised upwards due to much larger than anticipated output in most cane producing countries, particularly **Brazil** and **India**. Sugar output in developing countries for 2006/2007 is estimated to increase by 9.1 percent year-on-year, whereas developed country output is forecast to decline by 6.3 percent.

Figure 27. International Sugar Agreement (ISA)



Record sugar crops lead to larger than expected global surplus

Countries in **Latin America and the Caribbean** are expected to account for 53 million tonnes or one-third of total global output in 2006/2007. **Brazil** may witness another record season, with cane output estimated to increase by 13.2 percent, reaching 33 million tonnes, driven by higher yields and the increased capacity of 25 new mills in the Centre-South region. The increase in ethanol consumption during 2006//2007 was dramatic, in part led by hydrous ethanol consumption, which some sources note to have increased by almost 30 percent to 6.5 billion litres. Ethanol prices have increased significantly in recent months, attributable to a recently introduced (April 2007) government regulation limiting ethanol trade through distributors to 5 percent of total turnover, restricting normal trade flow in domestic markets. Currently, 60 percent of flex-fuel vehicles use ethanol, the majority located in Sao Paolo. Expectations are that increased cane availability from the 2007 record crop may exceed the requirements from ethanol demand, potentially resulting in increased volumes of cane converted into sugar. However, less sugar output should be directed to exports in the coming year given expectations of lower prices, and given that the Government is contemplating raising the mandatory blending ratio for ethanol in 2007/2008.

Production in Africa also on the rise

Estimated production in **Africa** has been revised upwards to 10.5 million tonnes up 6 percent from the previous season. A major factor underpinning expansion decisions in Sub-Saharan Africa is the expectation of some gains from the granting of preferential access to the European Union market to the LDCs under the Everything but Arms (EBA) initiative. Increases are forecast in **Egypt**, **Malawi**, **Mauritius**, **Mozambique**, **South Africa** and **Zambia**. Production in **Egypt** is estimated to rise from 1.7 million tonnes to 1.8 million tonnes, roughly two-thirds of which are derived from sugarcane and one-third from sugarbeet. Extremely wet conditions in **Kenya** constrained delivery of harvested sugarcane to the mills for processing, and also reduced sugar content of 2007's crop. Plans to expand sugar out-grower schemes are underway in **Malawi** and **Zambia** with the support of the private sector. Sugar production in **Mozambique** continues to grow at a rapid pace, passing from 39 000 tonnes in 1998 to 282 000 tonnes by 2006/2007. The country is to receive US$6 million between 2007 and 2010 from the European Union to adjust its sector to the European Union sugar reform. Sugar production is down slightly in the Sudan. Production there is likely to reach nearly 800 000 tonnes in the current year, in line with output levels of the past few years. The Government of the **Sudan** has announced an agreement to establish a US$224 million sugar factory that would produce 10 000 tonnes of sugar and 60 000 tonnes of molasses. The funding will be directed towards the promotion of small- and medium-sized sugarcane farmers. Production in **Swaziland** is likely to reach 662 000 tonnes, while output for Zimbabwe has been slightly revised downwards to 427 000 tonnes.

Output in Asia up nearly 17 percent

Estimated production in Asia now stands at 58.4 million tonnes, a nearly 17 percent increase over 2005/2006. Producers in the region responded to higher world sugar prices, resulting in sizeable increases in production. For example, dramatic increases in sugar output were witnessed during 2006 in the region: **Bangladesh** up 30 percent, **Malaysia** up 38 percent, **Thailand** up 38 percent, **Viet Nam** up 46 percent. Output in **India** at 25 million tonnes was 20 percent higher than in 2006 and a new record. To support the industry, in April 2007, the India Elections Commission approved a government proposal to offer export incentives (raw and refined sugar products) to those sugar mills most at risk from the steady decline in international sugar prices, a move, which if implemented, could impact price and trade dynamics for the remainder of this marketing year. Further expansion of the domestic sugar sector in **China** has resulted in an estimated output of 11.2 million tonnes for 2006/2007 and reduced the quantity of sugar that China may import this year. **Indonesia**, because of a poorer than expected cane harvest due to very dry weather, has announced plans to import 225 000 tonnes of raw sugar. In Yemen, a group of investors from the country as well as from Spain and Lebanon have announced plans to construct a factory in Hadramout with a production capacity of 600 000 tonnes per year.

Production down nearly 16 percent in the European Union

Significant contraction in the **European Union** sugar output was expected in 2006/2007 as the European Union sugar reforms were implemented. FAO currently estimates EU-25 production at 17.1 million tonnes, down some 3.2 million or nearly 16 percent from 2005/2006, the year prior to the implementation of the European Union sugar reform. Although output increased slightly in Spain, it was uniformly down in the rest of the European Union. The European Commission has proposed to remove all remaining quota and tariff limitations on access to the European Union markets for African, Caribbean and Pacific (ACP) countries as of 2009, as part of the negotiations related to the Economic Partnership Agreements (EPA). The European Union has also approved reduced import tariffs on raw sugar for new member states, Bulgaria and Romania, which will last until 2009.

Estimated output in the **Russian Federation** has been revised upwards, from 3.1 million to 3.3 million tonnes which would be 22 percent above 2005/06. The Government announced that the current raw sugar import tariff will remain at US$140 per tonne. Production in the **United States** is estimated to rise by 15 percent to 7.5 million tonnes comprising 4.5 million tonnes of sugarbeet and 3 million tonnes of sugarcane. The forecast sugarbeet area is some 5 percent lower than 2006, as producers shifted land to maize where feasible, given its currently attractive price and strong and growing demand for ethanol. Sugar production in **Australia** has been revised downwards by 15 percent to 5.1 million tonnes for 2006/2007, given the

Table 9 . World production and consumption of sugar

	Production		Consumption	
	2005/06 *estim.*	2006/07 *f'cast*	2005/06 *estim.*	2006/07 *f'cast*
	million tonnes, raw value			
WORLD	**151.9**	**159.2**	**148.9**	**152.3**
Developing countries	**109.0**	**118.9**	**100.8**	**104.1**
Developed countries	**43.0**	**40.3**	**48.1**	**48.2**
Asia	50.0	58.4	65.9	67.8
Africa	9.9	10.5	14.6	15.3
Latin America and the Caribbean	52.0	53.0	26.4	26.9
North America	6.6	7.6	10.8	10.8
Europe	26.8	24.1	29.7	29.8
Oceania	6.6	5.6	1.5	1.6

drought conditions the country faces, whereas production in **Fiji** is up 25 percent over 2006, as the sugar sector seeks ways to add value, potentially focusing on conversions to organic sugar products.

UTILIZATION

World sugar consumption in 2006/07 is currently estimated at 152.3 million tonnes (raw value), representing a 2.3 percent growth from the revised level of 148.9 million tonnes in 2005/2006. Although still below the long-term average annual growth rate of 2.4 percent, global offtake has been recovering since prices started their decline from the 25-year high recorded last year. The previous FAO estimate of sugar utilization in developing countries is now reduced by about 400 000 tonnes to 104.1 million tonnes, representing an absolute increase of 3.3 million tonnes or 3.3 percent up from the previous year's estimate of 100.8 million tonnes.

Growth in Asia continues to underpin global utilization estimates

More than 60 percent of the increased sugar utilization in developing countries is expected to be concentrated in **Asia**. This reflects a combination of factors, such as large populations, strong demand by the food industry, particularly the bakery, confectionery and soft drinks sectors, and strong GDP growth. Sugar disappearance in **India** is expected to rise to more than 21 million tonnes, driven by economic growth and falling domestic prices. Domestic consumption of sugar in **China** is expected to reach 13 million tonnes, almost 2 percent higher than in 2005/06. Population growth and increased industrial use of sugar in processed foods will continue to underpin sugar disappearance in **China**, the second largest consuming country in Asia. Sugar consumption in **Indonesia** may also increase to 4.3 million tonnes, reflecting the upward trend in household consumption and industrial disappearance.

For developing countries in **Africa**, sugar consumption is estimated at 9.7 million tonnes, almost 400 000 tonnes more than 2006, primarily due to increased consumption in **Egypt** and the **Sudan**, largely driven by population growth. Sugar offtake may reach 26.9 million tonnes in **Latin America and the Caribbean,** although growth rates are expected to slow, reflecting the relative saturation of markets and, in the case of **Mexico**, competition from alternative sweeteners that has intensified following the elimination of the 20 percent tax the Government had imposed on beverages containing high-fructose-corn syrup (HFCS). Uncertainties remain in regard to the impact of the full implementation of the **North American** Free Trade Agreement (NAFTA) and the ability of the industry to satisfy internal demand and at the same time compete for market opportunities in the rest of North America once all three NAFTA markets are fully integrated in 2008.

Sugar consumption in developed countries in the current year is not expected to experience any substantial change, due to long-term and sustained underlying factors, such as a fully saturated market, growing dietary and health-related concerns and low price elasticities of demand. Consumption in developed countries is thus likely to remain at an estimated 48.1 million tonnes. Demand is expected to remain flat in the **EU-25** and the **United States**, at 17.9 million and 9.5 million tonnes, respectively. Marginal increases are expected in the **Russian Federation**, where steady growth in industrial offtake should continue to more than offset declines in sugar consumption at the household level.

MEAT AND MEAT PRODUCTS

PRICES

Meat prices strengthen in 2007 as demand slowly recovers, but rising feed prices are also contributing to the price increase

The global meat market is increasingly characterized by diverging paths between rising production and consumption trends of developing country against the more stable dynamics in the mature markets of developed countries.

FAO's *meat* price index recovered from the low value of 112 which it had reached in March 2006 to 121 points in March 2007 (1998-2000=100). The increase comes in spite of a lower than expected recovery in global meat consumption and larger beef supplies arriving on the international market from Oceania, where drought is encouraging a culling of herds. The price increase affected the three major groups of meat, i.e. bovine, pig and poultry meat, to a similar extent.

Poultry prices, after declining by 18 percent in early 2006 following outbreaks of Avian Influenza (AI) in over 40 previously unaffected countries in Africa, Asia and Europe, have recovered to pre-AI levels. By March 2007, export prices in **Brazil** and the **United States**, which together supply 70 percent of global trade, increased by 20 and 14 percent, respectively, from their 2006 annual averages. Demand continued to recover in previously AI-affected countries, including **Egypt**, **Turkey** and **Viet Nam**, despite a resurgence of the disease in parts of Asia. However, more expensive maize and soybean meal are also behind the strengthening of poultry product prices. These factors were reflected in the FAO poultry price index, which reached 120 in March 2007, a level close to the 2005 average index value, and ten points above the index value in March 2006.

Growth in import demand, particularly from **Hong Kong (SAR)** and **Japan**, in the context of reduced purchases by **Canada** and the **United States**, have lent support to *pigmeat* prices, as reflected in the FAO price index, which

rose from 91 in March 2006 to 98 in March 2007. As for poultry meat, higher feeding costs are also contributing to making pigmeat more expensive.

Tight bovine meat supplies have underpinned *world beef* prices since late 2006, as reflected in the FAO beef price index, which reached a value of 135 in March 2007, up from 125 in March 2006. World exportable beef supplies remain constrained by the slow recovery of trade flows from North America to major Asian markets in the aftermath of Bovine spongiform encephalopathy (BSE) discoveries in 2003. Limited supplies, combined with rising demand, are expected to strengthen beef prices in the short term.

Figure 28. FAO international price index for meat products (1998-2000 = 100)

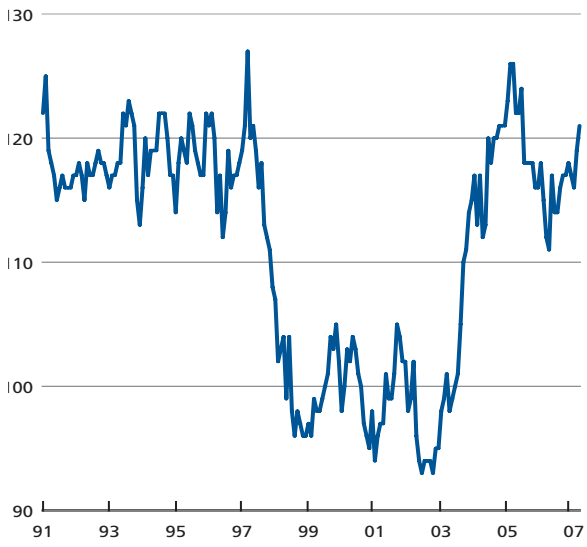


Figure 29. Prices of selected meat products

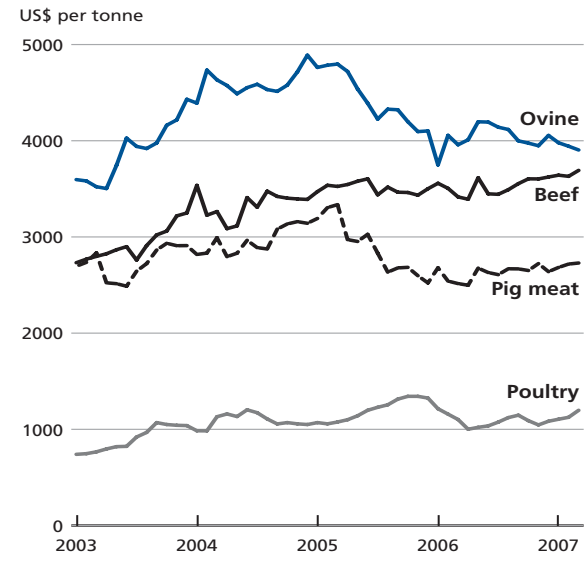


Table 10. World meat markets at a glance

	2005	2006 estim.	2007 f'cast	Change: 2007 over 2006
	million tonnes			%
WORLD BALANCE				
Production	**269.7**	**276.6**	**283.0**	**2.3**
Bovine meat	64.6	66.2	66.6	0.5
Poultry	82.8	84.0	86.2	2.7
Pigmeat	104.0	107.4	110.7	3.1
Ovinemeat	13.1	13.6	13.9	2.1
Trade	**20.9**	**21.0**	**22.0**	**4.8**
Bovine meat	6.6	6.9	7.1	3.2
Poultry	8.4	8.1	8.7	7.3
Pigmeat	4.8	4.9	5.1	3.5
Ovine meat	0.8	0.9	0.9	3.5
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World *(Kg/year)*	39.5	40.1	40.6	1.2
Developed *(Kg/year)*	65.4	66.1	66.8	1.1
Developing *(Kg/year)*	30.9	31.5	32.1	1.9
FAO Price Index				
1998-2000=100	121	115	119[1]	

[1] January - August.

PRODUCTION

Lower industry profitability slows meat output recovery in 2007

Global meat output in 2007 is set to rise by 2.3 percent to almost 283 million tonnes, an increase of over 6 million tonnes from the previous year, within the context of a recovery in consumer confidence in meat products. Around two-thirds of the output gain are expected to stem from expansions in Asia, particularly in China. Continued high economic growth and large populations are supporting domestic consumption in Asia and stimulating the global expansion in meat production. South American potential for much greater output gains could be affected by the surge in feed costs, a low cow inventory in Brazil and recent policy developments in Argentina's beef sector. According to the current prospects, meat production by the developing countries may grow by 3 percent in 2007, reflecting continuous large investments in the sector, more than three times faster than expected for the developed countries. This would leave developing countries' share of global meat output unchanged at around 60 percent, after having risen from 43 percent in the early 1990s.

Beef output is expected to increase fractionally in 2007 to 67 million tonnes. The price recovery is fostering a retention of animals for herd rebuilding and higher feed prices

could negatively affect the slaughter weight of animals. Moreover, **Brazil's** continuously declining stock of cows and **Argentina's** policy measures, such as export taxes and restrictions on beef exports, which have been implemented to keep domestic beef prices affordable and inflation in check, are leading to negative growth in beef output in these two countries. Most of the significant production gains, with the exception of **New Zealand**, are expected to be concentrated in a few developing countries, particularly in the dynamic economies of **China** and **India**.

Positive producer returns in *pigmeat* over the past few years have led to an expansion of the sector in many countries. However, the recent surges in feed prices are set to reduce the growth in global production to just over 3 percent in 2007, or 3.3 million tonnes, to 110.7 million tonnes. Although swine and pork production is becoming more concentrated in the feed grain producing areas of **China**, the strength of feed prices has not yet depressed the expansion of the sector and output is expected to continue expanding at 4 percent, largely sustained by an expanding domestic market. Combined with a favourable outlook in **Brazil**, **Chile** and **Viet Nam**, the share of developing countries in global pigmeat production is expected to rise to almost 64 percent in 2007. By contrast, output gains in developed countries are likely to be rather limited, at slightly over one percent compared with 2006. Only the **United States** and the **European Union** are expected to register more pronounced growth, as the industries responds to positive returns of previous years. For the third consecutive year, production may fall in **Canada**, which exports over 50 percent of its output, constrained by a strengthening of its currency and by the recent surge in feed grain prices, which is coinciding with a cyclical drop in pig prices.

As consumption and prices of *poultry meat* recover, global poultry output is set to increase by over 2 million tonnes to 86 million tonnes in 2007. Growth is mostly concentrated in developing countries, which will account for almost three-quarters of the worldwide gain. Both Asian and South American markets are projected to expand their output by 2.5 and 5.3 percent, respectively, supported by higher prices and a resumption of demand in both domestic and traditional export markets. Poultry production in both **Egypt** and **Turkey**, greatly affected by AI in 2006, is rapidly recovering in 2007, as domestic consumption gathers momentum. Production, however, is still expected to fall short of pre-AI levels. The African continent as a whole shows a healthy 4 percent increase in poultry production, but this could be hindered by the persistence of AI in countries including **Côte d'Ivoire**, **Ghana**, **Nigeria** and the **Sudan**.

Global Ovine meat output is expected to reach 13.9 million tonnes in 2007, an increase of 2.1 percent from 2006. For the most part, this growth is expected to be concentrated in Asia, which accounts for more then 60 percent of global production, and in particular in **China**, the **Islamic Republic of Iran** and **Pakistan**. The production prospects for **Australia** and **New Zealand** are quite erratic, due to the unfavourable weather situation. This is making it difficult to assess whether the drought-induced slaughter in **Australia** will stop shortly or if producers may be forced to sell some of their core breeding stock in response to the lack of feed and water. Output in **Argentina**, and particularly **Uruguay**, is fast recovering, largely sustained by government programmes aimed at reviving a sector that has been severely constrained since the late 1990s by low wool prices.

UTILIZATION

Slower consumption recovery despite changing consumer attitude related to AI

As global economic growth for 2007 remains vigorous, increased consumer confidence together with reduced disease outbreaks could result in higher meat demand in **developing Asian countries**. On the other hand, the more mature meat markets in **developed countries** are expected to record only a modest increase in demand in 2007.

As human health concerns related to AI abate, per capita meat consumption looks set to rise by one percent to almost 41 kg per year, which is above pre-AI level. As consumers in developing countries diversify their diets away from staple cereals and adopt more western diets and consumption practices, about 80 percent of the growth in meat utilization is expected to occur in these regions. While per capita levels in developing countries are set to rise by a little more than 0.5 to 32 kg in 2007, this level still is less than half of that in developed regions.

TRADE

Meat trade outlook sustained by a reduction in disease-related trade restrictions

Animal disease outbreaks in recent years have affected established trade patterns for meat products and created short-term imbalances in major net exporting countries, allowing disease-free exporting countries to gain an increased share of the market.

The recovery in consumption could pave the way for almost 5 percent rise in *meat* trade in 2007, to 22 million tonnes. While trade prospects for most meats appear favourable, the poultry sector is set to account for 59 percent of the overall expansion, benefiting mostly from a lifting of AI-related trade restrictions. In 2004, **Brazil** surpassed the **United States** as the largest meat exporter and has maintained around 25 percent of the world market share since then. **Brazilian meat** exports are set to expand by 9 percent in 2007, supported by increased demand in traditional Near East and African markets. *Global meat* imports are set to increase in 2007, in particular in **Europe**, **China** and **Japan**. After a decline in 2006, meat import

dependency of LDCs is forecast to rise from 8.0 percent in 2006 to 8.7 percent in 2007.

Following a 3 percent AI-induced drop in *poultry* trade during 2006, global shipments are estimated to expand by over 7 percent to a record of 8.7 million tonnes in 2007. For 2007, poultry exports by **Brazil** and **United States** are expected to increase to around 3 million tonnes, each. Together, both countries contribute almost 70 percent of world poultry exports, although supplying different products: mostly brown meat in the case of the **United States** and whole birds and white meat in the case of **Brazil**. With global poultry meat demand recovering to 86.2 million tonnes, many of the AI-affected regions in Africa and Asia are resuming traditional importing patterns. In 2007, poultry import demand from developing countries has been even stronger than in the pre-AI era, with much of the strength originating in **China**, which is becoming the world's largest importer, but also in **Kuwait** and **Venezuela**. Within the developed country grouping, imports by the **European Union** are expected to surge to one million tonnes, about 20 percent more than in 2006. The increase could be facilitated by a World Trade Organization (WTO) panel decision that led the **European Union** to open a new import quota of 264 245 tonnes of salted chicken, of which 170 807 tonnes with Brazil and 92 610 tonnes with Thailand. By contrast, purchases by the **Russian Federation**, the world's second largest poultry importer, are set to increase by less than one percent, as domestic production stages a recovery. As for Japan, the world's third largest importer, imports may decline by almost 2 percent, due to oversupply in its market. Nevertheless, imports of processed poultry products, which now account for almost 50 percent of the total, are expected to increase further in 2007, with the bulk originating from **China** and **Thailand**.

Trade prospects for *pigmeat* in 2007 are bright, with world imports and exports forecast to rise by 4 percent to 5.1 million tonnes in 2007. Deliveries to **Japan**, the main importing country, are anticipated to rebound by almost 7 percent in 2007, to 1.2 million tonnes. In Asia, significantly larger purchases by **Hong Kong (SAR)**, **Singapore**, the **Republic of Korea** and the **Democratic People's Republic of Korea** are also anticipated. The **Russian Federation**, the second largest pigmeat importing country, is also foreseen to raise its purchases by 7 percent, largely of high quality pig meat. By contrast, **Canada**, the **United States** and the **EU-27** may import less than 2007. Much of the expansion in pigmeat trade is expected to be sourced from the newly enlarged **European Union**, the **United States** but also from **Brazil** and **China**. *Pigmeat* exports from **Canada** are likely to decline mainly reflecting larger outflows of live pigs to the **United States**.

Bovine meat trade is expected to register a 3 percent growth to 7.1 million tonnes in 2007. Increased purchases by the **United States**, mainly consisting of low quality cuts, will help overcome domestic supply constraints, as the country is in a herd rebuilding phase. The anticipated trade growth also reflects expectations of larger imports by **Chile**, **Egypt** and **Japan**, where production is not keeping pace with consumption. On the export side, much of the expected expansion should originate in **Brazil**, **New Zealand** and the **United States** while exports from **Argentina**, **Australia** and **Canada** may decline, amid limiting factors, such as export policies, adverse weather, reduced cattle inventories or currency appreciation. Exports from **Brazil** are anticipated to increase by some 8 percent and surpass 2 million tonnes in 2007, with major markets in **Egypt**, the **European Union**, the **Islamic Republic of Iran** and the Russian Federation. However, the rise in exports from the country may be dampened as the Russian Federation is looking to diversifying the origin of its beef imports and the **European Union** is becoming increasingly concerned about Brazil's Foot-and-Mouth Disease (FMD) policy. Brazil's beef exports may displace products from Uruguay, the exports of which are anticipated to decline somewhat compared with 2006. Although recovering, beef sales from the United States are forecast to remain below its pre-BSE level, given the slow recovery of demand from **Japan**. This is mainly due to the introduction of a monitoring period to assess the level of acceptance of the **United States** beef by Japanese consumers and strict import conditions imposed on beef from the **United States**. The European Union exports are forecast to slump to one of the lowest levels ever recorded, confirming the trend witnessed after implementation of the CAP Reform.

Trade in *sheep meat* is forecast at 0.9 million tonnes in 2007, more or less unchanged from 2006. With reduced lamb supplies, partly owing to lower ewe numbers, sheep meat exports from **Australia** are expected to fall by almost 9 percent. This contraction is expected to be compensated by a 13 percent increase in exports from **New Zealand**. The country's lamb industry is experiencing a difficult period domestically, as producers face competition from alternative meat, especially poultry and pork, which is fostering a liquidation of sheep herds. Consequently, available quantities for export are high. Shipments from Oceania, which comprise 85 percent of global exports, are being stimulated by higher import demand in **China**, **Europe**, **Mexico** and **North America**.

MILK AND MILK PRODUCTS

PRICES

Markets are surprised by a record price spike

International market prices of dairy products have risen sharply since the December Food Outlook. The extent of the price surge has been remarkable: FAO's index of

international dairy product prices has increased 46 percent between November 2006 and April 2007, when it reached a record value of 213 (basis 100 in 1998-2000) (see Figure 30). Prices for milk powders have soared even higher: skim milk powder (SMP) and whole milk powder (WMP) prices have increased by 56 and 61 percent respectively, since November. Cheese and butter prices have increased by a more modest 18 and 34 percent, respectively. Record prices for all products are due to both short-term and underlying structural causes. However, the size of the price spike for milk powders is primarily attributable to the exhaustion of public stocks in the **European Union**.

Robust income growth in the **Russian Federation** and in many developing countries, especially in Asia, but also in oil exporting countries of Africa and Latin America and the Caribbean continues to drive the demand side for dairy products. Furthermore, the United States Dollar devaluation has moved prices of dairy products higher since these are denominated in that currency, even though they are traded largely among non-US currency areas.

However, the essence of the price spike lies on the supply side where global milk production has not kept pace with strong demand. Successive droughts in **Australia** have limited its milk product exports, while export taxes in **Argentina** have hindered its supply response. A six month suspension of SMP exports in India has eliminated its presence from world markets. High feed grain prices have also curtailed profitability in many feed intensive dairy sectors. Finally, and perhaps the most significant factor in recent times is current policy reforms in the **European Union**, which have resulted in a drastic reduction in public stocks of dairy products, especially milk powders, and a steep cut in the European Union's export subsidies, in both value and quantity terms

Is there a price ceiling?

How high may dairy product prices go? The answer to this question lies largely in the effective protection that is currently offered by various market access barriers of key milk producing/consuming countries. As Figure 31 illustrates, international dairy prices have risen so much that the equivalent international price of milk is now very close to levels prevailing in the **United States** and the **European Union**, enabling them to export without subsidy. Larger supplies from these countries would contain further world price increases. As for individual dairy products, prices of milk powders are now far too high relative to the other milk products. For example, the ratio of WMP to cheese prices has averaged about 0.85 in 2003-2006, but the ratio now stands at 1.25. Market correction should bring those prices closer into line, as processors allocate more production to powders and less to other underpriced dairy products, eventually resulting in a weakening of milk powder prices, possibly by September 2007.

Figure 30. Monthly index of international prices of selected dairy products (1998-2000 = 100)

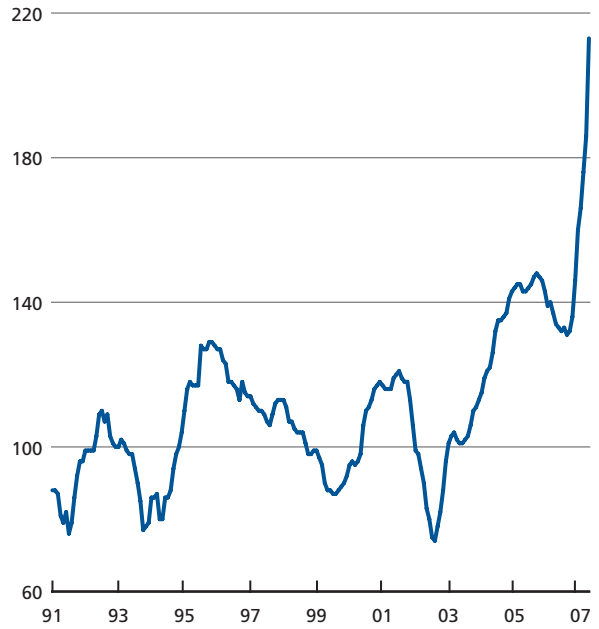
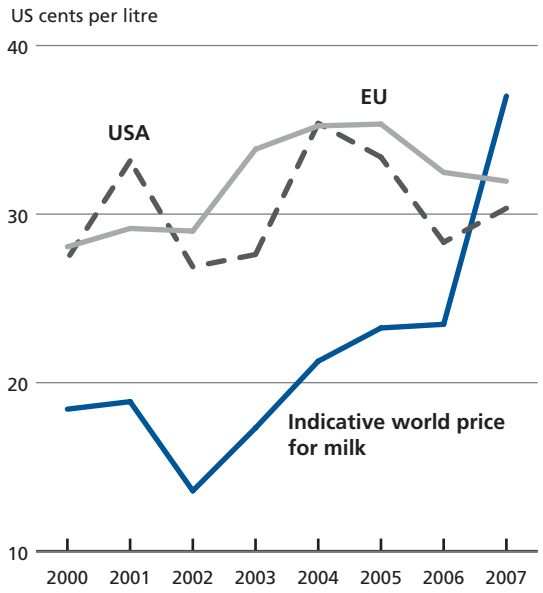


Figure 31. Prices of manufacturing milk in selected countries, and the indicative world price



Indicative world price based on butter and SMP prices, less than 15 percent processing charge. 2007 numbers as of May.

Who is affected by high international dairy product prices?

With less than 7 percent of milk production (in milk equivalents) traded on international markets, what do recent high international product prices imply for producers and consumers? Dairy markets are complicated by substantial domestic and trade policies that completely insulate them from international price volatility in many developed and developing countries. Prohibitively high tariffs and restrictive tariff rate quotas are prevalent. For instance, in **Canada**, **India**, **Japan**, the **European Union** and the **United States**, the dairy sectors are largely unaffected by international price variation. In many developing and especially least developed economies, the dominance of informal markets, which are not integrated with international markets, also limits the impact both on consumers and producers in those countries. On the other hand, high world prices are transmitted in key importing countries in Southeast Asia but also **Algeria**, **Mexico** or the **Russian Federation** and are reflected in their import bills. For emerging exporting countries such as **Argentina**, **Urkraine** and **Uruguay**, high international prices offer a substantial growth opportunity to producers.

PRODUCTION

Faster growth in dairy production foreseen in 2007

High milk prices are expected to boost growth in global milk production from 2.3 percent in 2006 to 2.7 percent in 2007, when it may reach 675 million tonnes. The expansion is being encouraged by higher milk prices and gains in productivity in certain developing countries, as well as in emerging exporting countries, where producers have been benefiting from the rise in world prices. Growth for developing countries is expected to reach 4.8 percent in 2007, sustained by an expansion in **Argentina** (+8 percent), **Brazil** (+3 percent), **China** (+18 percent), **India** (+3 percent) and **Pakistan** (+4 percent). By contrast, milk production in Africa continues to languish, with no gain expected this year. Growth in the developed countries, which rely mostly on intensive feeding systems, is expected to remain below one percent, dampened by high feed costs. This assumes production would expand by one percent in the EU-25 after declining in 2006. Drought problems in **Australia** are estimated to constrain production in 2007 to less than 10 million tonnes.

Fastest growth continues in Asia

In Asia, where growth in milk production has been the fastest globally, two broad types of dairy industries exist. In some countries, such as **India** and **Pakistan**, where there has been a strong dairy tradition, markets remain largely insulated from international price variations, although some market opening has started. For these countries, output growth has remained firm, sustained by increases in domestic demand, fuelled by economic and demographic growth. In the case of **India**, rapid domestic income growth, exceeding 6 percent, pushed milk prices higher in 2006 and 2007. Total milk output is expected to grow by 3 percent in 2007. The tendency for domestic prices to rise was accentuated by the country's recent entrance onto the world SMP market as an exporter, which led the Government to impose a six month ban on milk powder exports in January 2007. As for **Pakistan**, the world's fifth largest dairy producing country, the domestic sector is largely disconnected from world markets, but investments in milk processing are occurring at a fast pace, with milk output expected to rise by about 4 percent in 2007.

Asian countries with a weak tradition in dairy are among the most open importers, but also those recording the fastest expansion in production. Domestic demand is growing rapidly in these countries, often outpacing production. As a result, milk powder imports occur for purposes of re-constitution in order to supplement the milk supply. **China**, where domestic demand and supply have been growing at more than 20 percent per year for the past several years, is the best example; for the current year, growth in the country is forecast at 18 percent. Other large importers of milk powders, such as **Indonesia**, the **Philippines** and **Thailand**, may react to the high international prices by curtailing the growth of their imports while promoting domestic production.

Production will grow strongly in Latin America and the Caribbean

Many countries in Latin America and the Caribbean are open to trade and are emerging as important dairy exporters. **Argentina** is the prime example, and current high prices of dairy products, while muted by export taxes, are stimulating milk production and milk product exports, primarily cheese and WMP. Milk production in Argentina grew 7 percent in 2006 and may grow by 8 percent in 2007 given strong milk prices. Growth will be affected by high crop and feed grain prices that both reduce availability of pasture land and affect dairy profitability. **Uruguay**, the other main dairy

exporting country in South America, may see output expand by 4 percent, adding to its growing export potential. Net importers in the Latin America region are also expanding production, amid high international prices. Output in **Brazil** is expected to expand by 3 percent or more in 2007, which may again position it as a net exporter. **Mexico**, which has been the largest SMP importer, may expand milk output by one percent in 2007. **Chile**, **Colombia** and **Venezuela** are set to expand output by 6, 4 and 2 percent, respectively.

Dairy production to recover somewhat in Africa

Milk production in Africa remains largely inert to international price movements, given the low participation of producers in its formal milk sector, and hence little or no production response to recent high world prices is anticipated. African milk output is expected to recover somewhat in 2007, after falling slightly in the two previous years. The region's import dependence on milk products is growing and consists almost exclusively of milk powders, which will expose it to a large increase in import bills this year. The decline in milk production in **Egypt**, which reached a cumulative 20 percent in the past two years because of animal disease problems, is expected to be contained by policies to promote production. However, **Kenya's** output is expected to fall by another 3 percent as its industry is restructuring. **South Africa**, a net importer of dairy products subject to a tariff quota and internal price setting, is expected to see output shrink by a further one percent in 2007, as higher maize prices impact on milk profitability.

Figure 32. EU stocks of butter and skim milk powder

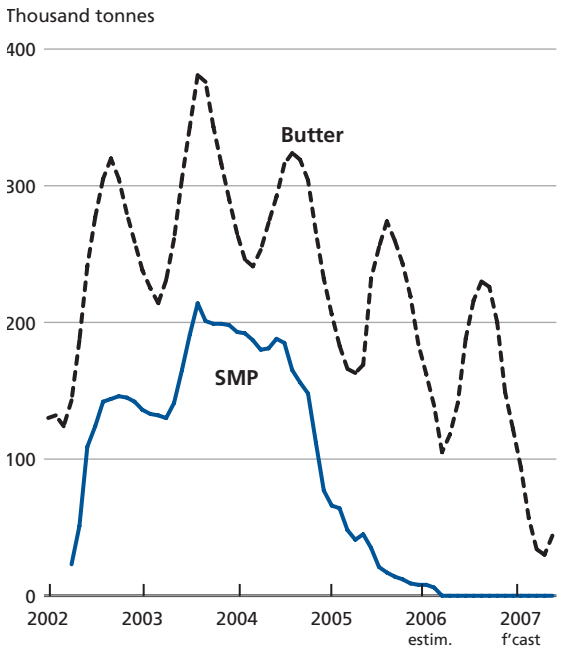
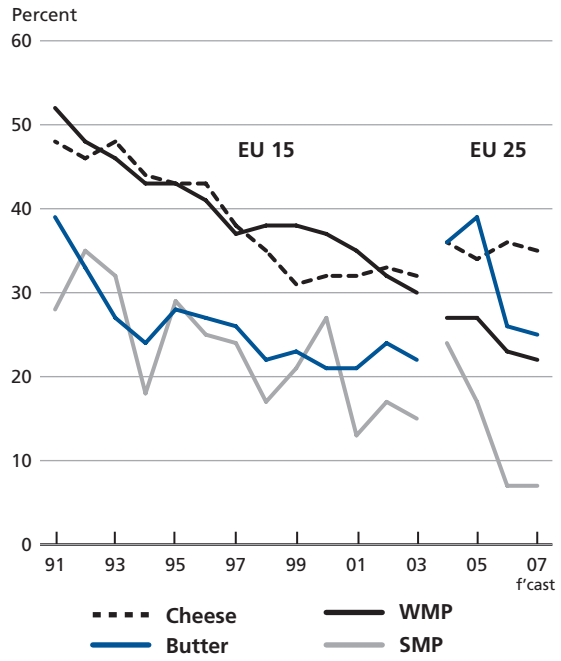


Figure 33. EU export shares of world market



Output in North America to slow

While milk output in **Canada** is expected to fall modestly, in line with domestic demand, that of the **United States** is anticipated to increase by one percent, as the positive effect of higher dairy product prices is tempered by higher feed costs. While the country is largely insulated from world markets for butter and cheese, it remains the largest or second largest SMP exporter and the principle supplier of high value milk components, such as whey proteins. As its linkage with world markets is increasing, continued gains in international prices could position the United States as a competitive and large supplier of a wider range of dairy products.

Will milk output recover in Europe?

Due partly to weather related factors, milk output in the EU-25 fell by almost one percent in 2006, further reducing its excess milk supply and surpluses of dairy product. In 2007, more normal weather could foster a one percent recovery in milk output in the 25 member states to 147 million tonnes, although higher feed costs and the decoupling of subsidies from production in some member states may limit the size of the rebound. In January, 2007 the accession of **Bulgaria** and **Romania** to the European Union has added an additional 7 500 thousand tonnes to the milk supply or about 5 percent of European Union production. These two countries have been largely self-sufficient in milk products and milk production has been also stable, so accession will not significantly affect the European Union's trade position.

Policy reforms in the European Union have progressively changed the economics of its milk production, by reducing incentives to produce and encouraging domestic consumption. The reduction in support prices for SMP and butter, which started in 2003, will be completed in 2007. Milk product stocks have been progressively lowered (see Figure 32). As a result, export refunds have also reduced to zero for both SMP and WMP and to historically low levels for butter at €750/tonne and cheese at €348/tonne. The **European Union's** shares in the export markets of the key dairy products have continued their descent (see Figure 33). As a result, the European Union may lose its global position as the largest milk product exporter, in volume terms, in favour of **New Zealand**.

Growth in Oceania reduced by drought in Australia

While producing only 4 percent of world production, Oceania is the largest milk product exporting region, with a market share of over 35 percent. Successive droughts and policy reform (2000) have contained **Australia's** milk production to levels below ten years ago. For the 2006-07 marketing season (ending June), milk output is expected to tumble a further 7 percent as drought took hold at the end of 2006 and was sustained through to May 2007. Milk output in **New Zealand** is expected to increase by only one percent in the 2006-07 marketing season (ending May), also as a result of poor growing conditions. Such reduction in milk supply will imply that the region will struggle to sustain milk product exports.

TRADE

In milk equivalent terms, total milk product exports are expected to increase marginally in 2007 compared with 2006, as a decline in exports by **Australia** and the **European Union**, the key exporters, is expected to be more than offset by increased sales by **Argentina** and **New Zealand**. Over the year, a key question is how the export situation will evolve from **Australia** and the **European Union**. A further concern is how much emerging exporting countries can respond to higher prices. While exports from these countries may expand, the size of their market shares is small and they cannot be expected, in the short term, to cover the existing excess import demand for some time. Finally, a further issue is how worldwide milk product production and export will respond to the current misalignment in prices. Current price ratios suggest that more milk will be allocated for additional production and export of milk powders and less for butter, cheese and other currently undervalued dairy products.

Whole milk powder (WMP) trade set to increase further, despite high prices

Import demand for WMP remains firm and it is expected that, despite current high world prices, trade will increase by 2.4 percent in 2007 to another record level, especially as a good proportion of imports are pre-paid on longer-term (six month) contracts. **Algeria**, the largest importer of WMP, is anticipated to increase its imports by only one percent in 2007, as higher prices restrain demand and domestic schemes to enhance milk production to substitute for imports take some effect. **China**, the second largest importer, is anticipated to purchase 15 percent more WMP in 2007, largely because strong domestic demand continues to outstrip supply. By contrast, high import prices may lower purchases by **Indonesia** this year. As for exports, **Argentina** and **New Zealand** are set to increase shipments by 5 and 14 percent respectively as high prices induce higher production. However, as outlined earlier, both **Australia** and the **European Union** are expected to reduce their deliveries. Overall, increased export supplies (following a reallocation of milk processing and exports) are expected to reduce WMP price by the end of 2007.

Will the USA moderate the skim milk powder (SMP) market?

Largely reflecting lower exportable supplies by the **European Union**, skim milk powder (SMP) exports have stagnated in recent years, Developing countries account for over 90 percent of world imports of SMP. **Mexico** is the largest market, but the prevailing high world prices are now expected to reduce its imports in 2007, including the amounts that can be purchased on food assistance budgets. The decline in imports, however, also reflects government programmes, which are stimulating domestic milk production. **Algeria** is the second largest importer of SMP, and its imports will also moderate in 2007 as efforts are made to expand domestic production. Over 60 percent of SMP imports are destined to Asian countries, especially those experiencing fast income growth.

Buoyant world prices have attracted more products into international markets to satisfy rising demand for milk protein. Increasing significantly have been both sales from **New Zealand** and the **United States**, which are now the top two global exporters. The **European Union's** export share has fallen drastically in recent years. Since 2004, exports by the **United States** have been undertaken without export subsidy. As the second largest producer of SMP, after the **European Union** and with current world prices above domestic prices, it is likely that the **United States** will increase its exports to take advantage of the global market buoyancy. These are now expected to show a moderate increase in 2007. **India** remains a major uncertainty for the market: if its current ban on SMP exports is not extended beyond August 2007, a major question is how much might the country export and how will this impact world markets.

Butter and cheese trade to remain stagnant

Since 2004 both butter and cheese trade has remained largely stagnant, while prices have risen further. In 2007, global butter exports are foreseen to decline by 2.3 percent, largely as a result of lower availabilities from the **European Union**, while cheese exports may increase modestly by 1.2 percent, as larger supplies from **Argentina** become available. Compared with other milk products, the proportion of butter and cheese exchanged among developed countries is higher, at 38 percent and 64 percent, respectively. As demand in these countries is less dynamic and also because butter and cheese are more subject to tariff rate quotas in various countries, their prices have not risen to the same extent as the other milk products. The divergence in prices is expected to lead to additional milk production allocation to the other products, as margins are equilibrated.

Table 11. Exports of dairy products

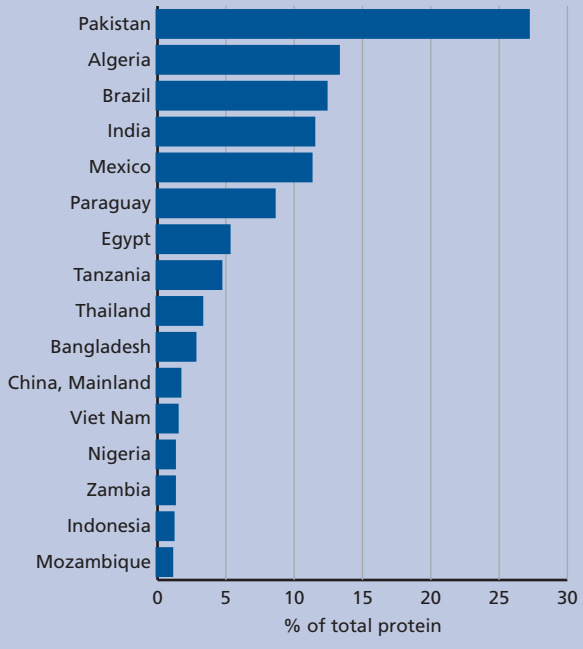
	2005	2006 *prelim.*	2007 *f'cast*
		thousand tonnes	
WHOLE MILK POWDER			
World	**1 771**	**1 786**	**1 830**
New Zealand	585	645	677
EU-25[3]	486	412	394
Argentina	161	211	240
Australia	157	169	160
SKIM MILK POWDER			
World	**1 000**	**1 160**	**1 144**
USA	281	292	297
EU-25[3]	189	84	70
New Zealand	221	316	340
Australia	166	184	165
BUTTER			
World	**901**	**881**	**861**
EU-25[3]	310	231	221
New Zealand	320	386	405
Australia	68	81	73
Ukraine	24	18	20
CHEESE			
World	**1 561**	**1 566**	**1 585**
EU-25[3]	536	565	565
New Zealand	263	299	299
Australia	208	209	195
Ukraine	116	50	60

[1] Excluding trade between the 25 European Union Member States.

Is there an impact on food security?

As international dairy product prices, in particular for skim milk and whole milk powders, have surged, questions have been raised about their impact on food security. In general, not much effect is anticipated. First, for certain developing countries, such as Pakistan, milk consumption provides a large portion of daily protein needs, but for others, such as Mozambique, the contribution is very low. Second, high international prices for milk powders do not necessarily translate into high consumer prices for milk, as some countries, such as Pakistan, do not import milk products. Thus, domestic markets are not affected by international price variation. In addition, final consumer prices also include other input costs such as further processing and labour. Third, milk products are not generally used extensively in international aid programmes. For example, milk powder represents only 0.2 percent of food aid provided by the World Food Programme (WFP). Such aid however, is directed to nursing mothers and hence high prices could affect budgets for these programmes. In addition, there are exceptions. Higher international prices will affect some agencies such as Mexico's Liconsa, which is one of the largest purchasers of milk powder for distribution in support of Mexico's social programmes. As milk consumption grows globally, and as markets become more integrated with trade reform and globalization, milk product price variation will have greater impact on food security.

Figure 34. Share of milk in total protein consumption for selected developing countries

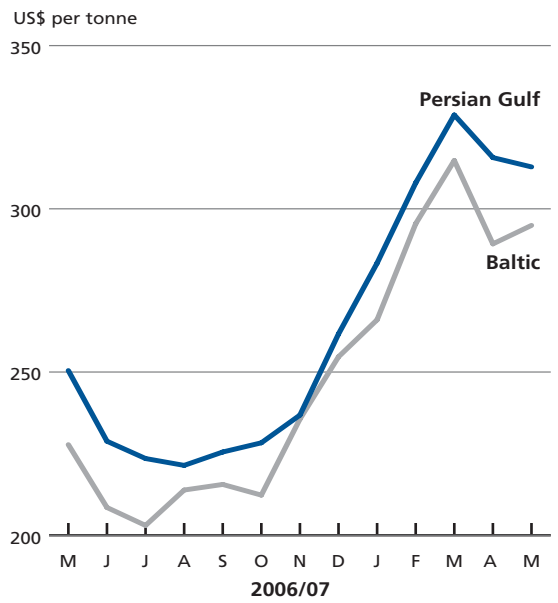


FERTILIZERS

UREA

The strengthening in urea prices continued in May 2007, largely in response to **India** procuring about one-third of its expected annual import requirements. The seasonal slow down in demand in the **United States** and in Europe, however, could dampen further price pressure which could be brought about by additional import demand from **India** and from countries situated in Latin America and the Caribbean. The persistence in high prices generally reflects tighter markets, partly resulting from increasing fertilizer applications to grain crops in response to rapidly expanding biofuel production, especially in the **United States**. In that country, urea purchases are sourced from **Canada**, **China**, **Egypt**, **Saudia Arabia** and **Venezuela**. In **Indonesia**, UREA application has been affected by adverse weather conditions which could prompt increased international purchases by the country. Demand in **China** is expected to strengthen in anticipation of summer plantings. Ample supplies in **Pakistan** could see the country exporting in the near horizon.

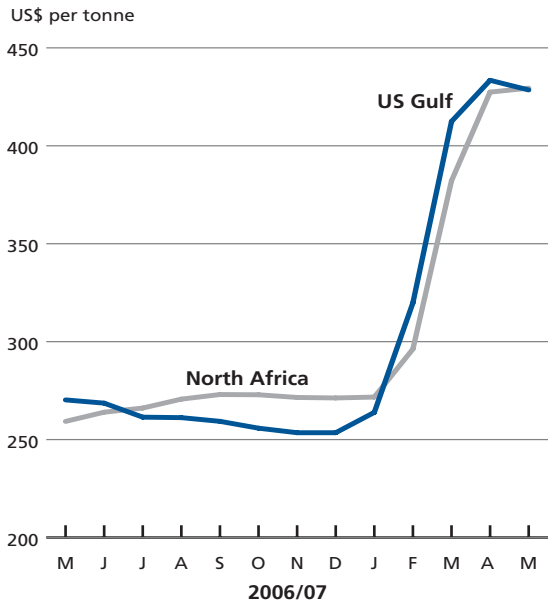
Figure 35. UREA prices



DIAMMONIUM PHOSPHATE (DAP)

Sustained growth of demand for diammonium phosphate (DAP) in the wake of supply constraints, suggests higher prices in the near future. Import demand for DAP is currently limited to **India**, while **Pakistan** and countries in Latin America may enter the international market at a later stage. Moroccan phosphate exports, except Mono ammonium phosphate (MAP), have recorded fast growth. In the **United States**, DAP production and exports marginally declined, while both rose in the case of MAP. Short-term prospects for export availabilities have deteriorated following **China's** imposition of a 20 percent export duty on selected phosphate products. In Europe and the **United States**, manufacturing of compounds and stock replenishing for autumn plantings are being undertaken. In **Pakistan**, DAP demand surged by about 50 percent from 2006 in response to the implementation of a revised fertilizer subsidy policy, which is scheduled for review in mid-2007. In **Viet Nam**, DAP is reportedly in short supply and further imports are scheduled. DAP availability in **Argentina** and **Brazil** is sufficient for the time being, but demand could rise as the season progresses.

Figure 36. DAP prices



MURIATE OF POTASH (MOP)

Muriate of Potash (MOP) prices have generally remained firm over the last two years and rising demand in Asian markets from North America could pave the way for further price increases. Imports by **China** increased by one-third. Exports from **Belorussia**, **Israel** and the **Russian Federation** have risen owing to strong MOP demand in **Brazil**. In Europe, potash suppliers were reported to be heavily committed, with low stocks remaining to meet unexpected demand. In North America, potash production and exports increased and inventories have been reduced. The MOP market situation in

the Russian Federation is buoyant, as domestic demand shows high growth. Continued tight supplies in the United States and the need to meet large import requirements from India could prompt further MOP price increases in the near future.

Figure 37. MOP prices

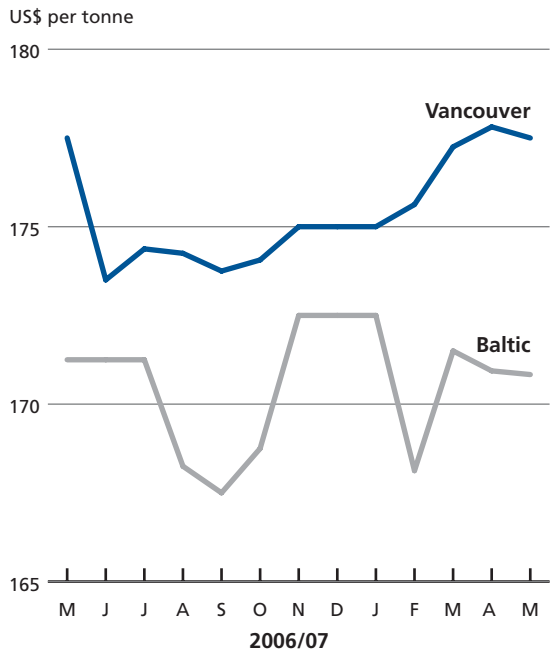
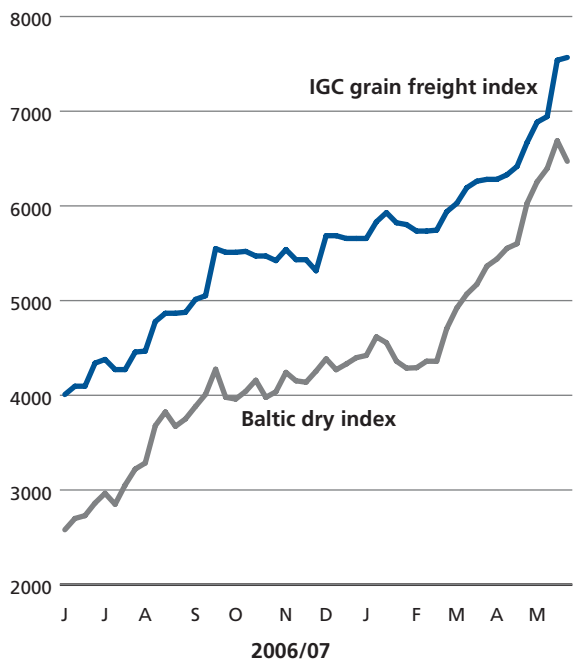


Figure 38. Baltic dry index



OCEAN FREIGHT RATES *

* Contributed by the International Grains Council (http://www.igc.org.uk)

Ocean freight market (November 2006 – May 2007)

Dry bulk freight rates surged to record highs in recent months due to continuing strong mineral demand in China and increased grain and soyabean shipments. The Capesize sector led the market on heavy demand and tight supply of tonnage caused by port congestion and weather delays. The Panamax sector benefited from the splitting of larger shiploads into Panamax-sized parcels. Some of the ships on longer timecharters were being re-let at a sizeable premium. Short and longer period charters continued to dominate. For grains, major support in the Atlantic came from business from South America, following larger than expected maize and soyabeans crops. The Baltic Dry Index (BDI) set a new record of 6 688 points on 15 May, but retreated slightly thereafter, to close at 6 471 on 22 May, an increase of 62 percent over the past six months. During the same period, the newly introduced IGC Grain Freight Index (GFI) [6], which does not include Capesize vessels, rose by 38 percent, to 7 568.

In the **Panamax** sector, Pacific rates were boosted by large volumes of iron ore and coal shipments to China. Voyage rates from the east coast of India were particularly strong, with a recent fixture to China reported at US$59 000 daily. Congestion in Australia's Newcastle port, the world's largest coal terminal, continued to tie up tonnage. Short period activity ranged between US$40 000 and US$42 500 daily. With regard to longer-term period charters, a two-year contract was recently concluded at US$30 500 daily. Atlantic rates remained stronger than in the Pacific due to solid demand for South American grains and soyabeans, and tight supply of ships in early positions, with transatlantic rates increasing to US$50 000-US$52 000 daily compared with US$28 000 in October 2006. The grain rate from the United States Gulf to Japan surged by US$16.00 over the period, to US$64.00/tonne. A one-year charter was recently fixed at US$41 000/day.

Capesize rates strengthened further on heavy mineral demand, limited new building deliveries and port congestion in Australia, Brazil and China. China's imports of iron ore, with volumes rising by about 23 percent in the first quarter

[6] The GFI distinguishes grain routes from mineral and other dry bulk routes also included in more general dry bulk indices such as the Baltic Dry Index (BDI). The new GFI is composed of 15 major grain routes, representing the main grain trade flows, with five rates from the United States, and two each from Argentina, Australia, Canada, the European Union and the Black Sea. Vessel sizes are adequately represented, with ten Panamax rates and five in the Handysize sector. The GFI will be calculated weekly, with the average for the four weeks to 18 May 2005 taken as its base of 6 000.

of 2007, remained the dominant market factor. By mid-May, increased chartering enquiries in the Atlantic lifted round trips to about US$110 000 daily. The benchmark iron ore rate from Brazil to China was recently traded at about US$51.00/tonne. Pacific round trips increased from US$70 000 to US$96 500 daily, on improved demand by China.

In the **Handysize** sector, good demand for South American grains, soyabeans and sugar, as well as a shortage of vessels in prompt positions, pushed Atlantic voyage rates higher, with a recent grain fixture from Argentina (River Plate) to Morocco reported at US$73.50/tonne. Since October 2006, the grain rate from Brazil to the European Union (Antwerp-Hamburg) increased by 50 percent, to US$69.00/tonne. Strong demand for tonnage in the Mediterranean and in the Black Sea continued to push rates higher. Handymax rates in the Pacific basin also advanced, especially in the Indian Ocean, with a voyage rate from the east coast of India to China recently reported at US$40 000 daily. Pacific round trips were quoted at about US$36 500 daily in May.

Special features

COMMODITY EXCHANGES AND DERIVATIVE MARKETS – A GLOBAL BOOM[7]

In May of this year, FAO organized a one and a half day conference in conjunction with an important FAO intergovernmental meeting which discussed developments and prospects in world grains and rice markets.[8] The conference was held in Istanbul, Turkey, and was entitled "Commodity Exchanges and Their Role in Market Development and Transparency." The Participants from multiple countries and organizations addressed an international audience on the evolution, developmental experience and prospects for commodity exchanges and derivative markets. Experiences on exchange development were relayed by representatives from several countries, including Argentina, Botswana, China, India, Malawi, Turkey, Ukraine, and the United States. Speakers from the international organizations such as FAO, the United Nations Conference on Trade and Development (UNCTAD) and the Common Fund for Commodities (CFC) also contributed by providing statistical and thematic overviews of the cereal sector and by describing the increasing trend towards the application of risk mitigation solutions to agriculture. A variety of important related issues were raised during the conference, including matters of concern to rural development, credit extension, product options, crop insurance and income support. FAO is planning to make available the proceedings of this conference later this year.

On a global basis, commodity exchanges and derivative markets are booming. Based on a new model that embraces electronic platforms, strict surveillance standards and a comprehensive approach to rural development, commodity and derivative trading has garnered government support in a host of emerging countries. According to the Bank for International Settlements, the notional volume of exchange traded derivatives has topped a quadrillion dollars, exceeding by multiples the volumes traded on the world's stock exchanges. Significantly, because of renewed focus on food security and the surge in biofuel development, agricultural trading has taken the lead among commodity sectors, experiencing a compound annual growth rate of 32 percent since 2001.

A confluence of several factors has contributed to the growth of agricultural exchanges and derivative markets. Market liberalization since the 1990s has been critical: declining trade barriers have exposed the world to competitive forces. In addition, reductions in domestic support price programmes and the replacement of commodity price supports with direct income supports, as achieved by the European Union, have propelled the need for risk management solutions. Some countries, such as Argentina, Brazil, New Zealand and South Africa now operate in a subsidy-free environment.

A surge in capital market development and emerging markets' productivity (now 50 percent of the world's GDP) is another factor in agricultural exchange growth. Capital is flowing into emerging markets and into sectors previously state controlled. Many new exchanges and derivative markets are private sector initiatives that envision the vast opportunities to be tapped from in these free market environments. This is particularly true in India where the major exchanges fiercely compete on products and franchise development. Plans to repeat the Indian success are now drawn for Africa. Moreover, as commodity prices respond to elevated consumer demand, they are increasingly viewed as alternative investments. Exchange volumes have attained record levels in countries such as Argentina, Canada, China, Japan and the United States that trade basic foodstuffs, grains, oilseeds and sugar, as these products are progressively viewed as energy alternatives.

National identity is also proving a significant determinant of agricultural exchange development as countries prefer products that correlate with domestic trade practices and prices in terms of quantity, quality and currency. As ocean freight rates have soared recently, local products can eliminate the basis risk associated with importation.

Finally, technological advancement has been the facilitator of rapid exchange development. Both commodity exchanges and derivative markets have embraced the instant trade and price dissemination capabilities of electronic platforms. Many exchanges, such as those in India and Africa and one planned in Australia are using mobile phones for price information and trading. Governments are readily endorsing such systems as they are more transparent and suitable to regulatory oversight.

Derivative markets and commodity exchanges are becoming significant drivers of rural development. As the two link together, they become important centres for supply chain integration, producer planting decisions and credit extension. By employing electronic trading, they are integrating fragmented markets across space and time, promoting producer "pricing power" and boosting incomes. Commodity exchanges that choose to become accredited warehouses to participate in the derivative market delivery process are upgrading marketplace infrastructure and grading techniques. Commodity and derivative markets are also serving as knowledge centres, allowing producers to learn valuable farm and marketing skills and to create products with quality rewards. By revealing a spectrum of deferred prices these markets are also encouraging the rational use of storage and enabling producers to avoid the traditional practice of selling during harvest time lows. In short, modern commodity exchanges and derivative markets are bringing a much needed revolution to the world's agricultural economies.

[7] This special feature is courtesy of ANNE E. BERG, Independent consultant and commodities market expert. Ms Berg also assisted in organizing the conference and was among its key speakers. She can be reached at: a.e.berg@netzero.com

[8] Papers presented at the meeting can be downloaded from the following site: http://www.fao.org/es/ESC/en/20953/21026/21634/event_110580en.html

Statistical appendix

STATISTICAL NOTES

General

- FAO estimates and forecasts are based on official and unofficial sources..
- In all appendix tables, the shaded columns refer to FAO forecasts and other columns represent FAO estimates.
- Estimates of world imports and exports may not always match, mainly because shipments and deliveries do not necessarily occur in the same marketing year.
- Tonnes refer to metric tonnes.
- All totals are computed from unrounded data.
- Regional totals may include estimates for countries not listed.
- Estimates for China also include those for the Taiwan Province, Hong Kong SAR and Macao SAR, unless otherwise stated.
- Up to 2006 or 2006/07, the European Union includes 25 member states. For 2007 or 2007/08, the European Union includes 27 member states. In the case of the oilseeds complex, the European Union includes 25 member states up to 2005/06 and 27 member states from 2006/07.
- '-' means nil or negligible.

Production

- Cereals: Data refer to the calendar year in which the whole harvest or bulk of harvest takes place.
- Sugar: Figures refer to centrifugal sugar derived from sugar cane or beet, expressed in raw equivalents. Data relate to the October/September season.

Utilization

- Cereals: Data are on individual country's marketing year basis.
- Sugar: Figures refer to centrifugal sugar derived from sugar cane or beet, expressed in raw equivalents. Data relate to the October/September season.

Trade

- Trade between European Union member states is excluded.
- Wheat: Trade data include wheat flour in wheat grain equivalent. The time reference period is July/June, unless otherwise stated.
- Coarse grains: The time reference period is July/June, unless otherwise stated.
- Rice, sugar, dairy and meat products: The time reference period is January/December.
- Oilseeds, oils and fats and meals: The time reference period is October/September, unless otherwise stated.

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Stocks

- Cereals: Data refer to carry-overs at the close of national crop seasons ending in the year shown.

CRB Price Indices

- The Commodity Research Bureau's (CRB) 'Spot Market Price Index' measures spot price movements of twenty-two basic commodities which are assumed sensitive to changes in global economic conditions. The constituent commodities fall under two major subdivisions: Raw Industrials and Foodstuffs. The former includes burlap, copper scrap, cotton, hides, lead scrap, print cloth, rosin, rubber, steel scrap, tallow, tin, wool tops and zinc. Foodstuffs include butter, cocoa beans, corn, cottonseed oil, hogs, lard, steers, sugar and wheat. The index is constructed using the unweighted geometric means of individual commodity price relatives, defined as the ratio of the current price to the base period price. For more information see www.crbtrader.com.
- The 'Reuters-CRB Energy Subindex' measures the unweighted arithmetic mean of price movements of future contracts for crude oil, heating oil and natural gas, which expire on or before the end of the sixth calendar month from the index's current date. For more information see www.crbtrader.com.

COUNTRY CLASSIFICATION

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

References are also made to special country groupings: Low-Income Food-Deficit Countries (LIFDCs), Least Developed Countries (LDCs) and Net Food-Importing Developing Countries (NFIDCs). The LIFDCs include 82 countries that are net importers of basic foodstuffs with per caput income below the level used by the World Bank to determine eligibility for International Development Aid (IDA) assistance (i.e. US$1 465 in 2003). The LDCs and NFIDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries. The LDCs group currently includes 50 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NFIDCs group includes 24 developing country WTO Members that have notified their request to be listed as NFIDCs and have submitted relevant statistical data concerning their status as net importers of basic foodstuffs during a representative period. This list is reviewed annually by the WTO Committee on Agriculture.

Table A1. Cereal statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**902.2**	**912.5**	**122.1**	**117.4**	**45.5**	**42.1**	**977.7**	**988.7**	**250.5**	**250.0**
Bangladesh	27.6	28.2	3.2	3.7	-	-	31.6	32.1	3.5	3.2
China	385.8	386.0	10.8	11.4	8.2	5.4	384.0	389.5	156.4	158.8
India	192.5	199.9	6.6	3.1	4.9	4.5	193.0	196.9	26.9	28.5
Indonesia	45.9	45.9	8.7	6.5	0.1	0.1	53.1	53.7	5.3	4.9
Iran, Islamic Republic of	21.7	20.7	4.8	4.9	-	-	26.6	26.6	3.1	2.1
Iraq	2.7	2.6	4.4	4.5	0.2	0.2	7.5	7.9	2.4	1.4
Japan	8.8	8.6	26.1	25.9	0.6	0.6	34.5	34.2	4.4	4.1
Kazakhstan	16.4	16.4	0.1	0.1	6.8	6.4	9.7	10.1	4.0	4.0
Korea, Republic of	5.1	5.0	12.9	13.1	0.1	0.2	18.0	18.0	3.2	2.7
Myanmar	17.2	17.0	-	-	0.5	0.5	16.5	16.6	4.4	4.4
Pakistan	30.9	31.7	0.4	0.4	3.6	3.8	27.6	27.4	3.4	4.0
Philippines	16.4	16.7	5.2	4.5	-	-	21.0	21.3	3.2	3.1
Saudi Arabia	2.8	3.1	8.4	8.8	-	-	11.9	12.0	3.2	3.0
Thailand	23.5	24.2	1.3	1.3	9.2	9.2	16.2	16.6	4.7	4.3
Turkey	33.2	33.2	1.2	1.2	2.1	1.6	33.1	32.8	3.8	3.9
Viet Nam	27.7	27.6	1.3	1.3	4.8	4.8	24.3	24.4	5.6	5.3
AFRICA	**143.7**	**135.0**	**51.6**	**55.5**	**6.6**	**6.7**	**186.3**	**188.7**	**33.4**	**29.0**
Algeria	4.1	3.5	6.9	6.9	-	-	11.0	11.0	4.7	4.3
Egypt	20.5	20.1	12.1	12.4	1.1	1.1	31.6	32.2	4.0	3.2
Ethiopia	15.5	15.0	0.2	0.2	0.5	0.7	13.5	14.0	2.7	3.1
Morocco	9.0	4.7	3.1	4.8	0.3	0.2	11.2	11.0	3.3	1.6
Nigeria	27.2	26.5	5.3	5.3	0.7	0.7	31.0	31.1	2.2	2.2
South Africa	9.4	9.2	2.5	3.1	1.0	1.2	13.0	12.6	2.6	1.4
Sudan	6.6	6.5	1.4	1.4	0.7	0.4	7.0	7.2	2.4	2.7
CENTRAL AMERICA	**37.1**	**37.8**	**24.3**	**25.0**	**0.7**	**0.7**	**60.9**	**62.1**	**4.7**	**5.2**
Mexico	31.7	32.2	14.4	14.9	0.5	0.5	45.4	46.3	3.1	3.7
SOUTH AMERICA	**108.7**	**125.4**	**22.3**	**22.1**	**27.4**	**31.9**	**107.4**	**112.2**	**7.8**	**10.8**
Argentina	33.2	40.1	-	-	20.1	22.6	14.7	16.5	2.1	3.0
Brazil	55.2	65.0	9.7	8.3	5.4	7.3	61.1	63.7	2.4	4.8
Chile	3.5	3.5	2.2	2.4	-	-	5.7	5.9	0.3	0.3
Colombia	2.9	3.1	4.5	4.6	-	-	7.4	7.5	0.5	0.4
Peru	3.2	3.0	2.6	3.3	-	-	6.4	6.5	0.8	0.6
Venezuela	3.2	3.2	1.9	1.9	0.1	0.1	5.0	5.0	0.4	0.4
NORTH AMERICA	**386.8**	**450.9**	**8.2**	**8.2**	**112.8**	**103.8**	**322.3**	**348.7**	**47.3**	**52.4**
Canada	50.9	53.1	2.6	2.4	23.8	21.3	33.1	34.8	12.2	11.4
United States of America	336.0	397.8	5.6	5.8	89.0	82.5	289.3	313.9	35.0	41.0
EUROPE	**404.3**	**425.2**	**19.5**	**17.1**	**42.5**	**42.8**	**398.5**	**398.0**	**53.7**	**55.4**
Bulgaria	5.3	-	0.1	-	1.4	-	4.3	-	0.8	-
European Union	248.5	285.0	13.7	11.8	17.4	19.5	256.5	274.7	33.6	39.2
Romania	15.3	-	0.5	-	1.3	-	16.4	-	3.0	-
Russian Federation	76.5	76.3	1.6	1.8	12.0	12.2	66.8	65.9	8.5	8.5
Serbia	8.8	9.1	0.1	0.1	1.4	1.2	8.9	9.0	0.9	0.7
Ukraine	34.1	38.0	0.4	0.4	8.4	9.2	27.0	29.2	4.1	4.1
OCEANIA	**18.6**	**38.2**	**1.1**	**1.1**	**14.4**	**18.5**	**16.4**	**15.7**	**5.6**	**10.0**
Australia	17.7	37.3	0.1	0.1	14.4	18.5	14.4	13.7	5.3	9.7
WORLD	**2001.5**	**2124.9**	**249.1**	**246.5**	**249.9**	**246.5**	**2069.6**	**2114.1**	**403.0**	**412.8**
Developing countries	1 144.0	1 162.8	186.1	185.5	71.3	72.7	1 256.3	1 276.4	282.1	282.3
Developed countries	857.4	962.2	63.0	61.0	178.6	173.9	813.3	837.7	120.8	130.5
LIFDCs	882.9	886.1	91.7	89.6	25.8	23.1	940.4	953.7	238.1	237.9
LDCs	122.8	123.1	19.1	20.0	4.6	4.8	135.6	138.4	24.0	23.7
NFIDCs	77.7	73.3	34.3	37.3	5.4	6.4	106.9	107.4	15.6	12.4

Table A2. Wheat statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**271.2**	**274.3**	**48.1**	**45.9**	**14.7**	**13.5**	**306.3**	**308.6**	**82.7**	**80.7**
Bangladesh	0.8	0.7	2.3	2.8	-	-	3.4	3.5	0.2	0.2
China	104.5	101.8	2.1	2.5	1.9	1.1	105.1	105.1	45.9	44.2
of which Taiwan Prov.	-	-	1.1	1.1	-	-	1.1	1.1	0.4	0.4
India	69.4	73.5	6.5	3.0	0.3	0.3	73.6	74.7	14.5	16.0
Indonesia	-	-	4.8	4.8	-	-	4.8	4.8	1.7	1.7
Iran, Islamic Republic of	14.5	13.8	0.9	0.8	-	-	15.4	15.5	2.4	1.5
Iraq	1.6	1.5	3.0	3.0	0.1	0.1	5.1	5.4	2.0	1.0
Japan	0.8	0.9	5.6	5.5	0.4	0.4	6.0	6.0	0.7	0.7
Kazakhstan	13.7	13.8	-	-	6.5	6.1	7.3	7.7	3.5	3.5
Korea, Republic of	-	-	3.5	3.5	0.1	0.1	3.5	3.5	0.4	0.3
Pakistan	21.7	23.0	0.4	0.4	0.5	0.5	21.7	21.9	2.3	3.0
Philippines	-	-	2.8	2.8	-	-	2.8	2.8	0.3	0.3
Saudi Arabia	2.4	2.7	0.1	0.1	-	-	2.6	2.7	0.6	0.7
Thailand	-	-	1.2	1.2	-	-	1.2	1.1	0.2	0.2
Turkey	20.5	20.2	0.3	0.6	2.0	1.5	19.2	19.3	0.5	0.5
AFRICA	**26.1**	**20.9**	**27.1**	**29.4**	**1.1**	**1.0**	**51.6**	**52.3**	**15.4**	**12.8**
Algeria	2.7	2.3	4.6	4.7	-	-	7.5	7.6	3.7	3.4
Egypt	8.3	7.6	7.0	7.3	-	-	15.3	15.6	3.0	2.3
Ethiopia	3.7	3.5	0.2	0.2	-	-	3.3	3.4	0.7	1.0
Morocco	6.3	3.0	1.3	2.5	0.3	0.2	6.8	6.7	2.4	1.1
Nigeria	0.1	0.1	3.5	3.5	0.4	0.4	3.2	3.2	0.6	0.6
South Africa	2.1	1.7	1.0	1.3	0.1	0.2	2.9	2.9	0.7	0.5
Tunisia	1.3	1.2	1.1	1.2	0.1	0.1	2.4	2.6	0.9	0.6
CENTRAL AMERICA	**3.3**	**3.0**	**7.3**	**7.5**	**0.6**	**0.6**	**10.0**	**10.0**	**1.1**	**1.0**
Cuba	-	-	1.0	1.0	-	-	1.0	1.0	-	-
Mexico	3.2	3.0	3.5	3.6	0.5	0.5	6.2	6.2	0.7	0.7
SOUTH AMERICA	**19.4**	**19.5**	**13.2**	**13.5**	**9.1**	**7.8**	**24.7**	**25.0**	**2.0**	**2.3**
Argentina	14.0	12.8	-	-	8.8	7.5	5.6	5.5	0.8	0.6
Brazil	2.5	3.8	7.5	7.0	-	-	10.2	10.4	0.5	0.9
Chile	1.4	1.4	0.8	1.0	-	-	2.3	2.3	0.1	0.1
Colombia	-	-	1.3	1.3	-	-	1.3	1.3	0.1	0.1
Peru	0.2	0.2	1.2	1.7	-	-	1.8	1.9	0.1	-
Venezuela	-	-	1.6	1.6	-	-	1.6	1.6	0.2	0.2
NORTH AMERICA	**76.6**	**83.5**	**2.5**	**2.5**	**44.9**	**43.7**	**41.2**	**43.2**	**19.3**	**19.4**
Canada	27.3	24.3	-	-	20.1	17.2	9.4	9.6	8.1	6.6
United States of America	49.3	59.2	2.5	2.5	24.8	26.5	31.9	33.6	11.2	12.8
EUROPE	**191.8**	**203.2**	**10.2**	**9.5**	**27.5**	**27.5**	**185.1**	**185.8**	**24.4**	**23.5**
Bulgaria	3.2	-	-	-	1.0	-	2.4	-	0.3	-
European Union	118.3	132.7	6.9	6.5	13.0	14.0	119.7	125.6	13.0	14.0
Romania	5.3	-	0.3	-	0.6	-	6.2	-	1.5	-
Russian Federation	44.9	46.0	0.8	0.8	9.7	9.9	36.5	37.0	6.5	6.5
Ukraine	13.9	17.7	0.2	0.2	3.0	3.3	12.2	14.5	1.5	1.5
OCEANIA	**10.1**	**25.3**	**0.6**	**0.6**	**11.7**	**15.0**	**7.7**	**7.2**	**4.1**	**7.8**
Australia	9.8	25.0	-	-	11.7	15.0	6.7	6.2	3.8	7.5
WORLD	**598.4**	**629.6**	**109.1**	**109.0**	**109.7**	**109.0**	**626.7**	**631.9**	**149.0**	**147.5**
Developing countries	292.6	290.2	85.6	86.0	18.1	15.7	361.9	365.1	93.5	89.3
Developed countries	305.8	339.4	23.5	23.0	91.6	93.3	264.8	266.8	55.4	58.3
LIFDCs	240.1	239.7	49.8	49.4	5.6	5.1	284.8	286.9	83.6	80.7
LDCs	10.3	10.6	10.5	11.5	0.1	0.1	21.3	21.8	3.8	4.1
NFIDCs	38.2	35.4	17.6	19.7	1.0	1.8	55.0	55.6	10.2	7.9

Table A3. Coarse grains statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**250.8**	**254.0**	**59.8**	**58.2**	**6.8**	**4.9**	**300.9**	**306.0**	**71.0**	**72.0**
China	156.5	157.8	7.6	7.7	5.0	3.0	155.6	160.8	52.1	53.5
of which Taiwan Prov.	0.1	0.1	5.2	5.2	-	-	5.1	5.1	0.9	0.9
India	32.1	34.4	0.1	-	0.2	0.4	32.4	33.7	1.2	1.5
Indonesia	11.6	12.4	1.9	0.7	0.1	0.1	12.8	13.0	1.6	1.6
Iran, Islamic Republic of	5.2	4.7	2.9	3.2	-	-	8.1	7.9	0.3	0.3
Japan	0.2	0.2	19.8	19.7	-	-	20.2	20.0	2.2	2.1
Korea, D.P.R.	2.2	2.1	0.1	0.1	-	-	2.3	2.2	0.2	0.2
Korea, Republic of	0.4	0.4	9.2	9.3	-	-	9.5	9.6	1.7	1.4
Malaysia	0.1	0.1	2.6	2.7	-	-	2.6	2.8	0.3	0.3
Pakistan	3.8	3.1	-	-	-	-	3.8	3.2	0.7	0.7
Philippines	6.3	6.3	0.7	0.1	-	-	6.5	6.5	0.9	0.8
Saudi Arabia	0.4	0.4	7.3	7.6	-	-	8.2	8.2	2.4	2.2
Thailand	4.0	4.2	0.1	0.1	0.2	0.2	3.9	4.1	0.1	0.1
Turkey	12.3	12.7	0.8	0.4	0.1	0.1	13.4	13.0	3.3	3.3
Viet Nam	3.8	3.6	0.1	0.1	-	-	3.8	3.6	0.8	0.8
AFRICA	**103.5**	**99.8**	**15.2**	**16.5**	**4.4**	**4.6**	**112.1**	**113.5**	**15.8**	**14.0**
Algeria	1.4	1.2	2.2	2.1	-	-	3.4	3.3	1.0	0.9
Egypt	7.7	8.0	5.0	5.0	-	-	12.9	13.1	0.4	0.3
Ethiopia	11.8	11.5	-	-	0.5	0.7	10.2	10.7	2.0	2.1
Kenya	3.1	3.0	0.6	0.7	-	-	3.7	3.7	0.1	0.1
Morocco	2.7	1.7	1.8	2.3	-	-	4.4	4.3	0.9	0.5
Nigeria	24.8	23.9	0.1	0.1	0.3	0.3	23.7	23.7	1.3	1.3
South Africa	7.3	7.6	0.8	1.1	0.8	1.0	9.4	9.0	1.9	0.8
Sudan	6.0	5.9	0.3	-	0.7	0.4	5.1	5.3	1.5	1.7
Tanzania, the UR of	4.3	3.8	0.1	0.2	0.4	0.4	4.0	3.9	1.5	1.2
CENTRAL AMERICA	**32.3**	**33.1**	**14.7**	**15.2**	**0.1**	**0.1**	**47.0**	**48.2**	**3.0**	**3.7**
Mexico	28.2	29.0	10.3	10.8	-	-	38.4	39.4	2.4	3.1
SOUTH AMERICA	**74.6**	**91.7**	**7.9**	**7.5**	**16.7**	**22.4**	**68.2**	**72.9**	**4.1**	**7.4**
Argentina	18.4	26.6	-	-	10.9	14.7	8.8	10.7	1.3	2.3
Brazil	45.0	53.7	1.4	0.5	5.2	7.0	42.1	44.5	1.2	3.7
Chile	2.0	2.1	1.3	1.4	-	-	3.2	3.4	0.2	0.2
Colombia	1.5	1.6	3.1	3.2	-	-	4.5	4.6	0.2	0.1
Peru	1.5	1.5	1.3	1.6	-	-	3.0	3.1	0.5	0.4
Venezuela	2.6	2.6	0.3	0.3	-	-	2.9	2.9	0.1	0.1
NORTH AMERICA	**304.0**	**361.6**	**4.7**	**4.7**	**64.6**	**57.5**	**277.0**	**300.9**	**26.7**	**32.2**
Canada	23.6	28.8	2.3	2.1	3.7	4.2	23.4	24.9	4.1	4.7
United States of America	280.4	332.8	2.4	2.6	60.9	53.3	253.6	276.0	22.6	27.5
EUROPE	**210.2**	**219.7**	**7.4**	**5.8**	**14.8**	**15.2**	**209.2**	**208.3**	**28.7**	**31.2**
European Union	128.4	150.4	5.6	4.1	4.2	5.4	133.9	146.1	20.1	24.6
Romania	9.9	-	0.1	-	0.7	-	10.1	-	1.4	-
Russian Federation	31.1	29.9	0.5	0.7	2.3	2.3	29.6	28.3	2.0	2.0
Serbia	6.9	7.0	-	-	1.3	1.1	6.9	6.8	0.4	0.4
Ukraine	20.1	20.2	0.1	0.1	5.4	5.9	14.7	14.5	2.6	2.6
OCEANIA	**7.7**	**12.8**	**0.1**	**0.1**	**2.7**	**3.4**	**8.0**	**7.9**	**1.5**	**2.2**
Australia	7.1	12.2	-	-	2.7	3.4	7.3	7.3	1.4	2.1
WORLD	**983.1**	**1072.8**	**109.8**	**108.0**	**110.0**	**108.0**	**1022.5**	**1057.6**	**150.7**	**162.7**
Developing countries	449.0	466.3	75.1	74.7	26.7	30.6	492.5	505.3	88.9	93.3
Developed countries	534.1	606.5	34.7	33.3	83.3	77.4	530.1	552.3	61.8	69.4
LIFDCs	322.9	323.2	24.6	23.6	9.2	7.4	330.2	338.1	72.5	73.6
LDCs	55.6	54.3	2.4	2.1	3.4	3.5	51.6	52.8	9.5	9.5
NFIDCs	23.8	22.1	14.1	14.9	0.1	0.1	37.9	37.6	3.5	2.9

Table A4. Maize statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**200.9**	**204.2**	**45.1**	**42.8**	**6.1**	**4.2**	**236.0**	**241.1**	**60.9**	**62.2**
China	145.5	147.0	5.6	5.2	5.0	3.0	142.5	147.6	50.3	51.8
of which Taiwan Prov.	-	-	5.0	5.0	-	-	4.9	4.9	0.9	0.9
India	13.6	15.5	0.1	-	0.2	0.4	13.8	14.9	0.9	1.2
Indonesia	11.6	12.4	1.9	0.7	0.1	0.1	12.8	13.0	1.6	1.6
Iran, Islamic Republic of	1.7	1.6	2.0	2.2	-	-	3.8	3.8	0.1	0.1
Japan	-	-	16.4	16.4	-	-	16.7	16.4	1.3	1.3
Korea, D.P.R.	2.0	1.9	0.1	0.1	-	-	2.1	2.0	0.2	0.2
Korea, Republic of	0.1	0.1	9.0	9.1	-	-	9.1	9.2	1.6	1.3
Malaysia	0.1	0.1	2.6	2.7	-	-	2.6	2.8	0.3	0.3
Pakistan	3.3	2.6	-	-	-	-	3.2	2.7	0.7	0.7
Philippines	6.3	6.3	0.7	0.1	-	-	6.5	6.5	0.9	0.8
Thailand	3.7	4.0	0.1	0.1	0.2	0.2	3.6	3.9	0.1	0.1
Turkey	3.0	3.3	0.7	0.3	-	-	3.8	3.6	0.3	0.3
Viet Nam	3.8	3.6	0.1	0.1	-	-	3.8	3.6	0.8	0.8
AFRICA	**48.9**	**47.3**	**12.8**	**13.9**	**2.8**	**3.2**	**59.1**	**59.3**	**7.9**	**6.6**
Algeria	-	-	2.1	2.0	-	-	2.1	2.0	0.2	0.2
Egypt	6.7	7.0	5.0	5.0	-	-	11.8	12.0	0.4	0.3
Ethiopia	4.3	4.0	-	-	0.2	0.3	3.6	3.7	0.7	0.8
Kenya	3.0	2.8	0.6	0.7	-	-	3.5	3.5	0.1	-
Morocco	0.1	0.1	1.4	1.5	-	-	1.6	1.6	0.3	0.2
Nigeria	7.1	6.2	0.1	0.1	0.1	0.1	6.7	6.2	0.5	0.5
South Africa	6.9	7.2	0.7	1.0	0.8	1.0	8.8	8.4	1.7	0.7
Tanzania, the UR of	3.4	3.0	0.1	0.2	0.4	0.4	3.0	2.9	1.1	1.0
CENTRAL AMERICA	**25.5**	**26.1**	**11.9**	**11.9**	**0.1**	**0.1**	**37.1**	**37.9**	**2.7**	**3.1**
Mexico	21.8	22.5	7.5	7.5	-	-	29.1	29.8	2.0	2.5
SOUTH AMERICA	**66.0**	**82.5**	**7.2**	**6.5**	**15.9**	**21.6**	**59.6**	**63.6**	**2.9**	**6.3**
Argentina	14.4	22.0	-	-	10.2	14.0	5.7	7.0	0.5	1.5
Brazil	42.6	51.4	1.1	0.1	5.2	7.0	39.4	41.8	1.0	3.5
Chile	1.4	1.5	1.3	1.4	-	-	2.6	2.8	0.2	0.2
Colombia	1.3	1.4	2.8	2.9	-	-	4.0	4.1	0.2	0.1
Peru	1.3	1.2	1.3	1.5	-	-	2.6	2.7	0.5	0.4
Venezuela	2.1	2.1	0.3	0.3	-	-	2.4	2.3	0.1	0.1
NORTH AMERICA	**276.9**	**328.0**	**2.4**	**2.4**	**56.7**	**49.2**	**253.1**	**274.5**	**20.8**	**26.0**
Canada	9.3	11.5	2.2	2.0	0.2	0.2	11.5	12.7	1.7	1.9
United States of America	267.6	316.5	0.2	0.4	56.5	49.0	241.6	261.8	19.1	24.1
EUROPE	**78.1**	**81.2**	**5.3**	**4.3**	**3.6**	**3.8**	**82.5**	**80.4**	**11.8**	**13.5**
European Union	46.0	59.3	4.4	3.5	0.2	1.2	50.7	59.5	7.5	11.0
Romania	8.7	-	-	-	0.6	-	8.8	-	1.3	-
Russian Federation	3.6	3.3	0.2	0.3	0.1	0.1	3.7	3.4	0.8	0.8
Serbia	6.4	6.6	-	-	1.3	1.1	6.4	6.3	0.4	0.3
Ukraine	6.4	6.3	-	-	0.9	1.1	5.8	5.2	0.5	0.5
OCEANIA	**0.6**	**0.4**	**-**	**-**	**-**	**-**	**0.6**	**0.5**	**0.1**	**-**
WORLD	**696.8**	**769.7**	**84.6**	**82.0**	**85.1**	**82.0**	**728.0**	**757.4**	**106.9**	**117.6**
Developing countries	332.6	351.2	58.5	56.5	24.0	28.0	363.3	374.2	71.0	75.9
Developed countries	364.2	418.5	26.2	25.5	61.1	54.0	364.7	383.2	35.9	41.7
LIFDCs	232.6	234.1	20.4	18.9	7.2	5.6	239.7	245.8	62.5	63.8
LDCs	25.1	24.3	1.9	1.9	2.0	2.2	23.5	23.9	4.8	4.6
NFIDCs	18.1	17.5	12.4	12.8	0.1	0.1	30.5	30.4	2.4	2.2

Table A5. Barley statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**22.0**	**21.7**	**12.4**	**13.0**	**0.6**	**0.5**	**34.9**	**34.5**	**8.7**	**8.4**
China	3.4	3.4	1.9	2.3	-	-	5.4	5.7	1.1	1.1
India	1.3	1.3	-	-	-	-	1.3	1.3	-	-
Iran, Islamic Republic of	3.5	3.1	0.9	1.0	-	-	4.3	4.1	0.2	0.2
Iraq	0.8	0.8	0.2	0.2	0.1	0.1	0.9	0.9	0.1	0.1
Japan	0.2	0.2	1.6	1.5	-	-	1.7	1.8	0.7	0.6
Kazakhstan	1.7	1.7	-	0.1	0.3	0.3	1.5	1.5	0.5	0.5
Saudi Arabia	0.1	0.1	5.8	6.0	-	-	6.4	6.3	2.3	2.1
Syria	0.7	0.7	0.7	0.7	0.1	0.1	1.4	1.3	0.6	0.6
Turkey	8.8	8.8	-	-	0.1	0.1	9.0	8.7	2.9	2.9
AFRICA	**6.6**	**5.3**	**1.7**	**2.1**	**-**	**-**	**7.9**	**7.9**	**2.1**	**1.7**
Algeria	1.3	1.1	0.1	0.1	-	-	1.2	1.3	0.8	0.7
Ethiopia	1.8	1.8	-	-	-	-	1.7	1.8	0.3	0.4
Libya	0.1	0.1	0.6	0.6	-	-	0.6	0.6	-	-
Morocco	2.5	1.5	0.4	0.8	-	-	2.7	2.6	0.6	0.3
Tunisia	0.4	0.3	0.6	0.6	-	-	1.0	1.0	0.3	0.2
CENTRAL AMERICA	**0.9**	**0.9**	**0.2**	**0.2**	**-**	**-**	**1.1**	**1.1**	**0.2**	**0.2**
Mexico	0.9	0.9	0.2	0.2	-	-	1.1	1.1	0.2	0.2
SOUTH AMERICA	**2.3**	**1.9**	**0.6**	**0.6**	**0.5**	**0.3**	**2.2**	**2.2**	**0.5**	**0.4**
Argentina	1.3	0.8	-	-	0.4	0.2	0.7	0.6	0.4	0.3
NORTH AMERICA	**13.9**	**16.6**	**0.3**	**0.3**	**2.1**	**2.4**	**13.9**	**14.3**	**3.2**	**3.2**
Canada	10.0	12.0	-	-	1.5	2.0	9.6	9.6	1.6	1.7
United States of America	3.9	4.6	0.3	0.3	0.6	0.4	4.4	4.7	1.6	1.5
EUROPE	**89.2**	**92.5**	**1.0**	**0.7**	**10.5**	**10.6**	**80.9**	**82.1**	**10.7**	**11.2**
Belarus	1.7	1.8	-	-	-	-	1.8	1.9	0.2	0.2
Bulgaria	0.5	-	-	-	0.2	-	0.4	-	0.1	-
European Union	54.9	59.9	0.5	0.3	3.5	3.5	53.5	56.1	7.8	8.5
Romania	0.8	-	0.1	-	0.1	-	0.9	-	0.1	-
Russian Federation	18.1	17.5	0.2	0.2	2.2	2.2	16.2	15.5	0.8	0.8
Ukraine	11.3	11.6	-	-	4.4	4.8	6.3	6.9	1.5	1.5
OCEANIA	**4.1**	**9.2**	**-**	**-**	**2.5**	**3.2**	**4.6**	**4.4**	**0.9**	**1.7**
Australia	3.7	8.9	-	-	2.5	3.2	4.2	4.1	0.9	1.7
WORLD	**139.0**	**148.1**	**16.3**	**17.0**	**16.2**	**17.0**	**145.6**	**146.6**	**26.2**	**26.7**
Developing countries	29.0	27.0	12.8	13.9	0.8	0.5	41.5	41.0	10.0	9.3
Developed countries	110.0	121.1	3.5	3.2	15.4	16.4	104.1	105.6	16.2	17.4
LIFDCs	13.9	13.0	3.3	4.1	0.2	0.2	16.9	17.1	3.1	2.9
LDCs	2.1	2.2	-	-	-	-	2.0	2.2	0.4	0.4
NFIDCs	3.4	2.4	1.6	2.0	-	-	4.9	4.8	0.9	0.5

Table A6. Sorghum statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	**11.3**	**11.1**	**1.5**	**1.6**	**0.1**	**0.1**	**12.7**	**12.5**	**0.7**	**0.7**
China	2.5	2.4	0.1	0.1	-	-	2.5	2.4	0.2	0.2
India	7.7	7.6	-	-	-	-	7.7	7.6	0.2	0.2
Japan	-	-	1.4	1.4	-	-	1.3	1.3	0.2	0.2
AFRICA	**27.0**	**26.7**	**0.7**	**0.4**	**1.3**	**1.0**	**25.0**	**26.0**	**3.6**	**3.6**
Burkina Faso	1.5	1.6	-	-	0.1	0.1	1.5	1.5	0.1	0.1
Ethiopia	2.8	2.8	-	-	0.3	0.3	2.2	2.4	0.4	0.5
Nigeria	9.9	9.8	-	-	0.1	0.1	9.4	9.8	0.5	0.5
Sudan	5.0	5.0	0.3	-	0.7	0.4	4.2	4.5	1.0	1.1
CENTRAL AMERICA	**5.8**	**5.9**	**2.5**	**3.0**	**-**	**-**	**8.6**	**8.9**	**0.2**	**0.4**
Mexico	5.4	5.5	2.5	3.0	-	-	8.0	8.3	0.2	0.4
SOUTH AMERICA	**4.9**	**5.7**	**0.1**	**0.3**	**0.3**	**0.6**	**4.8**	**5.3**	**0.6**	**0.7**
Argentina	2.3	3.3	-	-	0.3	0.5	2.0	2.6	0.4	0.5
Brazil	1.6	1.3	-	0.2	-	-	1.6	1.5	0.2	0.1
Venezuela	0.5	0.5	-	-	-	-	0.5	0.5	-	-
NORTH AMERICA	**7.1**	**9.7**	**-**	**-**	**3.7**	**3.8**	**3.9**	**5.7**	**1.2**	**1.1**
United States of America	7.1	9.7	-	-	3.7	3.8	3.9	5.7	1.2	1.1
EUROPE	**0.6**	**0.6**	**0.6**	**0.2**	**-**	**-**	**1.1**	**0.8**	**-**	**-**
European Union	0.6	0.5	0.5	0.2	-	-	1.1	0.7	-	-
OCEANIA	**2.0**	**1.0**	**0.1**	**0.1**	**0.1**	**-**	**1.9**	**1.1**	**0.3**	**0.3**
Australia	2.0	1.0	-	-	0.1	-	1.8	1.0	0.3	0.3
WORLD	**58.7**	**60.5**	**5.4**	**5.5**	**5.3**	**5.5**	**58.0**	**60.2**	**6.7**	**6.8**
Developing countries	48.9	49.2	3.4	3.8	1.6	1.7	49.4	51.1	4.9	5.3
Developed countries	9.8	11.4	2.0	1.7	3.8	3.8	8.5	9.1	1.8	1.6
LIFDCs	38.0	37.4	0.8	0.4	1.3	1.1	35.8	36.6	4.0	4.1
LDCs	15.3	15.1	0.5	0.2	1.1	1.0	13.6	14.2	2.7	2.8
NFIDCs	1.9	1.8	0.1	0.1	-	-	2.0	1.9	0.1	0.1

Table A7. Other coarse grains statistics - millet, rye, oats and other grains *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2006/07 *estim.*	2007/08 *f'cast*	2007 *estim.*	2008 *f'cast*
ASIA	16.6	17.0	0.7	0.8	0.1	0.1	17.4	17.8	0.7	0.7
AFRICA	20.9	20.6	0.1	0.1	0.4	0.4	20.1	20.3	2.1	2.1
CENTRAL AMERICA	0.1	0.1	0.1	0.1	-	-	0.2	0.2	-	-
SOUTH AMERICA	1.5	1.8	0.1	0.1	-	-	1.5	1.8	0.1	0.1
NORTH AMERICA	6.2	7.3	1.9	1.9	2.1	2.1	6.0	6.4	1.5	2.0
EUROPE	42.4	45.4	0.6	0.5	0.7	0.8	44.7	44.9	6.3	6.5
OCEANIA	1.1	2.1	0.1	0.1	0.1	0.2	1.0	1.9	0.2	0.2
WORLD	**88.6**	**94.4**	**3.5**	**3.5**	**3.4**	**3.5**	**91.0**	**93.4**	**10.8**	**11.5**

Table A8. Rice statistics *(million tonnes)*

	Production		Imports		Exports		Total Utilization		Stocks ending in	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2005/06 *estim.*	2006/07 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**380.2**	**384.2**	**13.2**	**14.2**	**22.2**	**24.0**	**366.9**	**370.4**	**97.8**	**96.7**
Bangladesh	26.3	27.0	0.7	0.8	-	-	27.2	27.6	3.8	3.3
China	124.9	126.4	1.2	1.1	1.3	1.3	123.6	123.4	57.1	58.4
of which Taiwan Prov.	1.1	1.1	0.1	0.1	-	-	1.2	1.1	0.1	0.1
India	91.0	92.0	0.1	0.1	4.4	4.4	84.9	87.1	11.6	11.2
Indonesia	34.3	33.5	0.8	2.0	-	-	35.6	35.5	2.5	2.0
Iran, Islamic Republic of	2.1	2.2	1.1	1.0	-	-	3.1	3.1	0.5	0.4
Iraq	0.2	0.2	1.3	1.2	-	-	1.4	1.4	0.3	0.3
Japan	7.7	7.5	0.6	0.7	0.2	0.2	8.4	8.3	1.6	1.6
Korea, D.P.R.	1.6	1.7	0.2	0.2	-	-	2.0	1.9	0.1	-
Korea, Republic of	4.7	4.6	0.3	0.3	0.1	-	4.8	5.0	1.2	1.2
Malaysia	1.3	1.4	0.9	0.8	-	-	2.2	2.2	0.2	0.1
Myanmar	15.9	15.9	-	-	0.1	0.2	15.1	15.5	4.1	4.3
Pakistan	5.4	5.6	-	-	3.3	3.1	2.1	2.2	0.3	0.4
Philippines	10.1	10.3	1.8	1.7	-	-	11.4	11.8	2.0	2.0
Saudi Arabia	-	-	1.1	1.1	-	-	1.1	1.1	0.2	0.2
Sri Lanka	2.3	2.2	-	-	-	-	2.2	2.2	0.1	0.2
Thailand	19.5	20.0	-	-	7.7	9.0	11.1	11.1	5.0	4.4
Viet Nam	23.9	24.0	0.2	0.3	4.7	4.8	19.3	19.6	4.7	4.5
AFRICA	**14.1**	**14.2**	**9.6**	**9.3**	**1.0**	**1.1**	**22.1**	**22.6**	**2.5**	**2.3**
Cote d'Ívoire	0.7	0.6	0.9	0.9	-	-	1.6	1.6	0.1	0.1
Egypt	4.5	4.6	-	0.1	1.0	1.1	3.4	3.5	0.6	0.6
Madagascar	2.3	2.1	0.2	0.3	-	-	2.4	2.5	0.1	0.2
Nigeria	2.4	2.6	1.8	1.7	-	-	4.0	4.1	0.3	0.3
Senegal	0.2	0.2	0.8	0.8	-	-	1.0	1.1	0.3	0.2
South Africa	-	-	0.7	0.7	-	-	0.8	0.7	0.1	0.1
Tanzania, the UR of	0.8	0.8	0.1	0.1	-	-	0.8	0.9	0.1	0.1
CENTRAL AMERICA	**1.6**	**1.7**	**2.2**	**2.3**	**-**	**-**	**3.9**	**3.9**	**0.6**	**0.5**
Cuba	0.3	0.3	0.6	0.7	-	-	1.0	1.0	-	-
Mexico	0.2	0.2	0.6	0.5	-	-	0.7	0.7	-	-
SOUTH AMERICA	**14.6**	**14.2**	**1.0**	**1.2**	**2.0**	**1.6**	**14.6**	**14.5**	**2.6**	**1.8**
Argentina	0.8	0.7	-	-	0.5	0.4	0.4	0.4	0.1	0.1
Brazil	7.8	7.6	0.6	0.8	0.3	0.2	8.7	8.7	1.4	0.8
Peru	1.5	1.4	-	0.1	-	-	1.6	1.6	0.3	0.2
Uruguay	0.9	0.7	-	-	0.8	0.7	0.1	0.1	0.2	0.2
NORTH AMERICA	**6.2**	**5.9**	**1.0**	**1.0**	**3.4**	**3.3**	**4.6**	**4.1**	**1.4**	**1.3**
Canada	-	-	0.3	0.3	-	-	0.3	0.3	0.1	0.1
United States of America	6.2	5.9	0.6	0.7	3.4	3.3	4.2	3.8	1.4	1.2
EUROPE	**2.4**	**2.4**	**1.8**	**1.9**	**0.2**	**0.2**	**4.1**	**4.1**	**0.6**	**0.6**
European Union	1.8	1.9	1.0	1.2	0.2	0.2	2.8	2.9	0.5	0.5
Russian Federation	0.5	0.4	0.3	0.3	-	-	0.7	0.7	-	-
OCEANIA	**0.7**	**0.1**	**0.4**	**0.4**	**0.5**	**-**	**0.6**	**0.7**	**0.1**	**0.1**
Australia	0.7	0.1	0.1	0.1	0.5	-	0.3	0.3	0.1	0.1
WORLD	**419.9**	**422.6**	**29.2**	**30.2**	**29.2**	**30.2**	**416.8**	**420.4**	**105.8**	**103.3**
Developing countries	402.4	406.3	24.6	25.5	24.9	26.5	397.9	402.0	101.9	99.7
Developed countries	17.5	16.3	4.5	4.7	4.2	3.7	18.8	18.4	3.9	3.6
LIFDCs	319.8	323.2	16.3	17.3	10.4	10.9	322.1	325.4	82.5	82.1
LDCs	56.9	58.1	6.2	6.2	0.4	1.1	61.6	62.7	11.4	10.7
NFIDCs	15.7	15.7	2.4	2.6	4.4	4.3	13.8	14.0	1.8	1.9

Table A9. Cereal supply and utilization in main exporting countries *(million tonnes)*

	Wheat[1]			Coarse Grains[2]			Rice (milled basis)		
	2005/06	2006/07 estim.	2007/08 f'cast	2005/06	2006/07 estim.	2007/08 f'cast	2005/06	2006/07 estim.	2007/08 f'cast
	UNITED STATES (June/May)			**UNITED STATES**			**UNITED STATES** (Aug./July)		
Opening stocks	14.7	15.5	11.2	58.8	54.8	22.6	1.2	1.4	1.2
Production	57.3	49.3	59.2	299.1	280.4	332.8	7.1	6.2	5.9
Imports	1.7	2.6	2.5	1.9	2.4	2.8	0.5	0.6	0.7
Total Supply	**73.7**	**67.5**	**72.9**	**359.9**	**337.6**	**358.2**	**8.9**	**8.2**	**7.7**
Domestic use	31.0	31.9	33.6	244.9	253.6	276.0	3.8	3.9	4.3
Exports	27.2	24.4	26.5	60.2	61.3	54.8	3.7	3.1	3.0
Closing stocks	15.5	11.2	12.8	54.8	22.6	27.5	1.4	1.2	0.8
	CANADA (August/July)			**CANADA**			**THAILAND** (Nov./Oct.)[3]		
Opening stocks	7.9	9.7	8.1	6.5	6.5	4.1	3.8	5.0	4.4
Production	26.8	27.3	24.3	26.3	23.6	28.8	20.1	19.5	20.0
Imports	0.0	0.0	0.0	2.0	2.2	1.7	0.0	0.0	0.0
Total Supply	**34.7**	**37.0**	**32.5**	**34.8**	**32.3**	**34.5**	**23.9**	**24.5**	**24.3**
Domestic use	9.2	9.4	9.6	22.8	23.4	24.9	11.1	11.1	11.3
Exports	15.8	19.6	16.3	5.4	4.8	4.8	7.7	9.0	9.0
Closing stocks	9.7	8.1	6.6	6.5	4.1	4.7	5.0	4.4	4.0
	ARGENTINA (Dec./Nov.)			**ARGENTINA**			**INDIA** (Oct./Sept.)[3]		
Opening stocks	1.4	0.8	0.8	0.9	1.9	1.3	9.0	11.6	11.2
Production	12.6	14.0	12.8	24.5	18.4	26.6	91.8	91.0	92.0
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Total Supply	**14.0**	**14.8**	**13.6**	**25.4**	**20.3**	**27.9**	**100.9**	**102.7**	**103.3**
Domestic use	5.6	5.6	5.5	8.6	8.8	10.7	84.9	87.1	88.5
Exports	7.6	8.5	7.5	14.9	10.2	14.8	4.4	4.4	3.8
Closing stocks	0.8	0.8	0.6	1.9	1.3	2.3	11.6	11.2	11.0
	AUSTRALIA (Oct./Sept.)			**AUSTRALIA**			**PAKISTAN** (Nov./Oct.)[3]		
Opening stocks	8.0	11.6	3.8	3.0	3.9	1.4	0.2	0.3	0.4
Production	25.1	9.8	25.0	14.5	7.1	12.2	5.5	5.4	5.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	**33.1**	**21.4**	**28.7**	**17.5**	**11.0**	**13.6**	**5.7**	**5.7**	**6.0**
Domestic use	5.5	6.7	6.2	7.8	7.3	7.3	2.1	2.2	2.3
Exports	16.0	10.9	15.0	5.7	2.3	4.2	3.3	3.1	3.3
Closing stocks	11.6	3.8	7.5	3.9	1.4	2.1	0.3	0.4	0.4
	EU (July/June)			**EU**			**VIET NAM** (Nov./Oct.)[3]		
Opening stocks	23.5	21.0	14.8	23.6	24.2	21.6	4.7	4.7	4.5
Production	124.1	118.3	132.7	134.3	128.4	150.4	23.9	23.9	24.0
Imports	7.5	6.9	6.5	3.2	5.6	4.1	0.2	0.3	0.3
Total Supply	**155.0**	**146.2**	**154.0**	**161.1**	**158.2**	**176.1**	**28.8**	**28.9**	**28.8**
Domestic use	118.9	119.7	125.6	133.0	133.9	146.1	19.3	19.6	19.8
Exports	15.1	13.5	14.4	3.9	4.2	5.4	4.7	4.8	4.8
Closing stocks	21.0	13.0	14.0	24.2	20.1	24.6	4.7	4.5	4.2
	TOTAL OF ABOVE			**TOTAL OF ABOVE**			**TOTAL OF ABOVE**		
Opening stocks	55.5	58.7	38.6	92.8	91.3	51.0	18.9	22.9	21.6
Production	245.8	218.8	254.0	498.7	457.9	550.8	148.4	146.1	147.5
Imports	9.2	9.5	9.0	7.1	10.2	8.5	0.8	1.0	1.0
Total Supply	**310.6**	**286.9**	**301.7**	**598.6**	**559.4**	**610.3**	**168.1**	**169.9**	**170.1**
Domestic use	170.3	173.3	180.5	417.1	427.0	465.0	121.3	124.0	126.2
Exports	81.6	76.9	79.7	90.1	82.9	84.0	23.8	24.4	23.9
Closing stocks	58.7	36.8	41.5	91.3	49.4	61.3	22.9	21.6	20.3

[1] Trade data include wheat flour in wheat grain equivalent. For the **European Union** semolina is also included.
[2] **Argentina** (December/November) 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); **European Union** (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.

Table A10. Total oilcrops statistics *(million tonnes)*

	Production [1]			Imports			Exports		
	2004/05	2005/06 estim.	2006/07 f'cast	2004/05	2005/06 estim.	2006/07 f'cast	2004/05	2005/06 estim.	2006/07 f'cast
ASIA	**121.0**	**122.3**	**121.9**	**46.4**	**49.8**	**52.2**	**2.5**	**2.6**	**2.2**
China	60.4	58.4	58.7	28.5	31.6	34.3	1.5	1.3	1.4
of which Taiwan Prov.	-	-	-	2.3	2.4	2.4	-	-	-
India	30.4	33.5	32.3	-	-	-	0.5	0.7	0.5
Indonesia	6.7	7.2	7.4	1.4	1.5	1.5	0.1	0.1	0.1
Iran, Islamic Republic of	0.4	0.4	0.4	0.8	0.8	0.8	-	-	-
Japan	0.2	0.3	0.3	7.0	6.7	6.8	-	-	-
Korea, Republic of	0.2	0.3	0.2	1.4	1.4	1.4	-	-	-
Malaysia	4.1	4.3	4.4	0.7	0.8	0.8	0.1	0.1	0.1
Pakistan	5.6	4.8	4.8	0.8	1.1	1.1	-	-	-
Thailand	0.7	0.7	0.7	1.6	1.5	1.6	-	-	-
Turkey	2.2	2.2	2.3	1.7	1.7	1.6	-	-	-
AFRICA	**16.0**	**16.1**	**16.0**	**1.4**	**1.6**	**1.5**	**0.7**	**0.7**	**0.7**
Nigeria	4.3	4.4	4.4	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	**1.1**	**1.2**	**1.2**	**5.9**	**6.3**	**6.4**	**0.1**	**0.1**	**0.1**
Mexico	0.7	0.8	0.8	5.4	5.7	5.7	-	-	-
SOUTH AMERICA	**108.0**	**112.5**	**120.8**	**2.1**	**1.7**	**3.1**	**34.0**	**37.1**	**38.1**
Argentina	44.4	45.7	50.1	0.7	0.6	1.7	9.9	7.9	8.0
Brazil	56.1	59.4	61.6	0.5	0.1	0.2	20.3	26.0	25.6
Paraguay	4.2	4.1	6.2	-	-	-	3.0	2.4	3.3
NORTH AMERICA	**108.1**	**110.1**	**111.2**	**1.5**	**1.7**	**1.8**	**36.0**	**35.5**	**39.1**
Canada	11.6	14.2	13.9	0.7	0.7	0.7	5.4	7.7	8.1
United States of America	96.5	95.9	97.3	0.8	1.0	1.2	30.6	27.8	31.1
EUROPE	**34.3**	**37.9**	**41.6**	**19.1**	**18.4**	**18.6**	**1.9**	**2.6**	**3.0**
European Union	21.2	21.2	24.5	18.1	17.5	17.7	0.5	0.4	0.9
Russian Federation	5.7	7.4	7.9	0.2	0.2	0.1	0.1	0.4	0.3
Ukraine	3.7	5.8	6.7	-	-	-	0.2	0.8	1.0
OCEANIA	**2.9**	**2.9**	**1.6**	**0.1**	**0.1**	**0.2**	**1.3**	**1.1**	**0.6**
Australia	2.6	2.6	1.3	0.1	0.1	0.2	1.2	1.0	0.5
WORLD	**391.4**	**403.0**	**412.6**	**76.5**	**79.7**	**83.8**	**76.5**	**79.7**	**83.8**
Developing countries	241.8	247.2	247.2	48.0	51.7	55.5	37.3	40.1	40.1
Developed countries	149.6	155.8	165.4	28.5	28.0	28.3	39.2	39.6	43.7
LIFDCs	126.8	127.9	126.6	33.1	36.7	39.8	3.3	3.0	2.9
LDCs	10.1	10.4	10.2	0.2	0.3	0.3	0.5	0.5	0.4
NFIDCs	8.0	7.4	7.3	2.2	2.7	2.7	0.2	0.2	0.2

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

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

	Imports			Exports			Utilization		
	2004/05	2005/06 *estim.*	2006/07 *f'cast*	2004/05	2005/06 *estim.*	2006/07 *f'cast*	2004/05	2005/06 *estim.*	2006/07 *f'cast*
ASIA	**28.3**	**29.9**	**32.0**	**31.1**	**33.1**	**35.7**	**68.3**	**71.2**	**75.2**
Bangladesh	1.1	1.1	1.2	-	-	-	1.3	1.3	1.4
China	7.5	7.9	8.7	0.3	0.3	0.3	25.7	26.9	27.5
of which Taiwan Prov.	0.4	0.4	0.4	-	-	-	0.8	0.9	0.9
India	5.6	5.1	5.4	0.6	0.6	0.6	14.2	14.4	14.7
Indonesia	0.1	0.1	0.1	11.7	13.4	15.0	4.2	4.4	4.8
Iran	1.3	1.3	1.4	0.1	0.1	0.1	1.5	1.6	1.7
Japan	1.1	1.1	1.2	-	-	-	3.2	3.2	3.2
Korea, Republic of	0.8	0.8	0.8	-	-	-	1.1	1.1	1.2
Malaysia	1.0	1.3	1.3	14.7	14.9	15.7	3.2	3.6	4.2
Pakistan	1.9	1.9	2.0	0.2	0.2	0.2	3.2	3.3	3.5
Philippines	0.2	0.3	0.4	1.0	1.3	1.1	0.7	0.7	0.8
Singapore	0.6	0.6	0.6	0.3	0.3	0.3	0.2	0.2	0.3
Turkey	1.1	1.6	1.7	0.2	0.4	0.4	2.1	2.3	2.5
AFRICA	**5.9**	**6.0**	**6.3**	**0.8**	**0.8**	**0.8**	**11.1**	**11.2**	**11.3**
Algeria	0.6	0.6	0.7	-	-	-	0.7	0.7	0.7
Egypt	1.3	1.3	1.4	-	-	-	1.6	1.6	1.6
Nigeria	0.3	0.3	0.3	-	-	-	1.8	1.8	1.9
South Africa	0.6	0.6	0.7	0.1	-	0.1	1.0	1.0	1.0
CENTRAL AMERICA	**2.2**	**2.3**	**2.3**	**0.4**	**0.4**	**0.4**	**4.3**	**4.4**	**4.5**
Mexico	1.1	1.1	1.2	-	-	-	2.8	2.9	2.9
SOUTH AMERICA	**1.6**	**1.7**	**1.8**	**10.0**	**10.8**	**11.5**	**8.4**	**8.5**	**9.0**
Argentina	-	-	-	6.2	7.2	7.8	0.7	0.7	0.8
Brazil	0.2	0.2	0.2	2.5	2.6	2.4	4.7	4.7	4.9
NORTH AMERICA	**2.6**	**3.1**	**3.4**	**4.4**	**4.7**	**4.9**	**16.4**	**17.2**	**18.3**
Canada	0.4	0.4	0.5	1.7	1.8	1.9	1.0	1.0	1.1
United States of America	2.2	2.7	2.9	2.8	2.8	3.0	15.4	16.2	17.2
EUROPE	**10.7**	**12.1**	**13.0**	**3.4**	**4.3**	**4.4**	**29.0**	**31.7**	**33.4**
European Union	8.5	9.9	10.8	2.0	1.8	2.0	23.4	26.0	27.7
Russian Federation	1.2	1.1	1.2	0.2	0.6	0.5	3.1	3.1	3.2
Ukraine	0.3	0.3	0.3	0.7	1.6	1.4	0.7	0.7	0.8
OCEANIA	**0.5**	**0.5**	**0.6**	**1.6**	**1.6**	**1.5**	**0.9**	**0.9**	**0.9**
Australia	0.2	0.2	0.3	0.6	0.6	0.5	0.5	0.5	0.5
WORLD	**51.8**	**55.6**	**59.4**	**51.7**	**55.7**	**59.3**	**138.4**	**145.1**	**152.6**
Developing countries	36.0	37.8	40.1	42.8	45.6	48.9	87.1	90.2	94.8
Developed countries	15.8	17.8	19.2	8.9	10.1	10.4	51.3	54.9	57.8
LIFDCs	23.0	23.6	25.4	15.1	17.2	18.8	62.0	64.2	67.0
LDCs	3.6	3.8	3.9	0.4	0.4	0.4	6.4	6.5	6.8
NFIDCs	6.2	6.4	6.6	1.2	1.1	1.2	8.7	8.9	9.3

[1] Includes oils and fats of vegetable and animal origin.

Table A12. Total meals and cakes statistics *(million tonnes)*[1]

	Imports			Exports			Utilization		
	2004/05	2005/06 estim.	2006/07 f'cast	2004/05	2005/06 estim.	2006/07 f'cast	2004/05	2005/06 estim.	2006/07 f'cast
ASIA	**19.9**	**21.9**	**23.9**	**9.3**	**11.1**	**10.6**	**92.7**	**97.8**	**102.8**
China	2.5	2.9	3.2	1.0	0.7	0.6	46.5	49.8	52.9
of which Taiwan Prov.	0.6	0.6	0.6	-	-	-	2.5	2.5	2.5
India	0.2	0.2	0.2	2.8	4.7	4.5	11.1	11.4	11.6
Indonesia	2.0	2.3	2.4	1.9	2.1	2.1	2.2	2.3	2.5
Japan	2.1	2.3	2.3	-	-	-	7.3	7.4	7.5
Korea, Republic of	2.8	3.0	3.1	-	-	-	3.9	4.0	4.2
Malaysia	0.8	0.9	1.0	2.2	2.1	2.1	1.6	1.8	1.9
Pakistan	0.2	0.2	0.3	-	0.1	-	2.7	2.7	2.9
Philippines	1.5	1.5	1.6	0.4	0.5	0.4	2.0	2.0	2.1
Saudi Arabia	0.7	0.7	0.7	-	-	-	0.7	0.7	0.7
Thailand	2.0	2.3	2.5	0.1	0.1	0.1	4.0	4.1	4.2
Turkey	0.8	1.0	1.0	-	-	-	2.7	2.9	2.9
Viet Nam	1.3	1.3	1.5	0.1	0.1	0.1	1.4	1.5	1.6
AFRICA	**2.7**	**3.1**	**3.4**	**0.7**	**0.8**	**0.8**	**7.7**	**8.1**	**8.4**
Egypt	0.7	0.9	1.0	-	-	-	1.4	1.5	1.6
South Africa	0.7	0.8	0.8	-	-	-	1.3	1.4	1.4
CENTRAL AMERICA	**2.7**	**2.9**	**3.2**	**0.1**	**0.1**	**0.1**	**7.3**	**7.8**	**7.9**
Mexico	1.2	1.5	1.7	-	-	-	5.4	5.9	5.9
SOUTH AMERICA	**3.5**	**3.7**	**3.9**	**40.9**	**41.9**	**45.9**	**16.9**	**16.7**	**17.6**
Argentina	-	-	-	22.0	25.3	29.2	2.0	2.2	2.2
Bolivia	-	-	-	1.0	1.1	1.0	0.2	0.2	0.2
Brazil	0.2	0.2	0.2	14.3	12.5	12.3	10.1	9.4	10.2
Chile	0.7	0.8	0.8	0.7	0.6	0.6	1.2	1.2	1.3
Paraguay	-	-	-	0.7	0.7	0.7	0.2	0.2	0.2
Peru	0.7	0.8	-	2.2	1.5	1.6	0.9	1.0	1.0
Venezuela	0.7	0.8	0.8	-	-	-	0.8	0.8	0.9
NORTH AMERICA	**2.9**	**3.3**	**3.5**	**9.2**	**10.0**	**10.4**	**37.7**	**38.2**	**38.5**
Canada	1.2	1.5	1.6	2.1	2.2	2.3	2.4	2.4	2.5
United States of America	1.7	1.8	1.9	7.1	7.8	8.1	35.3	35.8	36.0
EUROPE	**31.3**	**32.4**	**33.0**	**3.4**	**3.9**	**3.9**	**56.9**	**58.4**	**59.8**
European Union	29.4	30.3	30.9	0.8	1.0	1.1	52.6	53.7	55.2
Russian Federation	0.5	0.4	0.5	0.7	0.9	0.8	1.9	1.9	2.2
Ukraine	0.1	0.1	0.1	0.9	1.3	1.2	0.2	0.2	0.3
OCEANIA	**0.7**	**0.8**	**1.0**	**0.2**	**0.2**	**0.2**	**1.2**	**1.3**	**1.4**
Australia	0.5	0.6	0.7	-	-	-	0.9	0.9	1.0
WORLD	**63.8**	**68.1**	**71.9**	**63.8**	**68.0**	**71.9**	**220.4**	**228.3**	**236.4**
Developing countries	25.8	28.3	30.9	50.9	53.8	57.3	114.5	120.1	126.3
Developed countries	38.0	39.8	40.9	12.9	14.2	14.6	105.9	108.2	110.1
LIFDCs	9.5	10.6	11.6	7.2	9.1	8.5	74.1	78.4	82.7
LDCs	0.3	0.3	0.4	0.4	0.4	0.4	3.2	3.3	3.4
NFIDCs	4.1	4.4	4.9	2.5	1.9	2.0	8.3	8.7	9.2

[1] Includes meals and cakes derived from oilcrops as well as fish meal.

Table A13. Bovine meat statistics *(million tonnes, carcass weight equivalent)*

	Production		Imports		Exports		Utilization	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**17.0**	**17.7**	**2.2**	**2.3**	**0.6**	**0.6**	**18.6**	**19.4**
China	7.5	7.9	0.2	0.2	0.1	0.1	7.7	8.0
India	3.3	3.5	-	-	0.5	0.5	2.8	3.0
Iran, Islamic Republic of	0.3	0.3	0.1	0.1	-	-	0.4	0.5
Israel	0.1	0.1	0.1	0.1	-	-	0.2	0.2
Japan	0.5	0.5	0.6	0.7	-	-	1.1	1.1
Korea, Republic of	0.2	0.3	0.3	0.3	-	-	0.5	0.5
Malaysia	-	-	0.2	0.2	-	-	0.2	0.2
Pakistan	1.0	1.1	-	-	-	-	1.0	1.0
AFRICA	**4.7**	**4.8**	**0.6**	**0.7**	**0.1**	**0.1**	**5.3**	**5.4**
Algeria	0.1	0.1	0.1	0.1	-	-	0.2	0.2
Angola	0.1	0.1	0.1	0.1	-	-	0.2	0.2
Egypt	0.6	0.6	0.3	0.3	-	-	0.9	0.9
South Africa	0.7	0.7	-	-	-	-	0.7	0.7
CENTRAL AMERICA	**2.2**	**2.3**	**0.4**	**0.5**	**0.1**	**0.1**	**2.6**	**2.6**
Mexico	1.6	1.6	0.4	0.4	-	-	1.9	2.0
SOUTH AMERICA	**14.6**	**14.3**	**0.3**	**0.3**	**3.0**	**3.2**	**11.9**	**11.5**
Argentina	3.0	3.0	-	-	0.5	0.4	2.5	2.5
Brazil	8.8	8.4	-	-	1.9	2.0	7.0	6.4
Chile	0.2	0.3	0.2	0.2	-	-	0.4	0.4
Colombia	0.8	0.8	-	-	-	-	0.7	0.8
Uruguay	0.6	0.6	-	-	0.4	0.4	0.2	0.2
Venezuela	0.4	0.5	0.1	0.1	-	-	0.5	0.5
NORTH AMERICA	**13.5**	**13.5**	**1.5**	**1.5**	**0.9**	**1.0**	**14.0**	**14.0**
Canada	1.4	1.4	0.2	0.2	0.4	0.4	1.1	1.2
United States of America	12.1	12.1	1.3	1.4	0.5	0.6	12.8	12.9
EUROPE	**11.2**	**11.1**	**1.6**	**1.6**	**0.3**	**0.3**	**12.5**	**12.4**
European Union	8.0	8.1	0.5	0.6	0.2	0.2	8.2	8.5
Russian Federation	1.8	1.7	0.8	0.8	-	-	2.6	2.5
Ukraine	0.5	0.5	0.1	0.1	-	-	0.5	0.5
OCEANIA	**2.9**	**2.9**	**-**	**-**	**1.8**	**1.8**	**1.1**	**1.1**
Australia	2.2	2.2	-	-	1.3	1.3	0.9	0.8
New Zealand	0.7	0.7	-	-	0.5	0.6	0.2	0.2
WORLD	**66.2**	**66.6**	**6.7**	**7.0**	**6.9**	**7.1**	**66.0**	**66.4**
Developing countries	36.2	36.6	2.8	2.9	3.8	4.0	35.1	35.6
Developed countries	30.1	30.0	3.9	4.0	3.1	3.1	30.9	30.8
LIFDCs	18.8	19.5	1.0	1.1	0.6	0.7	19.2	19.9
LDCs	3.0	3.1	0.1	0.1	-	-	3.1	3.2
NFIDCs	3.2	3.2	0.4	0.5	-	-	3.6	3.7

Table A14. Ovine meat statistics *(million tonnes, carcass weight equivalent)*

	Production		Imports		Exports		Utilization	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**8.1**	**8.4**	**0.3**	**0.3**	**-**	**0.1**	**8.3**	**8.6**
Bangladesh	0.1	0.1	-	-	-	-	0.1	0.1
China	4.5	4.7	0.1	0.1	-	-	4.5	4.7
India	0.7	0.7	-	-	-	-	0.7	0.7
Iran, Islamic Republic of	0.5	0.6	-	-	-	-	0.5	0.6
Pakistan	0.6	0.6	-	-	-	-	0.5	0.6
Saudi Arabia	0.1	0.1	-	-	-	-	0.1	0.1
Syria	0.2	0.2	-	-	-	-	0.2	0.2
Turkey	0.3	0.3	-	-	-	-	0.3	0.3
AFRICA	**2.1**	**2.2**	**0.1**	**0.1**	**-**	**-**	**2.2**	**2.2**
Algeria	0.2	0.2	-	-	-	-	0.2	0.2
Nigeria	0.3	0.3	-	-	-	-	0.3	0.3
South Africa	0.2	0.2	-	-	-	-	0.2	0.2
Sudan	0.3	0.3	-	-	-	-	0.3	0.3
CENTRAL AMERICA	**0.1**	**0.1**	**0.1**	**0.1**	**-**	**-**	**0.2**	**0.2**
Mexico	0.1	0.1	0.1	0.1	-	-	0.1	0.2
SOUTH AMERICA	**0.3**	**0.4**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
Brazil	0.1	0.1	-	-	-	-	0.1	0.1
NORTH AMERICA	**0.1**	**0.1**	**0.1**	**0.1**	**-**	**-**	**0.2**	**0.2**
United States of America	0.1	0.1	0.1	0.1	-	-	0.2	0.2
EUROPE	**1.4**	**1.4**	**0.2**	**0.3**	**-**	**-**	**1.6**	**1.6**
European Union	1.0	1.1	0.2	0.2	-	-	1.3	1.2
Russian Federation	0.1	0.1	-	-	-	-	0.1	0.2
OCEANIA	**1.4**	**1.3**	**0.1**	**0.1**	**0.7**	**0.8**	**0.7**	**0.6**
Australia	0.9	0.8	-	-	0.4	0.3	0.5	0.5
New Zealand	0.5	0.5	-	-	0.4	0.4	0.2	0.1
WORLD	**13.6**	**13.9**	**0.8**	**0.9**	**0.9**	**0.9**	**13.6**	**13.9**
Developing countries	10.1	10.5	0.4	0.4	0.1	0.1	10.5	10.8
Developed countries	3.5	3.4	0.4	0.4	0.8	0.8	3.1	3.1
LIFDCs	8.6	8.8	0.1	0.1	0.1	0.1	8.6	8.9
LDCs	1.4	1.4	-	-	-	-	1.4	1.4
NFIDCs	1.0	1.0	-	-	-	-	1.0	1.1

Table A15. Pig meat statistics *(million tonnes, carcass weight equivalent)*

	Production		Imports		Exports		Utilization	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**62.4**	**64.8**	**2.3**	**2.4**	**0.6**	**0.6**	**64.2**	**66.7**
China	63.2	65.5	0.4	0.4	0.6	0.6	53.2	55.3
of which Hong Kong, SAR	0.2	0.2	0.3	0.3	-	-	0.4	0.5
India	0.5	0.5	-	-	-	-	0.5	0.5
Indonesia	0.6	0.6	-	-	-	-	0.6	0.6
Japan	1.2	1.2	1.1	1.2	-	-	2.4	2.4
Korea, D.P.R.	0.2	0.2	0.1	0.1	-	-	0.3	0.3
Korea, Republic of	1.0	1.1	0.4	0.4	-	-	1.4	1.4
Philippines	1.5	1.5	-	-	-	-	1.5	1.5
Singapore	-	-	0.1	0.1	-	-	0.1	0.2
Thailand	0.7	0.7	-	-	-	-	0.7	0.7
Viet Nam	2.4	2.6	-	-	-	-	2.4	2.6
AFRICA	**0.9**	**0.9**	**0.1**	**0.1**	**-**	**-**	**1.0**	**1.0**
Madagascar	0.1	0.1	-	-	-	-	0.1	0.1
Nigeria	0.2	0.2	-	-	-	-	0.2	0.2
South Africa	0.1	0.2	-	-	-	-	0.2	0.2
Uganda	0.1	0.1	-	-	-	-	0.1	0.1
CENTRAL AMERICA	**1.5**	**1.5**	**0.5**	**0.5**	**0.1**	**0.1**	**1.9**	**2.0**
Cuba	0.1	0.1	-	-	-	-	0.1	0.1
Mexico	1.1	1.2	0.4	0.4	0.1	0.1	1.4	1.5
SOUTH AMERICA	**4.7**	**5.0**	**0.1**	**0.1**	**0.7**	**0.8**	**4.0**	**4.3**
Argentina	0.2	0.2	-	-	-	-	0.2	0.2
Brazil	3.2	3.4	-	-	0.6	0.6	2.6	2.7
Chile	0.5	0.6	-	-	0.1	0.1	0.4	0.5
Colombia	0.1	0.1	-	-	-	-	0.1	0.1
NORTH AMERICA	**11.4**	**11.6**	**0.6**	**0.6**	**2.1**	**2.2**	**9.9**	**10.0**
Canada	1.9	1.8	0.1	0.1	1.0	0.9	1.0	1.0
United States of America	9.6	9.8	0.4	0.4	1.2	1.2	8.8	9.0
EUROPE	**26.1**	**26.5**	**1.2**	**1.3**	**1.3**	**1.3**	**25.9**	**26.3**
Belarus	0.4	0.4	-	0.1	0.1	0.1	0.3	0.4
European Union	21.6	22.6	-	0.3	1.2	1.3	20.4	21.5
Romania	0.5	-	0.2	-	-	-	0.7	-
Russian Federation	1.7	1.7	0.6	0.7	-	-	2.4	2.4
Serbia	0.6	0.6	-	-	-	-	0.6	0.6
Ukraine	0.7	0.7	0.1	0.1	-	-	0.7	0.8
OCEANIA	**0.5**	**0.5**	**0.1**	**0.1**	**-**	**-**	**0.6**	**0.6**
Australia	0.4	0.4	0.1	0.1	-	-	0.4	0.4
Papua New Guinea	0.1	0.1	-	-	-	-	0.1	0.1
WORLD	**107.4**	**110.7**	**4.9**	**5.1**	**4.9**	**5.1**	**107.5**	**110.8**
Developing countries	67.8	70.6	1.8	1.9	1.4	1.5	68.2	71.0
Developed countries	39.6	40.2	3.1	3.2	3.5	3.6	39.3	39.8
LIFDCs	57.6	59.8	0.8	0.8	0.6	0.6	57.8	60.0
LDCs	0.8	0.8	0.1	0.1	-	-	0.8	0.8
NFIDCs	0.5	0.5	0.1	0.1	-	-	0.5	0.6

Table A16. Poultry meat statistics *(million tonnes, carcass weight equivalent)*

	Production		Imports		Exports		Utilization	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**27.4**	**28.1**	**3.5**	**3.8**	**1.2**	**1.3**	**29.7**	**30.5**
China	14.7	15.0	1.2	1.3	0.6	0.6	15.3	15.6
of which Hong Kong, SAR	-	-	0.5	0.5	0.2	0.2	0.4	0.4
India	2.0	2.2	-	-	-	-	2.0	2.2
Indonesia	1.0	1.1	-	-	-	-	1.0	1.1
Iran, Islamic Republic of	0.8	0.9	-	-	-	-	0.8	0.9
Japan	1.3	1.3	0.8	0.8	-	-	2.1	2.1
Korea, Republic of	0.6	0.6	0.1	0.1	-	-	0.7	0.7
Kuwait	-	-	0.1	0.1	-	0.1	0.1	0.1
Malaysia	1.0	1.0	-	-	-	-	1.0	1.0
Saudi Arabia	0.6	0.6	0.4	0.5	-	-	1.0	1.0
Singapore	0.1	0.1	0.1	0.1	-	-	0.2	0.2
Thailand	1.2	1.2	-	-	0.4	0.4	0.8	0.7
Turkey	0.9	1.0	0.1	0.1	0.1	0.1	0.9	1.0
Yemen	0.1	0.1	0.1	0.1	-	-	0.2	0.2
AFRICA	**3.4**	**3.5**	**0.7**	**0.8**	**-**	**-**	**4.0**	**4.2**
Angola	-	-	0.1	0.1	-	-	0.1	0.1
South Africa	0.9	1.0	0.3	0.3	-	-	1.2	1.2
CENTRAL AMERICA	**3.6**	**3.7**	**0.9**	**1.0**	**-**	**-**	**4.5**	**4.6**
Cuba	-	-	0.1	0.1	-	-	0.1	0.2
Mexico	2.4	2.5	0.6	0.6	-	-	3.0	3.1
SOUTH AMERICA	**14.2**	**14.9**	**0.3**	**0.3**	**2.9**	**3.2**	**11.4**	**12.0**
Brazil	9.9	10.4	-	-	2.7	3.0	7.1	7.4
Venezuela	0.8	0.8	0.2	0.2	-	-	1.0	1.0
NORTH AMERICA	**20.0**	**20.1**	**0.2**	**0.3**	**3.0**	**3.2**	**17.3**	**17.2**
Canada	1.2	1.2	0.2	0.2	0.1	0.1	1.2	1.2
United States of America	18.9	18.9	0.1	0.1	2.9	3.0	16.1	15.9
EUROPE	**14.5**	**15.0**	**2.5**	**2.6**	**0.9**	**0.9**	**16.0**	**16.7**
European Union	10.9	11.5	0.6	1.0	0.9	0.9	10.7	11.6
Romania	0.4	-	0.2	-	-	-	0.5	-
Russian Federation	2.1	2.3	1.3	1.3	-	-	3.4	3.7
Ukraine	0.6	0.7	0.1	0.1	-	-	0.7	0.8
OCEANIA	**1.0**	**1.0**	**-**	**-**	**-**	**-**	**1.0**	**1.0**
Australia	0.8	0.8	-	-	-	-	0.8	0.8
New Zealand	0.1	0.1	-	-	-	-	0.1	0.1
WORLD	**84.0**	**86.2**	**8.1**	**8.7**	**8.1**	**8.7**	**84.0**	**86.2**
Developing countries	45.6	47.3	4.2	4.6	4.1	4.6	45.7	47.3
Developed countries	38.3	38.9	3.9	4.2	4.0	4.2	38.3	38.9
LIFDCs	22.0	22.6	2.2	2.5	0.6	0.7	26.6	24.4
LDCs	1.1	1.2	0.4	0.4	-	-	1.5	1.6
NFIDCs	3.6	3.8	0.4	0.5	-	-	4.0	4.3

Table A17. Total meat statistics[1] *(million tonnes, carcass weight equivalent)*

	Production		Imports		Exports		Utilization	
	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*	2006 *estim.*	2007 *f'cast*
ASIA	**116.8**	**120.8**	**8.3**	**8.8**	**2.5**	**2.7**	**122.5**	**127.0**
China	81.3	84.3	1.9	2.0	1.3	1.4	81.9	85.0
of which Hong Kong, SAR	0.2	0.2	0.9	1.0	0.2	0.2	1.0	1.0
India	6.7	7.0	-	-	0.5	0.5	6.2	6.5
Iran, Islamic Republic of	1.7	1.8	0.1	0.1	-	-	1.8	1.9
Japan	3.1	3.1	2.6	2.7	-	-	5.7	5.7
Korea, Republic of	1.9	1.9	0.8	0.8	-	-	2.6	2.7
Malaysia	1.2	1.2	0.2	0.3	-	-	1.4	1.5
Pakistan	2.0	2.0	-	-	-	-	2.0	2.0
Philippines	2.4	2.4	0.2	0.2	-	-	2.6	2.6
Saudi Arabia	0.7	0.8	0.6	0.7	-	-	1.3	1.4
Singapore	0.1	0.1	0.3	0.3	-	-	0.4	0.4
Thailand	2.1	2.1	-	-	0.4	0.5	1.7	1.7
Turkey	1.6	1.6	0.1	0.1	0.1	0.1	1.6	1.6
Viet Nam	3.1	3.3	-	-	-	-	3.1	3.3
AFRICA	**12.4**	**12.7**	**1.5**	**1.7**	**0.1**	**0.1**	**13.8**	**14.2**
Algeria	0.6	0.6	0.1	0.1	-	-	0.7	0.7
Egypt	1.3	1.4	0.3	0.3	-	-	1.6	1.7
Nigeria	1.1	1.1	-	-	-	-	1.1	1.1
South Africa	1.9	1.9	0.3	0.3	-	-	2.2	2.3
CENTRAL AMERICA	**7.5**	**7.7**	**2.0**	**2.1**	**0.2**	**0.2**	**9.3**	**9.6**
Cuba	0.2	0.2	0.2	0.2	-	-	0.4	0.4
Mexico	5.4	5.5	1.4	1.5	0.1	0.1	6.7	6.9
SOUTH AMERICA	**34.0**	**34.8**	**0.6**	**0.7**	**6.7**	**7.2**	**27.8**	**28.3**
Argentina	4.5	4.7	-	-	0.6	0.6	3.9	4.1
Brazil	22.1	22.3	-	-	5.2	5.7	16.8	16.7
Chile	1.3	1.4	0.2	0.2	0.2	0.3	1.2	1.4
Colombia	1.6	1.7	-	-	-	-	1.6	1.7
Uruguay	0.7	0.7	-	-	0.4	0.4	0.3	0.3
NORTH AMERICA	**45.3**	**45.6**	**2.4**	**2.5**	**6.2**	**6.4**	**41.5**	**41.6**
Canada	4.5	4.5	0.5	0.5	1.6	1.5	3.4	3.4
United States of America	40.8	41.1	1.9	2.0	4.6	4.8	38.1	38.2
EUROPE	**54.5**	**55.2**	**5.7**	**6.0**	**2.6**	**2.6**	**57.5**	**58.6**
Belarus	0.8	0.8	0.1	0.1	0.1	0.2	0.7	0.8
European Union	42.5	44.4	1.4	2.1	2.4	2.5	41.6	44.0
Romania	1.2	-	0.4	-	-	-	1.6	-
Russian Federation	5.8	6.0	2.8	2.9	-	-	8.6	8.8
Ukraine	1.8	2.0	0.2	0.2	-	-	2.0	2.1
OCEANIA	**6.2**	**6.1**	**0.3**	**0.3**	**2.7**	**2.7**	**3.8**	**3.7**
Australia	4.3	4.2	0.1	0.1	1.8	1.7	2.6	2.6
New Zealand	1.4	1.5	-	-	0.9	1.0	0.5	0.5
WORLD	**276.6**	**283.0**	**20.7**	**22.0**	**21.0**	**22.0**	**276.2**	**282.9**
Developing countries	163.5	168.8	9.2	9.9	9.5	10.2	163.1	168.5
Developed countries	113.1	114.3	11.5	12.1	11.5	11.8	113.2	114.4
LIFDCs	110.2	113.9	4.1	4.6	1.9	2.0	112.4	116.5
LDCs	7.0	7.1	0.6	0.7	-	-	7.5	7.8
NFIDCs	8.6	8.9	1.0	1.1	-	-	9.5	10.0

[1] Including "other meat".

Table A18. Milk and milk products statistics *(million tonnes, milk equivalent)*

	Production			Imports			Exports		
	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast	2005	2006 estim.	2007 f'cast
ASIA	**216.2**	**227.8**	**240.3**	**21.8**	**23.6**	**23.7**	**4.5**	**4.4**	**4.5**
China	32.3	38.4	45.3	4.4	4.8	5.1	0.8	0.8	0.8
India[1]	95.1	98.4	101.4	-	-	-	0.6	0.7	0.7
Indonesia	0.7	0.7	0.7	1.7	2.0	2.1	0.2	0.2	0.2
Iran, Islamic Republic of	7.1	7.5	8.0	0.4	0.4	0.4	-	-	-
Japan	8.3	8.1	8.1	1.6	1.6	1.5	-	-	-
Korea, Republic of	2.2	2.2	2.2	0.7	0.8	0.8	-	-	-
Malaysia	-	-	-	1.5	1.7	1.7	0.2	0.2	0.2
Pakistan	29.7	30.6	31.8	0.1	0.1	0.1	-	-	-
Philippines	-	-	-	1.6	1.7	1.7	0.1	0.1	0.1
Saudi Arabia	1.1	1.1	1.1	1.7	1.8	1.8	0.9	0.7	0.8
Singapore	-	-	-	1.5	1.5	1.5	0.6	0.6	0.6
Thailand	0.9	1.0	1.0	1.3	1.3	1.3	0.4	0.4	0.4
Turkey	11.1	11.3	11.6	0.2	0.2	0.2	0.1	0.1	0.1
AFRICA	**29.9**	**29.6**	**29.8**	**6.6**	**6.9**	**7.0**	**0.4**	**0.4**	**0.4**
Algeria	1.7	1.7	1.7	2.3	2.5	2.5	-	-	-
Egypt	4.1	3.7	3.7	0.8	0.9	0.9	0.1	0.1	0.1
Kenya	2.8	2.8	2.7	-	-	-	-	-	-
South Africa	2.9	2.9	2.9	0.2	0.2	0.1	0.1	0.1	0.1
Sudan	5.2	5.3	5.3	0.2	0.1	0.2	-	-	-
Tunisia	1.0	1.0	1.0	0.1	0.1	0.1	-	-	-
CENTRAL AMERICA	**15.6**	**15.8**	**16.0**	**4.7**	**4.6**	**4.6**	**0.3**	**0.3**	**0.3**
Costa Rica	0.8	0.8	0.8	0.1	0.1	0.1	0.1	0.1	0.1
Mexico	10.0	10.2	10.3	2.9	2.9	2.9	0.1	0.1	0.1
SOUTH AMERICA	**51.6**	**53.5**	**55.6**	**1.6**	**1.6**	**1.7**	**3.2**	**3.6**	**3.9**
Argentina	10.1	10.8	11.7	0.1	0.1	0.1	1.7	2.2	2.5
Brazil	24.7	25.5	26.3	0.5	0.5	0.6	0.4	0.3	0.3
Colombia	6.8	6.8	6.9	0.1	0.1	0.1	0.2	0.2	0.2
Uruguay	1.8	1.8	1.9	-	-	-	0.6	0.6	0.6
Venezuela	1.3	1.4	1.5	0.5	0.5	0.5	-	-	-
NORTH AMERICA	**88.3**	**90.5**	**91.5**	**3.0**	**2.7**	**2.6**	**5.0**	**5.2**	**5.2**
Canada	8.1	8.0	7.9	0.8	0.6	0.7	0.4	0.4	0.4
United States of America	80.3	82.5	83.5	2.3	2.0	2.0	4.6	4.7	4.8
EUROPE	**216.0**	**214.5**	**216.9**	**5.3**	**5.1**	**5.2**	**16.8**	**16.2**	**16.2**
European Union	146.9	145.5	154.5	2.0	2.0	2.0	13.7	12.8	12.7
Romania	6.1	6.0	-	0.1	0.1	-	-	-	-
Russian Federation	31.1	31.2	31.4	2.2	2.6	2.7	0.3	0.2	0.2
Ukraine	13.7	13.3	13.4	0.1	0.1	0.1	1.4	1.1	1.1
OCEANIA	**24.7**	**25.1**	**24.5**	**0.7**	**0.7**	**0.7**	**15.2**	**17.4**	**17.4**
Australia[2]	10.1	10.1	9.4	0.4	0.4	0.4	4.7	5.1	4.7
New Zealand [3]	14.5	14.9	15.1	0.1	0.1	0.1	10.5	12.3	12.7
WORLD	**642.3**	**656.8**	**674.6**	**43.6**	**45.2**	**45.5**	**45.4**	**47.5**	**48.0**
Developing countries	286.2	299.1	313.5	32.4	34.7	34.8	8.2	8.5	9.0
Developed countries	356.1	357.7	361.1	11.2	10.5	10.7	37.2	39.0	39.0
LIFDCs	208.2	218.8	229.5	13.6	14.2	14.5	1.7	1.8	1.8
LDCs	21.9	22.2	22.4	2.3	2.4	2.5	0.1	0.1	0.1
NFIDCs	46.3	47.3	48.0	3.7	3.7	3.7	0.3	0.3	0.3

[1] Dairy years starting April of the year stated.
[2] Dairy years ending June of the year stated.
[3] Dairy years ending May of the year stated.
Note: The solids content method is used to calculate milk equivalents. ME multiplication factors used: butter, 6.60; cheese (from whole cow milk), 4.40; cheese (from skim cow milk), 2.00; milk powder, 7.60. Regarding assumptions and approaches and in calculation of milk equivalents please refer to Bulletin of IDF 390 (March 2004).

Table A19. Sugar statistics *(million tonnes, raw value)*

	Production		Utilization	
	2005/06 *estim.*	2006/07 *f'cast*	2005/06 *estim.*	2006/07 *f'cast*
ASIA	**50.0**	**58.4**	**65.9**	**67.8**
China	9.8	11.3	12.7	13.0
India	20.9	25.0	20.5	21.3
Indonesia	2.5	2.6	4.3	4.3
Japan	0.9	0.9	2.3	2.2
Pakistan	3.2	3.6	4.2	4.4
Thailand	5.1	7.0	2.3	2.5
Turkey	2.2	2.0	2.0	2.1
AFRICA	**9.9**	**10.5**	**14.6**	**15.3**
Egypt	1.7	1.8	2.6	2.6
Kenya	0.6	0.6	0.8	0.8
Mauritius	0.5	0.6	-	0.1
South Africa	2.3	2.4	1.6	1.6
Sudan	0.8	0.8	0.8	1.0
Swaziland	0.6	0.7	-	-
CENTRAL AMERICA	**11.4**	**12.0**	**8.9**	**9.3**
Cuba	1.3	1.5	0.7	0.7
Dominican Republic	0.5	0.6	0.3	0.3
Guatemala	1.9	2.2	0.7	0.7
Mexico	5.4	5.2	5.3	5.6
SOUTH AMERICA	**40.5**	**41.0**	**17.4**	**17.7**
Brazil	32.6	33.0	10.7	10.9
NORTH AMERICA	**6.6**	**7.6**	**10.8**	**10.8**
United States of America	6.5	7.5	9.5	9.5
EUROPE	**26.8**	**24.1**	**29.7**	**29.8**
European Union	20.3	17.1	17.9	17.9
Russian Federation	2.7	3.3	6.6	6.6
Ukraine	2.1	2.1	2.4	2.4
OCEANIA	**6.6**	**5.6**	**1.5**	**1.6**
Australia	6.3	5.2	1.2	1.2
Fiji	0.3	0.4	0.1	0.1
WORLD	**151.9**	**159.2**	**148.9**	**152.3**
Developing countries	109.0	118.9	100.8	104.1
Developed countries	43.0	40.3	48.1	48.2

Table A20. Selected international prices of wheat and coarse grains *(US$/tonne)*

Period	Wheat			Maize		Sorghum
	US No.2 Hard Red Winter Ord. Prot.[1]	US Soft Red Winter No.2[2]	Argentina Trigo Pan[3]	US No.2 Yellow[2]	Argentina[3]	US No.2 Yellow[2]
Annual (July/June)						
2002/03	161	138	145	107	102	112
2003/04	161	149	154	115	109	118
2004/05	154	138	123	97	90	99
2005/06	175	138	138	104	101	108
Monthly						
2006 – May	201	149	146	111	112	123
2006 – June	203	139	156	109	108	118
2006 – July	213	146	159	114	114	129
2006 – August	201	145	160	113	111	121
2006 – September	208	165	167	119	114	128
2006 – October	218	196	191	141	135	154
2006 – November	219	192	185	166	172	169
2006 – December	216	190	186	160	162	169
2007 – January	208	176	183	164	161	173
2007 – February	209	175	175	177	165	178
2007 – March	209	168	187	170	160	171
2007 – April	206	171	209	150	144	145
2007 – May	203	180	219	159	147	155

[1] Delivered United States f.o.b Gulf.
[2] Delivered United States Gulf.
[3] Up River f.o.b.
Sources: International Grain Council and USDA.

Table A21. Wheat and maize futures prices *(US$/tonne)*

	July		September		December		March	
	July 2007	July 2006	Sept 2007	Sept 2006	Dec 2007	Dec 2006	Mar 2008	Mar 2007
Wheat								
Apr 24	183	134	186	138	189	145	190	151
May 1	184	134	188	139	191	145	193	151
May 8	177	138	181	143	185	149	187	155
May 15	184	147	189	151	192	158	194	163
May 22	173	157	178	162	182	168	186	173
May 29	180	151	186	157	190	163	193	168
Maize								
April 24	146	96	145	100	147	105	151	109
May 1	149	98	149	102	149	107	153	110
May 8	143	93	144	98	144	103	149	107
May 15	146	102	148	106	149	112	153	115
May 22	145	100	146	105	145	110	150	113
May 29	144	100	145	105	145	110	149	114

Source: Chicago Board of Trade.

Table A22. Selected international prices for rice and price indices

Period	International Prices *(US$ per tonne)*				FAO Indices *(1998-2000=100)*				
	Thai 100% B[1]	Thai broken[2]	US Long grain[3]	Pakistan Basmati[4]	Total	Indica		Japonica	Aromatic
						High quality	Low quality		
Annual (January/December)									
2003	201	151	284	357	82	79	81	82	91
2004	244	207	372	468	104	101	110	104	96
2005	291	219	319	473	103	104	115	92	94
2006	311	217	394	516	109	114	114	101	102
Monthly									
2006 – May	316	215	375	513	108	111	113	102	101
2006 – June	318	213	379	525	108	112	112	101	102
2006 – July	321	216	379	525	109	114	115	100	105
2006 – August	318	220	415	525	110	116	116	100	106
2006 – September	314	222	423	525	111	119	117	101	105
2006 – October	306	221	424	525	111	120	115	102	103
2006 – November	305	218	431	525	113	122	118	103	104
2006 – December	311	228	437	525	115	122	122	103	111
2007 – January	318	245	439	586	117	123	125	104	118
2007 – February	322	259	435	600	119	124	128	103	118
2007 – March	325	263	424	615	120	126	131	103	124
2007 – April	322	256	416	625	120	125	130	102	128
2007 – May	324	253	412	625	120	125	130	102	129

[1] White rice, 100 percent second grade, f.o.b. Bangkok, indicative traded prices.

[2] A1 super, f.o.b. Bangkok, indicative traded prices.

[3] US No.2, 4 percent brokens f.o.b.

[4] Basmati: ordinary, f.o.b. Karachi.

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

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

Table A23. Selected international prices for oilcrop products and price indices

Period	International Prices *(US$ per tonne)*					FAO Indices *(1998-2000=100)*		
	Soybeans[1]	Soybean Oil[2]	Palm Oil[3]	Soybean Cake[4]	Rapeseed Meal[5]	Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals
Annual (October/September)								
2001/02	201	411	357	175	129	95	84	111
2002/03	243	539	428	191	141	114	102	117
2003/04	322	632	488	257	178	143	118	144
2004/05	275	545	419	212	130	125	110	132
2005/06	259	572	451	202	130	120	112	161
Monthly								
2006 – October	269	613	506	223	147	127	120	182
2006 – November	300	676	546	233	153	139	129	187
2006 – December	296	699	590	236	163	140	136	189
2007 – January	306	695	591	246	170	142	135	191
2007 – February	323	711	603	259	196	147	136	197
2007 – March	324	721	621	260	195	147	138	199
2007 – April	320	761	708	254	175	147	150	198
2007 – May	331	781	765	259	166	153	159	198

[1] Soybeans (US, No.2 yellow, cif Rotterdam).

[2] Soybean oil (Dutch, f.o.b. ex-mill).

[3] Palm oil (Crude, cif Northwest Europe).

[4] Soybean cake (Pellets, 44/45 percent, Argentina, cif Rotterdam).

[5] Rapeseed meal (34 percent, Hamburg, f.o.b. ex-mill).

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

Sources: FAO and Oil World.

Table A24. Selected international prices for milk products and dairy price index

Period	International Prices (US$ per tonne)				FAO Dairy Price Index (1998-2000=100)
	Butter[1]	Skim Milk Powder[2]	Whole Milk Powder[3]	Cheddar Cheese[4]	
Annual (January/December)					
2003	1 372	1 761	1 804	1 864	105
2004	1 788	2 018	2 021	2 611	130
2005	2 128	2 223	2 261	2 838	145
2006	1 774	2 218	2 193	2 681	138
Monthly					
2006 – April	1 800	2 100	2 125	2 650	134
2006 – May	1 763	2 075	2 100	2 657	133
2006 – June	1 725	2 050	2 063	2 657	132
2006 – July	1 700	2 075	2 100	2 657	133
2006 – August	1 638	2 088	2 088	2 625	131
2006 – September	1 638	2 169	2 082	2 600	132
2006 – October	1 675	2 263	2 163	2 625	136
2006 – November	1 750	2 475	2 388	2 663	146
2006 – December	1 850	2 825	2 688	2 800	160
2007 – January	1 938	2 900	2 850	2 850	166
2007 – February	2 038	3 125	3 050	2 925	176
2007 – March	2 063	3 225	3 288	3 013	186
2007 – April	2 350	3 850	3 850	3 150	213

[1] Butter, 82 percent butterfat, f.o.b. Oceania; indicative traded prices.

[2] Skim Milk Powder, 1.25 percent butterfat, f.o.b. Oceania, indicative traded prices.

[3] Whole Milk Powder, 26 percent butterfat, f.o.b. Oceania, indicative traded prices.

[4] Cheddar Cheese, 39 percent max. moisture, f.o.b. Oceania, indicative traded prices.

Note: The FAO Dairy Price Index is derived from a trade-weighted average of a selection of representative internationally-traded dairy products.

Sources: FAO for indices. Product prices: Mid-point of price ranges reported by Dairy Market News (USDA).

Table A25. Selected international meat prices *(US$ per tonne)*

Period	Pig Meat Prices			Bovine Meat Prices			
	USA	BRAZIL	JAPAN	USA	ARGENTINA	JAPAN	AUSTRALIA
Annual (Jan/Dec)							
2003	1 886	1 112	5 268	3 396	1 484	5 022	2 110
2004	2 071	1 521	5 626	3 788	1 549	5 675	2 513
2005	2 161	1 868	5 093	4 173	1 673	5 764	2 617
2006	1 986	1 964	4 540	4 127	2 271	5 686	2 547
Monthly							
2006 – March	1 858	1 626	4 485	4 233	1 836	5 508	2 447
2006 – April	1 829	1 978	4 504	3 966	1 851	5 624	2 482
2006 – May	1 996	2 120	4 715	3 800	3 790	5 761	2 485
2006 – June	1 975	2 106	4 597	3 845	2 814	5 566	2 453
2006 – July	1 948	2 006	4 587	3 817	2 296	5 667	2 538
2006 – August	2 044	1 981	4 544	3 981	2 134	5 691	2 593
2006 – September	2 059	1 953	4 496	4 226	2 173	5 699	2 590
2006 – October	2 050	2 055	4 452	4 440	2 150	5 682	2 599
2006 – November	2 135	1 968	4 487	4 280	2 071	5 741	2 679
2006 – December	1 988	1 912	4 593	4 159	2 263	5 886	2 673
2007 – January	2 116	1 919	4 383	4 253	2 455	5 886	2 612
2007 – February	2 166	1 830	4 375	4 234	2 349	5 902	2 618
2007 – March	2 132	1 819	4 520	4 533	2 480	5 799	2 607

Table A26. Selected international meat prices and FAO meat price indices

Period	Poultry Meat Prices *(US$ per tonne)*			FAO Indices[1] *(1998-2000=100)*			
	USA	JAPAN	BRAZIL	Total Meat	Bovine Meat	Pig Meat	Poultry Meat
Annual (Jan/Dec)							
2003	612	1 631	888	104	107	99	90
2004	757	2 020	1 033	118	122	107	109
2005	847	2 062	1 228	121	129	105	121
2006	734	1 852	1 180	115	129	94	109
Monthly							
2006 – March	618	2 200	1 178	112	125	91	110
2006 – April	572	1 949	1 083	111	124	90	100
2006 – May	661	1 798	1 103	117	133	96	102
2006 – June	712	1 692	1 140	114	126	95	104
2006 – July	771	1 736	1 140	114	126	94	108
2006 – August	871	1 733	1 134	116	128	96	112
2006 – September	884	1 723	1 200	117	130	96	115
2006 – October	805	1 619	1 213	117	132	95	109
2006 – November	735	1 621	1 181	118	132	98	105
2006 – December	754	1 667	1 246	117	133	95	109
2007 – January	781	1 669	1 268	116	134	97	111
2007 – February	792	1 727	1 278	119	133	98	113
2007 – March	879	1 774	1 347	121	135	98	120

[1] Composition of the different indices:

Poultry Meat: USA - Broiler cuts, export unit value - Foreign Trade Statistics of United States Census Bureau; Japan - Broiler Import Price, cif; Frozen, other than leg quarters - ALIC; Brazil - Export unit value for chicken, f.o.b. - ABEF.

Pig Meat: United States - Export unit value for frozen product - Foreign Trade Statistics of United States Census Bureau; BRAZIL, Export unit value for pig meat, f.o.b. – ABIPEC.; Japan - Pork Import Price (cif) : Frozen Boneless Cuts – ALIC.

Bovine Meat: United States - Frozen beef, export unit value - Foreign Trade Statistics of United States Census Bureau; Japan - Beef Import Price (cif): Boneless Cuts, fresh or chilled – ALIC; Argentina: Export unit value of frozen beef cuts – SAGPyA.; Australia – (Up to October 02) cow forequarters frozen boneless, 85 percent chemical lean, cif United States port (East Coast) ex-dock, (from November 02) chucks and cow forequarters – World Bank.

Table A27. Selected international commodity prices

	Currency and Unit	Effective Date	Latest Quotation	One month ago	one year ago	Average 2000-2004
Sugar (ISA daily price)	US cents per lb	22-05-07	9.39	9.38	16.34	10.61
Coffee (ICO daily price)	US cents per lb	24-05-07	102.97	97.51	90.00	69.38
Cocoa (ICCO daily price)	US cents per lb	24-05-07	92.25	88.23	72.32	74.48
Tea (FAO Tea Composite Price)	US$ per kg	30-04-07	1.796	1.849	1.848	1.625
Cotton (COTLOOK index « A « 1-3/32 »)	US cents per lb	11-05-07	55.20	56.84	54.90	56.85
Jute « BWD »	US$ per tonne	18-05-07	325.00	325.00	395.00	308.56
Wool (64's, London)	Pence per kg	11-05-07	500.00	503.00	407.00	452.00

Table A28. Ocean freight rates for grains *(US$/tonne)*

Period	From United States Gulf ports to: EU[1]	CIS Black Sea[1,2]	Egypt[1]	Bangladesh[1]
Annual (July/June)				
2002/03	12.5	41.0	16.7	22.5
2003/04	28.3	41.9	37.0	48.5
2004/05	34.5	41.2	46.5	65.4
2005/06	20.8	31.8	31.9	45.5
Monthly				
2006 – May	19.0	29.0	30.0	43.0
2006 – November	28.0	39.0	45.0	54.0
2006 – December	34.0	43.0	49.0	58.0
2007 – January	30.0	43.0	49.0	58.0
2007 – February	29.0	41.0	49.0	55.0
2007 – March	36.0	45.0	53.0	58.0
2007 – April	37.0	47.0	55.0	60.0
2007 – May	44.0	55.0	68.0	68.0

[1] Size of vessels: European Union over 40 000 tonnes; CIS 20 000-40 000 tonnes; Egypt over 30 000 tonnes; Bangladesh over 40 000 tonnes.
[2] Excludes CIS and the United States flag vessels.
Note: Estimated mid-month rates based on current chartering practices for vessels ready to load three to four weeks ahead.
Source: International Grains Council.

Table A29. Fertilizer spot price ranges *(bulk f.o.b.)*

	March 2007		April 2007		April 2006		Change from last year [1]
	US$ per tonne						*Percentage*
UREA							
Baltic	311	319	284	295	247	250	26.6
Persian Gulf	325	333	312	320	258	262	26.6
AMMONIUM SULPHATE							
Eastern Europe	130	135	131	136	80	83	63.4
DIAMMONIUM PHOSPHATE							
North Africa	379	386	423	431	252	263	48.4
US Gulf	410	415	432	435	259	263	58.3
TRIPLE SUPERPHOSPHATE							
North Africa	265	267	310	316	176	183	48.5
MURIATE OF POTASH							
Baltic	165	178	165	177	130	151	22.1
Vancouver	171	184	174	182	130	155	24.4

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

Figure 1. FAO price indices for selected commodities (1998-2000=100)

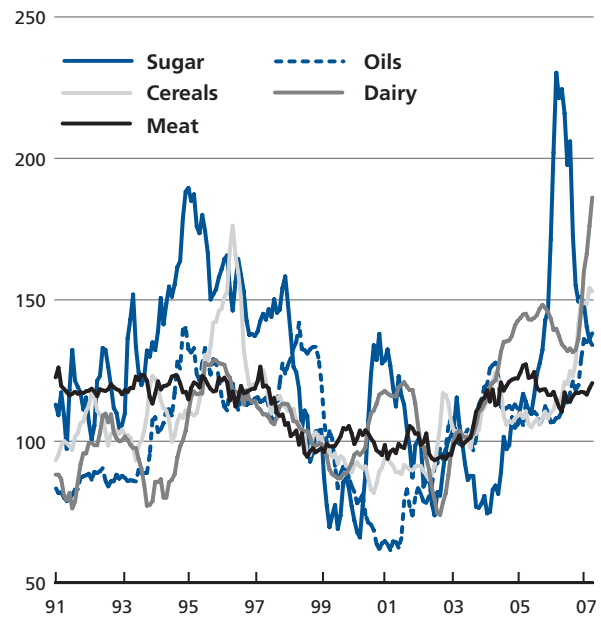


Figure 2. F AO food price index and CRB commodity and energy indices (1998-2000=100)

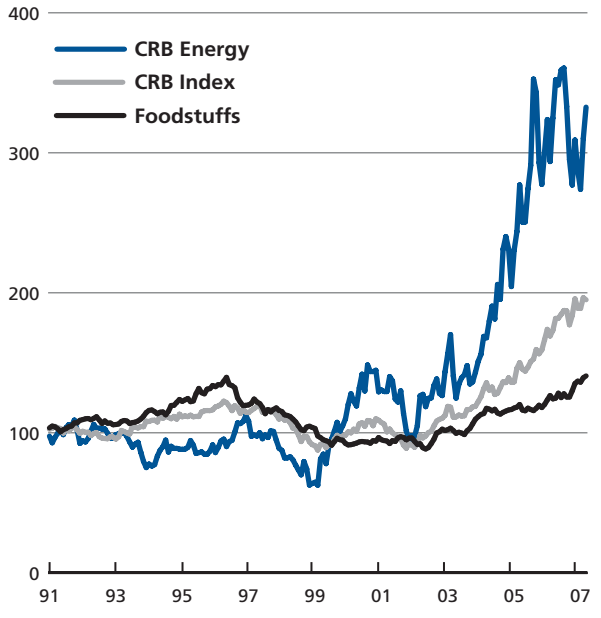
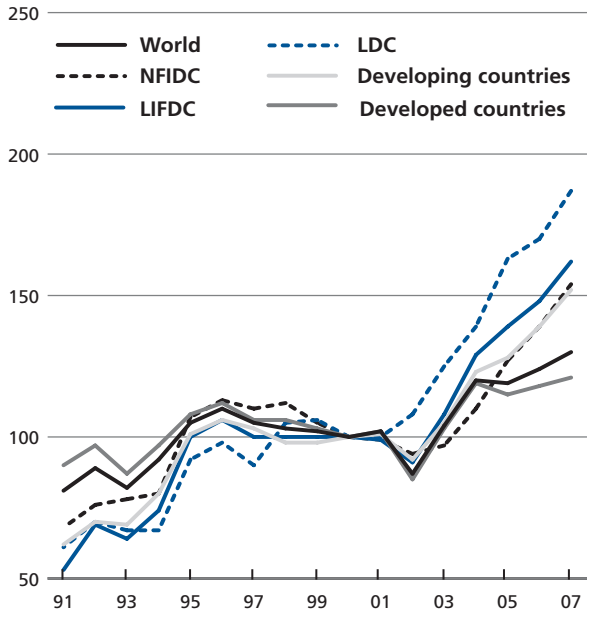


Figure 3. Food bill indices (1998-2000 = 100)



Forecast import bills of total food and major foodstuffs *(US$ million)*

	World		Developed		Developing		LDC		LIFDC		NFIDC	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
TOTAL FOOD	**387 681**	**406 119**	**256 833**	**263 196**	**130 847**	**142 923**	**10 115**	**11 174**	**65 649**	**71 968**	**17 228**	**19 043**
Cereals	51 159	57 523	13 682	14 709	37 477	42 814	4 002	4 773	17 835	19 796	6 842	8 397
Vegetable Oils	76 650	86 603	37 833	41 690	38 817	44 913	2 159	2 388	21 294	21 686	3 788	3 879
Dairy	33 922	37 098	22 899	24 949	11 023	12 149	769	859	4 243	4 704	1 213	1 385
Meat	63 684	66 496	54 109	52 768	54 819	10 916	11 677	524	3 742	4 168	1 092	1 197
Sugar	19 577	15 710	11 953	9 331	7 624	6 379	1 180	1 098	5 468	4 474	1 977	1 409

Figure 4. Forecast changes in global food import bills by type: 2007 over 2006 (%)

Soaring prices of grains and vegetable oils, which feature prominently in biofuel production, are driving up import bills. Rising feed costs are likely to lead to much higher import bills for meat and dairy products. Sugar import expenditures, through prices and quantities, are forecast to decline substantially.

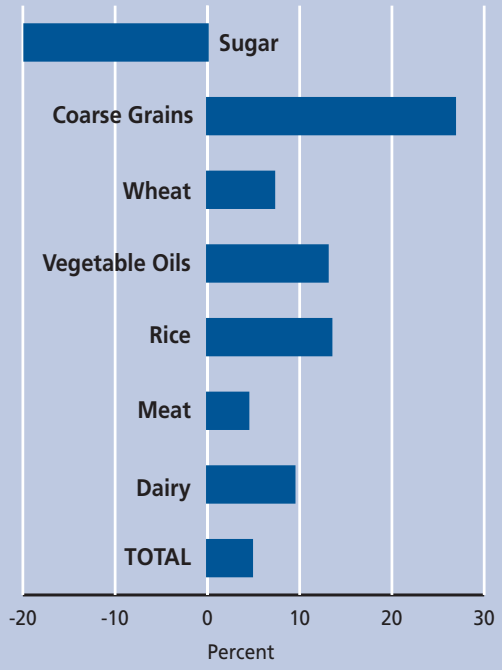


Figure 5. Forecast changes in food import bills of selected LIFDCs: 2007 over 2006 (%)

Many of the most economically vulnerable countries in the world are set to face substantially higher food import bills compared with 2006. Rising import costs of grains and vegetable oils, which account for almost two-thirds of LIFDC bills, are to blame.

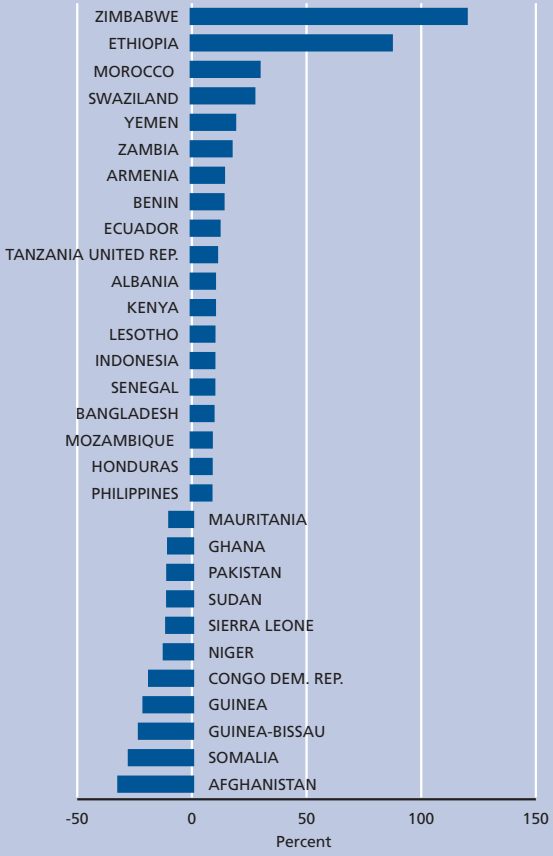


Figure 6. Selected Annual Consumer Price Indices as of March 2007 (%)

High inflation rates are common in many LIFDCs, compounding the hardships that their inhabitants already face. In Zimbabwe, goods cost as much as 35 times what they did a year ago.

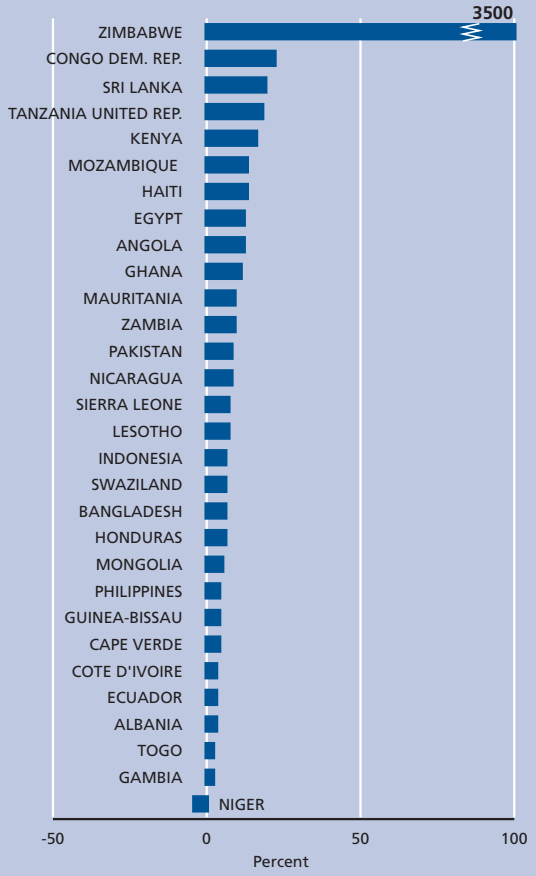
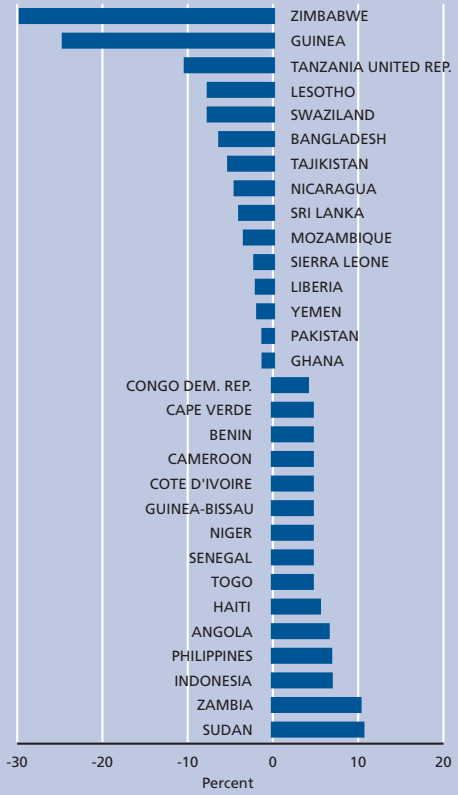


Figure 7. Annual Change in Exchange Rates of Selected LIFDCs Against the US Dollar as of March 2007 (%)

Numerous countries in Sub Saharan Africa have seen their currency substantially decline against the United States Dollar, making their imports a lot more expensive. Some LIFDCs, however, benefited from a stable and stronger currency, making the burden of importing less severe.



NOTE: Food Outlook is issued under the Global Information and Early Warning System on Food and Agriculture, by collaboration among Services of the Markets and Trade Division and other FAO units. The International Grain Council contributes the Ocean Freight Rates section. Food Outlook provides information on latest developments in agricultural markets and sets the global and regional commodity production, utilization, trade and price context for food security, and will be published twice a year in **June** and **November**. This issue is based on information available up to 21 May 2007.

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