global information and early warning system on food and agriculture

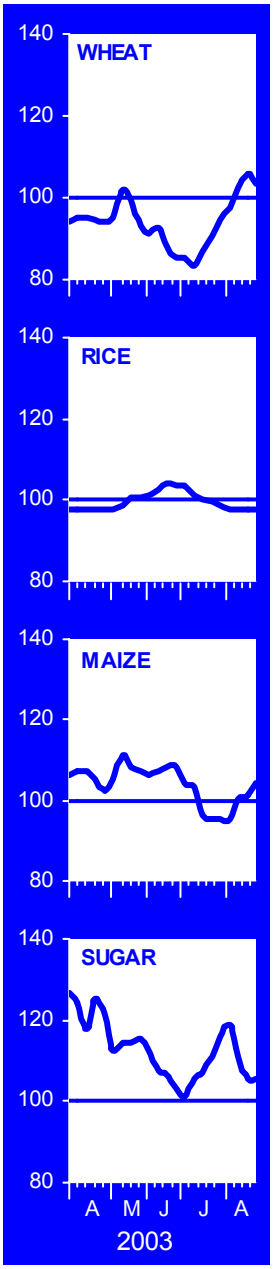
food outlook

No. 4 **September 2003**

highlights

EXPORT PRICES

(July 2002=100)



Prospects for world cereal output in 2003 have deteriorated since the previous report in June, following a widespread drought and heat-wave in Europe. As a result, the FAO forecast for world cereal production in 2003 has been reduced sharply, indicating that the amount of global cereal carryover stocks that could be drawn down in 2003/04 will be much larger than expected earlier, and the overall global supply-and-demand situation will be much tighter.

FAO's forecast for global cereal output in 2003 has been revised downward to 1 865 million tonnes, some 48 million tonnes below the previous forecast but still 33 million tonnes above last year's reduced level. Wheat output is now expected to fall to its lowest level since 1995, while the recovery anticipated for coarse grains after last year's below-average crop is not likely to be as large as expected earlier. The outlook for the 2003 paddy crop remains favourable and a recovery from last year's poor output is still in prospect.

World cereal utilization in 2003/04 is forecast to increase moderately by about 0.4 percent to 1 964 million tonnes, but would remain below the medium-term trend. While cereal food consumption is likely to keep pace with population growth, feed-use of cereals, most notably wheat, is now expected to decline.

FAO's forecast for world cereal carryover stocks in 2004 has been lowered significantly since the June report to 372 million tonnes, down almost 95 million tonnes, or 20 percent, from the previous season. Wheat is expected to account for the largest share of the overall decline during the current season, but inventories of both coarse grains and rice will also decline significantly.

World cereal trade in 2003/04 is forecast to fall to a five-year low of just 227.5 million tonnes, which would be 11 million tonnes, or 5 percent, below the previous season. Reduced wheat shipments are expected to account for the bulk of the year-on-year decline in world cereal trade, following good crops in several importing countries.

International wheat prices increased over the past two months, mostly in response to a deterioration of prospects for the European crop. In the maize market, prices have remained under downward pressure due to good crop prospects in several major producing countries. International rice prices have risen steadily since May in response to tightening supplies in some major exporting countries.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Contents

Appendix Tables

BASIC FACTS OF THE WORLD CEREAL SITUATION

	1999/2000	2000/2001	2001/2002	2002/2003 estimate	2003/2004 forecast	Change 2003/04 over 2002/2003
WORLD PRODUCTION 1/	(. . . million tonnes . . .)					(percentage)
Wheat	591.9	585.7	589.1	568.9	556.4	-2.2
Coarse grains	887.4	874.1	917.4	879.6	912.8	3.8
Rice, milled	409.1	403.4	400.1	384.0	396.2	3.2
(paddy)	(611.2)	(603.3)	(598.6)	(574.8)	(593.2)	3.2
All cereals (incl. milled rice)	**1 888.4**	**1 863.2**	**1 906.7**	**1 832.6**	**1 865.4**	**1.8**
Developing countries	1 040.4	1 009.8	1 026.7	999.7	1 034.7	3.5
Developed countries	848.0	853.5	880.0	832.9	830.7	-0.3
WORLD TRADE 2/						
Wheat	110.3	101.2	108.3	106.8	97.5	-8.7
Coarse grains	102.0	108.1	106.4	104.1	103.0	-1.1
Rice (milled)	23.2	24.2	28.1	27.7	27.0	-2.6
All cereals	**235.5**	**233.5**	**242.8**	**238.6**	**227.5**	**-4.7**
of which: Food aid shipments 3/	10.6	8.9	7.4	8.0		
WORLD UTILIZATION						
Wheat	595.5	600.2	610.2	615.5	610.3	-0.8
Coarse grains	898.3	908.8	929.2	929.4	938.4	1.0
Rice (milled)	400.5	407.0	411.6	411.9	415.4	0.8
All cereals	**1 894.4**	**1 915.9**	**1 951.0**	**1 956.7**	**1 964.1**	**0.4**
Developing countries	1 156.7	1 164.6	1 185.7	1 186.5	1 208.5	1.9
Developed countries	737.6	751.3	765.3	770.3	755.6	-1.9
Per Caput Food Use	(. . . kg/year . . .)					
Developing countries	166.9	166.0	166.6	165.7	166.2	0.3
Developed countries	132.7	133.6	133.2	132.6	132.9	0.2
WORLD STOCKS 4/	(. . . million tonnes . . .)					
Wheat	256.9	242.6	223.5	178.4	125.8	-29.5
Coarse grains	259.4	225.9	210.2	165.8	141.3	-14.8
Rice (milled)	168.1	164.8	150.6	122.4	104.7	-14.4
All cereals	**684.5**	**633.4**	**584.2**	**466.6**	**371.9**	**-20.3**
Developing countries	519.8	472.9	417.2	331.5	253.9	-23.4
Developed countries	164.7	160.4	167.1	135.1	118.0	-12.7
EXPORT PRICES 3/	(. . . US$/tonne . . .)					
Rice (Thai, 100%, 2nd grade) 1/	253	207	177	197	202 5/	1.0 6/
Wheat (U.S. No.2 HRW)	112	128	127	161	144 7/	-9.0 6/
Maize (U.S. No.2 Yellow)	91	86	90	107	99 7/	-5.3 6/
OCEAN FREIGHT RATES 3/						
From U.S. Gulf to Egypt	13.7	15.0	15.0	16.7	21.0 7/	40.0 6/
LOW-INCOME FOOD-DEFICIT COUNTRIES 8/	(. . . million tonnes . . .)					
Roots & tubers production 1/	438.2	450.4	445.9	450.2	450.0	0.0
Cereal production (milled rice) 1/	816.9	776.5	783.4	766.8	778.6	1.5
Per caput production (kg.) 9/	217.3	204.3	203.7	196.9	197.5	0.3
Cereal imports 2/	75.3	73.7	79.9	79.5	75.3	-5.4
of which: Food aid deliveries 3/	7.2	7.8	6.3	6.8		
Proportion of cereal import covered by food aid	(. . . percentage . . .)					
	9.6	10.6	7.9	8.5		

Source: FAO **Note**: Totals and percentages computed from unrounded data.

1/ Data refer to the calendar year of the first year shown. **2/** For wheat and coarse grains, trade refers to exports based on the July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown. **3/** July/June. **4/** Stock data are based on an aggregate of individual country carryovers at the end of national crop years and, therefore, do not represent world stock levels at any point in time. **5/** Average of quotations for January-August 2003. **6/** Change from the corresponding period of the previous year, for which figures are not shown. **7/** Average of quotations for July-August 2003. **8/** Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US$1 445 in 2000). **9/** Including milled rice.

Cereals

Supply/Demand Roundup

GLOBAL OUTLOOK[1/]

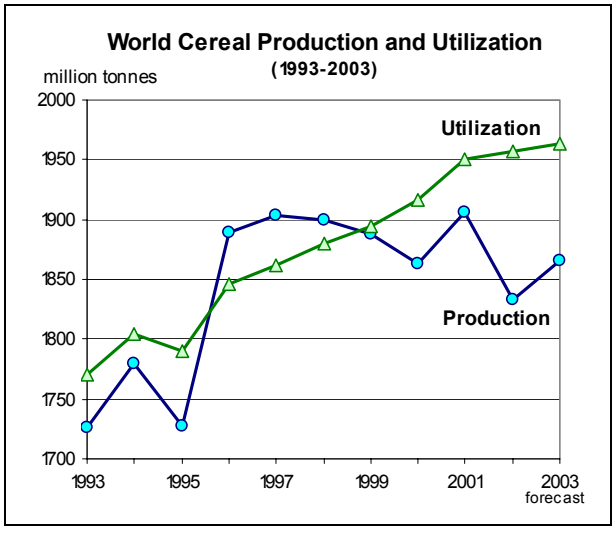
Wheat	2002/03	2003/04
Production	▼	▼
Trade	▼	▼
Stocks	▼	▼
Prices	▲	●
Coarse Grains		
Production	▼	▲
Trade	▼	▼
Stocks	▼	▼
Prices	▲	●
Rice		
Production	▼	▲
Trade	▼	▼
Stocks	▼	▼
Prices	▲	▲

● stable ▲ up ▼ down - - not available

These signs refer only to the direction of change from the previous season.

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

Prospects for world cereal output in 2003 have deteriorated since the previous report in June, following a widespread drought and heat-wave in Europe which reduced cereal yields. As a result, the FAO forecast for world cereal production in 2003 has been sharply reduced by some 48 million tonnes to 1 865 million tonnes (including rice in milled equivalent), which represents just 33 million tonnes, or 1.8 percent, more cereal output than in the previous year. Thus, although at the same time there has also been a slight downward revision of the cereal utilization forecast for the current year, the amount of global cereal carryover stocks that could be drawn down in 2003/04 is now forecast to be about 95 million tonnes, much more than expected earlier. Based on the current forecasts for stocks and utilization, the global stocks-to-use ratio in 2003/04 would be about 19 percent, compared to almost 24 percent in the previous year, pointing to much tighter overall global supply-and-demand situation. However, lower import demand, coupled with the expected recovery in production in a number of major exporting countries, is still likely to mitigate the effect of smaller supplies on international prices.



Sharp drop in 2003 production forecasts for wheat and coarse grains, but paddy outlook remains favourable

Since the previous report in June, the forecast for world **wheat** production in 2003 has been reduced sharply by 28 million tonnes to 556 million tonnes, mostly on account of a severe drought in Europe. At the current forecast level, global output in 2003 would be some 2 percent below the previous year's already below-average harvest, and the smallest since 1995. The forecast for Europe alone has been reduced by some 25 million tonnes in the past few weeks as the full extent of this summer's drought became evident. Excessive dry conditions and exceptionally high temperatures were reported all over the continent, from the Iberian Peninsula in the west through to the major producing plains of the Russian Federation in the east. In Asia, latest information confirms a decline in wheat output by about 2 percent there as well this year; the other region where a decline is expected is Central America, because of a lack of irrigation water in Mexico. Elsewhere, the main wheat crops have all registered a recovery, or are forecast to recover from drought-reduced levels last year. In North America, the United States has already harvested a much larger winter wheat crop, and spring wheat results are favourable so far. The Canadian crop also looks set to recover sharply despite some recent adverse weather. In North Africa, wheat output is estimated well up compared to recent years as a result of very favourable conditions. In the Southern Hemisphere, a larger crop is expected in South America, where plantings have just been completed; the areas sown are estimated to have increased in Argentina and Brazil, the two major producing countries in the subregion. In Oceania, winter wheat plantings have also increased somewhat and, assuming a return to normal weather after last year's drought, a sharp recovery in output is expected there.

The forecast for the global **coarse grains** output in 2003 has also been revised down significantly since June, by 21 million tonnes, to 913 million tonnes, which would nevertheless still be almost 4 percent up from the previous year's reduced crop. Similar to the situation for wheat, the deterioration in the outlook in the past few weeks is mostly a result of the devastating summer drought and heat-wave across Europe, where a 10 percent reduction in aggregate output is now expected. A slight downward revision has also been made to the forecast for North America following less-than-ideal moisture availability for some of the United States' maize crop and drier conditions for the developing small grain crops on the Canadian plains. Nevertheless, a sharp recovery from last year's drought-reduced levels is still expected in both countries. Elsewhere, forecasts have remained relatively unchanged since the last report in June. Output in Asia is expected to remain close to last year's level, while in Africa there are prospects for a slight increase, reflecting better crops in North Africa. In Central America, the coarse grain crop in Mexico is forecast to increase slightly from last year. In South America, output will probably rise sharply this year, largely on account of a bumper maize crop gathered in Brazil. In Oceania, despite a poor outturn of the summer maize and sorghum crop, better prospects for the winter coarse grains should boost the aggregate output for the year.

The 2003 **paddy** season is virtually over in the Southern Hemisphere, where producers will soon start preparations for the 2004 season. In the Northern Hemisphere, the 2003 main crops are at the maturing stage, with the bulk of the crops due for harvest in September/November. FAO has raised its forecast of global paddy production in 2003 by about 800 000 tonnes to 593 million tonnes, reflecting mainly an improved outlook in China. However, as the season has advanced, prospects have deteriorated in Japan, Pakistan, Viet Nam, Egypt, the United States, Brazil and the EU. At the same time, the estimate of world paddy production in 2002 has been lowered by 4 million tonnes to 575 million tonnes following the release of new official figures, in particular for Bangladesh and India. As a result, current prospects for 2003 point to a 3 percent increase in global paddy production from the poor outcome of last season, much of which on account of an expected recovery in India.

World cereal utilization to remain below trend in 2003/04

World cereal utilization in 2003/04 is forecast to reach 1 964 million tonnes, up 0.4 percent from the previous year, yet still nearly 1 percent below the medium-term trend. The anticipated increase is mostly driven by small rises in coarse grain and rice utilization, while wheat use is expected to contract as a result of this year's expected fall in world feed-use of wheat and rising international prices. The decline in wheat use is expected to be most pronounced in Europe, especially in the EU and Ukraine. By contrast, global use of cereals for direct human consumption is likely to keep pace with population growth and reach 990 million tonnes. At this level, per caput food-use of cereals would remain steady at around 166 kilograms in the developing countries and 133 kilograms in the developed countries.

Another huge decline in world cereal stocks in 2004

Following the sharp reduction in the forecast for global cereal production since the previous report, the FAO forecast for world cereal carryover stocks in 2004 has also been lowered significantly to 372 million tonnes, down almost 95 million tonnes, or 20 percent, from the previous season. While falling inventories in China have been the main factor behind successive cuts in world cereal stocks since 1999, the forecast sharp decline in 2004 also reflects a notable reduction in grain stocks in Europe. Regarding individual cereals, wheat is expected to account for the largest share of the overall decline during the current season, although inventories of both coarse grains and rice will also decline significantly.

World Cereal Production, Supplies, Trade and Stocks

	2001/02	2002/03 estimate	2003/04 forecast
	(. . . . . million tonnes . . . . .)		
Production 1/	**1 907**	**1 833**	**1 865**
Wheat	589	569	556
Coarse grains	917	880	913
Rice (milled)	400	384	396
Supply 2/	**2 540**	**2 417**	**2 332**
Utilization	**1 951**	**1 957**	**1 964**
Trade 3/	**243**	**239**	**228**
Ending Stocks 4/	**584**	**467**	**372**

Source: FAO

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

World cereal trade in 2003/04 to hit a five-year low

FAO's forecast for world cereal trade in 2003/04 has been lowered by 3.5 million tonnes since the previous report in June to 227.5 million tonnes, which would be 11 million tonnes, or 5 percent, below the previous season and the smallest volume since 1998/99. The downward revision since June reflects reduced forecasts for both wheat and coarse grains, which more than offset an increase for rice. Reduced wheat shipments are expected to account for the bulk of the decline in world cereal trade in 2003/04 as compared

to the previous year, following good crops in several importing counties.

Cereal prices mostly higher but prospects are mixed

International wheat prices increased over the past two months as the outlook for crops in Europe deteriorated. However, the upward pressure was limited by generally weak world import demand and the continuing prospect of a sharp recovery in production this year in the United States, Australia and Canada, three major exporters where output was devastated by drought in 2002. In August, US wheat No. 2 HRW averaged US$155 per tonne, up US$8 per tonne from May, but still US$10 per tonne below the price a year earlier. In the maize market, prices have remained under downward pressure over the past two months mostly due to good crop prospects in the United States, a bumper harvest in Brazil and continued large sales by China. However, lower supplies of feed wheat in international markets and the strengthening of world wheat prices have been generally supportive to maize prices. In August, US No.2 Yellow maize averaged US$100 per tonne, down US$8 per tonne since May and US$10 per tonne below the corresponding month last year. By contrast, international rice prices have risen steadily since May, as reflected in the FAO Rice Export Price Index, which passed from 80 points in May to 85 in August. The upwards price pressure resulted mainly from a tightening of supplies in some major exporting countries, in particular, Australia, India, Pakistan and the United States, but also reflected a sustained import demand, especially from countries in Latin America and the Caribbean and in the Near East.

Current Production and Crop Prospects

Position by Region

- **Asia**

Far East: In China, harvesting of the major wheat crop (winter wheat) was complete in June, and the 2003 output has been officially estimated at 81 million tonnes. This represents 3.4 million tonnes or 4 percent less wheat than last year, due to a significant shift of area from wheat to more profitable non-cereal crops. Harvesting of spring wheat is under way. Low temperatures and heavy rain in North China, the major wheat producing region, have affected the latter development stages of the spring wheat, delaying the harvest by some 10–15 days, and affecting wheat quality. Output of spring wheat is expected to fall by about 5 million tonnes, or 4 percent, from last year. Thus the aggregate 2003 wheat output is forecast at just over 86 million tonnes, 5 percent down from 2002. In India, output of the 2003 wheat crop, which was harvested in May, is officially estimated at 69.3 million tonnes. This figure is 3.6 percent down from the previous year and 2.5 percent down compared to the average of the previous five years, resulting from reductions in areas planted. In Pakistan, according to official estimates, the 2003 wheat crop harvested in April–May amounted to 19.3 million tonnes, a good level despite wide fluctuations in temperature, particularly in Punjab, which produces around 80 percent of the country's wheat. Conditions for wheat production in the Islamic Republic of Iran were favourable this year with government price support providing incentive to farmers and good weather benefiting crop development. The 2003 wheat output is estimated at 12.8 million tonnes, 2.8 percent above the previous year's level.

Moisture conditions improved in northeast China in July with the arrival of heavy rains, after earlier drought during the May–June coarse grain planting period. However, the rains arrived too late for the more advanced crops, and with the lower temperatures, rainfall may have been more damaging than beneficial. Accordingly, maize yields in several parts of the northeast are expected to be lower than last year. By contrast, maize in the Yellow and Huai River region, the second largest maize-producing region after the northeast, is reported to be in better condition than it was last year, due to relatively timely and sufficient rainfall. The country's aggregate maize output in 2003 is forecast at 116 million tonnes, slightly higher than previous expectations, but still 4.3 percent lower than last year and 3.8 percent below the average of the past five years; these figures reflect mainly the large reduction in area planted to maize. In India, excellent rains in the main maize growing regions, combined with high maize prices, have resulted in increased maize planting completed in July. As a result, maize production in 2003 could reach 13 million tonnes, 17 percent above last year and 11 percent above the average of the past five years.

The latest information points to a significant recovery in **paddy** production in Far East Asia over last year's reduced crop, when erratic monsoon rains caused havoc to the sector in large sections of the region. The monsoon is reported to be progressing favourably so far, despite some excessive rainfall that has caused localized flooding in several areas.

In Bangladesh, heavy rains in June were reported to have caused the loss of some 136 000 hectares of paddy land, but brought relief from the long heat-wave that had gripped the country for several months. The forecast for paddy production in the current season now stands at 39.6 million tonnes, 4 percent higher than the 2002 level, the estimate of which has just been revised downward somewhat. The rise is consistent with the intensification of government support and the ongoing tendency for farmers to shift from jute to rice cultivation as a response to relatively high paddy prices.

FOOD EMERGENCIES UPDATE [1/]

As of early September 2003, some 38 countries (underlined) face serious food shortages requiring international food assistance.

In **eastern Africa**, recent heavy rains and floods in parts of Sudan, Eritrea and Ethiopia have killed a number of people, displaced thousands, destroyed or damaged crops and increased the likelihood of serious localized food shortages. In Eritrea, serious and widespread food shortages persist due to last year's drought, poverty and the lingering effects of the war with Ethiopia. About 2.3 million people are now reported to be facing severe food shortages. Of these, about 1.4 million are reported to be drought affected. Similarly, in Ethiopia, severe food shortages continue to be reported in various parts of the country, mostly in southern parts. A recent multi-agency assessment indicated that the number of people in need of food assistance is now about 13.2 million compared to the earlier figure of 12.5 million. In Tanzania, prolonged drought conditions in several parts have affected a large number of households with an estimated 1.9 million people in need of food assistance. In Uganda, the humanitarian situation in northern and eastern parts has worsened due to escalation of conflict. Recent fighting between Government forces and rebels has displaced more than 820 000 people bringing the total number in need of emergency assistance to more than 1.6 million. In Burundi, food aid continues to be required for a large number of people affected by the escalation of the civil conflict in recent months. In **southern Africa**, despite an improvement over last year's cereal harvest, substantial amounts of emergency food aid are still required. In Zimbabwe, 5.5 million people, or half of the country's population, are in need of emergency food aid as a result of drought and the prevailing economic problems. In Mozambique, the overall cereal harvest was good but some 940 000 people in southern provinces require food assistance due to a poor maize harvest. In Angola, despite the end of the civil war and a good cereal harvest this year, food aid is required for 1.4 million people, mainly returnees and vulnerable groups. In Madagascar, 600 000 people need emergency food aid in southern provinces where the 2003 foodcrops were seriously affected by drought. Emergency food assistance is also required in parts of Malawi, Zambia, Swaziland, and Lesotho, affected by localized crop failure and for those affected by HIV/AIDS. In **western Africa**, a serious humanitarian situation persists in Liberia, with over 300 000 people displaced by civil war. In Côte d'Ivoire, although the overall security situation has improved, the food situation remains critical, particularly in the west and north. In Mauritania, the food situation is still precarious, although it has improved somewhat, following food aid distributions and subsidized sales of wheat. In Cape Verde, food assistance continues to be needed following last year's poor harvest. Food shortages are also being experienced in Guinea and Sierra Leone, related to civil conflicts. In **central Africa**, civil strife in the Republic of Congo, Democratic Republic of Congo and Central Africa Republic has displaced large populations which need food assistance.

In **Asia**, typhoons and floods have killed hundreds of people, displaced thousands, and destroyed or damaged crops, causing food shortages in several countries. In China, while central, eastern and southern regions have suffered the worst floods since 1991, the southern region is also suffering from drought. Indonesia has suffered from a severe drought this year, while a powerful typhoon hit vast agricultural areas in northern Luzon in the Philippines with an estimated loss of 446 000 tonnes of maize. In Bangladesh, some 45 000 people have been displaced by floods and many rice seedbeds destroyed. Mongolia has suffered the worst flooding since 1982, after droughts in recent years. In DPR, Korea, the current crop prospects are favorable, but the country suffers from severe chronic food shortages. In the **Asian CIS**, food assistance continues to be needed for vulnerable groups in Georgia, Armenia and Tajikistan following recent shocks from drought and civil strife. In the **Near East**, the outlook for the 2003 crop production is generally favourable. In Iraq, the harvesting season is complete. An FAO/WFP Crop, Food Supply and Nutrition Assessment Mission has completed its field work and a report is under preparation. The food situation in the West Bank and Gaza Strip is serious due to market disruption by the persistent conflict. In Afghanistan, despite a record harvest this year, access to food for a large part of the population is difficult and food aid is still necessary.

In **Central America and the Caribbean**, food aid continues to be provided in El Salvador, Guatemala, Honduras and Nicaragua to people affected by recurrent natural disasters and economic shocks. In Haiti, emergency food aid is required for drought-affected population in the North-West region. In **Europe** food assistance continues to be necessary for refugees, the internally displaced and vulnerable people in Serbia and Montenegro and in Chechnya in the Russian Federation.

1/ This updates information published in the August 2003 issue of Foodcrops and Shortages.

Although production in mainland China is still expected to decrease this year, the reduction should be less than was originally expected because of better prospects for the intermediate (or semi-late) crop, which is now expected to rise by 2 percent, partly offsetting declines of 3 percent and 5 percent in the early and late rice crops, respectively. The forecast for the aggregate output in 2003 now stands at 173.8 million tonnes in 2003, only marginally less than last year, despite violent rainstorms that hit the important producing regions of Guangdong, Hunan and Anhui in June. Tropical storms also hit the Chinese Province of Taiwan, but they caused little damage to the rice fields. The output forecast remains at 1.7 million tonnes, down from a revised official estimate of 1.8 million tonnes in 2002.

In India, despite a late start of the southwest monsoon rains, by 6 August most of the meteorological subdivisions in India had recorded above-normal rainfall, with only three areas measuring below-normal precipitation. As a result, prospects for output in 2003 point to a 14 percent recovery from last year's dismal level. The 2002 output estimate was recently revised downward by 2 million tonnes to 113.6 million tonnes. In anticipation of the opening of procurement activities in October, the Ministry of Agriculture has proposed incorporating a drought relief subsidy of Rupees 200 per tonne into the minimum support prices. If accepted, paddy support prices will be set this season at Rupees 5 500 and at Rupees 5 800 per tonne for the Common and Grade A paddy, respectively (US$120–$126 per tonne), that is Rupees 200 per tonne above the 2002 levels. Moreover, in an attempt to ensure that farmers get paid the minimum prices and to prevent cases of acute distress sales, the government recently authorized the procurement agencies to buy paddy directly from farmers, rather than exclusively through millers.

Indonesia has basically concluded the harvesting of its main paddy crop, while planting of the second crop is now in progress. Despite some drought-related losses reported in June in the major producing islands of Java and Sumatra and fewer areas planted, the official forecast for the country's paddy output in 2003 has been raised from 51.4 million tonnes to 51.8 million tonnes as a result of improved yield prospects. The country has failed for the past three years to reach a 53 million tonne production target and producers have laid the blame on imports for depressing local prices. In an attempt to compensate for the continued conversion of paddy fields to other agricultural and non-agricultural uses, especially in Java and Bali, the government recently announced the launching of a programme to convert 420 000 hectares of swamp lands into paddy fields.

The 2003 season is also practically over in Sri Lanka, where the harvest of the second (Yala) crop is ending in September. A combination of improved security and favourable weather conditions has boosted production under the main Maha crop to a record 1.93 million tonnes. With an expected Yala output of 1.52 million tonnes, the country's aggregate output for the year would thus rise to 3.45 million tonnes, 400 000 tonnes above the previous forecast and the largest crop on record.

Prospects in the Democratic Republic of Korea also improved, as an expansion in plantings and favourable weather conditions have been reported. As a result, the forecast for production in 2003 has been increased by 200 000 tonnes since the previous report to 2.3 million tonnes, which would be 5 percent up from 2002.

In Japan, growing conditions have been unfavourable since mid-June, with low temperatures and brief hours of sunlight. As a result, the output forecast has been reduced by 600 000 tonnes to 10.3 million tonnes, which is 7 percent less than the previous year and the lowest level since 1993. Such adverse weather conditions have accentuated the negative trend in production stemming from changes in policies, a stance that is set to persist as the government continues to liberalize the sector and reduces its involvement in rice production, distribution and trade. The Staple Food Law was revised to that effect last June for implementation in April 2004.

Heavy monsoon rains in Pakistan were reported to have caused serious damage to rice grown in the Sindh region, which consists mainly of IRRI varieties. As a result, the forecast for production this season has been cut by some 650 000 tonnes to 6.4 million tonnes, only slightly above last year's relatively modest crop.

The latest official estimate of production in 2002 (July–June) in the Philippines has been lowered by about 200 000 tonnes to 13 million tonnes (still very close to the record achieved in the previous year), reflecting a poor performance during the January–June 2003 period. Underlying the reduction was a long dry spell over the second quarter, which hindered plantings, as well as pest and disease problems. The production forecast for 2003 (July–June), however, points to a 4 percent increase to a new high of 13.5 million tonnes. The government continues to pursue a strong expansionary policy in paddy production and has set a target area for hybrid rice cultivation of 200 000 hectares this season.

In Viet Nam, gathering of the spring/summer crop (the most important of the three paddy crops grown in the country) has drawn to a close and harvesting of the summer/autumn crop is in progress. Official estimates point to a bumper spring/summer crop of 16.76 million tonnes, slightly more than last year. However, the government forecast for the whole season has been set at 33.5 million tonnes, 700 000 tonnes less than the previous FAO figure and almost 2 percent lower than last year's bumper harvest. To help farmers cope with

World Cereal Production

	Wheat		Coarse grains		Rice (paddy)		Total	
	2002	2003 forecast	2002	2003 forecast	2002	2003 forecast	2002	2003 forecast
	(. . . . . million tonnes . . . . .)							
Asia	251.5	245.6	212.0	211.4	520.6	541.0	984.2	998.0
Africa	16.7	20.5	82.5	84.9	18.0	18.0	117.2	123.4
Central America	3.3	3.0	28.5	29.1	2.3	2.4	34.1	34.5
South America	18.0	22.0	64.2	76.0	19.8	19.5	102.1	117.5
North America	59.7	83.3	264.9	302.3	9.6	8.9	334.2	394.5
Europe	209.9	160.0	219.8	198.6	3.2	3.0	433.0	361.7
Oceania	9.7	22.0	7.6	10.4	1.3	0.4	18.7	32.8
WORLD	**568.9**	**556.4**	**879.6**	**912.8**	**574.8 (384)1/**	**593.2 (396)1/**	**2 023.4 (1 833)2/**	**2 062.4 (1 865)2/**
Developing countries	262.2	267.6	371.4	387.2	549.2	570.0	1 182.8	1 224.8
Developed countries	306.6	288.7	508.3	525.6	25.7	23.2	840.6	837.5

Source: FAO 1/ Milled rice. 2/ Including milled rice. **Note**: Totals computed from unrounded data.

a temporary supply glut, the government recently instructed procurement agencies not to buy paddy rice at less than a minimum price of Dong 1 500 per kg (about US$100 per tonne).

The outlook for paddy production in the other major producing countries in the region remains unchanged from the previous report. In Thailand, abundant and widespread rainfall is anticipated to boost the country's main crop, although drought in the northeast may affect output of Hom Mali fragrant rice and is thus causing some concern. Under current prospects, production is anticipated to reach a record 27 million tonnes, 4 percent higher than last season; farmers are progressively shifting to higher-quality rice varieties and the government has increased budget allocations aimed at raising the productivity of fragrant rice crops.

Production in Myanmar is also expected to increase by 3 percent following the liberalization of the sector, which should coincide with the abolition of the state procurement and trade monopolies and of producer compulsory sales to the government agencies at prices well below market levels. However, in the absence of a competitive and transparent environment, there is still much uncertainty as to how the new system will be functioning and how producers will react.

Near East: The outlook for the 2003 cereal production is generally favourable in the region. In Iraq, the harvesting season is complete. An FAO/WFP Crop, Food Supply and Nutrition Assessment Mission has completed its field work and the report is under preparation.

CIS in Asia: Favourable weather conditions and ample irrigation water availability in much of the region, except for Georgia, the Kyrgyz Republic and Armenia, ensured cereal harvests to nearly match last year's bumper crop. The aggregate **cereal** harvest in the region is estimated at about 26 million tonnes, 3.2 million tonnes less than in 2002. This includes some 21 million tonnes of wheat, 2.5 million tonnes of barley and 1.5 million tonnes of maize. **Wheat** is the most important cereal crop throughout the region. Tajikistan and Uzbekistan are both expecting record wheat harvests (685 000 tonnes and 4.9 million tonnes respectively), while wheat output in Kazakhstan, at 10.6 million tonnes, is about 2 million tonnes lower than last year's record level. Low wheat prices last year discouraged some farmers in Kazakhstan from matching last year's planted area, while frost and a relatively dry spring compromised some cereal crops in the Kyrgyz Republic, Georgia and Armenia. The latest estimate of **paddy** production in Kazakhstan has been raised by some 40 000 tonnes, to 243 000 tonnes, the highest level since 1997.

Africa

Northern Africa: Harvesting of the 2003 winter cereal crops is virtually complete in the subregion. Normal to abundant rains in the main producing areas at planting, and well-distributed precipitation throughout the development period significantly benefited the crops. Aggregate cereal output in 2003 is provisionally estimated at a record of about 35 million tonnes, an important increase from 2002 when an average-sized crop of 28 million tonnes was collected. Production of **wheat**, the main cereal, is estimated at 16.7 million tonnes, which compares to an average 12.1 million tonnes harvested in 2002. Wheat production rebounded strongly in Algeria, increasing by almost 100 percent with respect to 2002, to some 3 million tonnes. In Morocco, wheat production increased by 60 percent to 5.4 million tonnes and in Tunisia, it almost tripled from the 2002 level, to reach 1.3 million tonnes. A slightly above-average wheat crop was harvested in Egypt. Production of **coarse grains** in the subregion is also expected to increase significantly from last year's about-average crop, mostly reflecting a bumper barley crop of about 4.5 million tonnes, twice the average of

the past five years. Harvesting of the main **paddy** crop has just started in Egypt, which alone accounts for over 30 percent of the output in the region. It is officially reported that the area under rice has been maintained close to the previous year's level at about 650 000 hectares, and a shift to new varieties is also noted, which is likely to lead to further growth in yields.

Western Africa: The outlook for the 2003 **grain** crops is uncertain in most coastal countries along the Gulf of Guinea due to erratic and generally below-average rainfall so far. Prospects for the main season crops have been compromised by an extended period of dry weather over most of Ghana, Côte d'Ivoire, Liberia, Sierra Leone and Guinea. In Liberia, in addition to adverse weather, intensified fighting has disrupted the current agricultural season and displaced thousands of families, pointing to a further drop in cereal production this year. Growing conditions are favourable so far in Nigeria. In the Sahel, early crop prospects are mixed. Following generally widespread rains since June over most of the producing areas in Burkina Faso, Chad, the Gambia, Mali and Niger, crops are developing satisfactorily and prospects are generally favourable. In Mauritania, improved rains after mid-July permitted plantings in most producing zones. By contrast, precipitation remained limited over Senegal until early August, while in Cape Verde, prospects for the maize crop, normally planted from July, are not favourable because the onset of rains was delayed. In Guinea Bissau, crop prospects are unfavourable as there was a large-scale outbreak of grasshoppers in northern and eastern regions.

Paddy harvesting is under way in most countries in the subregion. Weather conditions for the crops have been favourable in Burkina Faso, Mali, Niger and Nigeria, presaging a positive production outlook. In addition, in Nigeria, increased support to the sector by the government should contribute to an expected 4 percent increase to 3.5 million tonnes this season. By contrast, erratic rainfall patterns in Côte d'Ivoire, Ghana, Guinea, Senegal and Sierra Leone have led to a downward revision of the production forecasts for those countries, all of which are now expected to show decreases compared with last year.

Central Africa: Growing conditions for the 2003 cereal crops are favourable so far in Cameroon. In the Central African Republic, cereal production is not expected to increase this year, as population displacements resulted in reduced planting and seed shortages. In the Democratic Republic of the Congo, the recently harvested 2003 second season in northeastern areas is estimated to have decreased as a result of the persistent civil conflict in the area.

Eastern Africa: Harvesting of the 2003 **wheat** crop has been completed in Sudan. Latest estimates indicate an output of 363 000 tonnes, 47 percent higher than last year. In Kenya, crop prospects improved, reflecting better rains in the main producing areas. In Ethiopia, good rains in July and August have favoured the establishment and development of the wheat crop.

Harvesting of the 2003 **coarse grains** crops is almost complete or is under way in the southern countries of the subregion, while in the northern areas the harvest is scheduled from November. The outlook is mixed. In Tanzania, the recently harvested 2003 main season coarse grain crops is forecast at 3.9 million tonnes, 10 percent lower than in 2002, mainly as a result of extended dry weather in the eastern, central and southern parts of the country. In Kenya, earlier unfavourable prospects for the "long-rains" maize crop (due to late onset of rains in many areas) ameliorated somewhat following reports of good crop conditions in key long-rains dependent areas of the Rift Valley, Western and Nyanza Provinces. The government has recently revised upward estimates of this year's "long rains" maize crop from 1.8 million tonnes to 2 million tonnes. At this level the maize crop is about the same as the average for the previous five years, estimated at 1.97 million tonnes. In Somalia, the current *gu* season crop in southern Somalia is forecast at about 215 000 tonnes, more than a quarter above the post-war average. In Sudan, Ethiopia and Eritrea, where crops are in the developing stage, prospects have improved as a result of the good rains over the past two months. However, severe floods in some areas have caused a number of deaths and damaged crops and property. In Rwanda and Burundi, output of coarse grains from the recently harvested 2003 B season, declined slightly from the satisfactory levels last year, reflecting a delayed start of the rains.

The 2003 **paddy** crop harvest has been completed, and preliminary assessments of the outcome suggest that it will be 4 percent smaller than last year in Tanzania, reflecting the severe drought conditions that prevailed in February and March, just after the main paddy crop had been planted.

Southern Africa: Overall prospects for the 2003 **wheat** crop, to be harvested from October/November, are unfavourable, reflecting a significant reduction in the area planted. In South Africa, which accounts for over 80 percent of the subregion's aggregate production, the first official production estimates indicate a harvest close to 1.6 million tonnes, which is 34 percent lower than the previous year's and below the average size. In Zimbabwe, the wheat production is forecast by FAO at 90 000 tonnes, 44 percent lower than even the poor harvest of 2002, as a result of a further decline in plantings associated with land distribution activities.

FAO's latest estimates of the recently harvested 2003 **coarse grain** crops indicate an aggregate output of 16.5 million tonnes, 5 percent higher than last year's and the average-size crop. Production of maize, the main staple, increased 5 percent to 15.3 million tonnes, mainly reflecting overall favourable weather conditions. However, the harvest outcome at national level was varied. In South Africa, the largest producer, coarse

grain production declined 8 percent to 9.7 million tonnes due to dry spells in some areas during the growing season. In Zimbabwe, affected by prolonged dry weather and land reform activities, production increased 65 percent to 917 000 tonnes, but it remained 40 percent below the average of the past five years. Production also remained relatively low in Swaziland and Lesotho and declined in Botswana and in Madagascar. Elsewhere, coarse grain outputs recovered substantially from the reduced levels of the past two years. In Malawi, production increased by one-third from 2002 to 2 million tonnes. In Zambia, the coarse grain output rose 85 percent to an above-average level of 1.2 million tonnes. In Mozambique, production remained virtually unchanged from last year's good level of 1.6 million tonnes but in southern areas the crop was sharply reduced by drought. In Angola, following the end of the prolonged civil conflict and good rains during the season, the output increased 18 percent to an above-average level of 549 000 tonnes. In Namibia, the coarse grain harvest is estimated to be 38 percent higher than last year's at 102 000 tonnes.

Regarding **paddy** output in the subregion, official estimates of 200 000 tonnes in Mozambique now indicate a 19 percent increase compared to last year; this is 20 000 tonnes more than previously expected. The increase stemmed mainly from higher yields for both rainfed cultivation (predominating in the northern provinces) and irrigated land (in the south). These gains reflect the beneficial effects of the rains associated with tropical cyclone Japhet along with improved seed supplies distributed by the Ministry of Agriculture in response to last year's drought. Similarly, despite a negative start of the season, production in Madagascar is estimated to have increased by 5 percent to 2.8 million tonnes, the highest level on record.

- **Central America and the Caribbean**

Harvesting of the 2003 irrigated **wheat** crop in Mexico, practically the sole producer in the subregion, has been completed. The output is provisionally estimated close to 3 million tonnes, 9 percent lower than last year's average crop, reflecting lower plantings and yields due to low levels of water reservoirs.

Prospects for the 2003 **coarse grains**, which are about to be harvested, are favourable, reflecting average plantings and overall good rains during the cropping season. In Mexico, where harvesting of the spring/summer crop is due from October, the aggregate maize output (including the recently harvested autumn/winter crop) is forecast to be slightly above average at 19 million tonnes. By contrast, sorghum output is expected to be below average, reflecting diversion of land to maize in response to more attractive prices. Following abundant rains during the season, the outlook is also favourable in Guatemala and Nicaragua, where the coarse grain outputs are forecast to be larger than both last year's and the average levels. In El Salvador and Honduras, production is expected to remain at about the same good levels as in 2002. In the Caribbean, harvesting of the 2003/04 first season coarse grains is under way. Average- to above-average sized harvests are expected in Haiti, Dominican Republic and Cuba as a result of overall good rains.

Although seasonal torrential rains have fallen since early July in Central America and the Caribbean, causing some flooding in Costa Rica, El Salvador, Honduras, Nicaragua and Panama, no particular damage to **paddy** crops has been reported in those countries. Nonetheless, a 33 percent drop in output has been officially forecast in El Salvador, following a sharp reduction in plantings, in what appears to be a distinct tendency for farmers to move away from paddy cultivation over recent years. On the other hand, several countries that had experienced a production shortfall last season are currently expected to undergo a recovery, in particular Costa Rica and Mexico. Increased outputs have also been anticipated in the Dominican Republic, Nicaragua and Panama.

- **South America**

Planting of the 2003/2004 **wheat** crop is almost complete in most of the southern countries of the subregion. In Argentina, following dry spells during the past month which resulted in planting reductions, weather conditions have improved and 93 percent of intended plantings had been sown by mid-August. The area planted is now estimated at around 6 million hectares, lower than what had been anticipated earlier but still higher than last year's reduced level. In Brazil, where planting has been completed, official forecasts point to a crop of 4.7 million tonnes, some 62 percent above last year's good crop. This reflects technological improvements in response to the government's production incentives. In Chile, plantings have been completed under favourable weather conditions and the area is provisionally estimated to be above average. By contrast, in Uruguay, the area planted has been officially estimated to be below last year's level and below the average area. In Paraguay, planting operations – previously delayed by soil moisture deficits – have been completed and the area planted is estimated to be average. In Bolivia, planting of the winter wheat crop has been completed in the eastern department of Santa Cruz. Elsewhere in the Andean countries, the 2003 wheat crop has recently been harvested; good outputs were obtained in Peru and Bolivia.

Harvesting of the 2003 **coarse grain** crops has been virtually completed in the southern countries. FAO's preliminary estimates show the subregion's aggregate output to be 76 million tonnes. This is 18 percent

above the previous year's average crop, mainly as the result of an increase of 29 percent in Brazil's maize production, where this year's output has been estimated at a record level of nearly 46 million tonnes. In Argentina, the main maize crop output is provisionally estimated at 15 million tonnes, some 2 percent above last year's level but still below the average of the past five years, reflecting diversion of land to soya beans. Sorghum production is expected to be 2.8 million tonnes, lower than both last year and the average levels. In Chile, a bumper maize crop of 1.2 million tonnes is anticipated. In Uruguay, maize output declined substantially from last year, but at 190 000 tonnes remained about average. Regarding the Andean countries, in Peru the maize harvest is well advanced and output is expected to be 1.3 million tonnes, virtually unchanged from last year's good level. In Colombia, maize production is also expected to remain close to the 2002 above-average crop at about 1.2 million tonnes. By contrast, in Ecuador, where the main season maize crop harvest is well under way, it has been forecast that the 2003 aggregate output will be reduced for the third consecutive year as a result of dry weather and heavy rains during the growing season. In Bolivia, an average-sized coarse grain crop has been gathered.

The 2003 season **paddy** has been almost completely harvested in the subregion and producers will soon start planting the new 2004 crops. Official paddy production estimates for 2003 in Argentina show an 8 percent decrease to what appears to be the lowest outcome since 1995. While plantings failed to recover, yields were depressed by late rainfall at the onset of the season, in October and November and, again, by unfavourable climatic conditions at harvest time. In Brazil, the state agency CONAB, which recently conducted its fifth crop survey of the year, lowered its estimates of paddy production by 200 000 tonnes this season. The new figure reveals a 2 percent reduction over last year's figures to 10.4 million tonnes, mainly reflecting weather problems in the major producing state of Rio Grande do Sul where low temperatures and excessive rains delayed the start of the season and depressed crop yields. However, the production results were positive in the second largest producing state of Mato Grosso, reflecting the opening of new rice areas and the growing adoption of advanced technologies.

In the rest of the region, it has been anticipated that adverse weather conditions will depress rice production in Chile, Ecuador, Peru, Uruguay and Venezuela. By contrast, a positive harvest is foreseen for Colombia, where a strong increase in planting area was reported for the main crop, mainly reflecting an extension in the Department of Casanare and in the low Cauca area on the eastern plains (Llanos Orientales). However, prospects for a large increase in output have been mitigated since August by adverse weather conditions. Overall, the season is forecast to end with a 6 percent overall increase in output to 2.5 million tonnes, some 100 000 tonnes more than had been anticipated earlier. Official estimates also suggest a sharp increase in Guyana, where production is set to rise by 13 percent to slightly above 500 000 tonnes, and in Paraguay, reflecting an expansion in plantings.

- **North America**

The 2003 winter **wheat** harvest was virtually complete by the end of July and the latest estimate in the USDA August Crop Report put the output at 46.6 million tonnes, 50 percent up from the poor crop of 2002. The spring wheat crop, about half of which had been harvested by mid-August, is also expected to increase significantly. Although the area planted decreased, abandonment is expected to be much lower, and yields are forecast to be much higher than last year's. The aggregate (winter and spring) wheat output is forecast at 62.4 million tonnes, 42 percent higher than 2002. In Canada, although predominantly hot and dry conditions during July and early August indicated that harvests would probably be somewhat diminished, the latest indications still point to a strong recovery in cereal production this year compared to last year's drought-reduced crop. According to the official August figures, the country's 2003 wheat crop should come to 21.7 million tonnes, somewhat lower than earlier expectations, but much larger than the low 15.7 million tonne crop in 2002.

The 2003 **coarse grain** output in the region is also forecast to rebound from last year's drought-reduced level. In the United States, the aggregate coarse grain crop is forecast at 276 million tonnes, 13 percent larger than the previous year. As of mid-August, the overall condition of the maize crop had slipped down somewhat compared to the previous weeks, but was still better compared to a year earlier. Maize output is now forecast at 256 million tonnes, almost 12 percent more than 2002. Although the planted area was similar, a larger percentage of the crop is expected to be harvested this year, and moreover yields should be significantly improved. In Canada, barley is the main coarse grain, and output of this crop is expected to recover by 68 percent to 12.2 million tonnes, reflecting increased sowings and better yield prospects. Barley, like wheat, is grown in spring, and up to July the crop benefited from much more favourable weather conditions. Since then the crops have suffered a bit from dryness and high temperatures; some good rainfall in the coming weeks would be beneficial.

In the United States, as of 17 August, harvesting of the 2003 **paddy** crop was advancing well in the Gulf states of Louisiana and Texas but had not yet started in most of the other producing states. The forecast for the country's aggregate production was recently lowered by some 200 000 tonnes to 8.8

million tonnes, which is 8 percent below the bumper crop last year. Much of this year's decrease should be concentrated in California, where planting of the crop was hindered by excessive rains. Both medium/short-grain and long-grain rice will probably be affected, with the drop in output anticipated at 6 percent for the former and at 8 percent for the latter.

- **Europe**

Cereal production in Europe has been considerably reduced this year due to adverse weather. Harsh winter conditions caused area reductions in some parts, and an exceptionally hot and dry summer brought yields down across the continent. FAO's latest estimate of the EU's aggregate **wheat** crop now stands at about 94 million tonnes, 10 percent down from last year and 7 percent below the average of the past 5 years. The largest reduction at the national level has occurred in France where a significant area reduction compounded with a sharp yield decrease has seen production drop to just about 32.7 million tonnes, from almost 39 million tonnes in 2002. Among the other main wheat producers, output is forecast to decline by about 6 percent in Germany, 13 percent in Italy, 5 percent in Spain and 12 percent in the United Kingdom. Regarding the **coarse grains**, contrary to earlier expectations, the latest forecast for the EU's aggregate crop also points to a significant decline of about 10 percent to some 97 million tonnes. Barley crops have already been gathered in many areas, and lower yields have been noted. With predominantly dry conditions and exceptionally high temperatures persisting throughout July and into August, hopes for even a late recovery in the maize crop have been dashed. In France, the EU's biggest producer, latest indications point to a maize output of just 12.2 million tonnes, some 25 percent below the 2002 harvest. The **paddy** season got off to a good start earlier this year with plantings increasing in all the producing countries, especially Spain. However, since then, the prolonged drought and heat-wave this summer has diminished the output prospects substantially. The situation is particularly serious in Italy and Spain, where the lack of rainfall has entailed serious losses. As a result, the FAO forecast of the EU's paddy production has been lowered since the previous report by some 200 000 tonnes to 2.4 million tonnes, 7 percent less than last season.

In the CEECs, the 2003 **cereal** harvest is expected to be well below last year's and the average harvest size, following adverse weather conditions for both the winter and spring grain seasons. Persisting drought and high temperatures in June and July diminished yield prospects sharply for the winter grains after an already poor start to the season in some places because of bad planting weather. With most of the winter grains now collected, the latest output estimates are much more reliable. In Bulgaria, the latest official forecast puts the 2003 wheat crop at just 2.2 million tonnes, about 40 percent lower than last year's. Further to the north, in Romania, wheat output has been estimated at a record low of 2.5 million tonnes, compared to 4.4 million tonnes last year and over 5 million tonnes on average over the past five years. Hungary was one of the countries that was hit the hardest by the drought, and the wheat harvest is estimated at just 3 million tonnes, compared to the already relatively low crop of 3.9 million tonnes last year. Average yields have been recorded at just 2.6 tonnes per hectare, whereas an average yield of above 4 tonnes per hectare was attained in 2001. In the Czech and Slovak Republics the winter grain outputs have also been reduced, but largely due to adverse planting and harsh winter weather conditions; the summer drought was not as severe in these countries as elsewhere. In Poland, the drought and heat were also less severe than in the central part of the region. Nevertheless, the winter grain yields have been estimated to be significantly below normal levels. The wheat output is forecast at about 8.2 million tonnes, about 12 percent below last year and 10 percent below the five-year average. The scenario for the coarse grain crops throughout the CEECs is similar to that for wheat. Although the area planted to spring barley increased in some parts to compensate for the weather-reduced winter cereal area, yields have been severely diminished by the hot and dry weather. As time passes, even hopes that some rain might arrive in time to give a late boost to the distressed maize crop are beginning to diminish; forecasts for maize output have been reduced to reflect this. In Romania, normally the largest maize producer in the region, output is now expected to reach only about 7.5 million tonnes at best. In Hungary, the other main maize producer, output is now forecast at about 5.2 million tonnes, 18 percent less than last year's average-sized crop.

In the CIS countries in Europe (the Russian Federation, Ukraine, Belarus and Moldova), severely cold weather, thin snow cover and frost followed by an exceptionally dry spring significantly compromised cereal production throughout the region. The most adversely affected countries are Ukraine and Moldova. Aggregate **wheat** harvest is now estimated at 43 million tonnes, compared with 72.4 million tonnes in 2002. Wheat production in Ukraine is estimated at 5.5 million tonnes, which is 72 percent down on last year's harvest. In Moldova the wheat harvest is 82 percent smaller than last year's harvest at 220 000 tonnes, while in the Russian Federation the harvest is more than 14 million tonnes smaller than last year's. The **coarse grains** harvest in the region has now been estimated at about 52.3 million tonnes, which is some 3.5 million tonnes lower than last year's harvest. The region should produce some 26.3 million tonnes of barley and about 7.6 million tonnes of maize this year, compared with more than 31 million tonnes of barley and 5.8 million tonnes of maize in 2002. The barley

harvest this year is estimated at 17.7 million tonnes in the Russian Federation, 7 million tonnes in Ukraine and 1.6 million tonnes in Belarus, which compares with 18.6 million tonnes, 10.4 million tonnes and 1.8 million tonnes, respectively, in 2002. Significantly larger areas were planted with maize in Ukraine and Moldova; this is the main reason for higher output this year. The maize harvest is forecast at about 1.4 million tonnes in the Russian Federation, nearly 5.2 million tonnes in Ukraine and 967 000 tonnes in Moldova.

In the Baltic States (Estonia, Latvia and Lithuania) the aggregate cereal harvest has been estimated at 3.8 million tonnes compared with 4 million tonnes last year. This aggregate includes about 1.3 million tonnes of wheat and almost 2.5 million tonnes of coarse grains. Unfavourable weather conditions and low cereal prices last year contributed to this year's lower-than-expected output.

- **Oceania**

Planting of the 2003 winter **wheat** and **coarse grain** crops was virtually complete by mid-July. Some favourable rains early in the month prompted a spurt of late planting activity in some places, and thus farmers were able to make use of areas still unplanted because of dry conditions in June. The final planted area could come close to what was forecast by ABARE in early June, namely a 6.8 percent increase in the winter crop area to just over 19 million hectares. Moreover, good rains in early August favoured emergence and establishment of crops. Thus, although much will still depend on the weather conditions during the growing season, the latest cereal output prospects agree with the official June forecasts. Wheat output in 2003 is expected to recover sharply to about 21.7 million tonnes, with average yields returning to around 1.8 tonnes per hectare after the previous year's poor level of just 0.8 tonnes per hectare. The winter coarse grain output is also expected to recover sharply, with barley production forecast at about 6.6 million tonnes compared to 3.3 million tonnes in 2002. The harvest of the 2003 summer crops is mostly complete. Production was sharply reduced because of lower irrigation supplies from last year's drought. Output of sorghum and maize was less than half the previous year's level at just about 1.2 million tonnes, while the paddy crop was down 70 percent at a near-record low of just 390 000 tonnes. Harvesting of the 2003 paddy crop in Australia was concluded in May, and planting of the new season's crop will not begin until October. The latest assessment of the 2003 crop, which was heavily affected by lack of water for irrigation, confirms a dismal output of 391 000 tonnes, or 70 percent less than in 2002. Concern is now extending to the 2004 season, since rains over the winter and spring have been insufficient to restore reservoir levels, and prospects for next season production now stand at 500 000 tonnes, improved from the current season but well below the 1.8 million tonnes and 1.3 million tonnes harvested in 2001 and 2002.

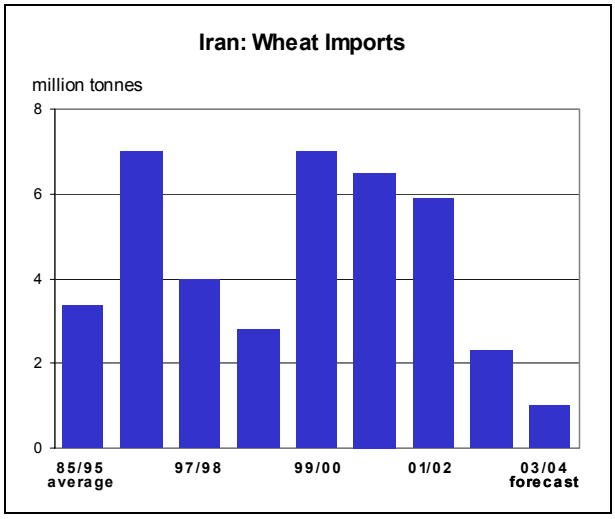
Trade[1/]

World cereal trade in 2003/04 to hit a five-year low

The FAO forecast for world cereal trade in 2003/04 has been lowered by 3.5 million tonnes to 227.5 million tonnes since the previous report in June. At the current forecast level, world cereal trade would be 11 million tonnes, or 5 percent, below the previous season and the smallest since 1998/99. Most of this month's downward adjustments to world trade have been made to wheat, but trade forecasts for coarse grains have also been lowered considerably since the previous report.

Wheat trade to fall sharply

World trade in **wheat**[2/] is now forecast to drop to 97.5 million tonnes in 2003/04, down by more than 9 million tonnes from the previous season and the smallest since the early 1990s. Imports by the Islamic Republic of Iran, until recently one of the world's leading wheat importers, are now forecast to drop to 1 million tonnes, down 56 percent from the previous season and the lowest since 1979/80, reflecting a bumper wheat crop and record procurements from farmers. Likewise in Brazil, this year's production is expected to reach a 14-year high, which could lead to a 10 percent cut in imports since last season. Contrary to earlier expectations, wheat imports by China are now expected to remain at last year's level and not increase in spite of a reduction in domestic output. In China, large supplies of old wheat entering the market, in part through government auctions, are expected to diminish



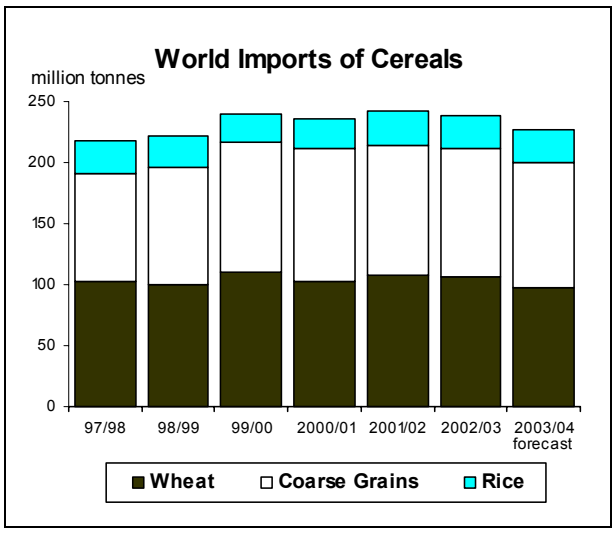
1/ World trade (exports) in wheat and coarse grains is based on a July/June marketing season, while trade in rice is based on January/December (calendar).
2/ Including wheat flour in grain equivalent.

Overview of World Cereal Imports

	Wheat		Coarse grains		Rice (milled)		Total	
	2002/03	2003/04 forecast	2002/03	2003/04 forecast	2003	2004	2002/03	2003/04 forecast
	(. . . . . million tonnes . . . . .)							
Asia	42.3	39.5	56.4	56.7	13.5		112.1	
Africa	26.3	23.4	17.2	15.0	7.9		51.4	
Central America	7.0	7.3	12.4	12.9	2.0		21.4	
South America	11.6	11.1	5.7	5.7	1.5		18.8	
North America	2.2	2.6	6.6	4.0	0.7		9.5	
Europe	15.9	13.2	6.9	8.6	1.7		24.4	
Oceania	0.8	0.5	0.2	0.2	0.4		1.3	
WORLD	**106.1**	**97.5**	**105.3**	**103.0**	**27.7**	**27.0** 1/	**239.0**	**227.5**
Developing Countries	77.2	71.2	69.9	68.8	23.6	23.0	170.8	162.9
Developed Countries	28.8	26.4	35.4	34.2	4.0	4.0	68.3	64.6

Source: FAO. 1/ Highly tentative.

the prospect for any significant rise in imports this season. Since the previous report, the forecast for imports by Pakistan has been cut by nearly 1 million tonnes to around 500 000 tonnes, in view of the increase in this year's domestic wheat production and recent statements by government officials ruling out large imports this season. Nonetheless, given the strong growth in domestic consumption and large exports over the past two seasons, domestic supplies could prove to be smaller than what is currently being assumed, which could result in much larger quantities being imported later in the season. Elsewhere, the forecast for wheat imports by the Republic of Korea has been also been cut significantly below the previous season's level, mostly because of the less competitive international feed-wheat prices in relation to maize.



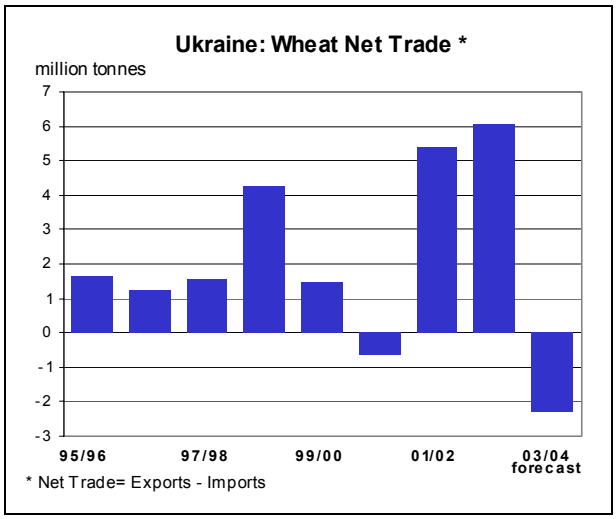
The anticipated decline in world wheat trade this season also reflects smaller import demand among countries in North Africa, mostly because of the increase in their domestic production. Combined wheat imports by Algeria, Morocco and Tunisia are currently forecast to contract by 3.5 million tonnes, compared to the previous season. A significant drop in import demand is also forecast for the EU this year. In contrast to the previous two seasons, when imports by the EU surged to record levels, this year's imports are forecast to reach only 5 million tonnes, compared to 12 million tonnes in 2002/03. In spite of lower wheat output, the EU is likely to import much less this season as a result of the imposition of import quotas and also a sharp reduction in wheat supplies in Ukraine and the Russian Federation, the EU's main suppliers over the previous two seasons.

Few countries are expected to import more wheat this season. In Africa, the most significant rise is expected in Ethiopia, where imports must double in order to cover a domestic deficit. Large increases are also expected in several European countries outside the EU, where this year's severe drought reduced crops and resulted in a surge in bread prices. Wheat imports by Romania could triple this season following the recent decision by the Government to remove duties on imports of milling wheat for up to 1 million tonnes. Among the CIS countries, Ukraine is expected to switch from major wheat exporter to an importer given the anticipated sharp decline in its harvest. Similarly, Moldova will again become a net importer to cover a domestic shortage as a result of a poor crop.

Major wheat exporters to increase sales this season

Wheat shipments by major exporters are likely to rebound this season after a sharp drop in 2002/03. With a strong recovery in production, Australia, Canada and United States are expected to boost their sales. Exports from Argentina are also forecast to increase, due in part to above-average carryovers from the previous season. By contrast, the drop in production in the EU is expected to result in a sharp decline in its exports in 2003/04. Among non-traditional

exporting countries, the Russian Federation is likely to cut exports by around 12 million tonnes this season in the face of a large drop in output. Exports by Hungary and Bulgaria are also expected to fall sharply, while no exports are likely from the Czech Republic, Poland and Romania because of reduced production. It is improbable that any shipments can be expected from Pakistan since they hold much smaller domestic supplies compared to the previous season, while transport bottlenecks remain a major obstacle to wheat shipments from India.

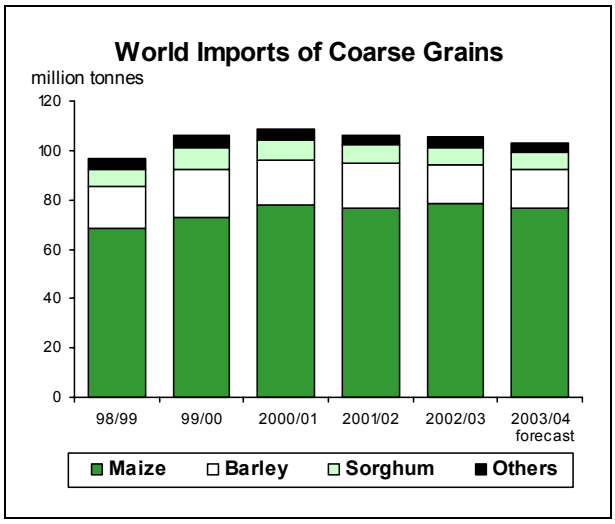


Coarse grain trade to contract in 2003/04

Global trade in **coarse grains** in 2003/04 is currently forecast to reach 103 million tonnes, down 1 million tonnes from the previous season; this figure is 2 million tonnes lower than was reported in June. Overall, anticipated declines in maize and barley trade would account for most of the small drop in coarse grain trade, while trade in sorghum is forecast to rise slightly; trade in other major coarse grains (barley, oats and rye) could remain at roughly the same levels as in 2002/03.

Total coarse grain imports to countries in Asia could rise slightly compared to the previous season in spite of weaker import demand, the Syrian Arab Republic and Indonesia. Slightly higher maize imports are expected by the Republic of Korea, and barley imports by Saudi Arabia are also forecast to increase due to strong demand. In Africa, an expected rebound in barley production in Algeria, Morocco and Tunisia will probably cause much smaller barely imports into those countries. Sharp drops in maize imports are forecast for Malawi, Eritrea, Ethiopia, Zambia and Zimbabwe, mostly as a result of improved crops.

Among the Latin American and the Caribbean countries, Mexico is forecast to increase its purchases of maize and sorghum this season in response to its rapidly rising demand for feed. However, other traditional importers in the region are likely to maintain their imports at levels similar to the previous season. By contrast, imports by several countries in Europe are forecast to increase sharply, following the prolonged drought this summer. Significant increases in maize imports are forecast for Romania and the Russian Federation, and this season's extremely tight feed grain situation in the EU could lead to larger imports of maize and sorghum.



Coarse grain supplies to remain adequate

Exportable maize supplies are likely to increase significantly this season because of a strong recovery in the United States. Larger availabilities are also expected in Brazil, following a record production this year. Maize exports from China are forecast to remain substantial, although smaller than in 2002/03, reflecting an anticipated decline in production and lower stocks. Exports of barley are also forecast to increase in 2003/04, mostly as a result of higher production in Canada and Australia. Large carryover stocks from the previous season would allow the EU, the world's largest barley exporter, to keep sales at the previous year's level. However, sharply lower barely exports are forecast for the Russian Federation, Ukraine and Bulgaria because of smaller outputs this year.

Global rice market situation tightens

The latest FAO forecast for world trade in **rice** in 2003 has been raised since the last report by some 600 000 tonnes to 27.7 million tonnes (in milled equivalent), which is only 1.4 percent below the record volume exchanged in 2002. The forecast for higher imports has been inferred from the worsening production outlook in several countries, in particular Bangladesh and Brazil. Although export availabilities appear sufficient so far to meet the additional demand for imports, global market conditions are anticipated to tighten in the next few months, barring major changes in production prospects.

In Asia, the import forecast for Bangladesh in 2003 has been adjusted upward from 502 000 to 700 000 tonnes, in accordance with the official figures showing a decrease of output in 2002. At this level, imports would be about 30 percent above the official estimate of 544 000 tonnes in 2002. This increase over last year's level should be facilitated by the reduction in import duties which went into effect last February.

Purchases by China also increased, following news of an official deal with the Government of Thailand, which could set the basis for larger shipments of Thai fragrant rice to China. Nevertheless, the country's imports still remain relatively modest at 350 000 tonnes, which is 100 000 tonnes more than last year but still considerably short of the 4.7 million tonnes it committed to import this year at a preferential 1 percent duty under the WTO Agreement. As domestic rice prices have failed to rebound in spite of the sharp fall in output experienced in the past few years, imports remain of limited interest, except for the high-quality rice varieties.

Following forecasts for improved production this year, rice shipments to Indonesia have been lowered by 100 000 tonnes to 3.3 million tonnes, a 200 000 tonne decline from 2002. BULOG, the state food company, recently announced that it would cease importing rice until the end of the year and concentrate instead on domestic rice procurement. However, shipments by private traders are expected to continue.

The forecast for shipments into the Islamic Republic of Iran remains at 700 000 tonnes, well below the level of 1 million tonnes estimated for last year. The country was recently reported to have offered to serve as a platform for distributing rice from Thailand into the former USSR Republics, which would require establishing a warehouse at the port in Kirsch Island and developing transportation and distribution channels.

Despite the expected production setback, purchases by Japan this year are anticipated to remain at the WTO minimum access level of 650 000 tonnes, as the impact of the shortfall on trade would be delayed to 2004. Such impact is unlikely to be as strong as in 1994, when the country's imports soared to an all-time high of 2.5 million tonnes in reaction to a 26 percent contraction in production in the preceding year.

Imports by the Philippines are set to fall to some 1.1 million tonnes. This figure has not changed since the last report, but nonetheless remains 14 percent below FAO's estimate for 2002. This year, the government has authorized imports by farmers, subject to a 50 percent ad-valorem duty and to a ceiling per importer of 10 000 tonnes per year, thereby abolishing the import monopoly which the National Food Authority (NFA) has held since 1993. In addition, in an attempt to reduce illegal imports of rice, the government has issued a list of eight ports to handle the bulk of rice deliveries to the country.

Import forecasts for the rest of Asia as well have remained unchanged since the last report. Compared with last year, they show a contraction in Iraq and Sri Lanka, where the government recently announced a rise in the import tariff from rupee 7 to rupee 9 per kilo (US$93 per tonne). By contrast, an increase in the Republic of Korea, Jordan, Turkey and Saudi Arabia is still anticipated.

Overall, rice imports into Africa are forecast to hover around 8 million tonnes, some 400 000 tonnes short of last year's record. If confirmed, this would be the first decline in imports in this region since 1996. Among the largest importers in the region, the forecast for shipments to the Côte d'Ivoire has been raised by 200 000 tonnes to 1.1 million tonnes, as China and Thailand reported a surge in deliveries to the country so far this year, despite the security problems prevailing there. Similarly, rice sales to Benin by Thailand were reported to have already reached 150 000 tonnes between January and June reflecting to some extent a diversion of part of the rice normally flowing to Nigeria and Côte d'Ivoire to neighbouring countries. As a result, Benin's import forecast has been raised to 200 000 tonnes, up from a previous forecast of 90 000 tonnes.

By contrast, partner-trade data indicated a drop in rice exports to Nigeria over the first 6 months of the year, consistent with the ongoing attempts of the Nigerian Government to reduce rice inflows with the aim of achieving rice self-sufficiency by 2006. Consequently FAO has lowered its forecast of Nigeria's imports by 200 000 tonnes to 1.5 million tonnes, down from 1.8 million tonnes last year.

Throughout the rest of Africa, import forecasts remain identical to those in the last report, with a contraction foreseen for Cameroon, Ghana, Guinea and Senegal in comparison with last year, while an increase is anticipated in the Libyan Arab Jamahiriya and the Comoros.

In Latin America and the Caribbean, the outlook for rice imports has also been raised by some 200 000 tonnes since the last issue of the report, to some 3.5 million tonnes, or 28 percent more than last year. The revision reflects larger shipments to Brazil, prompted by the deterioration of the production outlook this season. It is now anticipated that the country will purchase 1.15 million tonnes, twice as much as last year. Rice imports to Colombia, Cuba, Mexico and Venezuela are also expected to rise.

Elsewhere, imports by the Russian Federation are set to fall following the introduction (as of August and for a period of nine months) of a minimum duty of € 0.3 per kilo (about US$33 per tonne), should the application of the 10 percent tariff result in an inferior value.

Australia, on the other hand, may be forced to import much larger quantities than usual, possibly of the order of 100 000 tonnes, to maintain a minimum level of shipments in its traditional export markets while ensuring sufficient supplies at home.

Several major rice exporters face supply constraints

The FAO forecast for global paddy exports in 2003 has been revised upward, as several exporters are expected to respond to strengthening import demand foreseen during the last quarter of the year, by releasing greater than originally anticipated supplies. Export forecasts were raised for China, the Republic of Korea, the United States and Viet Nam, while they were reduced for India, Myanmar and Pakistan.

Shipments from China are now put at 2.6 million tonnes, compared with less than 2 million tonnes last year; this figure is 600 000 tonnes higher than the previous forecast. The adjustment was prompted by a reported 79 percent increase of shipments in the January–July period as compared with the same period last year. Moreover, based on the prevailing domestic prices, China continues to be a competitive source of rice, which should foster an increase in its deliveries.

The bumper crops harvested early this year should allow Sri Lanka to export about 100 000 tonnes, making it the first time that sizeable sales of rice have been made by this country since 1995.

Shipments from the Republic of Korea to the Democratic People's Republic of Korea, all in the form of food aid, are now estimated to reach 150 000 tonnes, a part of the 400 000 tonne deal clinched between the two countries last May, the shipment of which started in July. Last year the Republic of Korea had shipped 400 000 tonnes to its neighbour country in the form of food aid as well.

The forecast for Viet Nam has also been raised from 3.9 to 4 million tonnes, substantially higher than the volume of 3.2 million tonnes shipped in 2002. By the end of July, the country had already increased its deliveries by 50 percent compared with the first seven months in 2002.

Strong demand from Latin American countries has boosted the United States' expectations concerning rice exports, now estimated to reach an all-time high of 3.7 million tonnes, 150 000 tonnes more than the previous forecast and an increase of 400 000 tonnes over last year.

The export forecast for Thailand remains at 7.5 million tonnes, a mere 2 percent higher than last year. Shipments from the country by 14 August had reached 4.3 million tonnes, a 3 percent increase over last year. Thailand appears to be well positioned to take advantage of potential opportunities arising from a scarcity of supply in other major exporting countries, as it holds substantial reserves of rice in stocks.

By contrast, a large drop in rice inventories has warranted a 10 percent increase in rice prices for export by the Government of India over the third quarter of the year, from Rupees 6 610 to Rupees 7 300 (US$159) per tonne for raw rice, and from Rupees 6 915 to Rupees 7 500 (US$164) per tonne for parboiled rice. The measure has depressed export prospects for the country from 4 million to 3.8 million tonnes, a pronounced drop compared to the outstanding 6.6 million tonne performance of last year. The downward revision also reflects the temporary suspension, as of August and for an undetermined period, of rice allocations by the Food Corporation of India to exporters, in reaction to low inventories and to a backlog in grain deliveries caused by shortages of train wagons for inland transportation. Concerning national policy, the country removed a ban on paddy (unhusked rice) exports last March, and at the same time lifted the licensing requirements for the export of Basmati rice. These moves coincided with a change in EU policies which might result in the elimination of an import duty waiver of € 250 per tonne on imports of unhusked basmati rice from India and Pakistan. The removal of this waiver is among the policy measures that the EU Commission plans to negotiate with its trading partners under the framework of Article 28 of WTO.

In Pakistan, the crop losses in the Sindh region this season will probably mainly affect the country's exports in 2004, since rice from the new harvest will start reaching the market in September. However, given a currently reported scarcity of rice, this year's shortfall might also seriously constrain availabilities for export in the last quarter of the year. Low stocks have already prompted a strengthening of prices of Pakistani rice, compared with similar products from India and Viet Nam. In addition, a reported rise in freight costs might further erode a part of the country's competitive edge. Consequently, the forecast of exports by Pakistan has been reduced by 100 000 tonnes to 1.8 million tonnes, which would still imply a recovery from the poor performance of 2002.

The volume of shipments from Myanmar also fell in the first few months of this year; therefore forecasts for exports in 2003 have been lowered by 200 000 tonnes from the last report to 900 000 tonnes, which means that quantities are almost the same as last year. Rice trading activities this year will be carried out by the private sector, since the reform of the rice national policy announced in June abolished the government trade monopoly in rice.

Carryover stocks

Another huge decline in world cereal stocks foreseen in 2004

Following a sharp cutback in the forecast for global cereal production in 2003 and combined with the anticipated **cereal** utilization during the 2003/04 marketing season, the FAO forecast for world cereal stocks has been lowered significantly. World cereal carryover stocks in 2004 are now forecast to drop to 372 million tonnes, down 20 percent from the previous season[1/]. As a result, the global stocks-to-use ratio would stand at around 19 percent, compared to nearly 24 percent in 2002/03, pointing to a much tighter global supply-and-demand situation. While falling inventories in China have been the main factor behind successive cuts in world cereal stocks since 1999, the sharp reduction in carryovers also reflects a notable cut in wheat and coarse grain stocks in Europe, particularly in the EU, the Russian Federation and Ukraine.

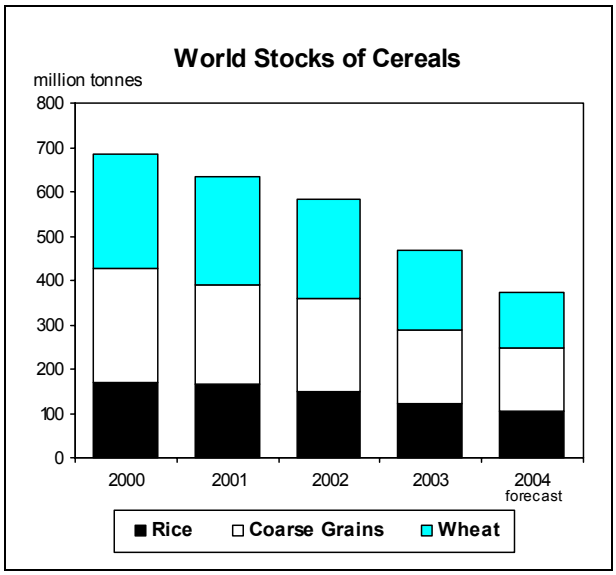
World Carryover Stocks of Cereals

	Crop year ending in:		
	2002	2003 estimate	2004 forecast
	(. . . . million tonnes . . . .)		
Wheat	223.5	178.4	125.8
Coarse grains	210.2	165.8	141.3
of which:			
Maize	158.2	120.1	101.1
Barley	29.1	24.9	21.9
Sorghum	6.7	5.4	5.0
Others	16.2	15.5	13.2
Rice (milled)	150.6	122.4	104.7
TOTAL	**584.2**	**466.6**	**371.9**

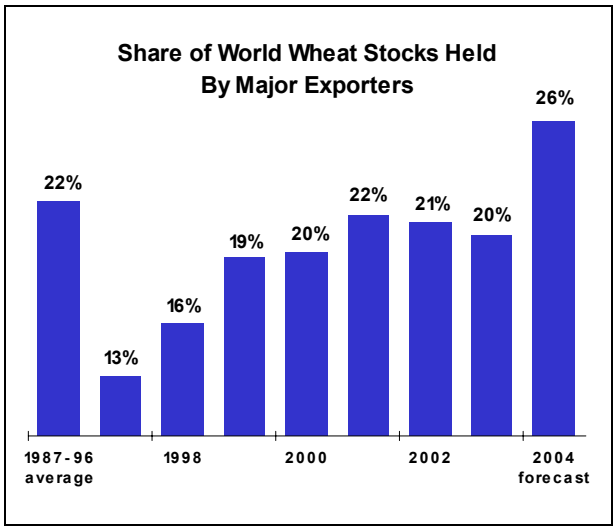
Source: FAO

The decline in world **wheat** stocks during the current season is expected to be more significant than for other major cereals. World wheat carryovers in 2004 are now forecast at 126 million tonnes, down nearly 53 million tonnes, or almost 30 percent, from their already reduced opening levels. Wheat stocks held by major exporters are forecast to contract for the third consecutive year, although most of the anticipated drop would be on account of sharply lower wheat inventories in the EU, which are expected to fall by 56 percent following this year's fall in European production. While a recovery in wheat production in the United States is expected to result in some increase in its stocks, the ratio of major exporters' wheat carryover stocks to their total disappearance (the sum of their domestic consumption and exports) would still decline, from nearly 17 percent in 2003 to only 15 percent in 2004, which would be also 5 percentage points below the five-year average.

1/ World stock data are based on aggregate of carryovers at the end of individual countries' national crop years.

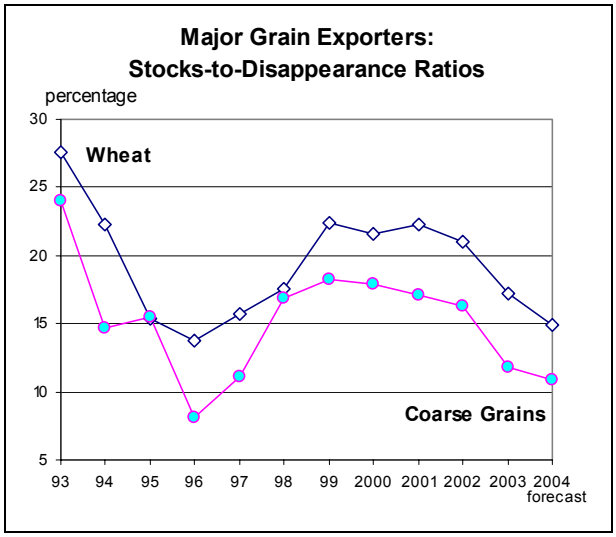


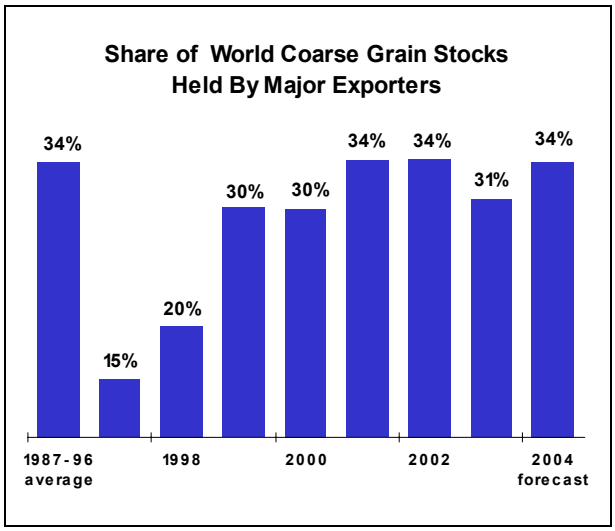
In China, wheat stocks are expected to decrease again, dropping by almost 50 percent to around 33 million tonnes, as production continues to fall below domestic utilization. Carryover stocks in India are also expected to be drawn down sharply as the country continues to export wheat at the same time that domestic production is forecast to fall. Wheat inventories in Pakistan are also expected to contract, while stocks among nearly all of the CIS countries are forecast to decline sharply as a result of reduced output.



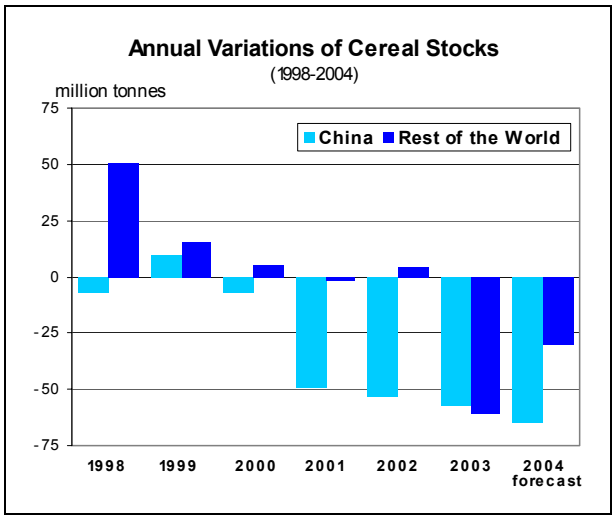
World **coarse grain** inventories for crop years ending in 2004 are currently forecast at 141 million tonnes, down 24 million tonnes, or 15 percent, from their opening levels. This season's contraction is the result mainly of reductions in the EU and China. In the EU, an anticipated sharp fall in coarse grain production is expected to cause a drop of nearly 44 percent, or almost 8 million tonnes, in carryover stocks. The decrease in maize and barley inventories would account for most of the decrease in EU coarse grain inventories. Although higher stocks in the United States, and to some extent also in Canada, are

expected to make up for most of the decline in EU inventories, aggregate coarse grain stocks held by major exporters would still drop by 6 percent to around 48 million tonnes. As a result, the ratio of major exporters' coarse grain stocks to their total disappearance would deteriorate further, to a low of about 11 percent, compared to an already reduced level of 12 percent in 2003 and the five-year average of around 16 percent.





In China, the anticipated decline in this year's production coupled, with continued large maize exports and increase in domestic utilization, will most likely require that stocks be drawn down further. Total coarse grain stocks in China are forecast to drop by 30 percent during the current marketing season to around 48 million tonnes, most of this maize. By contrast, a sharp increase in stocks is forecast for Brazil due to this year's record maize crop. Variations in stocks held by most other countries are expected to be relatively small compared with the previous season, although some declines are expected in southern Africa and a number of countries in eastern Europe.



Since rice consumption is again expected to outpace production, world **rice** stocks at the close of the marketing seasons ending in 2004 are forecast to decline to 105 million tonnes, almost 18 million tonnes below their opening level and some 1 million tonnes more than the June forecast.

The contraction is expected to be concentrated mainly among exporting countries, with the bulk of the decline in China. The forecast of the country's carryover stocks has been revised downward to 64 million tonnes, 15 million tonnes below their opening level and the fourth consecutive drop since 2000. The figure for the closing inventories in India has also been cut and now stands at 11.3 million tonnes, the lowest in the decade. Among the other major exporters, latest information suggests smaller quantities of reserves at the end of the season for Australia, Egypt, Pakistan and the United States. Against that general pattern, closing stocks in Myanmar could increase, while they are unlikely to change significantly in Viet Nam.

As for the major importing countries, FAO anticipates rice reserves by the end of the seasons to fall below their opening levels in Indonesia, Japan, the Philippines and Nigeria, while they might end higher in Bangladesh and Sri Lanka.

The forecast contraction of the world end-of-season inventories would lead to a drop in the world rice stock-to-use ratio from 30 percent in 2002/2003 to 25 percent in 2003/04. While still much larger than for the other main cereals, the reduced size of the rice inventories has revived fears about the possible implications of potential crop failures on food security. Against this backdrop, on 21 August, the Association of South East Asian Nations (ASEAN, composed of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam) and its three partners (China, Japan and the Republic of Korea) agreed to establish an East Asia Emergency Rice Reserve System in early 2004.

Export Prices

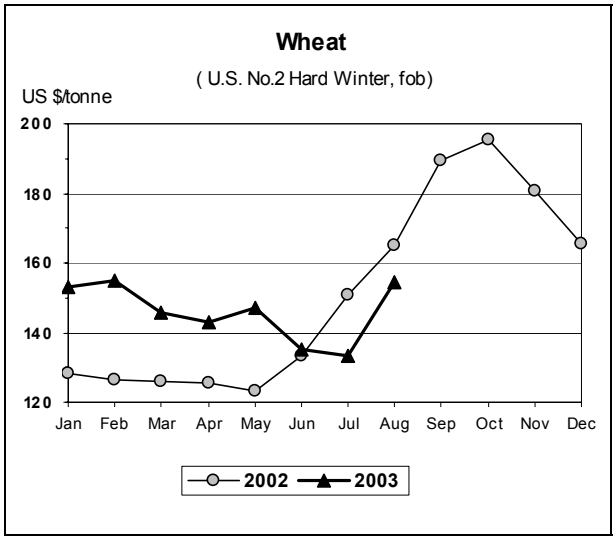
Cereal prices mostly higher, but prospects are mixed

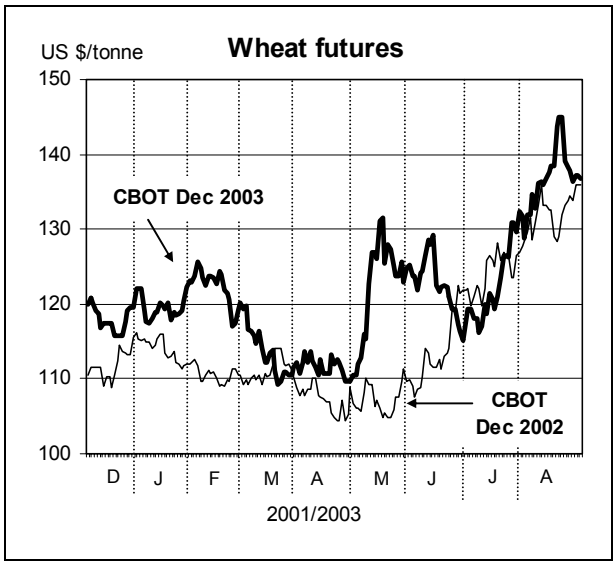
Cereal export prices *

	2003		2002
	August	May	August
	(. . . . . US$/tonne . . . . . .)		
United States			
Wheat	155	147	165
Maize	100	108	110
Sorghum	106	103	115
Argentina			
Wheat	155	157	138
Maize	98	104	106
Thailand			
Rice white	198	202	195
Rice, broken	151	143	149

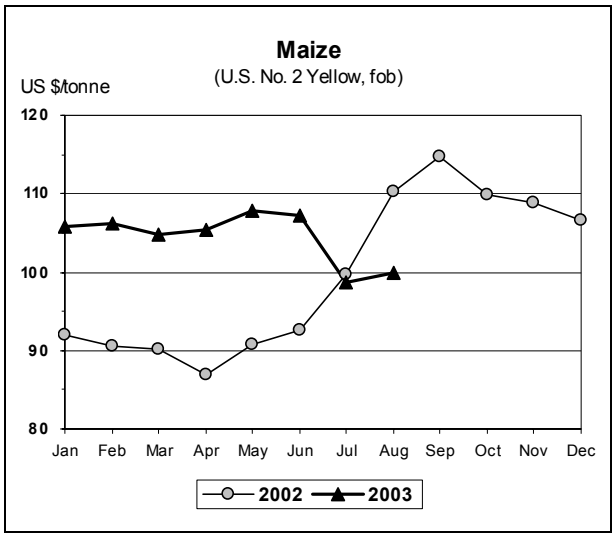
* Prices refer to the monthly average. For sources see Appendix Tables A.6 and A.7.

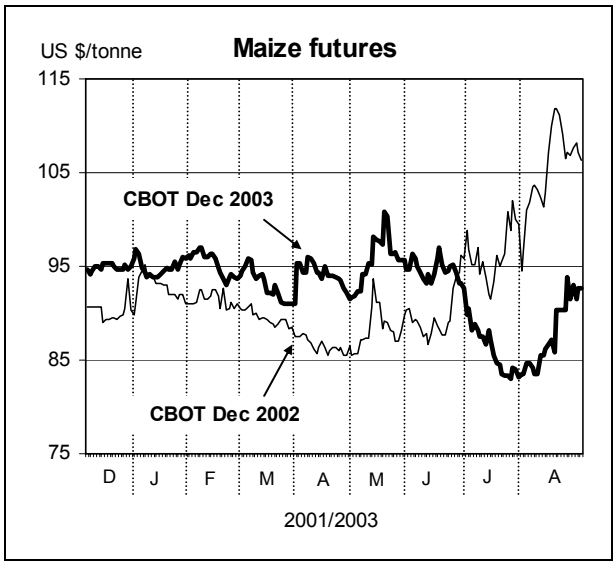
International **wheat** prices have increased steadily since the start of the season in July, driven upward by worries about supply shortfalls in Europe. However, while repeated cuts in this year's crop estimates in the EU and a general supply tightness across Europe have pushed up prices, weak world import demand and strong supply rebound in the United States, Australia and Canada have prevented prices from increasing more significantly. In August, the US wheat No. 2 HRW averaged US$155 per tonne, up US$8 per tonne from May, but still US$10 per tonne below the corresponding month last year. Over the past two months, the US futures also made substantial gains, reacting mainly to crop concerns. However, after soaring to 11-month highs in mid-August, wheat futures for December 2003 delivery at the Chicago Board of Trade (CBOT) lost most of the gains made during the first half of the month, reaching US$137 per tonne, up slightly from the previous year. Looking ahead, wheat prices are more likely to stabilize at current levels, and may even decline rather than rise much further, due to larger supplies among major exporters and sliding demand in several leading wheat importing countries as a result of bumper crops.





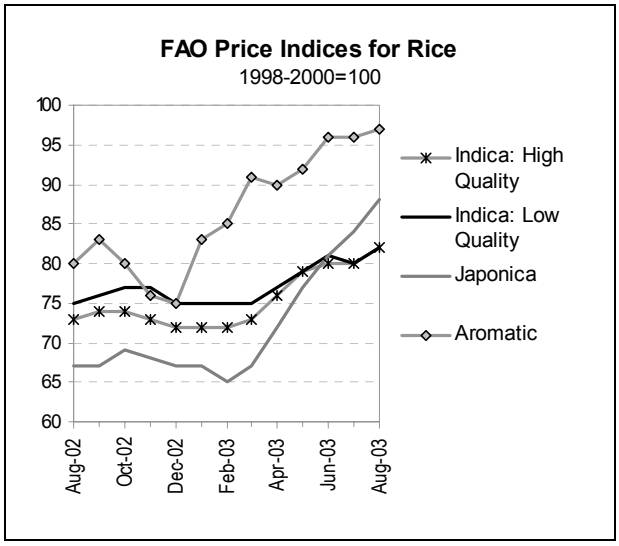
In the **maize** market, prices have followed a steady downward trend over the past two months, mostly from good crop prospects in the United States, a bumper harvest in Brazil and continued large sales by China. However, this year's lower supplies of feed wheat in international markets and the strengthening of world wheat prices have been generally supportive to maize prices. In August, US maize export price (US No. 2 Yellow) averaged US$100 per tonne, down US$8 per tonne since May and US$10 per tonne below the corresponding month last year. The expected rebound in the US maize crop has been the main factor contributing to the weakness in the futures market. The December 2003 maize futures at CBOT continued to remain below the previous year's level and by late August they were quoted at US$93 per tonne, US$15 per tonne below the corresponding month last year. With the approach of the harvest in major northern-hemisphere producing regions, and with weather problems becoming less threatening, maize prices are more likely to continue under downward pressure in the coming months, although strong demand for feed gains may help to underpin prices to some extent.





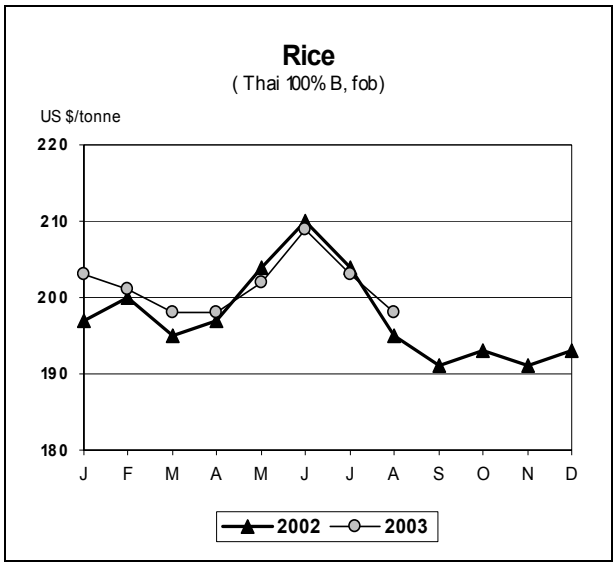
International **rice** prices have risen steadily since May, as reflected in the FAO Rice Export Price Index, which passed from 80 points in May, to 82 points in June, 83 in July and 85 in August. This strength reflects mainly a tightening of supplies in some major exporting countries, in particular Australia, India, Pakistan and the United States, where quotations were higher; but also a sustained import demand, especially from countries in Latin America and the Caribbean and in the Near East. By contrast, the termination of the government procurement programme in Thailand at the end of July tended to depress export prices there in August. The arrival on the market of the summer/autumn crop in Viet Nam has also tended to lower the country's rice quotations since May.

Among the different types of rice traded, international quotations experienced the sharpest increases for medium-grain rice, with the FAO Japonica index climbing 11 points over the period from 77 in May to 88 in August. Much of the momentum was fuelled by scarcities in the three major medium-grain rice suppliers, namely Australia, China, Egypt and the United States at a time when rice is needed to fill import tenders by the Republic of Korea, the Chinese Province of Taiwan and Japan. The increase was particularly strong in the case of the US No. 2, 4% husked medium-grain rice, which rose by US$43 per tonne from US$230 per tonne in May to US$273 per tonne in August.



As for high-quality Indica, quotations from Pakistan and the United States strengthened steadily between May and August, while the price of the Thai 100%B dropped to US$198 per tonne in August, after reaching a high of US$209 per tonne in June. As a result of the diverging price movements, the price difference between the United States and Thailand high-quality rice widened to US$107 per tonne in August, compared with US$85 per tonne in May. Overall, the FAO price index for high-quality Indica rice was up from 79 in May to 80 in June and July and to 82 in August.

Similarly, prices of lower-quality Indica rice also showed some moderate increases, reflected in a rise of 3 points in the FAO Low Quality Indica Price Index between May and August. The price strength stemmed mainly from higher quotations for 25% broken rice from Pakistan and India, while the same price showed a lower trend in Viet Nam.



On the aromatic rice market, prices continued on a steady upward trend which raised the index by 5 points to 97 between May and August, or close to the level prevailing in the index base period (1998–2000). The vigour was felt in all three major aromatic rice markets: Pakistan Basmati, Indian Basmati and Thailand fragrant, which gained between US$25 and US$30 per tonne between May and August.

Prospects for international rice prices over the coming months point to renewed strength in view of a possible surge in import demand. Several exporters have intensified efforts to widen their markets in various geographical locations, which – combined with relatively limited availabilities – could bolster prices well beyond the low levels that have characterized the market since 2000. However, the price pattern will become more definite when the results of the main paddy crops are released.

Fertilizers

Spot prices of **urea** from most origins in international markets increased over the past two months. August prices in eastern Europe were 46 percent up compared to those a year ago and those in the Near East were up by about 27 percent. In the Black Sea prices have been increasing and appear overpriced in comparison with other sources. However, unsold quantities in the hands of traders put a halt to the surge of prices. This is also the case in the Baltic Sea. FAO intends to purchase 350 000 tonnes for Iraq. This will have an implication on the market. India might enter the market to secure quantities in advance of the main Vietnamese purchasing. Latin America's demand is slow as most of its immediate urea needs are met. There is a shortage of urea in the Arab Gulf as most urea is booked and South East Asian producers are entering the Near East market. China and Indonesia are supplying South East Asia and are increasingly also entering the North America and Latin America market. The European market remained relatively low, though there is interest in purchasing before the new duty legislation in October comes into force.

Ammonia prices increased in August by 11 percent. Spot buyers in the Indian sub continent are facing high prices due to availability in the neighbourhood and limited competition. There is a wide price gap between the prices from the Arab Gulf and the Black Sea. Ammonia prices in the United States also increased and the differential between imports relative to gas cost of production might widen further. There is large demand from southern Europe, South Africa and South East Asia. China will reportedly not enter the market at the current high prices.

International spot market prices of **ammonium sulphate** are considerably higher than in 2002, especially in eastern Europe. India is purchasing significant amounts.

Diammonium phosphate (DAP) prices increased between 9 and 12 percent compared to the same period last year, but only slightly in the last two months. Import demand in Latin America is uncertain. Chinese suppliers met Pakistan DAP demand. In the United States raw material costs have increased and their DAP prices are not competitive, therefore there is very little spot interest from nearby countries. India might be a potential buyer. China has made contractual arrangements for DAP shipments from the United States. Tunisia is supplying southern Europe. In India the costing mechanism of domestically produced DAP has not been defined yet and modification of the DAP subsidy is expected. Pakistan will reportedly be supplied by China. FAO is tendering for 140 000 tonnes for Iraq. DAP supply capacity from North Africa and Jordan in the near future might be limited. Strong demand from Viet Nam is expected to be met from the Russian Federation. In Europe seasonal demand is uncertain, supply might originate from eastern Europe.

Muriate of potash (MOP) prices in eastern Europe and North America are almost equivalent to those one year ago. MOP availability is limited from Canada and the Russian Federation. Supply capacity from Canada and Israel is scheduled to increase in the near future. The demand from Brazil slows down. Brazil and the United States were proposing price increases of US$5 and 10 per tonne respectively. Freight prices have also risen. In India stocks are low and consumption is running at about 200 000 tonnes a month. Demand may increase because of the favourable weather. However, India is still negotiating about the price increase due to freight. Demand in South East Asia is strong. The Baltic Sea is supplying Côte d'Ivoire. Demand from China is being met by Jordan on a three year contract.

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

	July 2003	August 2003	August 2002	Change from last year 1/
	(. . . . . US$/tonne . . . . .)			(. percentage .)
Urea				
eastern Europe	137-140	145-148	100-101	45.8
Near East	145-149	148-152	117-119	27.1
Ammonium Sulphate				
eastern Europe	56-58	56-58	40-42	39.0
western Europe	50-55	50-55	46-50	9.4
Diammonium Phosphate				
Jordan	193-196	197-198	179-182	9.4
North Africa	183-189	185-192	166-168	12.9
U.S. Gulf	179-182	180-181	169-170	6.5
Triple Superphosphate				
North Africa	152-156	154-157	130-133	18.3
U.S. Gulf	149-153	154-158	132-133	17.7
Muriate of Potash				
eastern Europe	89-104	89-104	92-107	-3.0
Vancouver	109-123	109-124	111-123	-0.4
western Europe	100-110	100-110	105-115	-4.5

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

APPENDIX TABLES

A.1 a) **- WORLD CEREAL PRODUCTION**

	Wheat			Coarse Grains		
	2001	2002 estim.	2003 f'cast	2001	2002 estim.	2003 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**245.8**	**251.5**	**245.6**	**210.0**	**212.0**	**211.4**
Bangladesh	1.6	1.6	1.7	0.1	0.1	0.1
China 1/	93.9	90.3	86.1	125.2	133.9	127.9
India	69.7	71.8	69.3	34.0	25.7	32.0
Indonesia	-	-	-	9.3	9.5	10.4
Iran, Islamic Rep. of	9.5	12.5	12.8	3.5	4.5	4.3
Japan	0.7	0.8	0.7	0.2	0.2	0.2
Kazakhstan	12.7	12.6	10.5	3.0	3.1	2.5
Korea, D. P. R.	0.1	0.1	0.1	1.6	1.8	1.5
Korea, Rep. of	-	-	-	0.5	0.4	0.4
Myanmar	0.1	0.1	0.1	0.7	0.8	0.7
Pakistan	19.0	18.2	19.3	2.2	2.2	2.1
Philippines	-	-	-	4.5	4.3	4.5
Saudi Arabia	1.8	1.8	1.8	0.3	0.3	0.3
Thailand	-	-	-	4.7	4.5	4.5
Turkey	18.5	20.0	21.0	10.2	10.8	10.6
Viet Nam	-	-	-	2.1	2.3	2.0
AFRICA	**18.2**	**16.7**	**20.5**	**83.1**	**82.5**	**84.9**
North Africa	**12.9**	**12.1**	**16.7**	**10.0**	**9.9**	**12.2**
Egypt	6.3	6.6	6.8	7.8	7.4	7.6
Morocco	3.3	3.4	5.4	1.3	1.9	2.8
Sub-Saharan Africa	**5.3**	**4.6**	**3.7**	**73.1**	**72.7**	**72.7**
Western Africa	**0.1**	**0.1**	**0.1**	**33.4**	**34.3**	**34.3**
Nigeria	0.1	0.1	0.1	19.6	19.9	20.0
Central Africa	**-**	**-**	**-**	**2.5**	**2.6**	**2.6**
Eastern Africa	**2.2**	**2.0**	**1.8**	**22.5**	**20.0**	**19.3**
Ethiopia	1.6	1.3	1.3	8.0	7.4	6.9
Sudan	0.2	0.4	0.2	5.1	3.5	3.9
Southern Africa	**2.9**	**2.6**	**1.8**	**14.7**	**15.8**	**16.5**
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.5	2.3	1.6	7.9	10.5	9.7
Zimbabwe	0.3	0.2	0.1	1.6	0.6	0.9
CENTRAL AMERICA	**3.3**	**3.3**	**3.0**	**31.1**	**28.5**	**29.1**
Mexico	3.3	3.3	3.0	27.6	24.7	25.4
SOUTH AMERICA	**21.2**	**18.0**	**22.0**	**70.8**	**64.2**	**76.0**
Argentina	15.3	12.3	14.5	19.6	18.7	19.1
Brazil	3.3	2.9	4.7	43.0	37.0	48.0
Colombia	-	-	-	1.4	1.4	1.4
NORTH AMERICA	**73.8**	**59.7**	**83.3**	**285.1**	**264.9**	**302.3**
Canada	20.6	15.7	21.0	22.7	19.8	26.4
United States	53.3	44.0	62.4	262.4	245.2	275.9
EUROPE	**201.7**	**209.9**	**160.0**	**224.0**	**219.8**	**198.6**
Bulgaria	4.1	3.6	2.2	2.0	2.5	1.9
EU	92.2	104.3	92.6	107.9	107.2	95.0
Hungary	5.2	3.9	3.0	9.6	8.1	6.6
Poland	9.3	9.3	8.2	17.7	17.3	15.7
Romania	7.8	4.4	2.5	10.3	9.8	8.9
Russian Fed.	47.0	50.6	36.5	35.7	33.7	32.2
Ukraine	21.3	19.8	5.5	17.1	16.2	14.7
OCEANIA	**25.2**	**9.7**	**22.0**	**13.3**	**7.6**	**10.4**
Australia	24.9	9.4	21.7	12.8	7.0	9.8
WORLD	**589.1**	**568.9**	**556.4**	**917.4**	**879.6**	**912.8**
Developing countries	263.1	262.2	267.6	382.1	371.4	387.2
Developed countries	326.0	306.6	288.7	535.4	508.3	525.6

Source: FAO **Note:** Totals computed from unrounded data.
1/ Including Taiwan Province.

Table A.1 b) **- WORLD CEREAL PRODUCTION**

	Rice (paddy)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2001	2002 estim.	2003 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**544.4**	**520.6**	**541.0**	**1 000.1**	**984.2**	**998.0**
Bangladesh	36.4	38.0	39.6	38.1	39.6	41.3
China 2/	179.3	176.3	175.5	398.3	400.6	389.5
India	139.6	113.6	130.0	243.3	211.1	231.3
Indonesia	50.5	51.5	51.8	59.8	61.0	62.2
Iran, Islamic Rep. of	2.0	2.4	2.5	14.9	19.3	19.6
Japan	11.3	11.1	10.3	12.3	12.2	11.2
Kazakhstan	0.2	0.2	0.2	15.9	15.9	13.2
Korea, D. P. R.	2.1	2.2	2.3	3.8	4.1	3.9
Korea, Rep. of	7.5	6.7	6.8	7.9	7.0	7.2
Myanmar	21.9	22.8	23.5	22.7	23.7	24.3
Pakistan	5.8	6.3	6.4	27.0	26.8	27.9
Philippines	13.1	13.0	13.5	17.6	17.3	18.0
Saudi Arabia	-	-	-	2.1	2.1	2.1
Thailand	26.5	25.9	27.0	31.2	30.4	31.5
Turkey	0.4	0.4	0.4	29.1	31.2	32.0
Viet Nam	32.0	34.1	33.5	34.1	36.4	35.5
AFRICA	**17.3**	**18.0**	**18.0**	**118.6**	**117.2**	**123.4**
North Africa	**5.3**	**6.1**	**5.8**	**28.2**	**28.0**	**34.8**
Egypt	5.2	6.0	5.8	19.3	20.1	20.2
Morocco	-	-	-	4.6	5.3	8.2
Sub-Saharan Africa	**12.0**	**11.9**	**12.1**	**90.4**	**89.2**	**88.6**
Western Africa	**7.6**	**7.5**	**7.6**	**41.1**	**41.9**	**42.0**
Nigeria	3.3	3.4	3.5	23.0	23.3	23.6
Central Africa	**0.4**	**0.4**	**0.4**	**3.0**	**3.0**	**3.0**
Eastern Africa	**1.1**	**1.1**	**1.0**	**25.8**	**23.1**	**22.1**
Ethiopia	-	-	-	9.6	8.7	8.1
Sudan	-	-	-	5.4	3.9	4.1
Southern Africa	**3.0**	**3.0**	**3.2**	**20.6**	**21.3**	**21.5**
Madagascar	2.7	2.7	2.8	2.9	2.9	3.0
South Africa	-	-	-	10.4	12.8	11.3
Zimbabwe	-	-	-	1.9	0.7	1.0
CENTRAL AMERICA	**2.2**	**2.3**	**2.4**	**36.6**	**34.1**	**34.5**
Mexico	0.2	0.2	0.3	31.1	28.3	28.6
SOUTH AMERICA	**19.9**	**19.8**	**19.5**	**111.9**	**102.1**	**117.5**
Argentina	0.9	0.7	0.7	35.7	31.8	34.3
Brazil	10.4	10.6	10.4	56.7	50.5	63.2
Colombia	2.3	2.4	2.5	3.7	3.8	4.0
NORTH AMERICA	**9.8**	**9.6**	**8.9**	**368.7**	**334.2**	**394.5**
Canada	-	-	-	43.3	35.5	47.4
United States	9.8	9.6	8.9	325.4	298.7	347.1
EUROPE	**3.2**	**3.2**	**3.0**	**428.9**	**433.0**	**361.7**
Bulgaria	-	-	-	6.0	6.1	4.1
EU	2.6	2.6	2.4	202.7	214.2	190.0
Hungary	-	-	-	14.8	12.0	9.5
Poland	-	-	-	27.0	26.6	23.9
Romania	-	-	-	18.1	14.2	11.4
Russian Fed.	0.5	0.5	0.5	83.2	84.8	69.2
Ukraine	0.1	0.1	0.1	38.5	36.0	20.3
OCEANIA	**1.8**	**1.3**	**0.4**	**40.3**	**18.7**	**32.8**
Australia	1.8	1.3	0.4	39.4	17.7	31.9
WORLD	**598.6**	**574.8**	**593.2**	**2 105.2**	**2 023.4**	**2 062.4**
Developing countries	572.1	549.2	570.0	1 217.3	1 182.8	1 224.8
Developed countries	26.4	25.7	23.2	887.8	840.6	837.5

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

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

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2001/02	2002/03 estim.	2003/04 f'cast	2001/02	2002/03 estim.	2003/04 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**46.9**	**42.3**	**39.5**	**57.1**	**56.4**	**56.7**
Bangladesh	1.7	1.6	1.7	0.1	0.1	0.1
China	2.0	1.5	1.6	7.7	7.4	7.5
Taiwan Province	1.0	1.1	1.1	5.3	5.0	5.0
Georgia	0.5	0.5	0.6	-	-	-
India	0.1	0.1	0.1	0.2	0.3	0.2
Indonesia	4.0	4.0	4.1	1.1	1.7	1.4
Iran, Islamic Rep. of	5.9	2.3	1.0	1.7	1.5	1.5
Iraq	3.0	2.5	2.8	0.1	0.1	0.1
Israel	1.5	1.6	1.5	1.4	1.2	1.2
Japan	5.7	5.7	5.8	19.9	19.8	19.7
Korea, D. P. R.	0.3	0.4	0.4	0.5	0.3	0.4
Korea, Rep. of	4.0	3.7	3.0	8.6	8.9	9.0
Malaysia	1.3	1.4	1.4	2.4	2.4	2.5
Pakistan	0.3	0.3	0.5	0.1	0.1	0.2
Philippines	3.1	3.4	3.2	0.4	0.4	0.4
Saudi Arabia	0.1	0.1	0.1	7.0	6.7	7.0
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.8	0.8	0.9	0.2	0.1	0.1
Syria	0.3	0.6	0.2	0.9	1.1	0.6
Thailand	0.9	0.8	0.9	-	-	-
Yemen	2.0	2.0	2.0	0.3	0.2	0.2
AFRICA	**25.9**	**26.3**	**23.4**	**15.1**	**17.2**	**15.0**
North Africa	**16.7**	**17.2**	**13.8**	**11.4**	**11.1**	**10.2**
Algeria	4.4	4.7	3.7	2.1	2.2	1.8
Egypt	6.8	6.5	6.5	5.5	5.3	5.4
Morocco	2.9	2.7	1.3	1.7	1.5	1.2
Tunisia	1.3	1.8	0.8	1.5	1.4	1.0
Sub-Saharan Africa	**9.2**	**9.1**	**9.6**	**3.7**	**6.2**	**4.8**
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.3	0.5	0.9	-	0.3	0.1
Kenya	0.6	0.6	0.6	0.5	0.7	0.8
Nigeria	2.5	2.5	2.5	0.1	0.1	0.1
Senegal	0.3	0.3	0.3	0.1	0.1	-
Sudan	1.1	0.9	1.0	0.1	0.1	0.1
South Africa	0.5	0.7	0.8	0.7	0.7	0.6
CENTRAL AMERICA	**6.7**	**7.0**	**7.3**	**13.4**	**12.4**	**12.9**
Cuba	1.0	1.0	1.0	0.2	0.3	0.3
Dominican Rep.	0.3	0.3	0.3	0.7	0.7	0.7
Mexico	3.1	3.3	3.5	10.3	8.9	9.5
SOUTH AMERICA	**11.8**	**11.6**	**11.1**	**6.1**	**5.7**	**5.7**
Brazil	6.8	6.7	6.0	0.6	0.5	0.3
Chile	0.3	0.3	0.3	1.2	1.1	1.1
Colombia	1.2	1.2	1.2	2.3	2.3	2.4
Peru	1.3	1.3	1.3	0.8	0.7	0.7
Venezuela	1.3	1.2	1.3	0.7	0.5	0.7
NORTH AMERICA	**3.0**	**2.2**	**2.6**	**6.5**	**6.6**	**4.0**
Canada	0.1	0.2	0.1	3.9	4.4	1.6
United States	3.0	2.0	2.5	2.6	2.2	2.4
EUROPE	**13.3**	**15.9**	**13.2**	**8.0**	**6.9**	**8.6**
Belarus	0.5	0.4	0.3	0.3	0.2	0.2
EU 2/	10.0	12.0	5.0	4.2	4.0	4.5
Poland	0.3	0.3	0.8	0.3	0.3	0.5
Romania	-	0.3	1.0	0.2	0.1	0.6
Russian Fed.	0.5	0.5	0.5	0.8	0.3	0.6
Ukraine	0.1	0.5	2.3	0.1	0.1	0.1
OCEANIA	**0.6**	**0.8**	**0.5**	**0.1**	**0.2**	**0.2**
New Zealand	0.3	0.1	0.2	0.1	0.1	0.1
WORLD	**108.3**	**106.1**	**97.5**	**106.3**	**105.3**	**103.0**
Developing countries	81.1	77.2	71.2	69.6	69.9	68.8
Developed countries	27.2	28.8	26.4	36.8	35.4	34.2

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

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

2/ Excluding trade between the EU member countries.

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

	Rice (milled)			Total Cereals 1/		
	2002	2003 estim.	2004 f'cast	2001/02	2002/03 estim.	2003/04 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**14.2**	**13.5**		**118.2**	**112.1**	
Bangladesh	0.5	0.7		2.4	2.4	
China	0.4	0.5		10.0	9.3	
Taiwan Province	0.1	0.2		6.5	6.3	
Georgia	-	-		0.5	0.5	
India	-	-		0.2	0.4	
Indonesia	3.5	3.3		8.6	9.0	
Iran, Islamic Rep. of	1.0	0.7		8.6	4.5	
Iraq	1.2	1.0		4.3	3.6	
Israel	0.1	0.1		3.0	2.9	
Japan	0.7	0.7		26.2	26.1	
Korea, D. P. R.	0.7	0.7		1.6	1.4	
Korea, Rep. of	0.2	0.2		12.8	12.8	
Malaysia	0.6	0.5		4.3	4.3	
Pakistan	-	-		0.4	0.4	
Philippines	1.3	1.1		4.8	4.9	
Saudi Arabia	0.8	0.8		7.9	7.6	
Singapore	0.4	0.5		0.9	0.9	
Sri Lanka	0.1	0.1		1.1	1.0	
Syria	0.2	0.2		1.4	1.8	
Thailand	-	-		0.9	0.8	
Yemen	0.3	0.3		2.5	2.4	
AFRICA	**8.4**	**7.9**		**49.4**	**51.4**	
North Africa	**0.2**	**0.3**		**28.3**	**28.5**	
Algeria	0.1	0.1		6.5	7.0	
Egypt	-	-		12.3	11.8	
Morocco	-	-		4.6	4.2	
Tunisia	-	-		2.7	3.2	
Sub-Saharan Africa	**8.2**	**7.7**		**21.1**	**22.9**	
Côte d'Ivoire	1.0	1.1		1.3	1.4	
Ethiopia	-	-		0.4	0.7	
Kenya	0.2	0.2		1.3	1.5	
Nigeria	1.8	1.5		4.4	4.1	
Senegal	0.7	0.7		1.0	1.0	
Sudan	-	-		1.2	1.0	
South Africa	0.6	0.6		1.8	2.0	
CENTRAL AMERICA	**1.9**	**2.0**		**22.1**	**21.4**	
Cuba	0.6	0.6		1.7	1.8	
Dominican Rep.	-	-		1.0	1.0	
Mexico	0.5	0.6		13.9	12.8	
SOUTH AMERICA	**0.8**	**1.5**		**18.7**	**18.8**	
Brazil	0.6	1.2		8.0	8.3	
Chile	0.1	0.1		1.5	1.5	
Colombia	0.1	0.1		3.6	3.6	
Peru	-	-		2.1	2.0	
Venezuela	-	0.1		2.0	1.8	
NORTH AMERICA	**0.7**	**0.7**		**10.2**	**9.5**	
Canada	0.3	0.3		4.2	4.9	
United States	0.4	0.4		6.0	4.6	
EUROPE	**1.7**	**1.7**		**23.1**	**24.4**	
Belarus	-	-		0.8	0.6	
EU 2/	0.7	0.7		14.9	16.7	
Poland	0.1	0.1		0.7	0.7	
Romania	0.1	0.1		0.3	0.5	
Russian Fed.	0.4	0.4		1.7	1.1	
Ukraine	0.1	0.1		0.3	0.7	
OCEANIA	**0.3**	**0.4**		**1.0**	**1.3**	
New Zealand	-	-		0.5	0.2	
WORLD	**28.1**	**27.7**	**27.0** 3/	**242.7**	**239.0**	**227.5**
Developing countries	24.0	23.6	23.0	174.7	170.8	162.9
Developed countries	4.1	4.0	4.0	68.0	68.3	64.6

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

1/ Trade in rice refers to the calendar year of the second year shown.
2/ Excluding trade between the EU member countries.
3/ Highly tentative.

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2001/02	2002/03 estim.	2003/04 f'cast	2001/02	2002/03 estim.	2003/04 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**11.4**	**16.4**	**13.7**	**8.3**	**16.5**	**12.7**
China 2/	0.7	1.0	1.5	6.4	14.5	11.0
India	3.5	5.5	3.5	-	-	-
Indonesia	-	-	-	0.1	0.1	0.1
Japan	0.4	0.4	0.4	-	-	-
Kazakhstan	3.8	5.7	5.4	0.4	0.5	0.4
Myanmar	-	-	-	0.1	0.2	0.1
Pakistan	0.7	1.0	-	-	-	-
Syria	0.5	0.6	0.6	-	-	0.1
Thailand	-	-	-	0.2	0.1	0.1
Turkey	0.6	1.0	1.0	0.6	0.7	0.5
Viet Nam	-	-	-	-	-	-
AFRICA	**0.6**	**0.6**	**0.5**	**2.3**	**1.9**	**1.9**
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.1	-	-
Nigeria	-	-	-	0.1	0.1	0.1
South Africa	0.1	0.3	-	1.4	1.1	1.3
Sudan	-	-	-	0.1	0.1	0.1
Uganda	-	-	-	0.3	0.1	0.1
CENTRAL AMERICA	**0.7**	**0.7**	**0.7**	**0.2**	**0.3**	**0.3**
SOUTH AMERICA	**11.0**	**5.7**	**10.1**	**15.0**	**14.9**	**16.5**
Argentina	11.0	5.6	10.0	9.6	12.0	10.6
Brazil	-	-	-	5.0	2.5	5.5
Paraguay	0.1	0.1	-	0.2	0.3	0.2
Uruguay	-	-	0.1	0.1	0.1	0.1
NORTH AMERICA	**42.2**	**32.0**	**43.0**	**59.0**	**49.8**	**56.5**
Canada	16.0	9.0	14.0	3.0	2.3	5.0
United States	26.2	23.0	29.0	56.0	47.5	51.5
EUROPE	**26.0**	**41.1**	**15.2**	**16.1**	**18.3**	**11.6**
Bulgaria	0.8	1.1	0.3	0.3	0.7	0.2
Czech Rep.	0.8	0.5	-	0.3	0.3	0.4
EU 3/	10.5	15.2	12.0	5.1	6.8	6.0
Hungary	2.1	0.9	0.5	3.1	1.4	0.8
Romania	0.8	0.6	-	0.6	0.6	0.2
Russian Fed.	4.5	14.6	2.2	2.6	3.7	2.2
Ukraine	5.5	6.5	-	3.5	4.0	1.3
OCEANIA	**16.4**	**10.4**	**14.5**	**5.6**	**2.5**	**3.6**
Australia	16.4	10.4	14.5	5.6	2.5	3.6
WORLD	**108.3**	**106.8**	**97.5**	**106.4**	**104.1**	**103.0**
Developing countries	19.3	16.9	19.0	23.9	32.0	29.6
Developed countries	89.0	89.9	78.5	82.5	72.1	73.4

Source: FAO

Note: Totals computed from unrounded data.

1/ Including wheat flour in wheat grain equivalent, but excluding semolina.
2/ Including Taiwan Province.
3/ Excluding trade between the EU member countries.

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

	Rice (milled)			Total Cereals 1/		
	2002	2003 estim.	2004 f'cast	2001/02	2002/03 estim.	2003/04 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**22.5**	**21.6**		**42.1**	**54.5**	
China 2/	2.1	2.7		9.1	18.2	
India	6.6	3.8		10.1	9.3	
Indonesia	-	-		0.1	0.1	
Japan	0.3	0.6		0.7	1.0	
Kazakhstan	-	-		4.2	6.2	
Myanmar	0.9	0.9		1.0	1.1	
Pakistan	1.6	1.8		2.3	2.8	
Syria	-	-		0.5	0.6	
Thailand	7.3	7.5		7.5	7.6	
Turkey	-	-		1.2	1.7	
Viet Nam	3.2	4.0		3.3	4.0	
AFRICA	**0.5**	**0.7**		**3.3**	**3.2**	
Egypt	0.5	0.7		0.5	0.7	
Ethiopia	-	-		0.1	-	
Nigeria	-	-		0.1	0.1	
South Africa	-	-		1.5	1.4	
Sudan	-	-		0.1	0.1	
Uganda	-	-		0.3	0.1	
CENTRAL AMERICA	**-**	**-**		**1.0**	**1.0**	
SOUTH AMERICA	**1.2**	**1.2**		**27.1**	**21.8**	
Argentina	0.2	0.2		20.7	17.8	
Brazil	-	-		5.0	2.5	
Paraguay	-	-		0.3	0.3	
Uruguay	0.6	0.6		0.7	0.7	
NORTH AMERICA	**3.3**	**3.7**		**104.5**	**85.5**	
Canada	-	-		19.0	11.3	
United States	3.3	3.7		85.5	74.2	
EUROPE	**0.3**	**0.2**		**42.4**	**59.6**	
Bulgaria	-	-		1.1	1.8	
Czech Rep.	-	-		1.1	0.8	
EU 3/	0.3	0.2		15.8	22.2	
Hungary	-	-		5.2	2.3	
Romania	-	-		1.4	1.2	
Russian Fed.	-	-		7.0	18.3	
Ukraine	-	-		9.0	10.5	
OCEANIA	**0.4**	**0.2**		**22.4**	**13.1**	
Australia	0.4	0.2		22.4	13.0	
WORLD	**28.1**	**27.7**	**27.0** 4/	**242.8**	**238.6**	**227.5**
Developing countries	23.9	23.0	23.3	67.1	71.9	71.9
Developed countries	4.2	4.7	3.7	175.7	166.8	155.6

Source: FAO

Note: Totals computed from unrounded data.

1/ Trade in rice refers to the calendar year of the second year shown.
2/ Including Taiwan Province.
3/ Excluding trade between the EU member countries.
4/ Highly tentative.

Table A.4 – **CEREALS: Supply and Utilization in Main Exporting Countries (National Crop Years)**

	Wheat 1/			Coarse Grains 2/			Rice (milled basis)		
	2001/02	2002/03 estim.	2003/04 f'cast	2001/02	2002/03 estim.	2003/04 f'cast	2001/02	2002/03 estim.	2003/04 f'cast
	(. . . . . million tonnes . . . . .)								
	UNITED STATES (June/May)			**UNITED STATES**			**UNITED STATES** (Aug./July)		
Opening stocks	23.8	20.6	13.4	52.7	44.9	28.9	0.9	1.2	0.6
Production	53.3	44.0	62.4	262.4	245.2	275.9	6.7	6.5	6.1
Imports	2.9	2.1	2.4	2.3	2.3	2.4	0.4	0.5	0.5
Total Supply	**80.0**	**66.7**	**78.2**	**317.3**	**292.3**	**307.2**	**8.0**	**8.2**	7.2
Domestic use	33.2	30.1	32.1	217.3	217.4	221.4	3.9	3.8	4.0
Exports	26.1	23.2	28.6	55.2	45.9	53.0	3.0	3.7	2.7
Closing stocks	20.6	13.4	17.5	44.9	28.9	32.7	1.2	0.6	0.6
	CANADA (August/July)			**CANADA**			**THAILAND** (Nov./Oct.) 3/		
Opening stocks	9.7	6.5	5.6	4.4	3.5	2.5	1.8	2.5	2.5
Production	20.6	15.7	21.0	22.7	19.8	26.4	17.6	17.2	17.9
Imports	0.1	0.2	0.0	4.0	4.3	1.6	0.0	0.0	0.0
Total Supply	**30.3**	**22.4**	**26.6**	**31.2**	**27.5**	**30.5**	**19.4**	**19.7**	**20.4**
Domestic use	7.6	8.0	7.6	24.3	22.6	22.2	9.5	9.7	9.9
Exports	16.2	8.8	13.8	3.4	2.4	4.9	7.3	7.5	7.7
Closing stocks	6.5	5.6	5.2	3.5	2.5	3.3	2.5	2.5	2.8
	ARGENTINA (Dec./Nov.)			**ARGENTINA**			**CHINA** (Jan./Dec.) 3/ 4/		
Opening stocks	0.4	0.8	2.0	1.2	1.6	0.8	106.5	92.9	78.1
Production	15.3	12.3	14.5	19.6	18.7	19.1	122.9	120.9	120.3
Imports	0.0	0.0	0.0	0.0	0.1	0.0	0.4	0.5	0.6
Total Supply	**15.7**	**13.1**	**16.5**	**20.9**	**20.4**	**19.9**	**229.7**	**214.3**	**198.9**
Domestic use	4.9	5.1	5.2	9.0	8.6	8.5	134.8	133.5	132.6
Exports	10.0	6.0	9.5	10.2	11.1	10.8	2.1	2.7	2.7
Closing stocks	0.8	2.0	1.8	1.6	0.8	0.6	92.9	78.1	63.6
	AUSTRALIA (Oct./Sept.)			**AUSTRALIA**			**PAKISTAN** (Nov./Oct.) 3/		
Opening stocks	3.8	6.7	1.9	1.2	2.2	1.4	1.0	0.6	0.2
Production	24.9	9.4	21.7	12.8	7.0	9.8	3.9	4.2	4.3
Imports	0.0	0.5	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Total Supply	**28.6**	**16.5**	**23.6**	**14.0**	**9.3**	**11.2**	**4.9**	**4.8**	**4.5**
Domestic use	5.4	6.1	5.9	6.5	5.8	6.2	2.7	2.8	2.8
Exports	16.5	8.5	15.0	5.3	2.1	3.6	1.6	1.8	1.6
Closing stocks	6.7	1.9	2.7	2.2	1.4	1.5	0.6	0.2	0.1
	EU (July/June) 5/			**EU** 5/			**VIET NAM** (Nov./Oct.) 3/		
Opening stocks	14.5	12.5	13.5	17.1	19.6	17.1	4.0	4.5	4.9
Production	92.2	104.3	92.6	107.9	107.2	95.0	21.3	22.7	22.3
Imports	10.0	12.0	5.0	4.2	4.2	4.5	0.0	0.0	0.0
Total Supply	**116.7**	**128.8**	**111.1**	**129.2**	**131.0**	**116.6**	**25.3**	**27.2**	**27.2**
Domestic use	93.4	99.8	92.8	104.5	107.1	101.1	17.6	18.3	18.2
Exports	10.8	15.5	12.3	5.1	6.8	6.0	3.2	4.0	4.1
Closing stocks	12.5	13.5	6.0	19.6	17.1	9.5	4.5	4.9	4.9
TOTAL ABOVE									
Opening stocks	52.2	47.2	36.4	76.7	71.7	50.7	114.1	101.7	86.3
Production	206.1	185.7	212.1	425.4	397.9	426.2	172.4	171.5	170.9
Imports	13.0	14.7	7.5	10.5	10.9	8.5	0.8	1.0	1.0
Total Supply	**271.3**	**247.6**	**255.9**	**512.5**	**480.5**	**485.4**	**287.3**	**274.1**	**258.2**
Domestic use	144.5	149.3	143.5	361.6	361.5	359.5	168.5	168.0	167.5
Exports	79.6	62.0	79.2	79.3	68.3	78.3	17.2	19.7	18.8
Closing stocks	47.2	36.4	33.2	71.7	50.7	47.7	101.7	86.3	71.9

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

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

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

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

4/ Including Taiwan province.

5/ Excluding trade between the EU member countries.

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

	Crop Years ending in:						
	1998	1999	2000	2001	2002	2003 estim.	2004 f'cast
	(. . . . . million tonnes . . . . .)						
TOTAL CEREALS	**667.0**	**686.3**	**684.5**	**633.4**	**584.2**	**466.6**	**371.9**
Wheat	**258.0**	**262.8**	**256.9**	**242.6**	**223.5**	**178.4**	**125.8**
held by:							
- main exporters 2/	39.3	50.7	50.3	52.2	47.2	36.4	33.2
- others	218.7	212.1	206.7	190.5	176.3	142.1	92.6
Coarse Grains	**256.4**	**266.1**	**259.4**	**225.9**	**210.2**	**165.8**	**141.3**
held by:							
- main exporters 2/	69.3	79.7	77.0	76.7	71.7	50.7	47.7
- others	187.0	186.5	182.4	149.3	138.5	115.1	93.7
Rice (milled basis)	**152.7**	**157.3**	**168.1**	**164.8**	**150.6**	**122.4**	**104.7**
held by:							
- main exporters 2/	115.7	117.2	119.7	114.1	101.7	86.3	71.9
excl. China 3/	4.5	4.1	6.7	7.7	8.8	8.2	8.3
- others	37.0	40.1	48.4	50.6	48.9	36.1	32.8
BY REGIONS							
Developed Countries	**169.2**	**171.1**	**164.7**	**160.4**	**167.1**	**135.1**	**118.0**
Australia	3.8	3.0	4.2	5.1	9.1	3.5	4.2
EU	35.1	36.6	34.2	32.0	32.7	31.3	16.2
Canada	10.4	12.5	13.6	14.1	10.1	8.1	8.6
Hungary	2.8	2.6	2.0	1.3	1.4	1.4	0.9
Japan	6.7	6.0	5.7	5.3	4.9	4.9	4.4
Poland	4.0	4.2	3.7	1.5	2.3	2.0	1.4
Romania	5.0	3.5	3.6	0.9	2.6	1.5	0.7
Russian Fed.	18.0	5.8	4.9	6.5	13.4	12.5	9.0
South Africa	3.7	2.3	1.7	3.0	1.8	2.9	2.3
Ukraine	4.5	2.2	2.2	2.3	5.2	5.1	3.4
United States	58.7	77.8	75.6	77.4	66.7	43.0	50.8
Developing Countries	**497.8**	**515.2**	**519.8**	**472.9**	**417.2**	**331.5**	**253.9**
Asia	**460.9**	**476.6**	**482.1**	**438.9**	**379.3**	**299.0**	**221.7**
China 3/	369.6	376.7	369.6	320.1	266.7	209.5	145.0
India	42.9	47.3	57.4	63.6	60.4	40.6	30.9
Indonesia	5.5	5.6	5.9	5.7	3.6	4.0	3.9
Iran, Islamic Rep. of	3.9	3.8	4.3	3.6	4.5	4.0	2.3
Korea, Rep. of	2.8	2.8	3.3	3.2	3.4	3.3	3.1
Pakistan	7.1	8.6	7.9	7.4	4.6	1.2	0.6
Philippines	2.0	2.6	1.9	2.0	1.8	2.2	1.9
Syria	4.0	4.2	4.0	3.6	5.3	6.3	6.0
Turkey	7.4	9.4	8.3	8.7	6.8	6.0	5.9
Africa	**22.0**	**26.0**	**23.6**	**20.5**	**20.9**	**18.9**	**16.5**
Algeria	2.1	2.6	2.0	1.3	1.3	1.0	1.0
Egypt	3.7	4.5	4.1	3.9	3.7	3.3	2.6
Ethiopia	1.9	0.8	0.9	0.3	0.5	0.2	0.1
Morocco	2.5	4.7	3.0	1.7	1.8	1.9	2.5
Nigeria	1.9	1.9	1.6	2.2	2.4	2.3	1.8
Tunisia	1.9	1.9	2.1	2.1	2.2	2.0	1.7
Central America	**5.1**	**6.2**	**6.3**	**5.9**	**6.6**	**5.1**	**4.8**
Mexico	3.9	5.0	4.8	4.5	5.4	3.9	3.7
South America	**9.6**	**6.2**	**7.5**	**7.5**	**10.1**	**8.3**	**10.8**
Argentina	2.1	1.7	1.5	1.7	2.5	2.9	2.5
Brazil	4.9	1.5	2.7	1.9	4.3	2.8	6.1

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

1/ Stock data are based on an aggregate of carryovers at the end of national crop years and do not represent world stock levels at any point in time.

2/ The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EU and the United States. The major rice exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details.

3/ Including Taiwan Province.

Table A.6 – **SELECTED EXPORT PRICES OF CEREALS AND SOYBEANS**

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Red Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 1/	Argentina Trigo Pan 2/	U.S. No.2 Yellow 1/	Argentina 2/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 1/
	(. . . . . US$/tonne . . . . .)						
July/June							
1999/2000	112	97	112	91	90	89	190
2000/2001	128	101	124	86	84	93	184
2001/2002	127	113	119	90	89	95	182
2002/2003	161	138	145	107	102	112	222
2002 – August	165	131	138	110	105	115	219
September	190	154	153	115	108	120	221
October	196	159	155	110	105	121	212
2003 – April	143	126	143	105	99	108	217
May	147	131	157	108	104	103	242
June	135	125	158	107	103	102	204
July	133	127	143	99	97	95	228
August I	147	136	150	95	94	98	209
II	155	141	152	100	98	107	218
III	160	147	160	101	99	109	224
IV	156	144	158	104	101	110	230

Sources: International Grain Council and USDA.

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

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

Calendar years	Export Prices				FAO Indices				
	Thai 100% B 1/	Thai broken 2/	U.S. Long grain 3/	Pakistani Basmati 4/	Total	Indica		Japonica	Aromatic
						High quality	Low quality		
January/December	(. . . . . U.S.$/tonne . . . . .)				(. . . . . 1998-2000=100 . . . . .)				
1999	253	192	333	486	101	99	101	105	98
2000	207	143	271	418	84	84	83	83	89
2001	177	135	264	332	74	74	74	76	69
2002	197	151	207	366	72	73	75	67	74
2002 - August	195	149	210	390	73	73	75	67	80
2003 - April	198	140	251	336	76	76	77	69	90
May	202	143	287	336	80	79	79	77	92
June	209	153	287	n.a.	82	80	81	81	96
July	203	149	289	n.a.	83	80	80	84	96
August I	198	151	297	n.a.	)				
II	198	151	308	n.a.	)				
III	198	151	308	n.a.	) 85	82	82	88	97
IV	198	152	308	n.a.	)				

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

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

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

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

Marketing years		FAO Indices			International Prices				
		Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals	Soybeans 1/	Soybean Oil 2/	Palm Oil 3/	Soybean Cake 4/	Rapeseed Meal 5/
October/September		(. . . . . 1990-92=100 . . . . . .)			(. . . . . U.S.$/tonne . . . . .)				
1997/98		109	154	116	256	634	641	197	138
1998/99		89	125	82	209	483	514	149	104
1999/00		83	91	89	209	355	337	180	124
2000/01	Oct.-Mar.	82	76	98	206	314	254	198	146
	Apr.-Sep	82	86	94	197	356	289	178	135
2001/02	Oct.-Mar.	83	95	100	188	378	323	175	135
	Apr.-Sep	90	107	104	213	445	392	174	122
2002/03	Oct.-Mar.	103	124	106	241	543	442	186	133
	Apr.-Aug.	103	123	109	242	530	413	195	148

Sources: FAO and Oil World.

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

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

Table A.9 - **WHEAT AND MAIZE FUTURES PRICES**

		September		December		March		May	
		this year	last year	this year	last year	this year	last year	this year	last year
		(. . . . . US$/tonne . . . . . .)							
WHEAT									
July	22	122	125	126	128	128	130	125	126
	29	128	120	132	124	135	126	131	123
August	5	128	124	133	128	135	131	132	128
	12	133	129	138	133	140	135	136	133
	19	141	128	145	133	147	136	140	133
	26	133	130	137	133	140	137	135	134
MAIZE									
July	22	82	97	84	101	87	102	90	104
	29	83	91	85	95	88	97	90	99
August	5	82	100	85	104	89	106	91	107
	12	86	103	90	107	93	109	95	109
	19	88	105	91	109	95	111	96	112
	26	90	104	93	108	95	110	97	111

Source: Chicago Board of Trade

Table A.10 - **OCEAN FREIGHT RATES FOR WHEAT**

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
	(. . . . . US$/tonne. . . . .)					
July/June						
1998/1999	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.60	40.97	13.65	18.50	27.00	32.83
2000/2001	13.10	40.97	15.00	18.31	27.00	36.31
2001/2002	10.99	40.97	15.00	18.50	26.90	34.19
2002/2003	12.50	40.97	16.67	22.50	27.23	31.50
2002 - August	10.75	40.97	15.00	18.50	27.00	33.00
September	10.75	40.97	15.00	18.50	27.00	33.00
October	10.75	40.97	15.00	18.50	27.00	29.00
November	10.75	40.97	15.00	18.50	27.00	29.00
December	10.75	40.97	15.00	18.50	27.00	29.00
2003 - April	16.00	40.97	21.00	32.00	27.00	35.00
May	16.00	40.97	21.00	32.00	27.00	35.00
June	18.20	40.97	21.00	32.00	29.70	35.00
July	18.20	40.97	21.00	32.00	27.00	35.00
August	20.00	40.97	21.00	32.00	27.00	35.00

Source: International Grain Council

Note: Estimated mid-month rates based on current chartering practices for vessels ready to load three to four weeks ahead.
1/ Size of vessels: Rotterdam over 40 000 tonnes; CIS 20-40 000 tonnes; Egypt over 30 000 tonnes; Bangladesh over 40 000 tonnes; China 20-35 000 tonnes; Japan 15-24 999 tonnes.
2/ Excludes CIS and United States flag vessels.

Table A.11 - **SELECTED INTERNATIONAL COMMODITY PRICES**

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	26.08.03	6.65	7.10	6.23	11.4
Coffee (I.C.O. daily price)	US cents per lb	27.08.03	51.65	50.63	42.27	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	27.08.03	77.8	68.1	93.3	56.0
Tea (total tea, Mombasa)	US$ per kg.	26.08.03	1.55	1.57	1.46	1.5
Bananas (Central America, f.o.b., Hamburg)	€ per tonne	25.05.03	945 1/ 765 2/	958 1/ 785 2/	1 031 1/ 880 2/	566
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	05.09.03	61.0	61.1	49.7	78.5
Jute "BWD" f.o.b. Mongla at sight	US cents per lb	05.09.03	245	245	240	391.2
Wool (64's, London)	Pence per kg	05.09.03	552	525	477	466

Source: FAO
1/ EU duty paid, estimated. 2/ Estimated price for EFTA markets.

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

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

References are also made to special country groupings: Low Income Food Deficit Countries (LIFDCs), Least Developed Countries (LDCs) and Net Food-Importing Developing Countries (NFIDCs). The LIFDCs currently includes 83 countries that are net importers of cereals with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US$1 445 in 2000). The LDCs and NIFDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries. The LDCs group currently includes 49 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NIFDCs group includes 22 developing country WTO Members which notified their request to be listed as NFIDCs and have submitted relevant statistical data concerning their status as net-importers of basic foodstuffs during a representative period. This list is reviewed annually by the WTO Committee on Agriculture.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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Cereal Production, Trade, Stocks & Prices	●	●	●	●	●
Cereal Utilization – extended report		●			
Food Aid and Cereal Import Bills		●			
Ocean Freight Rates		●			
Fertilizers	●	●	●	●	●
Cassava			●		
Meat and Meat Products		●			●
Milk and Milk Products		●			●
Oilseeds, Oils and Oilmeals			●		●
Pulses			●		
Sugar			●		●
Fish	●				

1/ These dates are tentative and refer to the release of the English version. Food Outlook in Arabic, Chinese, French and Spanish language is available shortly after the release of the English version.
2/ Including update on food emergencies.

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