global information and early warning system on food and agriculture

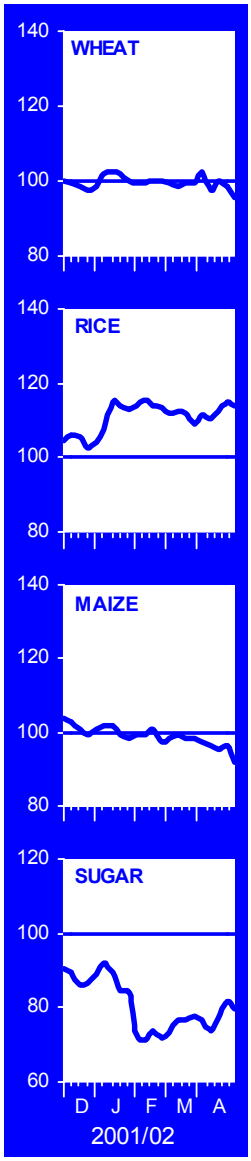
food outlook

No. 2 **Rome, May 2002**

highlights

EXPORT PRICES

(July 2001=100)



FAO's first forecasts for cereal production in 2002 and utilization in 2002/03 indicate that output will remain below the expected level of utilization and stocks will have to be drawn down again in 2003 for the fourth consecutive year. However, supplies are expected to remain ample, particularly of wheat and coarse grains.

Despite a generally favourable global food outlook, some 34 countries around the world are experiencing food shortages. The emerging situation in southern Africa gives particular cause for concern (see box on page 6).

World cereal output in 2002 is forecast at 1 905 million tonnes (including rice in milled equivalent), up 1.1 percent from 2001. Output of wheat is forecast at 603 million tonnes, up 3.7 percent, while that of coarse grains is seen to rise marginally to 910 million tonnes. By contrast, production of rice is tentatively forecast at 392 million tonnes (milled basis), down 1.1 percent from 2001.

FAO's first forecast of world cereal trade in 2002/03 is 236 million tonnes, 1 million tonnes down from the estimated volume in 2001/02. Global imports of wheat are forecast to decline in the 2002/03 July/June trade year while those of coarse grains are expected to increase. Rice trade in 2003 is tentatively forecast to decrease.

International wheat and coarse grain prices remain under downward pressure, on the basis of large exportable supplies and generally favourable production prospects. By contrast, rice prices have held steady notwithstanding the arrival of new crop supply on the market.

Meat supplies on international markets are expected to rebound in 2002 as animal disease restrictions are lifted for previously afflicted meat exporting countries. A return to normal consumption patterns should favour increased trade, but large supplies of all meats are expected to dampen any significant upward price movement.

International prices for dairy products have fallen substantially since mid-2001, with the result that prices for most dairy products are currently at levels rarely seen over the past decade. It would appear that the decline has bottomed out and that prices for some dairy products may rise during the second-half of the year.

Growth in global output of oils and fats is forecast to slow down in 2001/02, but could increase for oilcakes and meals. While international prices for oils and fats are expected to recover further from the previous season, the oilcakes and meals sector could suffer downward price pressure as supplies increase relatively more than demand.

World pulse production is forecast to grow strongly in 2002, and trade could also increase, but prices will likely decline as exportable supplies are expected to be large.

Sugar production is forecast to increase again in 2002/03, signaling another season of excess supply and potentially weaker prices.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Contents

Appendix Tables

BASIC FACTS OF THE WORLD CEREAL SITUATION

	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003 forecast	Change 2002/03 over 2001/2002
WORLD PRODUCTION 1/	(... million tonnes ...)					(percentage)
Wheat	598	591	583	581	603	3.7
Coarse grains	915	888	877	906	910	0.4
Rice, milled	388	409	400	397	393	-1.0
(paddy)	(581)	(611)	(599)	(593)	(587)	-1.0
All cereals (incl. milled rice)	**1 901**	**1 888**	**1 860**	**1 884**	**1 905**	**1.1**
Developing countries	1 043	1 038	1 004	1 011	1 008	-0.2
Developed countries	857	849	857	873	897	2.7
WORLD IMPORTS 2/						
Wheat	100	110	101	106	105	-0.9
Coarse grains	96	106	109	106	107	0.7
Rice (milled)	25	23	24	25	24	-3.9
All cereals	**221**	**239**	**233**	**237**	**236**	**-0.5**
Developing countries	162	174	171	171	178	3.6
Developed countries	59	65	63	66	58	-11.4
FOOD AID IN CEREALS 3/	**11.3**	**11.2**	**9.7**	**10.0**		
WORLD UTILIZATION						
Wheat	591	593	597	611	618	1.3
Coarse grains	899	902	912	923	927	0.4
Rice (milled)	387	400	404	407	409	0.4
All cereals	**1 878**	**1 895**	**1 913**	**1 941**	**1 954**	**0.7**
Developing countries	1 132	1 153	1 163	1 172	1 181	0.8
Developed countries	746	742	750	768	772	0.5
Per Caput Food Use	(... kg/year ...)					
Developing countries	166	166	167	166	166	0.0
Developed countries	133	133	134	134	134	0.0
WORLD STOCKS 4/	(... million tonnes ...)					
Wheat	253	249	234	206	189	-8.4
Coarse grains	266	254	224	208	189	-9.2
Rice (milled)	157	168	164	152	136	-10.2
All cereals	**677**	**672**	**623**	**566**	**515**	**-9.2**
Developing countries	506	510	461	408	352	-13.8
Developed countries	171	161	162	159	163	2.7
EXPORT PRICES 5/	(... US$/tonne ...)					
Rice (Thai, 100%, 2nd grade) 1/	315	253	207	178	197 6/	8.2 7/
Wheat (U.S. No.2 HRW)	120	112	128	127 8/		-0.6 7/
Maize (U.S. No.2 Yellow)	95	91	86	90 8/		3.8 7/
OCEAN FREIGHT RATES 5/						
From U.S. Gulf to Egypt	9.3	13.7	15.0	15.0 8/		0.0 7/
LOW-INCOME FOOD-DEFICIT COUNTRIES 9/	(... million tonnes ...)					
Roots & tubers production 1/	414	424	435	424	426	0.5
Cereal production (milled rice) 1/	811	814	774	774	776	0.2
Per caput production (kg.) 10/	221	218	205	202	200	-1.0
Cereal imports 2/	73.6	75.4	72.8	74.7	76.7	2.6
of which: Food aid	8.4	7.6	8.3	8.5		
Proportion of cereal import covered by food aid	(... percentage ...) 11.4	10.0	11.4	11.4		

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

1/ Data refer to the calendar year of the first year shown. **2/** July/June except for rice for which the data refer to the calendar year of the second year shown. **3/** July/June shipments. **4/** Stock data are based on aggregate of national carryover levels at the end of national crop years. **5/** July/June. **6/** Average of quotations for January-April 2002. **7/** Change from corresponding period of previous year for which figures are not shown. **8/** Average of quotations for July2001-April 2002. **9/** 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 1999). **10/**Including milled rice.

Cereals

GLOBAL OUTLOOK[1]

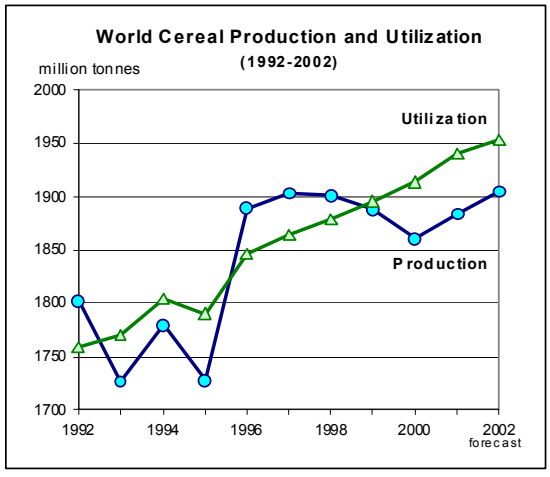
Wheat	2001/02	2002/03
Production	▼	▲
Trade	▲	▼
Stocks	▼	▼
Prices	●	●
Coarse Grains	**2001/02**	**2002/03**
Production	▲	▲
Trade	▼	▲
Stocks	▼	▼
Prices	▲	●
Rice	**2001**	**2002**
Production	▼	▼
Trade	▲	▲
Stocks	▼	▼
Prices	▼	▲

● stable ▲ up ▼ down

[1]The signs refer only to the direction of change from the previous marketing season.

Supply/Demand Roundup

Early prospects for global cereal production in 2002 point to an increase for the second consecutive year. Based on the condition of crops in the ground and planting intentions for those still to be sown, and assuming normal weather for the remainder of the 2002 cropping seasons, world cereal output this year is forecast at 1 905 million tonnes (including rice in milled equivalent), 21 million tonnes up from 2001 and about 1 percent above the average of the past five years. At this forecast level, anticipated world cereal utilization in 2002/03 would exceed production in 2002, as has been the case for the past three seasons. This development gives rise to the possibility of a tighter supply situation as stocks will need to be drawn down again in 2003. However, the exceptionally large exportable supplies in several countries would continue to mitigate the negative impact of lower cereal inventories at the global level, for at least another season. As a result, international cereal markets are unlikely to experience any significant upward price pressure also during the upcoming 2002/03 marketing season.



Production

FAO's first forecast of world **wheat** production in 2002 is 603 million tonnes, 22 million tonnes or almost 4 percent up from the previous year and above average. In the northern hemisphere, the winter wheat crops are well developed and spring wheat planting is underway in some parts. Output of wheat in Asia is expected to increase significantly this year from last year's reduced crop, mostly reflecting improved weather conditions in India as well as throughout the Near Eastern subregion. In North America, somewhat larger crops are forecast both in the United States and also in Canada where planting has yet to begin this spring. In Europe a significant increase is forecast, mostly on the strength of larger crops in the EC following a significant expansion of area. Generally, smaller crops are expected elsewhere in the European region due partly to adverse weather but also as a consequence of bumper crops last year, which depressed prices and encouraged a shift out off wheat production. The exception is the Russian Federation, where particularly favourable weather could lead to a further modest increase in production this year. By contrast, production in North Africa is set to fall, largely because of inadequate rainfall in the main producing areas. Little change is envisaged in Central America where an average crop is being harvested in Mexico. In the southern hemisphere where most of the major wheat crops will only be sown later this year, wheat output is tentatively expected to increase in South America, but intentions for planting in Argentina remain uncertain. Early indications point to a larger wheat crop also in Australia.

At this early stage, the first forecast of global **coarse grains** output in 2002 is 910 million tonnes, marginally up from the previous year and also above average. The larger coarse grain crops expected in Asia and North America would more than offset reductions anticipated in all other regions. However, since the major coarse grains in the northern hemisphere are yet to be planted, this early forecast is very tentative.

In the northern hemisphere, most countries have yet to start their 2002 **paddy** season, pending the arrival of the monsoon rains, and several of them are still harvesting the second or third 2001 paddy crops. By contrast, the 2002 paddy season is well advanced in the southern hemisphere and around the equatorial belt, where many countries are already harvesting their main crop. FAO's first forecast for paddy production in 2002 stands at 587 million tonnes (393 million tonnes in milled equivalent), 6 million tonnes less than in 2001, and the lowest since 1998. This outlook is highly tentative since the final outcome will depend critically on the timing, magnitude, and distribution of the monsoon rains, made all the more

uncertain this year because of a possible recurrence of the El Niño phenomenon and associated weather adversities.

Trade

FAO's first forecast for world cereal trade in 2002/03 is tentatively put at 236 million tonnes, down slightly from the 2001/02 estimated level. Most of the anticipated decline would be on account of subdued wheat and rice trade while, for coarse grains, overall trade prospects are expected to improve somewhat. Global wheat trade in 2002/03 is forecast at 105 million tonnes, down 1 million tonnes from the current season, while for coarse grains, the first forecast stands at 107 million tonnes, up slightly from the 2001/02 volume. For rice, early indications suggest that global trade in 2003 could decrease somewhat from the current year's level, which is now forecast at just over 25 million tonnes, 1.5 million tonnes up from 2001 and the second highest level since the record performance in 1998.

World Cereal Supply and Demand

	2000/01	2001/02 estimate	2002/03 forecast
	(. . . million tonnes. . . .)		
Production [1/]	**1 860**	**1 884**	**1 905**
Wheat	583	581	603
Coarse grains	877	906	910
Rice (milled)	400	397	393
Supply [2/]	**2 532**	**2 507**	**2 471**
Utilization	**1 913**	**1 941**	**1 954**
Trade [3/]	**233**	**237**	**236**
Ending Stocks [4/]	**623**	**566**	**515**

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

Utilization

Early forecasts for 2002/03 point to a further rise in total **cereal** utilization. The overall outlook is expected to be similar to developments in the current season with feed utilization expanding the most and food consumption largely keeping pace with population growth. The forecast for world cereal utilization in 2001/02 has been raised slightly since the last report to 1 941 million tonnes. At this level, world cereal utilization would be 1.5 percent up from the previous season, in part driven by a robust growth in animal feed usage, in view of relatively low feed grain prices. Food consumption of cereals is also anticipated to increase, mostly in line with population growth, leaving per caput food consumption at the global level largely unchanged at around 159 Kg per year.

World **wheat** utilization in 2001/02 is forecast to surpass 610 million tonnes for the first time ever. Out of this total, 70 percent is for direct human consumption. Animal feed use of wheat could rise to 110 million tonnes, stimulated by rapid increases in many CIS countries. World **coarse grain** utilization is also forecast to expand in 2001/02, reaching a new peak of around 923 million tonnes, of which feed use would represent over 60 percent. The bulk of this season's expected growth would be on account of higher feed utilization, mostly in Europe because of large supplies and low prices. World **rice** utilization in 2001/02 is forecast to grow by 2.5 million tonnes to 407 million tonnes (in milled equivalent). Of the total, food consumption is expected to account for 361 million tonnes, up by 4 million tonnes from the previous year and sufficient to allow average per caput consumption to remain steady at around 59 kg per year.

Stocks

Based on FAO's first forecast for cereal production in 2002 and utilization in 2002/03, world **cereal** stocks would need to be drawn down further by the close of countries' crop years in 2003, to 515 million tonnes. This would be 9 percent below their already reduced opening level. Although global level **wheat** stocks are seen to fall, the bulk of the decline will likely be restricted to very few countries. Moreover, the overall reduction is expected to be partially offset by an increase in the aggregate inventories of the major exporters, where production is forecast to increase. For **coarse grains** and **rice**, at this early stage, the reduction of inventories is expected to be more widespread.

Prices

International **wheat** export prices remain generally below their levels in the previous season under the pressure of large exportable supplies. In April, U.S. wheat No. 2 (HRW, fob) averaged US$125 per tonne, down US$3 per tonne from January and US$5 per tonne less than a year earlier. Given prospects for good crops in 2002, weak world import demand and large export availabilities across several non-traditional exporters, international wheat prices are likely to decline in the coming season. International prices of **maize** have also suffered from large exportable supplies and from a generally favourable outlook for the main crops in the northern hemisphere. As a result, a sharp decline in prices has been observed over the past few months. In April, U.S. No. 2 maize (fob) averaged US$87 per tonne, down US$5 per tonne since January and equal to the previous year's level. International prices for **rice** held steady in the first quarter of 2002, and remain generally above those a year ago. The FAO Export Price Index for Rice (1982-84 =100) averaged 90 points in April 2002, unchanged from March, and only 1 point less than in January and February. The average in April 2001 was 87 points. Price developments in the coming months are expected to remain sensitive to the purchasing intentions of the major Asian importers, and the export policy of India, which is currently emerging as one of the lowest priced rice suppliers to the world market. However, as the season in the northern hemisphere advances, markets are likely to be more influenced by crop prospects in the major producing areas should adverse weather arise from a possible recurrence of the El Niño phenomenon.

THE FOOD SITUATION IN SOUTHERN AFRICA GIVES CAUSE FOR CONCERN DESPITE IMPROVED GLOBAL FOOD OUTLOOK 1/

Despite a generally favourable global food outlook, some 34 countries around the world are experiencing severe food shortages.

In **southern Africa**, with anticipated reduced harvests this year following sharp falls last year, the food outlook for several countries in 2002/03 is very unfavourable. Severe food shortages are already affecting Malawi, Zimbabwe, Zambia and Lesotho. Their Governments have appealed to the international community for food assistance. The food supply situation is also tight in southern provinces of Mozambique and in Swaziland. In Angola, over one million internally displaced people continue to receive emergency food aid. Presently there are six FAO/WFP Crop and Food Supply Assessment Missions to the various countries in the subregion, whose findings will be available in late May 2002. In **eastern Africa**, despite improved cereal harvests in 2001/2002 in most parts, the effects of earlier devastating droughts and past or ongoing conflicts continue to undermine the food security of an estimated 11 million people. In Eritrea, nearly 1.3 million people continue to depend on emergency food assistance due to past conflicts and drought. In Ethiopia, despite a bumper harvest in 2001, some 5.2 million people are estimated to be facing severe food shortages. In Kenya, overall food supply has improved following favourable rains except in the northern and eastern pastoral areas, where large numbers of people still depend on food assistance. In Somalia, despite a better second season cereal crop, up to 500 000 people are threatened by severe food shortages. In Sudan, food supply is generally adequate following the good main 2001 season cereal crop, but large numbers of people in southern and western regions depend on emergency food assistance due to crop failures and civil strife. In Tanzania and Uganda the food supply situation is generally stable, but there are localized food shortages. In **western Africa**, the food supply situation has improved in Burkina Faso, Chad and Niger following significantly better harvests compared to the previous year. Sierra Leone, Liberia and Guinea continue to require international food assistance due to past or ongoing civil strife. In Mauritania, the food supply situation is tight following a poor harvest. In **central Africa**, the food situation is satisfactory, except in the Democratic Republic of Congo, (DRC) where production is continually disrupted by the long-running civil war, and in the Republic of Congo where a resurgence of fighting has caused renewed population displacement. In Burundi, despite an improvement in the food supply situation, food assistance continues to be necessary for over 400 000 internally displaced people.

In **Asia**, emergency food assistance continues to be required in DPR Korea. Against a need of 610 000 tonnes of cereals and other food, only 275 000 tonnes are presently available and the WFP emergency food pipeline will dry up early in the third quarter of 2002, if donor support is not immediately forthcoming. Food assistance is also needed in Mongolia, where pastoralists remain highly food insecure after another harsh winter with additional losses of animals. In Pakistan, vulnerable people in the drought affected provinces of Balochistan and Sindh and refugees continue to require emergency food assistance, as do drought victims in southern parts of Sri Lanka. Inadequate precipitation and water availability in the **CIS** of the Central Asian region are likely to result in tight food supply in some countries. The worst affected countries where extra emergency food assistance may be required are Armenia, Georgia, Tajikistan and Uzbekistan. Last year only Tajikistan and Uzbekistan required emergency food assistance for nearly 2 million people.

In the **Near East**, favourable weather conditions in most countries have improved prospects for winter grains, about to be harvested. However, the food situation in Afghanistan remains grave, notwithstanding the relative calm and improved delivery of food assistance. Years of civil strife and successive severe droughts have exposed millions of people to extreme hardship. In addition, a devastating earthquake in northern parts in late March resulted in hundreds of deaths and large numbers of people were left homeless. The current serious invasion of locusts, reckoned to be the worst in over 30 years, can only make the food situation even worse. In Iraq and Jordan, despite recent good rains, successive years of drought have left some sections of the population in need of assistance. The food situation in the West Bank and Gaza Strip also gives cause for serious concern following alarming deterioration due to escalation of violence. In **Central America and the Caribbean**, the food supply situation remains tight in several areas in El Salvador and Guatemala. The situation is aggravated by the crisis affecting the important coffee industry due to the dramatic fall in international prices. In **South America**, food assistance is being provided to the internally displaced people in Colombia, as a result of civil strife. In **Europe,** refugees, the vulnerable and internally displaced population in the Federal Republic of Yugoslavia and in Chechnya in the Russian Federation continue to require emergency food assistance.

1/ This updates information published in the April 2002 issue of *Foodcrops and Shortages*. Countries facing exceptional food emergencies are underlined.

Current Production and Crop Prospects

Position by Region

- **Asia**

Far East: Generally, winter and spring precipitation in 2001/02 improved over the previous year, benefiting development of winter cereals and planting conditions for summer crops. However, some localized areas, notably China's north-eastern province of Jilin, received poor spring rain and dry conditions have seriously affected spring sowing and early crop development. In a number of countries there are fears of the return of a drought-inducing El Niño weather pattern in the second half of 2002.

Harvesting of the 2002 winter **wheat** crop is underway or about to start. In China, due to dry conditions at planting time and low domestic wheat prices, the winter wheat area is estimated to be about 3 percent below that of the previous year. As a result, although the minor spring crop has yet to be planted, aggregate (winter and spring) output in 2002 is expected to fall below the previous year's already reduced level to 92.4 million tonnes. By contrast, in India, below normal, but timely rainfall in January and February 2002 accompanied by a prolonged cold spell benefited crops and an output of 73.5 million tonnes is expected. This is above average, though well below the record crop of 76.4 million tonnes in 2000. Despite lower levels of irrigation reservoirs, also Pakistan forecasts an above average production of wheat in 2002, at about 19.2 million tonnes.

The 2002 **coarse grain** crop is expected to increase in the subregion, reflecting both larger areas planted and higher yields. In China, despite dry conditions in the north-eastern areas during planting, maize production is forecast to increase by about 2 percent to 117.6 million tonnes, which is about average, while 12.3 million tonnes of other coarse grains are also expected. In India, assuming normal rainfall during the Kharif season, the output of coarse grains is expected to increase by almost 7 percent over last year to 33 million tonnes. Harvesting of maize in Indonesia is completed. Heavy rainfall in January/February caused wet conditions during harvesting time that affected quality rather than quantity. Early indications suggest the 2002 maize output will increase somewhat from the previous year.

In the southern hemisphere and equatorial belt, countries are about to harvest their main 2002 **paddy** crops. In Indonesia, harvesting has begun and should continue through June. Heavy floods in February hit the main rice producing areas, reportedly destroying 200 000 hectares of paddy fields. Consequently, the first official forecast for 2002 puts paddy production at 48.7 million tonnes, 1 million tonnes lower than in the previous season. In Malaysia, production is also anticipated to fall from the relatively positive outturn in 2001. Drought conditions have prevailed during the first quarter in several parts of the country, which has led to a rationing of water for irrigation. Moreover, there is some uncertainty regarding the possible recurrence of the El Niño weather phenomenon this year and any associated effect on the second paddy crop, which is planted from April. In Sri Lanka, harvest of the main Maha paddy crop is almost concluded. FAO currently forecasts a small recovery in output, from last season's reduced crop, which was badly affected by drought and rising production costs.

In the northern hemisphere, Bangladesh reached a new production record in 2001, boosted by increases in the Boro, irrigated winter crop, which in recent years has become the largest of the three paddy crops grown in the country. According to the Government's target for 2002, the rising production trend should persist over the current season, barring major weather problems. Paddy output in India also increased sharply last year, owing mainly to favourable monsoon rains. Pending the release of official information regarding the 2002 Kharif (main season) crop, planted from May, FAO forecasts a 2 percent decline in overall production, based on somewhat lower yields during the current season. Prospects for production in Pakistan in 2002 are marred by the persistence of drought during the first quarter, which has aggravated existing shortages of irrigation water for the main crop. The official forecast for the forthcoming season's production is 5.2 million tonnes, 7 percent below 2001, and the lowest since 1994.

In China (Mainland), the 2002 season has started with the planting of the early rice crop. A small drop in paddy output is currently expected, although much less pronounced than in the past two years, as farmers move to more profitable activities, especially in the northern and central provinces particularly prone to dry spells and water scarcity. Moreover, although domestic paddy prices recovered somewhat last year, they have remained below the 1999 levels, especially in the case of indica rice.

A fall in production is also expected in the Chinese Province of Taiwan, which already announced a 9 percent cut in plantings to address the excess supply problem likely to arise following the opening of the market to rice imports. In Thailand, the 2002 paddy season starts in May. The Government has already predicted some decline following poor rainfall in the first three months of the year. Furthermore, there is concern of more adverse weather should the possibility for the recurrence of the El Niño weather phenomenon materialize this year. Paddy output could also recede in Japan, where planting will start in May. The Government is considering the introduction of new measures to tackle the rice surplus situation, including a shift to an output-based production quota, replacing the previous area-based quota. In Viet Nam, the first winter/spring paddy crop is being harvested in the southern part of the country. Following reports of a lingering drought in the Mekong Delta and a shift of producers out of rice, the crop is now expected to be smaller than in the past season. Nonetheless, the Government has optimistically targeted overall paddy output to reach 32.3 million tonnes in 2002, up from 31.9 million tonnes in 2001, which would imply an increase, compared to last year, in the summer/autumn crop and the 10^{th}-Month crop, planted in April and May respectively.

EL NIÑO-SOUTHERN OSCILLATION

El Niño is a local warming of surface waters which takes place in the entire equatorial zone of the central and eastern Pacific Ocean off the Peruvian coast and which affects the atmospheric circulation world-wide. It usually peaks around Christmas, hence the name of the phenomenon: El Niño (Spanish for Christ Child). La Niña refers to the "cold" equivalent of El Niño.

Like most atmospheric phenomena, it occurs at more or less regular intervals (pseudo-cycles) and, as such, there is nothing "abnormal" in the occurrence of El Niño. The last phenomenon was in 1997-98, when it had strong adverse effects on agricultural production in South America and South East Asia. Uncertainty continues to prevail about a fully-fledged El Niño developing this year. While satellites observed a moderate increase of Sea Surface Temperatures (SST) from September 2001, the typical changes in the global atmospheric circulation have not taken place. Furthermore, the end of April witnessed a relative cooling of the Pacific SSTs off the South American coast. Nevertheless, analysts indicate that a well developed warm El Niño-Southern Oscillation (ENSO) could yet be triggered this year by relatively minor factors, such as strong easterly winds over the Pacific. Thus, the situation continues to be closely monitored.

For more details and regular up-dates visit the FAO Internet Site at: **www.fao.org**

Elsewhere in the region, the paddy season awaits the arrival of monsoon rains, which generally start around May/June.

Near East: Harvesting of the 2002 **wheat** crop is underway in Jordan and Syria as of April. Prospects have improved in these countries over the past weeks following favourable rains. Similarly, the 2002 wheat crop in Turkey, to be harvested from June, is expected to improve significantly compared to last year due to favourable weather since last December. In Afghanistan, in addition to the adverse effects of continued civil strife and short supply of agricultural inputs, production of winter grains in 2002 is expected to be affected by low precipitation in parts. The recent invasion of locusts in northern Afghanistan has already destroyed large areas of winter wheat and may severely compromise cereal production in the coming months. In Iraq, despite some beneficial rains at the beginning of this year shortage of agricultural inputs continue to affect cereal production. In the Islamic Republic of Iran, following three years of devastating drought, improved precipitation this season favoured wheat production. Tentatively, the harvest, which is about to start, is forecast at 8.5 million tonnes, 1 million tonnes above the previous year, but still somewhat below the recent average. The improved precipitation should also support a partial recovery in **paddy** production this year.

CIS in Asia: Output of **wheat** in the 8 CIS countries in Asia this year is forecast at 22.5 million tonnes, which is more than 1 million tonnes higher than the bumper crop in 2001. A forecast 5 percent rise in Kazakhstan's crop reflecting a larger sown area accounts for the bulk of the increase. Regarding **coarse grains**, the latest information points to an aggregate output of about 4.4 million tonnes for the region, mainly barley (2.7 million tonnes) and maize (1.1 million tonnes). This would be slightly down from the previous year but still above the average of the recent years. However, much will depend on spring and summer precipitation, snow melt and water availability for irrigation in late spring and summer. The region has been in the grips of a severe drought for the past three years. The invasion of locusts, which has already damaged large areas of crops in Tajikistan, may compromise winter cereal harvest in the coming months.

- **Africa**

Northern Africa: Harvesting of the 2002 **wheat** crop is due to start from May virtually in every country of the subregion. Aggregate output is tentatively forecast at about 10 million tonnes, some 2.8 million tonnes below the high level reached in 2001 and about 1.5 million tonnes below the average of the past 5 years. The decline is largely attributed to the lack of adequate rainfall in the main producing areas, resulting in significantly reduced plantings and lower than normal yields. Output is expected to fall significantly in all countries, except for Egypt, where the bulk of the crop is irrigated and where an average output of some 6.2 million tonnes is expected. Harvesting of the **coarse grain** crops, mainly barley and maize, is also due to start from May. In Algeria and Morocco, only the northwestern parts in the former country and some areas in the east and north of the latter country, received adequate rains throughout the sowing period, while in Tunisia, the rains arrived too late in the main growing regions. As a consequence, a considerable decrease in coarse grain production from the 2001 average level is also anticipated in these countries. By contrast, normal weather conditions in Egypt have benefited the crops and average barley and maize outputs should be gathered. The **paddy** season in Egypt starts from late April. High producer prices in the country in 2001 are expected to induce producers to expand rice cultivation this season. However, much would depend on water availability at planting time. Although not strictly enforced, the area under rice remains subject to government limitations for water saving purposes.

Western Africa: The rainy season is starting in the southern part of the coastal countries along the Gulf of Guinea. Land preparation and planting of the first **maize** crop are progressing northwards following the onset of the rains. In the Sahelian countries, seasonably dry conditions prevail and planting should begin in June/July with the start of the rainy season. While land is now

World Cereal Production

	Wheat		Coarse grains		Rice (paddy)		Total	
	2001	2002 forecast	2001	2002 forecast	2001	2002 forecast	2001	2002 forecast
	(. . . . . million tonnes . . . . .)							
Asia	239.4	247.0	205.8	212.0	539.0	533.0	984.2	992.0
Africa	17.9	15.0	81.1	78.6	17.3	17.5	116.3	111.1
Central America	3.3	3.2	30.0	29.8	2.4	2.3	35.6	35.3
South America	21.0	23.1	71.8	64.1	19.8	20.4	112.6	107.5
North America	74.6	79.8	285.3	296.2	9.7	9.6	369.5	385.5
Europe	201.1	210.6	219.7	217.6	3.2	3.2	423.9	431.4
Oceania	24.0	24.3	12.4	11.2	1.8	1.2	38.2	36.7
WORLD	**581.3**	**602.9**	**906.0**	**909.5**	**593.1 (397)[1/]**	**587.2 (393)[1/]**	**2 080.4 (1 884)[2/]**	**2 099.6 (1 905)[2/]**
Developing countries	256.9	262.9	375.8	370.6	566.8	561.8	1 199.5	1 195.3
Developed countries	324.4	340.0	530.2	538.9	26.3	25.4	880.9	904.3

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

being prepared for the sowing of the 2002 season **rice** crop, the full planting intentions of west African countries are still not known.

Central Africa: In the Democratic Republic of Congo, agricultural activities continue to be disrupted by the persistent civil conflict, particularly in the eastern Kivu provinces, and prospects for the 2002 cereal crop are uncertain.

Eastern Africa: Harvesting of 2002 **wheat** crop has started in the Sudan. Higher than normal temperatures, recorded in many parts of the country, are expected to adversely affect yields. Planting of the wheat crop is scheduled in the next two months in Kenya and Ethiopia.

Harvesting of the 2001/02 secondary season **coarse grains** is almost completed in the subregion, except in Ethiopia. FAO's latest estimate puts the subregion's aggregate output in 2001/02 at about 20.7 million tonnes, 14 percent above the drought-affected output of 2000/01. In Ethiopia, the main Meher crop was about 7 percent above average. Recent good rains have also improved conditions for the planting of the secondary Belg crop.

Southern Africa: Harvesting of the 2002 **coarse grains** is underway. Prospects are mixed. A prolonged mid-season dry spell has reduced yields in several countries, but did not affect the main growing areas of South Africa, the major producer of the subregion. FAO's preliminary production forecast points to some recovery in the subregion's output to 15.5 million tonnes, 7 percent up from the reduced level last year but still significantly below average. In South Africa, maize production is anticipated to recover from the poor harvest of 2001 reflecting an increase in plantings and adequate rains during the growing season. Latest official forecasts indicate a maize output of about 9 million tonnes, 20 percent up from last year. Maize production is also expected to increase in Mozambique, as a result of abundant rains in the main growing areas of the north. However, production in southern provinces will be reduced by dry weather. In Angola, favourable growing conditions are expected to result in an improved maize harvest this year. By contrast, a sharp decline in maize production is anticipated in Zimbabwe, affected by reduced plantings for the second consecutive year and severe dry weather in January and February. A mid-season dry spell in southern parts of Zambia and in Swaziland, Namibia and Botswana is also expected to result in below-average harvests in these countries. In Lesotho, excessive rains and pest infections have adversely affected this year's maize crop. Prospects for the harvest are uncertain in Malawi following a dry spell in March and anticipated consumption of green maize in response to food shortages.

The 2001 **wheat** crop harvested late last year is estimated close to 2.9 million tonnes, 5 percent above the previous year's level and above average. The good level of production mostly reflects increased plantings in South Africa and Zimbabwe and favourable weather conditions.

In Madagascar, the 2002 **paddy** season is quite advanced and the crop has benefited from favourable weather conditions during the development phase. However, insufficient rains at planting time and low prices in the past season are likely to have resulted in a reduction in plantings. Output is currently forecast to fall below the bumper 2001 level. Conditions for crop development have been less favourable in Mozambique, as drought affected the southern and central provinces, where much of the rice is produced. The bulk of the crop will be harvested in June.

- **Central America and the Caribbean**

Harvesting of the 2002 irrigated **wheat** crop in Mexico has started under normal weather conditions in the main

growing areas of the northwest. Prospects are good and a near-average output of 3.2 million tonnes is forecast.

Planting of the 2002/03 first season **coarse grain** crops is about to start with the arrival of the first seasonal rains by end-April in most Central American countries. A recovery in production is expected from last year, when first season crops (main crop) were severely affected by drought and other adverse weather phenomena. In the Caribbean, planting of the 2002/03 rainfed maize and sorghum crops has started in the Dominican Republic and Haiti under rather dry weather conditions, while, in Cuba, where moisture deficits are also reported, sowing of this year's maize crop is about to start.

The 2002 **paddy** season has just commenced in several countries, but little information is available on planting intentions. However, if normal weather prevails, production may recover in a number of countries that recorded poor growing conditions last year, especially in Costa Rica, Mexico and El Salvador.

- **South America**

In South America, planting of the 2002 **wheat** crop has started in Brazil. Plantings in the main producing states in the south are forecast to expand further from the previous year's above-average level in response to higher minimum wheat prices established by the government. Land is being prepared in the other southern countries of the subregion in preparation for planting of their 2002 wheat crops from May. In the Andean countries, in Peru, planting of the 2002 wheat crop has been recently completed and harvesting is due to start from May. A modest increase in the area planted compared to 2001 is reported. In Ecuador, planting of the first (main) 2002 wheat crop has been completed and the area planted is estimated at an average level.

Harvesting of the 2002 **coarse grain** crops, principally maize, is underway in the southern areas of the subregion. In Argentina, about 15 per cent of total plantings had been harvested by early April, and reported yields so far are higher than anticipated. Production is now forecast to be higher than earlier anticipated, but should nevertheless remain below the average of the past 5 years. This is principally due to the reduction in plantings caused by excess rains at planting and dry weather during the developing period. In Brazil, harvesting operations are well advanced and output is forecast to decline from last year's record volume but should still be high above average. The expected decline is mainly due to prevailing dry weather in the major producing states during the growing period. Harvesting is underway in Chile and Uruguay and below-average outputs are expected. In the Andean countries, in Peru, planting of the white maize crop has been virtually completed and a small decline compared to 2001 is reported. Planting of yellow maize continues and the area planted is expected to be similar to last year's above-average level. In Ecuador, harvesting of the 2002 winter maize crop has been delayed as a consequence of the heavy rains and flooding in some coastal areas in February and March. In Colombia, planting of the 2002 first maize and sorghum crops has started. Expanded plantings are tentatively forecast, reflecting the government's programme for technical support and other incentives to farmers. In Venezuela, planting of the 2002 coarse grain crops has started under rather dry weather conditions. The intended area planted to maize and sorghum is expected to be close to the average of the past 5 years.

Harvesting of the 2002 **paddy** crop has started in South America. Heavy rainfall and flooding in some locations this year have been associated with a possible recurrence of El Niño and several countries are putting in place measures to monitor and temper any potentially negative effects on agriculture. In Argentina, where about 40 percent of the crop had already been harvested by early April, output is forecast to fall again, as low prices last year encouraged farmers to divert land to soybeans. The fall in plantings was about 18 percent, which, combined with a reduction in yields from the high levels reached last year, could trigger a 25 percent fall in output. Prospects for Chile point to a contraction in output, reflecting mainly the negative effects on yields of late plantings and excessive rainfall in the first three months of the year. A decline in output is also anticipated in Uruguay, where the sector has been suffering for several years from low prices and, more recently, from increased competition on export markets. In addition, heavy rainfall was reported to be hampering the harvest in early April. Excessive precipitation also affected the rice crop in Ecuador. By contrast, drought problems could hamper the season in Venezuela. In Brazil, cold temperature and heavy rains have been reported in Rio Grande do Sul in April. However, the official forecast for the country's production remains at 11.5 million tonnes, 10.7 percent above last season, reflecting an expansion in area, triggered by rising prices at planting time, and expectations of higher yields. The overall production outlook is also positive for Peru, although producer returns continued to be low, which could discourage a proper use of inputs this season.

- **North America**

In the United States, all **wheat** plantings for the 2002 crop are forecast to fall by about 1 percent to 23.9 million hectares, the lowest level since 1972. The winter wheat area is estimated to be virtually unchanged from the previous year, while spring wheat plantings are forecast to decrease by about 3 percent. Regarding harvested area and yield it is still too early to make firm forecasts. Winter crops across most of the Plains have been stressed by dry conditions since planting last autumn and their overall condition rating in mid-April was somewhat below normal. However, assuming normal weather conditions for the remainder of the season, and that the harvested/planted ratio and yields for the overall wheat crop are about the recent average, aggregate wheat output in 2002 could increase by about 5 percent to about 56 million tonnes. In Canada, the bulk of the 2002 wheat crop is due to be sown in May-June. Early forecasts point to a slight reduction in the area planted with land being switched to other grains and non-cereals. However, assuming a return to normal weather after last year's dry conditions, wheat yields should recover significantly and the overall crop is

tentatively forecast to increase by about 12 percent from 2001.

Some early **coarse grain** crops are already in the ground in southern parts of the United States, but the bulk of the maize planting in the Corn Belt states takes place from late April. Early indications point to a 4 percent increase in maize area after reductions last year due to adverse wet weather. By contrast, a sharp 12 percent decrease is forecast for sorghum. In Canada, latest indications point to a likely increase in the area of the major coarse grains, due to be sown in May-June. The barley and oats areas (the two main coarse grains) are expected to increase by 15 percent and 30 percent respectively and, with a recovery in yields expected for these grains also, overall coarse grains output in 2002 is forecast to rise significantly.

In the United States, information on the farmers' planting intentions indicates that the area under **rice** in 2002 is likely to remain close to that of last year. However, assuming a return to normal conditions after the excellent season in 2001, production will probably decline somewhat this year.

- **Europe**

In the EC, output of **wheat** in 2002 is forecast to increase after a significant expansion (+10 percent) in the winter wheat area sown last autumn, mostly at the expense of winter **coarse grains** for which the overall area is expected to decrease. The largest wheat area expansions have been in France and the United Kingdom, but significant increases are also reported for Germany, Italy and Spain. Furthermore, generally mild winter conditions have favoured crop development throughout most of the Community and yield prospects are good in most parts. Spring grain planting is well advanced. Generally dry weather in late March favoured fieldwork throughout the area and was especially welcome in Germany where earlier conditions had been too wet. Based on the winter grain area estimates and early indications for spring planting, current forecasts point to a significant 15 percent increase in the community's aggregate wheat output in 2002 but a 2 percent decrease for coarse grains.

The **paddy** season is getting underway in the EC. An expansion of plantings is tentatively anticipated in Spain, supported by large water availability for irrigation. Production could also rise in Greece, which was afflicted last year by drought, and in Italy, in response to improved producer returns in 2001. Aggregate output for the community is currently forecast at 2.6 million tonnes, up 1.4 percent from 2001.

In eastern Europe, some beneficial rains in mid-April improved moisture supplies for winter grains, particularly in the southern parts. However, southeastern Hungary, northwestern Romania and northern parts of Serbia in the Federal Republic of Yugoslavia still missed out on any significant rainfall and soil conditions remain adversely dry after below-normal precipitation throughout the winter and spring.

In Bulgaria, the area sown to winter grains (mostly wheat and barley) last autumn is officially reported to have increased by about 5 percent but planting was late in many parts and carried out under predominantly dry conditions. As a result, yields will likely be down and wheat output is expected to remain similar to last year's level. Early indications for spring planting point to a reduction in the maize area in response to the ongoing drought and the poor performance of the crop in the past two years. In Hungary, latest estimates point to a lower winter grain area in response to low prices after last year's bumper harvest. The winter wheat area is estimated at 1.1 million hectares (2001: 1.2 million hectares), and that of winter barley at 220 000 hectares (2001: 370 000 hectares). The winter grain area in Poland is estimated unchanged from the previous year and the overall 2002 cereal crop should be similar to 2001. In Romania, winter wheat plantings last autumn were reduced significantly due partly to adverse weather and partly to a shift of land out of cereal crops encouraged by the Government. Output in 2002 is expected to fall accordingly. In the Federal Republic of Yugoslavia (Serbia and Montenegro), the 2002 cereal harvest is forecast to be similar to the previous year's, with wheat production put at about 2.9 million tonnes, and that of maize at 5.5 million tonnes. In the Baltics, an average cereal crop is in prospect: wheat output should reach about, 1.4 million tonnes and coarse grains about 2.6 million tonnes.

CIS in Europe: The area planted to **wheat** for harvest in 2002 increased by 10 percent in the Russian Federation while in other parts of the region similar areas were seeded compared with 2001. Except for Ukraine, winterkill has been minimal, while weather conditions for spring planting have been generally favourable. Latest forecasts put the region's aggregate wheat harvest in 2002 at about 69 million tonnes, marginally less than in the previous year. An expected increase in the Russian Federation would be more than offset by a reduction in Ukraine.

Output of **coarse grains** in the region is set to rise marginally in 2002, to about 56 million tonnes, mainly barley (29.4 million tonnes) and maize (5.2 million tonnes). Production is forecast to increase somewhat in the Russian Federation and remain close to last year's level in Ukraine. However, the forecasts are tentative and much will depend on weather conditions and the extent of summer disease and locust outbreaks, which are the main causes of spring/summer crop damage in the region.

- **Oceania**

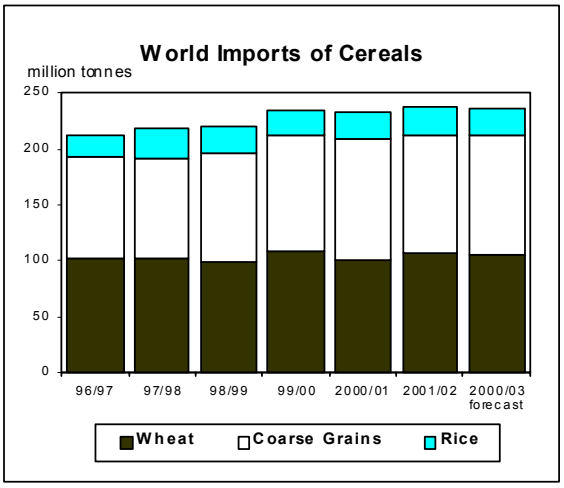
In Australia, planting of the main 2002 **wheat** and **coarse grain** crops starts in May. Early official forecasts indicate a marginal increase in wheat production from 2001 to almost 24 million tonnes. This tentative forecast is based on the expectation of a 2 percent increase in area and an assumption of average seasonal weather conditions, leading to slightly lower yields than in the previous year. By contrast, the area sown to winter barley (the main coarse grain crop) is forecast to

decrease by about 2 percent after last year's record crop. Harvesting of the bulk of the minor 2002 summer coarse grain crops, mainly sorghum and maize, will start soon. Output of sorghum is forecast to fall by about 17 percent to 1.8 million tonnes as a result of a decrease in plantings and the adverse effect of hot dry conditions during January in some parts. Harvesting of the 2002 **paddy** crop is in progress. Latest official forecasts put production at 1.2 million tonnes, down 32 percent compared with 2001, due to reduced availability of irrigation water, abnormally cool temperatures at the early stage of development and weed infestation.

Trade[1/]

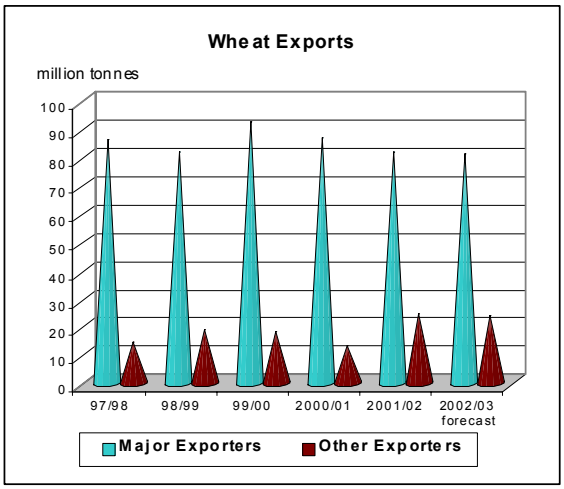
Higher world trade in 2001/02

World **cereal** trade in 2001/02 is estimated at 237 million tonnes, up 4 million tonnes, or some 1.8 percent, from the previous season. The expansion could be largely attributed to soaring wheat purchases by the EC. Overall, aggregate cereal imports by the developing countries are estimated at only slightly above the previous season's levels as larger cereal imports by countries in Asia, especially China, Indonesia and Turkey, would be largely offset by declines in several countries in Africa and South America.



World trade in **wheat** and wheat flour (in wheat equivalent) in 2001/02 (July/June) is estimated at 106 million tonnes, up 5 million tonnes from the previous season. However, imports by the developing countries are put at 81 million tonnes, up 3 million tonnes from 2000/01, because of significantly larger imports by a number of countries in Asia. The overall expansion in wheat trade this season would be mostly on account of larger imports by the EC, where wheat purchases are seen to rise well above the usual volume of some 3 million tonnes to a peak of at least 8 million tonnes, making the Community the largest single wheat importer in 2001/02. This unexpected rise in imports by the EC, which is also a major wheat exporter, results from the removal of the special import duty premium earlier in the season, which, in effect, boosted imports of cheaper wheat from eastern Europe into the EC market, mostly for feed. The levies were reintroduced recently, resulting in a substantial slow-down in imports.

Regarding **exports**, the EC's new status as a leading wheat importer (though still a net exporter) has not been the only important development of the current season. The prevalence of exceptionally large wheat surpluses in many countries this season is another. The 2001/02 season has been marked by a surge in wheat export availabilities in a number of Central and Eastern European Countries (CEECs) as well as Kazakhstan, the Russian Federation, Ukraine, India and Pakistan. Some of these newcomers were among the largest importers in recent years. Confronted with large supplies and limited storage facilities, most have resorted to exports as the remedy for a speedy liquidation of their domestic surpluses. The 2001/02 season has also been marked by the return of the Syrian Arabic Republic as an international supplier of durum after two years of absence, following a strong recovery in its domestic production. By contrast, among the traditional major exporting countries, only Australia is seen to increase its market share this season, while economic problems in Argentina have already taken toll on the pace of exports despite the sharp devaluation of the Peso. Meanwhile, wheat sales from North America are estimated to remain below the previous season's volume, depressed by growing competition from other exporters.



Asia is the leading wheat market and in 2001/02 imports into Asia are estimated at 49 million tonnes, up 6 million tonnes from the previous season. Among the largest importers in Asia, the Islamic Republic of Iran, faced with a third year of drought-reduced crops, is expected

1/ World trade in wheat and coarse grains is based on estimated imports delivered through 30 June of the July/June trade year. Some late-season purchases may be included in the next season if deliveries occur after 30 June. In general, exports and imports are calculated based on estimated shipments and deliveries during the July/June trade season and thus they may not be equal for any given year due to time lags between shipments and deliveries.
2/ The next marketing season for rice will start in January 2001.

Overview of World Cereal Imports

	Wheat		Coarse grains		Rice (milled)		Total	
	2001/02	2002/03 forecast	2001/02	2002/03 forecast	2002	2003	2001/02	2002/03 forecast
	(. . . . . million tonnes . . . . .)							
Asia	49.4	50.1	57.7	58.0	13.4		120.5	
Africa	24.2	26.2	13.3	15.6	6.5		43.9	
Central America	6.4	6.8	14.2	14.4	1.7		22.3	
South America	11.6	11.8	6.2	6.7	1.0		18.7	
North America	2.6	2.6	5.8	3.9	0.7		9.0	
Europe	11.3	6.9	9.0	8.3	1.7		21.9	
Oceania	0.5	0.5	0.1	0.1	0.4		1.0	
WORLD	**106.0**	**105.0**	**106.2**	**107.0**	**25.2**	**24.2**[1/]	**237.4**	**236.2**
Developing Countries	80.7	84.5	69.4	72.7	21.3	20.5	171.5	177.7
Developed Countries	25.3	20.4	36.8	34.3	3.8	3.7	65.9	58.4

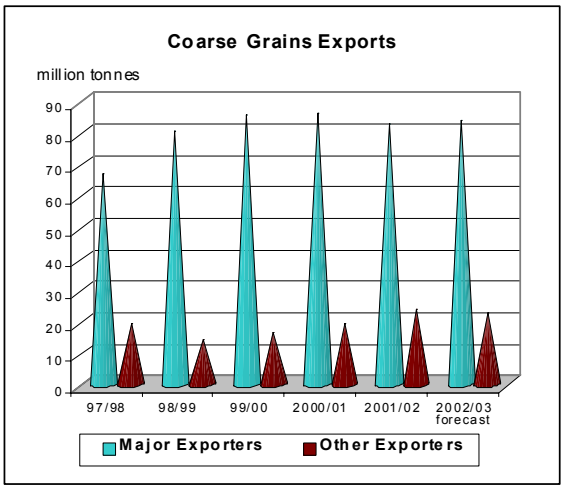
Source: FAO. 1/ Highly tentative.

to resort to higher imports. Wheat imports by the Republic of Korea are also estimated to rise, due to strong demand for feed quality wheat. Imports into China (Mainland) are seen to rise significantly, following a decline in 2001 production and the strong demand for higher quality wheat.

By contrast, in **Africa**, total imports are estimated at around 24 million tonnes, down 1 million tonnes from the previous season, despite larger imports by several drought-affected countries in the north. The decline is mostly attributed to smaller purchases by South Africa and Ethiopia, mainly because of above-average harvests in 2001. Across **Latin America and the Caribbean**, imports by most countries are estimated at previous season's levels, while in a few cases, they could decline, largely due to higher domestic supplies, such as in Brazil, Mexico and Chile.

Global trade in **coarse grains** in 2001/02 (July/June) is estimated at 106 million tonnes, similar in volume to total world trade in wheat. At this level, international trade in coarse grains would be almost 3 million tonnes smaller than in the previous season, which was a record. Most of this contraction should reflect a fall in the developing countries' aggregate imports to around 69 million tonnes. The decline in world trade would be mostly on account of reduced **maize** and **sorghum** imports, by 2.2 million tonnes and 500 000 tonnes, to 76 million tonnes and 8 million tonnes, respectively. Trade in **barley** is seen to remain at the previous season's level of around 18 million tonnes, while imports of other major coarse grains, including **oats**, **rye** and **millet**, are all forecast to decline slightly.

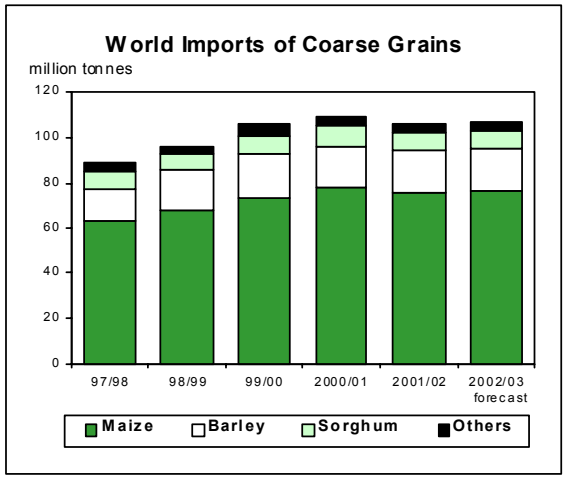
Despite contracting global trade, coarse grain **exports** in 2001/02 (July/June) from the United States, the world's largest exporter, are seen to increase by about 2 million tonnes from the previous season. Australia is also expected to have another successful export campaign this season, given its large barley supplies and strong international demand for malting barley. However, as with wheat, a number of unexpected developments have also emerged in the coarse grain market this season: Canada, a major coarse grain exporter, is expected to import a record maize volume of about 3 million tonnes, to compensate for the decline in its overall 2001 coarse grain production; the EC has turned into a big barley importer this season while its global market share as a leading barley exporter dropped sharply; maize exports from Argentina have suffered not only from lower domestic output but also the adverse impacts of uncertainties regarding the country's trade policy. Following smaller maize production, South Africa, the most prominent coarse grain exporter in Africa, has greatly reduced its maize exports as well. On the other hand, for most of the current season, China has continued to surprise the market by making large maize sales. Brazil has turned into a major maize exporter, supported by large domestic supplies and a strong international demand for non-GMO Brazilian maize. A bumper maize harvest in Hungary and an upsurge in barley output in the Russian Federation and Ukraine have also contributed to higher exports from those countries.



Total coarse grain imports by countries in **Africa** in 2001/02 are forecast at about 13 million tonnes, down by more than 1 million tonnes from the previous season. However, most of this decline would be on account of smaller purchases by a limited number of countries, in particular Egypt and Kenya. In Egypt, a bumper maize crop and large carryover stocks from the previous season have reduced import requirements for this season. Similarly, in Kenya, a strong rebound in maize production to the highest level since 1995 had significantly lessened the need for external supplies. However, imports by most other countries in the sub-Saharan region are likely to remain similar or even exceed the previous season's levels. Sharpest increases are expected in southern Africa, where production shortfalls in a number of countries have increased the need for imports, especially in Zambia and Zimbabwe.

In **Asia**, coarse grain imports in 2001/02 are likely to approach 58 million tonnes, down somewhat from the previous year as slightly higher imports by China, the Philippines and Turkey would be more than offset by declines in the Republic of Korea, the Democratic Peoples Republic of Korea, Iraq and the Syrian Arab Republic. In Japan, a weak currency and further contraction in feed use have dampened the import demand for maize.

In **Europe**, where aggregate coarse grain imports in 2001/02 are estimated at 9 million tonnes, slightly above the previous season, increased purchases by the EC and the Russian Federation account for most of the year-to-year rise. While barley exports from the Russian Federation tripled this season, maize imports have been on the rise because of smaller domestic production in 2001. In **Latin America and the Caribbean**, Mexico is seen to reduce its coarse grain imports on the basis of sharp increases in maize and sorghum harvests in 2001. In Brazil, a record maize crop has boosted domestic supplies and turned the country into a major exporter instead.



FAO's forecast for world rice trade for 2002 currently stands at 25.2 million tonnes, 1.5 million tonnes above the revised estimate for 2001 and the second highest level since the record performance in 1998, mainly reflecting expectations of higher imports by Indonesia.

Much of the trade pattern during the current year will be influenced by the outcome of production during the past 2001 season but also by changes in policies, especially those related to market access. In the Far East, the opening of import quotas by China and by the Chinese Province of Taiwan is the reason underlying the expected rise in their purchases. A major boost is expected to be provided also by Indonesia, the imports of which could rise to 3 million tonnes, twice as much as in 2001. Increasing domestic prices in the country and subdued production prospects for 2002 are putting pressure on private traders and on Bulog, the government food agency, to import more. In the rest of the region, most of the other traditional rice importers are expected to reduce their purchases, including Bangladesh and the Philippines, both of which gathered excellent crops in 2001. Imports by the former are now officially forecast at 200 000 tonnes, compared with 370 000 tonnes last year, while for the Philippines they are anticipated to fall to 600 000 tonnes, down from 850 000 tonnes in 2001. Among countries in the Near East, the Islamic Republic of Iran is expected to import 1.2 million tonnes, or 20 percent more than last year, to meet consumption requirements and replenish stocks. The forecast for Iraq remains at 1.2 million tonnes, unchanged from 2001, while that for Saudi Arabia was raised slightly to 840 000 tonnes, as the upward trend dominating since 1997 is expected to continue.

Imports by African countries, a major force in sustaining international trade last year, are expected to be lower, especially in the major markets, i.e. Côte d'Ivoire, Ghana, Nigeria and Senegal. Moreover, since the beginning of the year, the Government of Nigeria has raised import tariffs several times, bringing their level to 150 percent by mid-April. The new tariff might seriously impair the volume of global trade in parboiled rice. By contrast, in Madagascar, the worsening of the 2002 season outlook has triggered an upward adjustment in imports to the country compared with last year.

Unlike in Africa, exports to Central America and the Caribbean are anticipated to expand by 6 percent to 1.7 million tonnes to compensate for the production shortfall of last year. Mexico and Cuba will remain the major markets, taking close to 500 000 tonnes each. Purchases by countries in South America, on the other hand, are likely to fall, but not as much as originally expected. According to the latest official forecast, Brazil will cut its shipments by only a minor extent, from 700 000 tonnes in 2001 to 677 000 tonnes this year. In Peru, official import estimates point to a 20 percent decline to 50 000 tonnes, following expectations of a larger crop this season. Similarly, imports by Colombia, which are subject to public licenses, could fall from the relatively high level in 2001. Many countries in the region, including Colombia, operate a price band system that results in variable import levies, which tend to rise when world prices are low and vice-versa. In this connection, a recent WTO ruling against Chile's use of such a mechanism on wheat imports, in a case filed by Argentina in October 2000, may create a precedent

relevant to a large number of countries operating similar schemes. Among the developed countries, forecasts of imports into the United States and the EC in 2002 have been raised, respectively, to 400 000 tonnes and 700 000 tonnes, little changed from the previous year. The outlook for the Russian Federation's purchases in 2002 suggests a 50 000 tonnes increase to 370 000 tonnes.

As regards exports, an outstanding feature of the international rice market this year is India return as an important supplier. Rice inventories in the country have reached unprecedently high levels, keeping pressure on the Government to sell rice abroad at prices well below those prevailing on the domestic market. FAO's forecast for India's exports in 2002 has been raised to 3.5 million tonnes, 2 million tonnes more than last year, although the Government target for the fiscal year is much higher. Even though India is currently displacing some traditional exporters from key markets in Asia and Africa, the expected expansion of the global market should give scope for larger sales also from China, Egypt, Myanmar, the United States and Viet Nam. Thailand, on the other hand, might be able to keep its deliveries at 7.5 million tonnes, matching the record achieved in 2001. By contrast, short supplies might result in a drop in exports compared with the past year in Australia (from 700 000 tonnes to 550 000 tonnes), Pakistan (from 2.4 million tonnes to 1.5 million tonnes) and Uruguay (from 640 000 tonnes to 450 000 tonnes).

Trade to decline slightly in 2002/03

As the current season draws to a close, attention is being focused on the likely prospects for the 2002/03 season, starting in July 2002. Based on the preliminary 2002 production prospects and the current expectations regarding overall cereal utilization in 2002/03 season, FAO's first forecast for world **cereal** trade in 2002/03 is tentatively put at 236 million tonnes, down slightly from estimated imports in 2001/02. Most of this anticipated decline would be on account of subdued wheat and rice trade while, for coarse grains, the overall trade prospect is expected to improve somewhat.

Global **wheat** trade in 2002/03 could decline to 105 million tonnes, down 1 million tonnes from the current season, despite higher import forecasts for most regions. The main reason for the likely decline in world trade is a sharp anticipated drop in imports by the EC after an unexpected surge this season. In view of a rebound in production and higher import levies, wheat imports by the EC are likely to revert to levels prevailing before 2001/02; thus, a drop of at least 4.5 million tonnes is likely. Although smaller imports are expected in **Europe**, imports by nearly all other regions are set to rise. The largest expansion is expected in **Africa**, where Morocco and Egypt are seen to enter the world market for more wheat as a result of anticipated smaller domestic supplies. In **Asia**, imports by China could increase given the likely decline in domestic production. Larger food aid shipments to Afghanistan could also give a lift to total imports by that country. However, imports by the Islamic Republic of Iran are envisaged to decline next season, given the forecast improvement in domestic production. Higher imports are anticipated for **Latin America and the Caribbean**, mostly driven by stronger import demand from Mexico and Chile.

At this early stage, it is uncertain how much next season's wheat trade would again be influenced by some of the unforeseen events which took the current campaign by surprise; i.e. the changing situation in the EC and growing supplies among non-traditional exporting countries, such as India and Pakistan. India's exports reached as many as 20 countries in 2001/02 and it is likely that India will continue to export and expand its market for another season, given the continuing domestic pressure to find foreign buyers for its surplus. Exports from Pakistan could drop sharply as stocks have already fallen considerably as a result of large exports during the current marketing season. However, next season may mark the return of Turkey as a significant supplier following the forecast recovery in its production. Among the CIS countries, exports by Kazakhstan and the Russian Federation could rise again next season, but for other countries in the region, as well as in the CEECs, reduced opportunities to export to the EC could greatly diminish prospects for higher sales. Among the five traditional major exporters, more sales are expected from the EC, while it is also possible that shipments from Argentina could pick up, especially if economic conditions improve. Export prospects for Australia, Canada and the United States could deteriorate slightly.

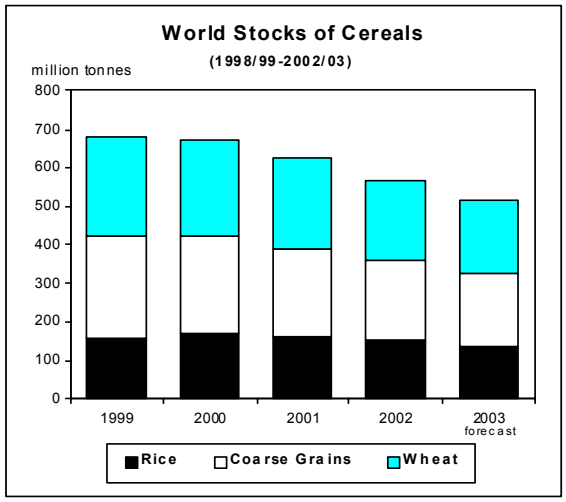
With regard to **coarse grains**, forecasts are quite tentative at this early stage, given the little information available on plantings and the eventual harvest outcomes. Based on the current assumptions about the production and consumption for 2002/03, world trade in coarse grains is expected to rise slightly above this season's level, to 107 million tonnes. Imports into Africa would expand most, especially in southern Africa, where the deteriorating supply situation faced by several countries could result in a substantial increase in imports. Imports into most other regions are expected to remain close to those of the current season, but in North America, purchases by Canada are expected to return to more normal levels in view of a forecast rebound in domestic production. On the export side, total availability is expected to be more than sufficient to meet the anticipated small increase in import demand. In addition to large supplies among major exporters, Brazil, China, Hungary, the Russian Federation and Ukraine are also expected to remain important trade competitors during the new season.

Carryover Stocks

World cereal stocks declining in 2002

World **cereal** stocks at the close of countries' crop years ending in 2002 are forecast at 566 million tonnes, 56 million tonnes, or 9 percent, below their already reduced opening levels. This latest forecast is lower than reported in February, mostly due to further downward adjustments to carryover estimates in China on the

basis of higher feed use and exports. The decrease in cereal stocks in China has been the main factor behind the successive declines in world stocks in recent years.



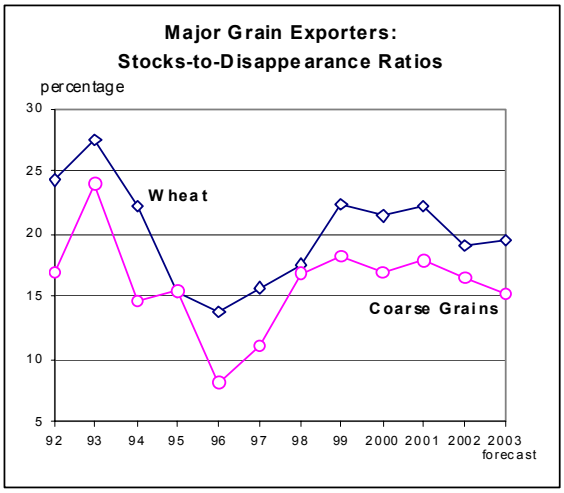
World **wheat** stocks, by the close of the seasons ending in 2002, are forecast to reach 206 million tonnes, some 28 million tonnes, or 12 percent, below their opening levels. The bulk of this decrease would occur in China, while lower inventories held by major exporters would account for some 9 million tonnes of the anticipated drop in world stocks. Smaller stocks held by the major exporters would result in the ratio of their aggregate wheat stocks to their total disappearance (the sum of their domestic consumption and exports) falling to about 19 percent, compared to 22 percent in the previous season. This relatively low level would normally be interpreted as a sign of notable deterioration in global food security, except for this season's unusually large availability in other parts of the world, such as in India and a number of CIS and central and eastern European countries. In India, expanding production levels in recent years have raised domestic supplies to well above domestic consumption requirements, resulting in sharp increases in wheat stocks and exports.

World Carryover Stocks of Cereals

	Crop year ending in:		
	2001	2002 estimate	2003 forecast
	(. . . . million tonnes . . . .)		
Wheat	234.5	206.2	188.9
Coarse grains	224.4	208.5	189.3
of which:			
Maize	183.9	165.7	146.9
Barley	21.3	20.9	21.1
Sorghum	5.4	6.5	6.3
Others	13.8	15.3	15.0
Rice (milled)	164.1	151.8	136.4
TOTAL	**622.9**	**566.5**	**514.6**

Source: FAO

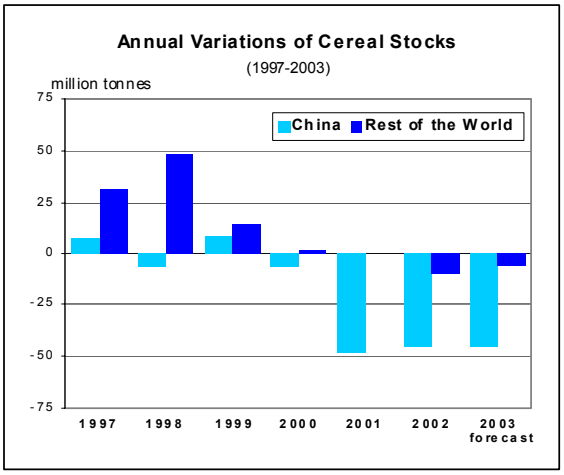
Global **coarse grain** inventories for crop years ending in 2002 are forecast to reach 208 million tonnes, down 16 million tonnes, or 7 percent, below their opening levels, reflecting sharp drawdowns in China and the United States, the world's largest producers. In China, despite higher production in 2001, inventories are expected to decline by over 13 million tonnes in order to meet domestic requirements and to allow large maize exports. In the United States, where coarse grain output fell by 12 million tonnes in 2001, this season's ending stocks are forecast to fall by over 8 million tonnes. Also in Canada, the sharply reduced barley production in 2001 would result in one of the lowest stock levels observed during the last decade. Smaller anticipated stocks in Canada and the United States would drive down the ratio of total major exporters' stocks to their combined disappearance to a relatively low level of only 16.5 percent, down from nearly 18 percent in the previous season. In the EC, rye inventories have been increasing due to higher production and lower exports. At the same time, large imports of feed quality wheat into the Community have continued to undercut demand for domestic maize, leading also to a surplus maize stockpile.



Elsewhere, coarse grain stocks in several countries, including Brazil, Hungary, the Russian Federation and Ukraine, are expected to register a significant increase, despite unexpectedly large exports. By contrast, carryover stocks are forecast to fall among a number of major coarse grain producing countries in Africa, as a result of smaller production, principally among the main producers in southern Africa.

The forecast for world **rice** inventories at the close of the crop seasons ending in 2002 has been revised upward slightly since the previous report, to nearly 152 million tonnes. The change mostly reflects upward revisions for Myanmar, Pakistan, Thailand, the Dominican Republic, Colombia and the United States, which would more than offset lower estimates for India, following prospects for greater exports by this country than previously anticipated. At 152 million tonnes, the world rice carryover would be about 12 million tonnes less than in

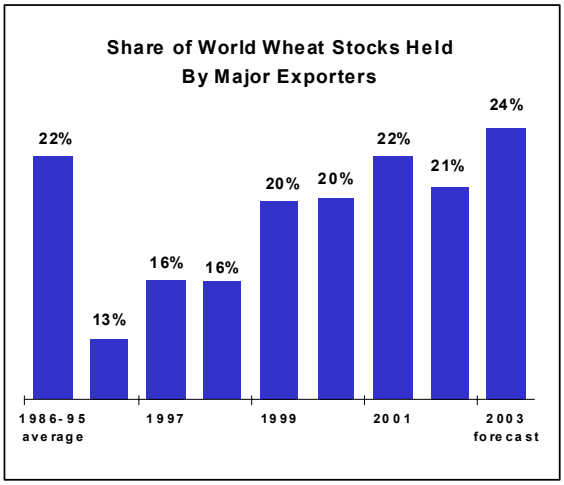
2001 and the smallest since 1996. As in 2001, China should record a sizeable year-to-year contraction, since steady domestic demand for rice, associated with a fall in production, could lead to a drawdown of over 11 million tonnes by the end of the season. A reduction is also likely to be experienced by Brazil, Egypt, Indonesia and Japan. On the other hand, the season is anticipated to end with a larger rice carryovers in Bangladesh, India, the Republic of Korea and the United States. Overall, both importing and exporting countries are likely to face stock reductions by the close of the seasons in 2002.



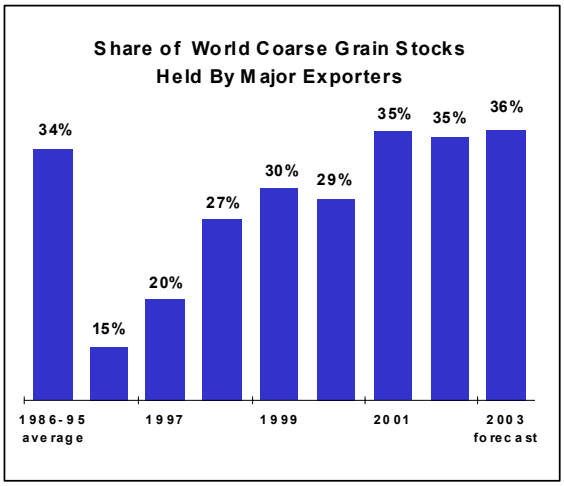
Early forecasts for 2003 point to another sharp drop in world cereal stocks

Based on FAO's first forecast for **cereal** production in 2002 and consumption in 2002/03, world cereal stocks would need to be drawn down further by the close of countries' crop years in 2003 to 515 million tonnes. This would be 52 million tonnes, or 9 percent, down from their opening level. The bulk of this decline would again be attributed to developments in China, where the overall 2002 cereal output is likely to remain unchanged from the previous season.

In terms of individual cereals, global **wheat** stocks could decline by around 17 million tonnes, or 8 percent, to 189 million tonnes. Besides a continuing decline in China, inventories in Pakistan could fall to the lowest level in two decades, as the Government continues to promote large exports. By contrast, further expansion in stocks is likely among a number of other major producing countries/regions, mostly on the basis of higher production. Aggregate stocks in major exporters are likely to rise, especially in the EC, where a strong recovery is anticipated for wheat production despite sagging export prospects. India is embracing a near-record wheat harvest this season while surplus stocks are already at exceptionally high levels; in fact, the Government has recently announced that all the new crop wheat would need to be stored in the open because of lack of storage space in state-run warehouses. Across the CIS, wheat production in nearly all major producing countries would again surpass consumption, leading to further increases in an already large wheat stockpile from this season.



The outlook for other major cereals remains uncertain as the current yield and area assumptions are highly tentative given that plantings for 2002/03 crops have not been completed and, in some cases, have yet to begin. Overall, the early outlook for **coarse grain** stocks points to a decline of about 19 million tonnes, to 189 million tonnes. Smaller inventories are expected in China, as well as in the United States, a number of CEECs, major producing countries in Africa and several countries in Latin America and the Caribbean, including important producers such as Brazil and Mexico. As for **rice**, current prospects point to a further decline in stocks, to some 136 million tonnes, down 10 percent from their opening levels. The reductions should be widespread, with especially strong declines expected in China, consistent with the policy conducted since 2000, Indonesia, notwithstanding expectations of large imports this year, India and Japan.



Export Prices

Large export supplies continue to put pressure on prices

Cereal Export Prices *

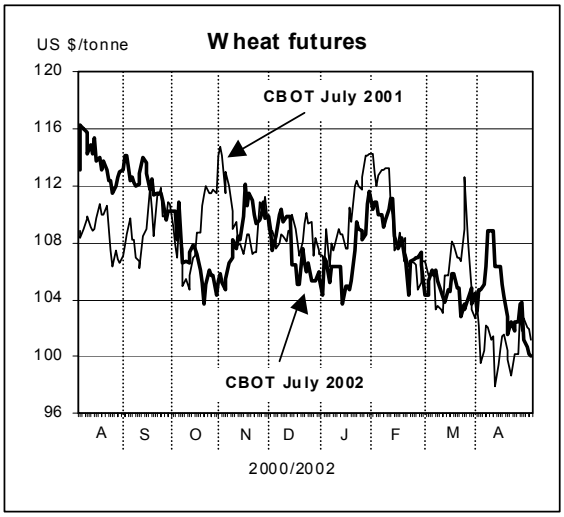
	2002		2001
	April	Jan.	April
	(. . . . . US$/tonne . . . . . .)		
United States			
Wheat [1/]	127	128	130
Maize	88	92	87
Sorghum	90	97	96
Argentina [2/]			
Wheat	119	115	120
Maize	86	89	80
Thailand [2/]			
Rice white [3/]	195	197	170
Rice, broken [4/]	149	145	122

Source: FAO, see Appendix Table A.6 and A.7 for the notes.

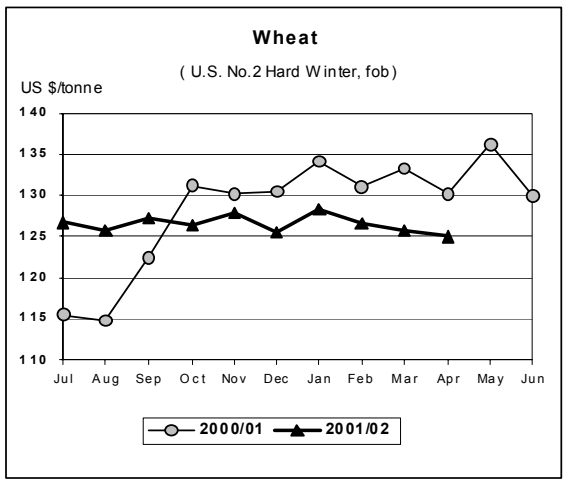
* Prices refer to the monthly average

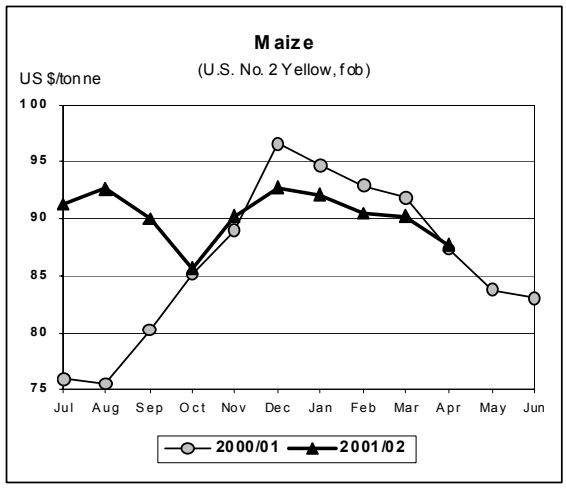
Since the start of the current marketing season in July, monthly international **wheat** prices have manifested very little variation and remained within a narrow range, although at generally lower levels than in the previous season. While during the earlier months of this season, some upward movements in prices could not have been ruled out, especially in view of the smaller world production in 2001 and larger global import demand, the potential for a sustained rally was largely compromised by the arrival on the market of unexpected surpluses from a number of non-traditional exporters. In April, U.S. wheat No. 2 (HRW, fob) averaged around US$125 per tonne, down US$3 per tonne from January and US$5 per tonne less than in the corresponding month last year. Argentine prices for the new crop have faired slightly better in recent months. The ongoing economic difficulties, uncertainties regarding the peso/dollar exchange rates and the recently introduced export taxes do not provide the ideal conditions for a sustained recovery in Argentine export prices.

Wheat futures have trended downward in recent months. By late April, the July futures for soft red winter wheat at the Chicago Board of Trade (CBOT) were quoted at US$100 per tonne, down US$9 per tonne from January and US$1 per tonne lower than in the previous year. Given good crop prospects for 2002, the expected decline in world import demand and large export availabilities across several non-traditional exporters, the decline in international wheat prices is likely to persist in the coming season.

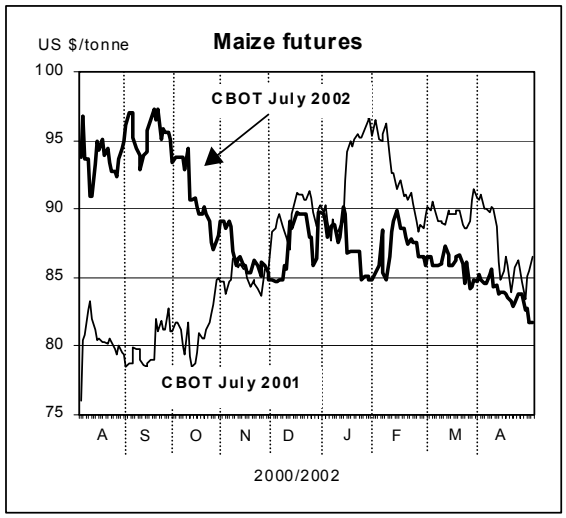


Maize export prices have also suffered from large world export supplies and weak global import demand. Since January, international prices have remained under downward pressure, with China and Brazil making large exports. At this time of the year, the market is largely influenced by the weather situation, as well as the size of the new crop in the northern hemisphere. Thus, a generally favourable production outlook has resulted in a sharp decline in prices over the past few months. In April, U.S. No. 2 maize (fob) averaged US$87 per tonne, down US$5 per tonne since January and equal to the price a year ago. Reflecting expectations regarding production in 2002 and demand developments, the



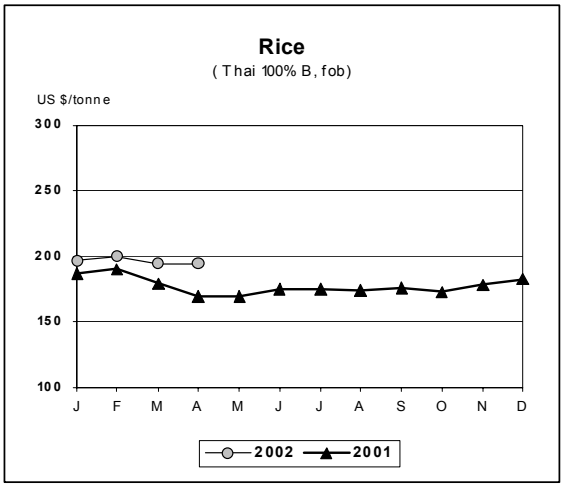


CBOT maize futures for July have remained mostly below last year's levels. However, demand for world maize utilization in 2002/03 is seen to exceed the expected production; hence, the balance would have to be drawn down from stocks. More impartially, price developments would depend on the size of overall exportable supplies among the major exporters as well as among non-traditional exporters.



Notwithstanding the arrival of new **rice** crop supplies in some major exporting countries, international prices for rice held relatively steady in the first quarter of 2002 and the FAO Export Price Index for Rice (1982-84 =100) averaged 90 points in April, unchanged from March, and only 1 point less than in January and February. In comparison, the Index stood at 87 points in April 2001. Much of the price resilience reflected the programme of intervention purchases in Thailand, where the Government appears determined not to let prices fall the way they did a year ago. As a result, the quotations of Thai origin rice remained relatively firm in the past two months and substantially higher than the levels prevailing in the same period in 2001. For instance, in April 2002, Thai 100%B averaged US$195 per tonne compared with US$170 per tonne in April 2001. This tendency contrasted with the steady decline in rice quotations in the United States, where the f.o.b. price average for 2/4 long rice fell for the 10th consecutive month to US$199 per tonne in April 2002. As a result, the price differential between Thai and US high quality long grain rice shrank to US$2 per tonne in April 2002, compared with US$101 per tonne a year earlier.

As for most types and qualities exported from Thailand, sale prices were steady or stronger in Pakistan, both for Basmati and IRRI rice. Quotations in Viet Nam, which had weakened in March when supplies from the winter/spring crop reached the market, showed a general tendency to recover in April. By contrast, most Indian rice prices weakened compared with the levels prevailing earlier this year. As a result, rice of Indian origin remained the most competitive on the market.



Although prospects for international rice prices in the coming months have brightened following the announcement of a surge in imports by Indonesia, there is still considerable uncertainty regarding purchases by China. The price outlook is also dimmed by the growing presence of India as a low priced rice supplier to the world market. However, of even more fundamental importance will be the development of the season in the northern hemisphere, prospects for which are very uncertain given indications of a possible recurrence of the El Niño phenomenon.

Ocean Freight Rates

(Contributed by the International Grains Council)

The dry bulk freight market remained rather weak in the six months to April 2002, due to the continuing subdued economic activity and the large number of newly built ships becoming available. The Baltic Dry Index (BDI), the main market indicator, advanced only by 53 points from 974 in late September to 1027 by the end of April.

War risk premiums pushed rates higher in the Indian Ocean in the light of military action in Afghanistan, but these were removed by January 2002 and no major delays were reported in cargo movements. The UN World Food Programme (WFP) chartered ships to send food to Afghanistan through 12 designated brokers around the world. Food aid to northern parts of the country was routed via Uzbekistan, as barges delivered wheat flour from Termez to Hairaton up the Amu Darya River. Iran agreed to provide transit facilities for shipments of Indian wheat, supplied as aid through the WFP, after Pakistan refused to do so, fearing contamination with “Karnal Bunt” disease.

Kazakhstan continued to develop grain-loading facilities in the port of Aktau on the Caspian Sea. This will eventually increase the capacity to ship grain directly to Iran and Azerbaijan to 500 000-700 000 tonnes per year.

Panamax rates in the Atlantic remained weak in the fourth quarter of 2001, due to a large number of new vessels entering the market and weak demand. While even some of the newest ships were struggling to find employment, fixtures for older vessels in some cases fell below running costs.

However, from mid-February the situation significantly improved, mainly due to new business from Japan, China, China Province of Taiwan and the Republic of Korea, and a shortage of tonnage in prompt positions in the US Gulf. From then onwards, the Panamax market continued to strengthen, supported by firmer bunker fuel prices and the start of the South American grain export season.

Rates on the major grain route from US Gulf to Japan advanced from US$16.00 in October 2001 to US$21.50 in April 2002, an 11-month high. Rates from US Gulf to the Republic of Korea and China Province of Taiwan were US$0.50-1.00 lower than those to Japan, reflecting higher charges at Japanese ports. The rate from US Gulf to Egypt (Mediterranean) fluctuated between US$9.40 in February to US$14.50 in mid-April.

Better 2001 crops in central and eastern European countries and the CIS resulted in larger exports, and an increase in shipping activity from the Black Sea, mainly to the Near East, North Africa and the EC. The latter could be one of the largest buyers of Ukrainian and Russian milling wheat. Ukrainian grain exports alone could be over 8 million tonnes in 2001/02, close to the country's maximum port capacity. Rates from Ukraine to continental Europe were reported between US$6.90 and US$7.50. Barley rates to Saudi Arabia have been fairly stable at US$14.60-14.75.

In the Pacific, exports of maize (corn) from China have continued to be larger than previously expected. However, due to the growing number of available ships, the Pacific rates continued to slip despite the start of the new crop exports from Australia to the Middle East.

China has tightened its quarantine regulations for imported grains, and introduced controls on GM products, which slowed down its imports of soyabeans. Chartering restarted in April after an agreement was reached with the United States on imports of GM maize and soyabeans.

The Atlantic Handysize market continued to show strength, largely because of shipments from the Black Sea. Wheat rates from Ukraine to the EC (Spanish Mediterranean) were fixed at the US$13-14.00 level, while barley shipments to North Africa settled at around US$21.00. Rates were also supported by shipments from the EC and the United States to North Africa.

A steady pace of fixtures for new crop grains and oilseeds from South America also supported freight rates, transactions being reported to a wide range of destinations. Fixtures included a maize cargo from the River Plate to Cyprus at US$18.50 and a pellets shipment from Brazil to the EC at US$13.75. However, there were interruptions in Argentina's shipping programme in March and April due to the devaluation of local currency and various measures taken by the government to deal with the country's economic crisis.

Short-period time-charter rates have increased in most areas, ranging from US$7 000-7 500 a day for a round trip in the Pacific to US$8 000-9 000 in the Atlantic.

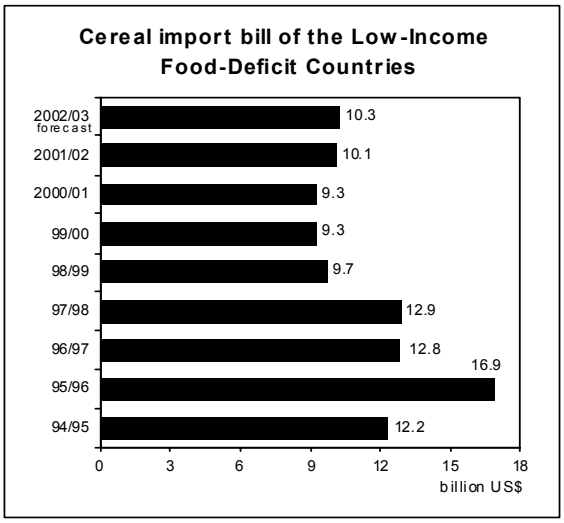
Cereal Import Bills

Further rise in cereal import bill

Based on the latest forecasts for cereal trade, food aid and prices, the overall cereal import bill to be borne by the world's most vulnerable food deficit countries is anticipated to increase again in **2001/02**. The **developing countries** are likely to spend about US$23 billion for imports of cereals in 2001/02, up 5 percent from the previous season; while in the **Low-Income Food-Deficit Countries (LIFDCs)**, total cereal import bill could reach US$10 billion, up 9 percent from the previous season. Mainly on the basis of larger imports, the LIFDCs would face an increase of more than US$7 per tonne in their per unit cereal import to around US$135 per tonne. This is still significantly below the high levels of the mid-1990s when cereal prices were exceptionally high. Looking further ahead, preliminary indications for **2002/03** point to a rise in the developing countries' import bill for the fourth consecutive season to almost US$24 billion. The increase would be on account of larger commercial imports since food aid shipments and international prices for major cereals are assumed to remain at the current season's levels.

The combined cereal import bill of the **Least-Developed Countries (LDCs)** and the **Net-Food Importing Developing Countries** (NFIDCs), which include a list of nations agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme, is estimated at some US$6 billion in 2001/02. This is almost unchanged from 2000/01, as anticipated slight increases in imports across LDC countries would largely offset small declines among NFIDCs.

In general, **wheat** accounts for the largest portion of the cereal import bill for most countries. The overall value of wheat imports by the developing countries in 2001/02 is forecast at nearly US$12 billion, up US$500 million from 2000/01. This small increase would mostly reflect the expected expansion of some 3 million tonnes in imports by the developing countries in 2001/02. For the LIFDCs, as a group, the value of total wheat imports in 2001/02 is forecast at US$5.4 billion, some US$300 million more than in the previous season. By contrast, the value of purchases of **coarse grains** by the developing countries in 2001/02 is put at US$7.8 billion, around US$50 million smaller than in the previous season despite some increase in prices. The main factor for the decline is the anticipated fall of some 3.6 million tonnes in the volume of imports by the developing countries. The LIFDCs are also likely to spend slightly less on coarse grain imports in 2001/02. In the case of **rice**, the anticipated increase in the volume of imports together with the likely recovery in prices in 2002 will concur to raise by 20 percent the developing countries' total import bill, to US$3.7 billion. Most of this growth would be accounted for by countries in Asia as well as in Central America and the Caribbean. For the LIFDCs, the overall bill for rice is expected to rise by 27 percent to US$2.3 billion, with countries in Asia bearing most of the increase.



Changes in Cereal Import Bill of LIFDCs by Region and Commodity

	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 estimate	2002/03 forecast
	(.....US$ billion.....)								
LIFDCs	**12.2**	**16.9**	**12.8**	**12.9**	**9.7**	**9.3**	**9.3**	**10.1**	**10.3**
Africa	3.3	4.8	4.6	4.3	3.9	3.7	4.3	4.1	4.5
Asia	8.1	11.2	7.3	7.7	5.0	4.8	4.2	5.1	4.9
Latin Am. and Carib.	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7
Oceania	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wheat	6.9	10.7	8.1	6.6	5.1	4.9	5.1	5.4	5.8
Coarse grains	2.1	3.8	2.8	2.3	2.0	2.4	2.4	2.3	2.4
Rice	3.3	2.4	1.9	3.9	2.6	1.9	1.8	2.3	2.1

Trends in Cereal Imports Bills[1/]

	1997/98	1998/99	1999/2000	2000/2001	2001/02 estimated	2002/03 forecast
Import Bill (US$ billion)						
Developing countries	25.5	21.7	21.7	22.0	23.1	23.9
LIFDCs	12.9	9.7	9.3	9.3	10.1	10.3
LDCs	2.5	2.2	1.8	1.8	1.9	2.0
NFIDCs	5.0	4.4	3.8	4.1	4.1	4.4
Total volume imported (million tonnes)						
Developing countries	159.1	162.2	173.8	170.6	171.5	177.7
LIFDCs	78.6	73.6	75.4	72.8	74.7	76.7
LDCs	15.4	17.0	16.2	15.5	15.0	16.4
NFIDCs	32.1	33.4	30.5	31.9	30.8	33.1
Food aid (million tonnes)						
Developing countries	5.4	8.8	7.7	8.6	8.9	8.9
% of total imports	3.4	5.4	4.4	5.0	5.2	5.0
LIFDCs	5.5	8.4	7.6	8.3	8.5	8.5
% of total imports	7.0	11.4	10.0	11.4	11.4	11.1
LDCs	2.9	4.0	4.1	4.2	4.7	4.7
% of total imports	18.6	23.6	25.5	27.3	31.4	28.6
NFIDCs	0.6	0.8	0.8	1.1	1.1	1.1
% of total imports	2.0	2.3	2.5	3.6	3.7	3.5
Commercial imports (million tonnes)						
Developing countries	153.7	153.5	166.2	162.0	162.6	168.8
LIFDCs	73.1	65.2	67.8	64.5	66.2	68.2
LDCs	12.5	13.0	12.1	11.3	10.3	11.7
NFIDCs	31.5	32.6	29.8	30.8	29.7	32.0
Per unit import cost (US$/tonne)[2/]						
Developing countries	160.5	133.5	124.8	129.0	134.6	134.8
LIFDCs	163.8	132.0	122.9	127.4	134.8	134.4
LDCs	161.2	130.8	111.3	118.2	124.6	125.0
NFIDCs	154.6	130.4	125.1	129.6	132.8	133.3

Note: Totals computed from unrounded data.

1/ The Same countries may appear in more than one special country grouping. For definitions of country groupings see the Statistical Note on page 47.
2/ Based on the per unit cost of total imports.

Meat and Meat Products

International meat markets in 2001 witnessed rising prices for meats other than beef, particularly poultry, in the wake of animal disease outbreaks which closed some meat markets and, in the case of BSE, heightened human health concerns around the globe. In 2002, however, a return to past meat consumption patterns is expected to provide some support to international beef prices, as will lower production in the US, the world's largest beef import market, and a resumption of high quality beef shipments from South America to Europe. Increasing exportable supplies for all meats may, however, constrain any significant upward price movements. The general price outlook will also be affected by the Russian Federation's import ban in early 2002 on US chicken, which triggered a sharp drop in US leg quarter prices. Lower chicken meat prices over the course of the year may limit upward price movements for other meats.

Global per caput meat consumption in 2002 is projected to recover by 1 percent to 38.8 kg, after declining in 2001 for the first time in nearly 30 years. In the developed countries, per caput consumption of meat is forecast to rise marginally to 78.3 kg after declining in the past two years. The gain in consumption in developing countries, while not expected to reach the average growth rate of 4.1 percent achieved over the past decade, is nevertheless expected to strengthen by about 2 percent, taking per caput consumption up to 28.2 kg/caput.

Meat Supplies Rise As Impact of Animal Diseases Wanes

After the adverse impact of animal disease outbreaks in 2001, meat markets are preparing for a sharp increase in meat supplies in 2002 in anticipation of a return to earlier consumption and trading patterns. As exporting countries put an end to the massive animal culls and FMD vaccination which characterized meat markets in 2001, global meat output in 2002 is forecast to rise to 241 million tonnes, up 2.4 percent from the previous year, which experienced the lowest output growth in two decades. All meats are likely to witness stronger output growth in 2002, with those other than beef supported by last year's rising prices and stable feed costs.

After slipping 1 percent in 2001, beef production is expected to recover to a record 60 million tonnes this year, up 2 percent. The developing countries are set to expand their share of global production further in 2002 following a 4 percent increase in their output. This will be facilitated by lower output in the United States, the producer of one-fifth of global beef supplies, and continued strong growth in the largest developing country producers of Brazil and China. A resumption in normal slaughter patterns in the EC is expected to prompt a 4 percent jump in beef production there, while the decade-long output declines in transition economies are expected to extend into 2002.

World Meat Production

	2000	2001	2002 forecast
	(. . . . million tonnes . . . .)		
WORLD TOTAL	**232.5**	**235.2**	**240.9**
Poultry meat	67.7	69.6	71.6
Pig meat	89.6	90.9	93.2
Bovine meat	59.6	58.9	60.0
Sheep & goat meat	11.4	11.4	11.7
Other meat	4.3	4.3	4.4
DEVELOPING COUNTRIES	**128.0**	**131.5**	**136.0**
Poultry meat	35.4	36.9	38.2
Pig meat	52.3	53.6	55.4
Bovine meat	29.5	30.0	31.1
Sheep & goat meat	8.1	8.2	8.5
Other meat	2.7	2.7	2.8
DEVELOPED COUNTRIES	**104.6**	**103.8**	**104.9**
Poultry meat	32.3	32.7	33.4
Pig meat	37.3	37.4	37.8
Bovine meat	30.0	28.9	28.9
Sheep & goat meat	3.3	3.2	3.2
Other meat	1.6	1.6	1.6

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

Sheep and goat production, despite declining supplies in developed countries, is expected to rise by 2.3 percent, driven mainly by strong growth in China, the major Asian producer, with additional gains in Pakistan and India. Some flock recovery is likely in Afghanistan, the Islamic Republic of Iran and Sudan; the latter prompted by increasing access to livestock markets in the Near East. Reduced supplies from Oceania are expected in response to flock rebuilding in New Zealand.

Moderate feed prices and strong demand are expected to support respective output gains of 2.9 percent and 2.4 percent for the poultry and pork sectors, with the strongest gains expected to be realized by South America and Asia. Most of the poultry output gains will be generated in developing countries, however, poultry's share of global output is expected to slip marginally in 2002 to 29.7 percent, as growths in other meats recover.

International Meat Prices

	FAO index of international meat prices	Indicative international meat prices			
		Chicken [1/]	Pork [2/]	Beef [3/]	Lamb [4/]
	(. . 1990-92=100 . .)	(. . . . . US$/tonne . . . . . .)			
1994	102	921	2 659	2 384	2 975
1995	99	922	2 470	1 947	2 621
1996	96	978	2 733	1 741	3 295
1997	96	843	2 724	1 880	3 393
1998	83	760	2 121	1 754	2 750
1999	84	602	2 073	1 894	2 610
2000	85	592	2 083	1 957	2 619
2001	84	645	2 077	2 138	2 912
2002	84 [5/]	614 [5/]	2 128 [5/]	2 336 [6/]	3 111 [7/]

Source: FAO

1/ Chicken parts, United States export unit value. 2/ Frozen pork, United States export unit value. 3/ Manufacture cow beef, Australia, cif prices to the United States. 4/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 5/ January-February 2002. 6/ January-April 2002. 7/ January-March 2002.

Meat Trade Prospects Favourable as Consumption Recovers and Prices Remain Sluggish

Expanding exportable supplies from countries restricted from exporting in 2001 due to animal disease concerns, specifically Uruguay, Argentina, some EC countries, and the Republic of Korea, are expected to push up meat shipments in 2002. Global meat trade is forecast at 18.4 million tonnes in 2002, 4 percent above the lacklustre performance in 2001. Strong gains are expected for all meats, with the exception of ovine meat, which is likely to be constrained by reduced exportable supplies in Oceania.

World Meat Exports [1/]

	2000	2001	2002 forecast
	(. . . thousand tonnes . . .)		
WORLD	**17 327**	**17 663**	**18 382**
Poultry meat	7 328	7 648	7 968
Pig meat	3 271	3 442	3 602
Bovine meat	5 715	5 520	5 763
Sheep meat and goat meat	768	809	803
Other meat	245	245	246

Source: FAO

Note: Total computed from unrounded data.

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

After declining by an estimated 3 percent in 2001, beef shipments are forecast to reach a record 5.8 million tonnes in 2002, up 4.4 percent from the previous year's level. Many markets previously closed to meat products from those countries in South America and Europe afflicted with FMD are opening, implying a realignment in market shares in 2002. A 20 percent jump is forecast in South American beef exports to regional markets in South America and selected countries in the EC, as Argentina and Uruguay are now officially recognized as "FMD free with vaccination". This is expected to move up the region's share of global beef markets to one-fifth of global totals. While EC exports are likely to witness strong export gains, the expected shipments of 600 000 tonnes will remain significantly below their WTO export subsidy limits of 822 000 tonnes. In North America, herd rebuilding, high prices, and a strong US dollar will pressure US exports down by an estimated 5 percent. As for imports, markets, such as Egypt, the Republic of Korea, the Russian Federation, Canada and the United States, are expected to register strong import gains. By contrast, however, the impact of food safety concerns in Japan arising from outbreaks of BSE in late 2001 are spilling over into 2002 with Japanese consumers, for the second consecutive year, expected to reduce consumption of imported beef.

Considerable instability in the global poultry meat market has surfaced in the first quarter of 2002. Issues relating to poultry diseases and escalating concerns regarding the use of unauthorized antibiotics in feed have led to numerous import bans and heightened border inspections and testing. These issues range from illegal antibiotics found in Thai and Chinese chicken, the ban on US chicken by the Russian Federation, and some other CIS countries, as well as bans related to the outbreaks of low-pathogenic avian influenza in the eastern United States and avian flu in China (Mainland) and Hong Kong, SAR. Despite this backdrop of uncertainties, global poultry trade is forecast up 4 percent to nearly 8 million tonnes in 2002. Many of these market disruptions are expected to be of short duration and import demand, disrupted over the first months of 2002, is projected to recover quickly. Imports by the Russian Federation, after jumping 11 percent in 2001, are anticipated to be up by less than 1 percent. A nearly 30 percent fall in the price of US leg quarters as a result

of the month-long Russian import ban is expected to induce strong buying by other markets, particularly in Asia and Central America. Meanwhile, BSE-related concerns in Japan are likely to support increased poultry imports.

Strong demand for pigmeat in Asia, the recipient of nearly half of global imports, is expected to support a nearly 5 percent jump in pigmeat trade to 3.6 million tonnes. The Japanese imposition, in August 2001, of a "safeguard" (higher tariffs in response to import surges) on pigmeat imports was expected to constrain imports in late 2001 and early 2002. However, BSE concerns and a shift in Japanese consumer preferences to meats other than beef, prompted a nearly 30 percent jump in pigmeat deliveries in late 2001, pushing up Japanese import prices by 25 percent. Continued strong imports by Japan, the largest pigmeat market, are forecast in 2002, despite the likelihood that the safeguard will be automatically triggered again in 2002. Strong import demand is also expected from Hong Kong, SAR, the Republic of Korea, Mexico and the Russian Federation. Strong competition from the Canadian pigmeat industry and the high value of the US currency are expected to reduce US exports in 2002, while a moderation in prices in the EC and Brazil, in the context of higher output, is likely to facilitate product shipments. Meanwhile, a clean bill of health for the hog industry in the Republic of Korea could result in a resumption of exports to Japan after a two-year FMD-related hiatus.

Milk and Milk Products

International prices have dropped substantially since mid-2001, with the result that prices for most dairy products are currently at levels rarely seen over the past decade. The FAO price index for dairy products stood at 85 in April 2002, compared to 121 for the same month in 2001. The price decline concerned all commodities; however, milk powder was most affected: April 2002 prices for skimmed and whole milk powder were around 30 percent below those of 2001. For the same period, butter was 22 percent down; acid casein was 19 percent lower and cheddar cheese dropped by 7 percent. The extremely sharp fall in prices has been attributed to reduced import demand in some key markets in South East Asia and Latin America and a build-up of uncommitted stocks in the main dairy exporting countries, including New Zealand, Australia, Argentina, the United States and the EC. Of the two elements, the latter would appear to have had most influence on the drop in prices, as exporters sought to keep markets in the face of discount pricing by competitors. In order to be able to compete on the world market, a number of northern-hemisphere countries, which retain the right to use export subsidies under the World Trade Organization's Uruguay Round Agreement (URA) increased the amount of subsidy paid on exports. For example, average United States monthly export subsidies for skimmed milk powder rose from US$386/tonne in December to US$864/tonne in March. Over the same period, EC export subsidies on skimmed milk powder rose from Euro 200/tonne (approx. US$181/tonne) to Euro 500/tonne (approx. US$ 441/tonne); and subsequently, on 11 April, the EC raised its subsidy to Euro 650/tonne.

By April 2002, it appeared that international prices for dairy products had stabilized, albeit at extremely low levels. This was a result of supply and demand becoming more evenly balanced, in particular a reduction of unsold dairy products in Oceania. Also, no further increases in export subsidies on the part of the United States and the EC were anticipated until at least the start of their next July-June WTO commitment year; thus removing importers' expectations of further price reductions.

Indicative Dairy Export Prices

	2001	2002		
	Apr.[1/]	Feb.	Mar.	Apr.
	(US$/tonne, f.o.b.)			
Skimmed milk powder	2 038	1 574	1 473	1 371
Whole milk powder	2 000	1 549	1 488	1 416
Acid Casein	5 300	4 600	4 449	4 280
Cheddar cheese	2 025	1 987	1 924	1 880
Butter	1 275	1 094	1 036	1 001

Source: Mid-point of price ranges reported by Farmnet (NZ).
1/ Mid-point of price ranges reported by the New Zealand Dairy Board.

Milk production to grow in 2002

Global milk output is expected to rise by 1.5 percent during 2002. In Oceania, milk production for the 2001/02 dairy year in New Zealand is anticipated to be 3-4 percent above the previous year – which was a record. In the case of Australia, the main producing State, Victoria, experienced above average rainfall during the 2001/2002 production season, providing good pasture growth with an associated effect on production. As a result, milk output in Australia is expected to be 5 percent higher during the current season compared to the previous one, when production was negatively affected by drought in some areas of the country. In light of the above, milk production in New Zealand for the current dairy year is forecast at 13.7 million tonnes, and in Australia at 11.4 million tonnes. In both countries, the national dairy herd is in a phase of expansion. In the case of New Zealand, herd growth is taking place mainly in the dryer South Island and is largely dependent on irrigated pastures. As a consequence, South Island's current 20 percent share of national milk production is expected to rise significantly over the coming decade. During the first four months of 2002, the currencies of both New Zealand and Australia strengthened by 8 percent and 6 percent respectively against the US dollar. As international prices for dairy products are

quoted in US dollars, currency appreciation will have the effect of magnifying the fall in world prices, in local currency terms. This would imply a substantial fall in returns to the farmer, by perhaps as much as 30 percent, and would be most strongly felt in New Zealand, where 96 percent of milk produced is exported as dairy products. Falling returns may act as a damper on production growth in Oceania during the coming 2002/2003 milk production season.

Milk Production

	2000	2001 estimate	2002 forecast
	(. . . . . million tonnes . . . . .)		
WORLD	**579.5**	**584.0**	**592.5**
EC	125.9	125.2	125.0
India	79.3	81.0	83.0
United States	76.0	75.2	76.8
Russian Fed.	32.2	32.9	33.5
Pakistan	26.3	27.0	27.7
Brazil	22.3	22.7	23.4
New Zealand	12.8	13.7	14.1
Ukraine	12.7	13.5	14.0
Poland	11.9	12.0	12.2
Australia	11.2	10.9	11.4
Mexico	9.4	9.5	9.7
Argentina	9.8	9.5	9.0

Source: FAO

In the United States, milk production is expected to recover during 2002, following a decline in 2001. Growth has been supported by low feed prices producing a favourable return to farmers. Production in a number of other developed countries (the EC, Canada, Japan, and Switzerland) is subject to policies, which restrict output, and, consequently, changes little from year to year.

In eastern Europe, milk production for 2002 is expected to be greater than in 2001. Most countries in the region are experiencing growth in demand for milk and milk products, associated with economic growth. As demand for dairy products dropped substantially during the 1990's in this part of the world, it is anticipated that the latent potential for consumption growth is great. In some countries, anticipated accession to the EC is acting as an incentive for farmers to increase milk output, with the aim of increasing their entitlement to production quotas, once membership to the EC is achieved. Also in eastern Europe, for example in Poland and Hungary, the impetus of imminent membership to the EC has resulted in dairies raising quality standards for milk and milk products - one result of which has been a reduction in the number of small-scale dairy producers, some of whom will not be able to meet the required standards. Production growth in the region is mainly associated with rising yields per cow stemming from improved genetics and feeding. This has meant that, while production has increased, the size of the dairy herd has declined in many countries.

Milk production in the Russian Federation, after a decade of decline, appears to have stabilized and could increase slightly during 2002; although the size of the milking herd continues to fall, feed availability has improved, raising yields per cow. Russian production is moving away from the large, former state-run farms to small-scale ownership and production. Similarly, in the Ukraine, where milk production also declined markedly throughout the 1990's, the Ministry of Agriculture estimates an increase in milk output during 2002.

In developing countries, growth in milk production is expected to continue. In Asia, India's milk production during the 2002/2003 (April/March) marketing year could rise to 83 million tonnes. Milk output in India is increasing through improved yields per animal, rather than through growth in animal numbers. The increased commercialization of the dairy industry, associated in part with rising urban demand and greater participation of the private sector in dairy processing, has acted as a stimulus to milk production. In China, milk output is also projected to rise as a result of strong consumer demand and the profitability of dairying relative to other types of agricultural production, such as grains. In Indonesia, favourable rains at the beginning of the year have resulted in excellent grass growth. This, combined with an increase in domestic demand, could lead to milk output growing by 5 percent in 2002. In Thailand, a marginal increase in milk output is anticipated, associated with growth in the herd size, rather than an increase in yield per cow. Along with many countries in South East Asia, demand for dairy products in Thailand continues to grow, as the population's diet becomes more diversified.

In Latin America, milk production trends are expected to be mixed during 2002. In Argentina, milk production is anticipated to decline further in 2002, following reduced output in 2001. The main factor behind the drop is farmers leaving the industry due to low returns. Additionally, fodder crops were adversely affected by flooding in some parts of the country during late 2001. This, in turn, reduced feed availability in the first half of 2002. In contrast, herd expansion is expected to lead to an increase in milk production in Chile, where feed and fodder stocks are reported to be in good supply; however, growth in milk output may be tempered by reduced farm-gate prices for milk, which have been in effect since November 2001. Uruguay also enjoyed favourable conditions for silage production, and milk output is forecast to be higher in 2002. In Brazil, production could also increase during 2002; however, low farm-gate prices may act as a damper on growth. Elsewhere in Latin America, dry summer conditions in Venezuela could lead to a fall in milk output in 2002, while, in Mexico, genetic and technological improvements in the large farm sector are expected to be the main factors behind a 2 percent growth in milk output this year.

In Kenya, dairy farmers have had access to a wider range of milk buyers, following the collapse of the country's main dairy processor, Kenya Co-operative Creameries, as both informal milk traders and newly-established commercial processors are competing for supplies. Favourable prices, in the region of US$0.20 to

US$0.25 per kg, are expected to serve as an incentive for milk production to expand.

Import Demand

Low international prices could lead to increased purchases of milk powder by countries in South East Asia, and China. Elsewhere, imports by Central American countries and the important markets of Mexico and Algeria could increase. Conversely, imports of milk products by Brazil are expected to remain low, as domestic products are highly competitive, following the fall in the value of the Real. This would represent a continuation of the situation in 2001, when Brazilian imports of milk powder were only 40 percent of those of the previous year. Import demand by the Russian Federation for butter and cheese could increase, as a result of economic growth. For countries of eastern Europe and the Baltic States that have traditionally been dairy exporters – Poland, Latvia and the Czech Republic – growth in domestic demand may mean that less dairy products are available for export during 2002. Oceania is expected to lead to greater availabilities of cheese and whole milk powder for export. In South America, reduced imports by Brazil, will lead to fellow Mercosur members Argentina and Uruguay looking elsewhere in Latin America and further afield for markets. Indeed, under current conditions, Brazil may itself export some milk powder during its peak production season.

Price outlook

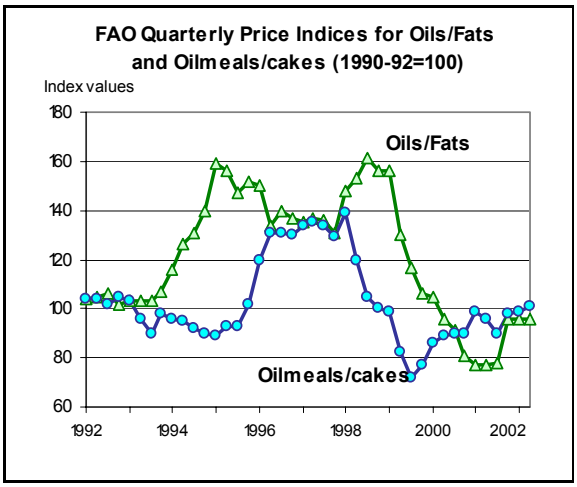
The price outlook for the remainder of 2002 is uncertain. It would appear that international prices have bottomed out, at historically low levels.

Prices could rise during the second half of the year, depending on the availability of supplies and import demand being sustained. Should a rise in price occur, the largest increase is expected for milk powders – in part as a counterbalance to the sharp fall in the price of these commodities since the second half of 2001. Cheese prices could also increase. Given low levels of international demand, the price of butter could remain depressed during the remainder of 2002.

Oilseeds, Oils and Oilmeals[1/]

Prices for oils/fats recovering further in 2001/02

Given the projected tight demand and supply balance for oils/fats during the current season (October/September 2001/02), international prices for oils/fats are expected to show a marked improvement over the previous two seasons. The strengthening of prices in fact started towards the end of last season as the growth in demand outpaced that in supply, leading to a drawdown in stocks. However, prices experienced some declines at the beginning of 2002 due to seasonal harvesting pressure from South America and uncertainties surrounding the new Chinese import regulations on genetically modified organisms (GMOs) that temporarily interrupted the flow of imports. Nonetheless, the level of prices, as reflected by the FAO price index for oils and fats, is still higher than during the same period in 2001. In April 2002, the index averaged 96 points compared to 77 points in April 2001. In the oilmeals sector, it is unlikely that the gradual recovery in prices that started towards the end of last season will be sustained through 2001/02 although current prices, as represented by FAO's price index for oilmeals, are still higher than those of the same period in 2001.



Factors responsible for the expected price developments in the **oils and fats** sector in 2001/02 include: i) lower carry-in stocks compared to recent years, ii) the likelihood that production of high oil-yielding oilseeds could decline for the second consecutive year and iii) reduced supplies of palm oil, which implies an increase in demand and prices of the soft oils[2/]. As the availability of two of the three major soft oils is forecast to be limited, there will be increased dependence on soybean oil during the season and developments in its supply will, undoubtedly, have a strong influence on prices.

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

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

International Prices of Oilseed-Based Products

	FAO indices of international market prices		Average international market prices			
	Edible/soap fats and oils	Oilcakes and meals	Soybean [a/]	Soybean oil [b/]	Palm oil [c/]	Soybean meal [d/]
October/September	(. . . 1990-92=100 . . .)		(. . . . . US$/tonne . . . . . .)			
1995/96	140	128	303	574	544	257
1996/97	134	133	298	536	545	278
1997/98	154	116	256	634	641	197
1998/99	125	82	209	483	514	149
1999/00 - Oct.-March	98	87	206	374	356	176
- April-Sept.	84	90	213	337	318	184
2000/01 - Oct.- March	76	98	206	314	254	198
- April-Sept	86	94	197	356	289	178
2001/02 - Oct.- March	95	100	188	378	323	175
- April	96	101	197	369	348	167

Source: FAO, Oil World
a/ Soybean, US, cif Rotterdam. b/ Soybean oil, Dutch, fob ex-mill. c/ Palm oil, crude, cif N.W. Europe. d/ Soy pellets, 44/45%, Argentina, cif Rotterdam.

The situation in the **oilcakes and meals** sector is expected to be different. During the course of the season, prices of oilcakes and meals are projected to be affected by the abundance of supplies vis-à-vis demand. The anticipated growth in the availability of soybean meal - a direct result of the above mentioned dependence on soybean for oil - is expected to more than offset reduced supplies of some of the other major oilmeals and exceed the projected expansion in global demand.

World oilseeds production to increase aided by gains in soybeans

The 2001/02 global output of the seven major oilseeds is projected to expand by over 3 percent from 2000/01, to about 326 million tonnes. For the second consecutive year, an increase in soybean production is expected to more than offset the anticipated declines for most other major oilseeds, especially rapeseed and sunflower seed. This is largely due to the record harvest in the United States and the anticipated all-time high output in Argentina and Brazil. The three countries together account for about 80 percent of the global soybean production.

As has been the case since the mid-1990s, farmers in the United States took advantage of the high soybean marketing loan rate, relative to competing crops, and further expanded soybean area, reaching an all-time high. Aided by an improvement in yields, soybean output in the United States is estimated to have increased by about 5 percent from the previous season. Harvesting of the current season's crop is in progress in South America. The area seeded to soybeans in Brazil is estimated to have expanded, encouraged by favourable market signals at planting time. In addition, seasonal credit facilities from the government for the current season tended to be more favourable for soybeans than for competing crops. Although yields might not match the previous season's record, they are expected to be above the average of the last five years and good enough for an all-time high output. Similarly, in Argentina soybean area increased due to higher soybean prices, relative to maize. Assuming a three-year average yield, production would reach a record high. A good soybean harvest is also expected in Paraguay where the area is larger than in the previous season.

World Production of Major Oilseeds

	1999/00	2000/01	2001/02 forecast
	(. . . . million tonnes . . . .)		
Soybeans	160.8	175.6	183.9
Cottonseed	33.6	33.8	36.3
Groundnuts	30.8	32.6	35.4
Sunflowerseed	26.7	23.2	21.5
Rapeseed	42.7	37.6	36.5
Palm kernels	6.4	6.7	6.8
Copra	5.4	5.7	5.3
Total	**306.4**	**315.2**	**325.7**

Source: FAO

Regarding other major oilseeds, the combined output of sunflower seed and rape seed is forecast to decline for the second consecutive season. This is largely the result of a combination of factors including low relative prices and unfavourable growing conditions in some of the major producing countries.

Production growth of oils/fats is forecast to slow down significantly but that of oilmeals/cakes will likely increase

The global output of **oils and fats** is forecast to grow by only 1 percent in 2001/02, the smallest growth since the 1997/98 season. Similar to the previous season, soybean oil is projected to account for the bulk of the expected overall production growth since the output of some of the other major oils is anticipated to fall. Unlike recent seasons, palm oil production, the largest produced and consumed oil globally, is expected to show little or no growth during 2001/02. This is due to a combination of factors. The seasonal biological yield cycle of the palm trees is due for a downward trend after three years of above-average output. Also, palm oil prices have been on a declining trend since 1998 that has led to reduced care of the plantations, by some farmers, through reduced use of fertilizers and herbicides. In addition, drought in some areas, attributed to the early stages of a possible El Niño event, is affecting productivity. However, the projected fall in the output of selected oils and fats will be more than offset by an anticipated gain in soybean oil production, which is forecast to expand by about 5 percent owing to record crops in the major producing countries. Against that background, and for the first time since the 1997/98 season, the share of tropical oils[1/] in the overall global output of oils and fats is expected to decline. Due to the anticipated decline in output growth and smaller carry-in stocks, supplies of oils/fats during the current season are expected to be tight.

The expected heavy reliance on soybeans for oil is forecast to result in ample supplies of soybean meal given that soybeans are not high oil-yielding seeds. In spite of the forecast decline in the production of most of the other meals for the second consecutive year, especially sunflowerseed, rapeseed and fish meals, total **oilcakes and meals** output (expressed in protein equivalent) is expected to increase. This is based on the expectation that gains in soybean meal output would more than offset the anticipated decline in the production of the other meals. Overall supplies of oilcakes and meals will likely rise, despite a small reduction in carry-in stocks, compared to the previous season.

The growth in global use of oils/fats could be constrained by availability while that of oilcakes/meals could register a sizeable expansion

The upward trend in world consumption of **oils and fats** is forecast to continue in 2001/02 but the growth rate could slow down in comparison to recent seasons, mainly reflecting effects of the expected decline in overall supplies. Also, the demand for vegetable oils for use in the bio-diesel sector has not materialized as originally anticipated in many countries. In some other countries, the programmes that had been introduced to encourage increased use of vegetable oils for bio-diesel have been suspended due to reduced supplies. Soybean oil will account for most of the projected increase in oils/fats intake.

On the other hand, the growth in global use of **oilcakes and meals**, expressed in protein equivalent, is forecast to post a reasonable increase. In continuation with the trends of the previous season, the ban on the use of MBM, now in effect in a number of countries, implies additional demand for oilcakes and meals. A recovery in livestock production, mostly of pork and beef, in the EC is envisaged to lead to more demand for oilcakes and meals. Use of protein meals is also projected to rise in central and eastern European countries where livestock production is expanding. Other countries where the growing livestock sectors are forecast to lead to higher consumption of oilcakes and meals include Thailand and Mexico. In Japan, traditionally a big user of oilmeals, the level of intake will depend on the impact of BSE-related scares on meat consumption. The use of oilmeals in China, on the other hand, will depend, to a certain extent, on how much soybeans and soybean meal they import within the context of their new import regulations on GMOs. With regard to the individual oilmeals, soybean meal is forecast to again account for most of the anticipated expansion in consumption since the use of some of the other major meals – rapeseed, sunflower and fish meals - will continue to be limited by their reduced availability.

Oilseeds and products: Global supplies, trade and utilization

	1999/ 2000	2000/01 estimate	2001/02 forecast
	(……million tonnes……..)		
Seven major oilseeds [1/]			
Production	306	315	326
Oils and fats [2/]			
Production	116	118	119
Supply [3/]	132	136	136
Utilisation [4/]	114	118	121
Trade	52	55	56
Oilmeals and cakes [5/]			
Production	78	81	84
Supply [3/]	88	91	95
Utilisation [4/]	78	81	84
Trade	41	44	46

Source: FAO

Note: Refer to footnote 1/ in the text for further explanations regarding definitions and coverage.

1/ Includes soybean, rapeseed, sunflowerseed, groundnut (unshelled), cottonseed, copra and palm kernel. The split years bring together Northern Hemisphere annual crops harvested in the latter part of the first year shown and Southern Hemisphere annual crops harvested in the early part of the second year shown. For tree crops, which are produced throughout the year, calendar year production for the second year shown is used. 2/ Includes oils and fats of vegetable and animal origin. 3/ Production plus opening stocks. 4/ Residual of the balance. 5/ All meal figures are expressed in protein equivalent. Meals include all meals and cakes derived from oilcrops as well as fish meal.

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

The 2001/02 end-of-season stocks of oils/fats are forecast to fall while those of oilmeals could register a small increase

Despite a record soybean oil output projected for the current season, a reduction in the global end-of-season **oils and fats** stocks is forecast since global utilization is anticipated to exceed production. This is largely due to the expected lower output, vis-à-vis consumption, of three of the four major oils. Rapeseed and sunflower oils inventories are forecast to decrease for the second consecutive season. In addition, and unlike the trend of recent seasons, palm oil stocks are projected to decline by the end of the season owing to an increase in consumption growth yet with a considerable slow down in production growth. This would lead to a decline in the stocks-to-use ratio and add upward pressure to oils/fats prices this season. With regard to **oilcakes and meals**, the anticipated increased use of soybeans for oil will, undoubtedly, lead to higher supplies of soybean meal and more than make up for the projected reduced availability of the other major meals. The growth rate in total oilcakes and meals production is expected to outweigh that of utilization during the season and lead to an increase in the end-of-season oilcakes and meals stocks.

International trade of oils/fats and oilmeals could increase slightly

International trade of **oils and fats** (including the oil contained in oilseeds traded) in 2001/02 is forecast to expand, but the extent could be moderated by certain factors. First, the anticipated limited availability could result in price increases and an accompanying curtailing of demand. This is attributed to the expectation that the supply of all but one of the major traded oils will likely be limited owing to a decline in their production growth and smaller carry-in stocks. Secondly, China introduced new import regulations for GMOs that require the provision, by exporters, of certificates attesting to the safety of the GMO commodity in question. However, a delay in providing approval to such certificates has, thus far, negatively impacted the flow of oilseeds and products into the country. Purchases by the other major importing countries are expected to increase. In the EC, a combination of favourable soybean crush margins and very low available oil stocks is projected to lead to record imports. Low oil stock levels are also expected to encourage higher imports by India, despite the high import duties on palm oil currently in place. However, the country is still considering the possibility of restricting imports of GMO-soybean oil which, if enacted, could negatively impact on its import volumes and patterns. Import shipments by other countries such as Pakistan, the Russian Federation, North Africa and Near Eastern countries are also forecast to be higher due to rising demand, reduced domestic production and limited crush capacity.

On the export side, the devaluation of the Argentinean peso at the beginning of the year should have led to expectations of higher exports from that country. However, the increase in export taxes on oilseeds and products to 23.5 percent and 20 percent, respectively, and implementation of monetary control measures in March and April could dampen such expectations. On the other hand, record soybean crops in Brazil and the United States should lead to increased export shipments from those countries. With regard to palm oil, its share of global international trade has been rising in recent seasons and demand remains very strong in the current season. Shipments from Malaysia and Indonesia, the two leading exporters of palm oil, are expected to expand modestly mainly due to a decline in production growth and lower stocks. Limited availability of some of the other major oils, such as sunflower and rapeseed, is anticipated to curb their exports for the second consecutive season. Overall, soybean oil is projected to account for a larger share of total trade this season than in recent years due to its increased availability and reduced supplies of most of the other oils.

Global trade in **oilcakes and meals** (including the meal contained in oilseeds traded) is forecast to expand but export availabilities, especially of soybean meal, are expected to grow faster than import demand. In the EC (the largest importer of oilcakes and meals), a recovery in livestock output is underway as worries related to animal diseases are dissipating. Increased meat output will necessitate higher use of protein meals, considering that the ban on the use of meat and bone meal is still in place. Central and eastern European countries are also projected to increase their utilization due to higher demand in the region. In Asia, increased import purchases by Thailand and Indonesia are anticipated to cater for the expanding livestock sectors. On the other hand, intake by Japan could contract during the season as BSE-related scares are contributing to a decline in meet consumption and, eventually, production. The three major exporting countries – the United States, Argentina and Brazil - are expected to raise their export shipments due to ample availabilities. India is also forecast to increase its export volume of oilmeals taking advantage of the demand for non-genetically modified feed ingredients. With regard to individual meals, increased dependence on soybean meal is expected due to the short-supply of the other major oilmeals. Exports of fishmeal are also expected to be limited by their reduced availability since supplies from Chile and Peru, the two major exporters, are forecast to be lower.

The outlook for the 2002/03 global oilseeds production suggests a possible decline

Preparations for the 2002/03 (October/September) season are underway in the northern hemisphere countries but countries in the southern hemisphere are just starting to harvest the current season's crop. While it is still too early to gauge the likely outcome of the 2002/03 world oilseeds output, the information currently available from some of the major producing countries in the northern hemisphere suggests that soybean production, the share of which in the total global oilseeds output is about 50 percent, could either stagnate or decline slightly. The area allocated to soybeans in the United States, the largest soybean producer in the world, is likely to fall by at least 1 percent due to crop rotation requirements and the prevailing

weather conditions in the major producing states that would allow for an accelerated pace of grain planting at the expense of soybeans. The other factor that is worth mentioning is the currently debated US Farm Bill which, if enacted before planting is concluded, could influence the distribution of area to the competing crops. In China, the soybean area could stay at the previous season's level but a slight expansion in output could still be registered with favourable weather conditions. In the Russian Federation and some countries in central and eastern Europe, a recovery in sunflower seed production could be achieved assuming favourable growing conditions. In Canada, the rapeseed area could expand by about 5 percent due to favourable relative prices and lower input costs. The area to be planted to oilseeds in the southern hemisphere countries will largely be determined by the prevailing market conditions at the time of planting.

Pulses

World production to rebound in 2002

FAO's first forecast of world pulse **production** in 2002 is set at 56 million tonnes, nearly 7 percent above last year's reduced level. Most of the anticipated expansion would be confined to relatively few large producing countries, especially in Asia. In India, the world's largest producer, the Government's latest forecast put this year's total production at close to 13 million tonnes, up 2 million tonnes from the 2001 drought-reduced level, mostly reflecting improved production prospects for chickpeas and peas. In China, bean output is forecast to rise given the increase in planted area. Improved weather in the Islamic Republic of Iran, Syria and Turkey is expected to boost their production, which consists mainly of chickpeas and lentils. By contrast, water shortages are expected to constrain this season's harvest in Pakistan. In Latin America and the Caribbean, Brazil is expected to record a 500 000-tonne increase in its production of dry beans, the country's sole major pulse crop, as an expansion in planting should more than offset a slight drop in yields. Dry bean output is also forecast to increase in Mexico, reflecting a rise in both plantings and yields, as a result of improved moisture conditions, while chickpea production is anticipated to drop as farmers are moving more land to beans and maize. In Africa, a notable drop of 30 percent in dry bean production is currently anticipated in South Africa following a reported switch from dry beans to maize and oilseeds. Dry weather has dampened production prospects in Algeria, Morocco and Tanzania, while excessive precipitation may have damaged the crop in Rwanda. In Burundi, seed shortages have been reported to have constrained plantings.

In North America, Canada is expected to gather a crop of about 4.1 million tonnes, some 18 percent more than in 2001, driven mostly by gains in yields. Based on the latest seeding intentions survey, except for dry beans, seeded area to dry peas, chickpeas and lentils is expected to decrease. In the United States, favourable prices have stimulated farmers to increase plantings of pulse crops, which should boost production. In Australia, total production is forecast at around 2.4 million tonnes, unchanged from last year, since increases in lupins and chickpeas are likely to offset reductions in dry peas, lentils and broad beans. Similarly, in the EC, total pulse production, mostly dry peas, is expected to remain close to last year's level as an expected drop in area could be offset by a recovery in yields, especially in France, Spain and the United Kingdom.

World Pulse Production

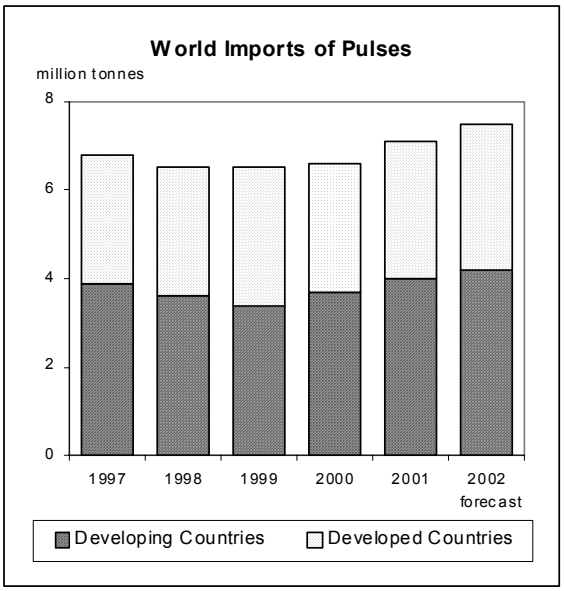
	2000	2001	2002 forecast
	(. . . million tonnes . . . .)		
Africa	8.0	8.4	8.1
Asia	25.6	23.4	25.4
Europe	7.3	7.7	7.8
Latin America & Caribbean	5.9	5.4	5.9
North America	6.0	4.8	5.8
Oceania	1.9	2.7	2.8
World	**54.6**	**52.4**	**55.8**
Developed countries	39.1	36.9	39.1
Developing countries	15.5	15.5	16.7

Source: FAO

Trade to increase slightly in 2002

Global **trade** in pulses in 2002 is forecast at some 7 million tonnes, up slightly from 2001. South Asia is likely to maintain its status as the world's largest importing region of pulses for food consumption. In Pakistan, problems with domestic production are expected to give rise to larger imports. India could also import more pulses, despite the anticipated recovery in domestic production, as rising disposable incomes are stimulating consumption. India's foreign purchases of yellow peas, which in the previous season rose in response to high domestic prices of chickpeas, are likely to decrease this year following improved domestic supply prospects of chickpeas. China's dry pea imports are expected to expand in 2002 following the Government's recent decision to lower its value added tax on feed peas from 17 percent to 13 percent, the same as the rate charged on other feed products. Imports by countries in the Near East and North Africa are likely to increase in 2002, to cover the expected production shortfalls and also to meet growing domestic demand. Pulse food aid shipments to Afghanistan are expected to increase this year. Purchases by Egypt, however, may fall, based on the slow pace of imports so far this year. In eastern and

central Africa, the emergencies and difficult food situations facing a number of countries are expected to give rise to larger pulse imports this season mainly in the form of food aid. Dry bean imports by South Africa are forecast to rise in 2002, mostly to compensate for the expected fall in domestic output. In Latin America and the Caribbean, dry bean imports by Brazil and Mexico are also forecast to drop, based on better domestic crop prospects, while those by Cuba and Venezuela may increase. In Europe, dry pea and lupin imports by the EC will likely grow this year, mostly in response to the continuous ban on the use of meat and bone meal in animal feeding and also larger availabilities in world markets.



On the export side, Canada is forecast to boost its exports in 2002 to about 3 million tonnes, up 15 percent from 2001, thus strengthening its position as the world export leader of pulses. Exports by the United States are anticipated to recover in 2002, supported by large concessional sales and food aid shipments. Exports from Australia are also forecast to expand, with increased shipments of chickpeas and lupins more than offsetting reduced broad bean sales. Shipments by China, Myanmar and Turkey are likely to grow further. By contrast, the expected contraction in Mexico's chickpea crop should result in lower deliveries. Argentina's exports, mainly in the form of alubia and black beans, could fall, in view of reduced import demand by Brazil, its main export market.

Prices likely to decline

Overall **price** prospects for pulses for the remaining half of 2002 point to some weakness, given expectations of large supplies in several exporting countries. Dry bean prices, so far supported by a strong import demand and tight global supplies, are likely to come under downward pressure if the large planting intentions in Canada and the United States materialize. Dry pea prices are also forecast to decline, reflecting production increases, especially in Canada, as well as weaker demand for food grade peas. In chickpea markets, larger crops in Australia and Canada, along with some increases also in the Islamic Republic of Iran, Turkey and Syria, may result in depressed prices. Likewise, ample stocks in Canada and the United States as well as prospects for improved supplies in Turkey and Syria could put lentil prices under pressure.

Sugar

FAO forecasts world sugar production to reach 138.5 million tonnes in 2002/03, based on current crop conditions and assuming normal weather for the remainder of the seasons. The increase is largely attributable to a record output forecast for Brazil, increased production in the EC and a recovery in several other major producing countries. This 4.4 million tonnes increase in global output signals another season of excess supply and potentially weaker prices. The supply outlook in Brazil continues to influence prices in the global market. A declining price trend emerged early in 2002, amidst reports of a large crop and increased export availabilities in that country. Furthermore, because of its highly competitive and robust nature, a sustained period of low world prices would have a lesser impact on the Brazilian sugar industry, which is also believed to have the lowest production costs in the world.

World sugar **prices** increased in late November 2001 as the market reacted to reports of hurricane damage to the sugarcane crop in Cuba and reduced beet sugar recovery in the EC. However, reports of increased production in the world's two largest exporters, Brazil and the EC, drove prices downward in early 2002. The International Sugar Agreement (ISA) daily prices declined over the first 3 months of 2002, averaging US cents 7.79 per lb in January, 6.55 per lb in February and 6.70 per lb in March, respectively. The ISA daily price averaged US cents 8.64 per lb in 2001.

FAO forecasts world sugar **consumption** to reach 136.2 million tonnes in calendar year 2003, an annual growth rate of 2.6 percent driven by strong economic growth. Consumption is expected to grow fastest in the Far East, reaching a forecast growth rate of 3.5 percent in 2003 against a backdrop of annual GDP growth exceeding 5 percent and a population growth rate of around 1.5 percent for the region. Consumption in developing countries is forecast to grow by 3.2 percent overall. Among developed countries the growth rate is estimated at 1.5 percent, slightly higher than in recent years, attributable to the stronger than anticipated consumption growth in the CIS, particularly in the Russian Federation where the food processing industry continued to expand strongly.

World Production and Consumption of Sugar

	Production			Consumption		
	2000/2001	2001/2002	2002/2003[1/]	2001	2002	2003[1/]
	(. . million tonnes, raw value . .)					
WORLD	**130.4**	**134.1**	**138.5**	**130.7**	**132.7**	**136.2**
Developing countries	**88.5**	**94.2**	**96.8**	**84.7**	**86.2**	**89.0**
Latin America & Caribbean	37.7	43.0	45.0	23.8	24.2	25.0
Africa	4.7	4.9	5.0	7.0	7.2	7.4
Near East	5.8	5.4	5.4	10.3	10.5	10.7
Far East	39.8	40.5	41.0	43.5	44.2	45.8
Oceania	0.4	0.4	0.4	0.1	0.1	0.1
Developed countries	**41.9**	**39.9**	**41.7**	**46.1**	**46.6**	**47.2**
Europe	22.2	20.0	21.5	19.8	19.9	20.1
of which: EC	(18.2)	(16.2)	(17.5)	(14.6)	(14.7)	(14.7)
North America	7.9	7.4	7.4	10.6	10.7	10.8
CIS	3.9	4.2	4.4	10.1	10.2	10.5
Oceania	4.4	4.8	4.8	1.2	1.3	1.3
Others	3.6	3.6	3.6	4.3	4.4	4.4

Source: FAO 1/ Tentative forecast.

As mentioned above, world sugar **production** is forecast to reach 138.5 million tonnes in 2002/03, which would be 4.4 million tonnes up from 2001/02. Amongst the major producing countries, Australia, Brazil, the EC, Thailand and South Africa are forecast to have larger outputs. Cane production in Australia may increase by up to 15 percent over levels attained in 2001/02, if favourable weather continues. Production in developing countries is currently forecast to increase by nearly 3 percent in 2002/03, with lower than anticipated production only expected in Mauritius and Fiji.

Favourable weather and growing conditions for most of 2001/02 continue to highlight the potential for a record harvest in Brazil in 2002/03, with expectations of increased export availabilities and downward pressure on international sugar prices. FAO estimates that sugar output in that country is expected to increase by slightly more than 2 million tonnes, to nearly 23 million tonnes in 2002/03. Sugar production in Brazil has more than doubled over the past decade, when sugar output in 1992/93 was slightly more than 11 million tonnes.

The expectation of further production increases in Brazil over the near to medium term have highlighted the ongoing debate as to the amount of cane allocated to the production of alcohol (ethanol) versus sugar. Brazil announced an increase in the ethanol fuel blend from 22 to 24 percent in early 2002, in part to increase domestic ethanol stocks and direct more cane away from sugar exports. Furthermore, given the potential for continued world surplus sugar production, there is significant interest on the part of numerous important sugar producing countries, such as the Dominican Republic, India, Mexico, Mauritius, Thailand and the United States, in the expansion, enhancement and/or start-up of a domestic ethanol industry.

One of the more significant developments in the world market in support of expanding demand in the near term is the expectation that the Russian Federation, the world's largest sugar importer, will announce an increase in the 2003 sugar import quota from 3.65 to 4 million tonnes, with the increased quota put to tender in September 2002. The growth in domestic consumption remains strong in the Russian Federation, with an estimated increase of almost 4.5 percent between 2001 and 2002, due to the continued development of the food processing industry in the country.

China, another important producing and consuming nation, could provide some support to an oversupplied world market in 2002/03. Low world prices may induce China to purchase sugar in the international market, particularly as domestic sugar reserves are depleted following the release of stocks to lower internal prices. Despite low stocks, trade reports indicate that China is unlikely to fulfil the announced 1.764 million tonne tariff rate quota for 2002 as the short term price differential between domestic and international sugar prices was not large enough to attract imports.

A reduced crop in Cuba, lower beet sugar recovery rates in the EC and steady consumption growth rates contributed to higher price levels in 2001/02. Although the expansion in consumption in the Far East and the Russian Federation, as well as stock-building by China may contribute to firmer prices, the forecast supply/demand balance for 2002/03 would suggest otherwise.

Fertilizers

Urea prices weakened somewhat in April. Prices in eastern Europe were about 2 percent down from a year earlier, while in the Near East they were down by about 6 percent. This trend was world wide as demand is insufficient to support prices. The EC is tendering for 10 million Euro for the Democratic Republic of Korea. Viet Nam is purchasing substantive quantities. China has announced its import quota for 2002: 1.3 million tonnes, but with a restriction of 600 000 tonnes for the first half the year, effectively closing the market until the next season. There is strong competition between the Arab Gulf and North African producers regarding Vietnamese and Sudanese markets. Venezuela is scheduled to return to full capacity urea production soon. Seasonal demand from Mexico and Peru is strong and Ecuador is entering the market. Part of this demand will be met from the Baltic Sea and part from the Latin American region itself. Libya has scheduled shipments to Italy and Turkey. Upcoming business in India will reportedly play a key role in the May pricing.

Ammonia prices have increased between 7 and 36 percent over the past two months. Freight costs are also increasing as bunker fuel prices increase. The Black Sea availability is tight and prices continue to firm. Jordan and South Africa tendered for large quantities. Increased demand is expected from South East Asia. In the United States prices have increased considerably due to an increase in gas prices, domestic production shut down and competition with the Black Sea.

Prices for **ammonium sulphate** were stable during March and April for eastern Europe and the US Gulf, but declined slightly in western Europe. They were between 15 percent to 22 percent lower than a year ago, except for the US Gulf where they remained stable. Demand for ammonium sulphate is 7 500 tonnes from Turkey.

Diammonium phosphate (DAP) prices remained stable over the past few months, except for the US Gulf, where prices are decreasing and domestic demand appear insufficient to underpin export prices. However, actual prices are 1 percent to 7 percent lower than during the same period last year. China's import quota for 2002 is around 5.7 million tonnes of which 85 percent has been allocated to state trading organizations. India is importing 75 000 tonnes from Jordan. Pakistan has issued various tenders for large quantities. Viet Nam is purchasing large quantities from among others China, Tunisia and Indonesia. The market in Europe is slowing down as the season is coming to an end. CIS producers are supplying Europe and Turkey. Ethiopia is entering the market for 75 000 tonnes, while Kenya is understood to import 50 000 tonnes. Some Latin American countries are slowly entering the market, while Mexico is directing DAP to domestic demand and exporting to Australia and New Zealand.

Prices of **triple superphosphate** (TSP) remained stable in the first quarter of 2002. For North Africa prices are about 2 percent below those a year ago, while they are 4 percent above those for the US Gulf. Various countries in Latin America are importing TSP. Morocco is offering TSP into Europe.

Average spot prices of **muriate of potash** (MOP) remained unchanged in March/April. Prices were about 2 to 7 percent down from a year ago in western Europe and Vancouver, and remained at the same level in eastern Europe. As of 1 May producers intend to implement a price increase of about US$6 per tonne. China is purchasing around 250 000 tonnes since the beginning of this year. Most South East Asian countries have entered the market and consequently prices will remain stable. India is reportedly importing around 190 000 from Canada, Germany and Jordan. In the United States the spring season started slowly and the proposed price increase as per 15 April has not yet been implemented, as demand is poor. CIS producers are supplying Mozambique and the United States, while western Europe and the Philippines are importing from Jordan. Demand for potash in Brazil is slow, but in other Latin American countries demand has increased.

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

	March 2002	April 2002	April 2001	Change from last year 1/
	(. . . . . US$/tonne . . . . .)			(. percentage .)
Urea				
eastern Europe	89-90	83-85	85-87	-2.3
Near East	103-105	98-100	104-107	-6.2
Ammonium Sulphate				
eastern Europe	44-47	46-47	53-56	-14.7
U.S. Gulf	60-65	60-65	60-65	0.0
western Europe	60-64	55-58	70-75	-22.1
Diammonium Phosphate				
Jordan	160-166	161-165	168-170	-3.6
North Africa	148-156	148-155	159-167	-7.1
U.S. Gulf	154-157	150-153	151-154	-0.7
Triple Superphosphate				
North Africa	121-126	121-125	121-130	-2.0
U.S. Gulf	135-136	131-133	123-130	4.3
Muriate of Potash				
eastern Europe	92-106	92-107	91-108	-0.0
Vancouver	112-130	111-128	113-130	-1.6
western Europe	107-126	105-115	115-122	-7.2

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

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

	Wheat			Coarse Grains		
	2000	2001 estim.	2002 f'cast.	2000	2001 estim.	2002 f'cast.
	(. . . . . million tonnes . . . . .)					
ASIA	**251.0**	**239.4**	**247.0**	**195.5**	**205.8**	**212.0**
Bangladesh	1.7	1.9	1.8	0.1	0.1	0.1
China 1/	99.6	93.4	92.4	118.4	128.0	130.1
India	76.4	68.8	73.5	31.6	30.9	33.0
Indonesia	-	-	-	9.7	9.1	11.1
Iran, Islamic Rep. of	8.0	7.5	8.5	2.3	2.3	2.9
Japan	0.7	0.7	0.7	0.2	0.2	0.2
Kazakhstan	9.1	12.9	13.5	2.1	2.8	2.8
Korea, D. P. R.	0.1	0.1	0.1	1.1	1.6	1.4
Korea, Rep. of	-	-	-	0.3	0.5	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	21.1	19.0	19.2	2.2	2.1	2.1
Philippines	-	-	-	4.5	4.5	4.5
Saudi Arabia	1.8	1.8	1.8	0.3	0.3	0.3
Thailand	-	-	-	4.9	4.6	4.2
Turkey	18.0	16.0	18.0	10.0	9.4	10.1
Viet Nam	-	-	-	1.9	2.0	1.8
AFRICA	**14.5**	**17.9**	**15.0**	**80.1**	**81.1**	**78.6**
North Africa	**9.7**	**12.9**	**10.1**	**8.5**	**9.8**	**8.9**
Egypt	6.6	6.3	6.2	7.4	7.4	7.2
Morocco	1.4	3.3	1.7	0.6	1.4	1.0
Sub-Saharan Africa	**4.8**	**5.0**	**4.8**	**71.6**	**71.3**	**69.7**
Western Africa	**0.1**	**0.1**	**0.1**	**31.3**	**33.6**	**32.8**
Nigeria	-	-	-	19.3	19.7	20.1
Central Africa	**-**	**-**	**-**	**2.5**	**2.5**	**2.5**
Eastern Africa	**1.9**	**2.1**	**1.9**	**18.1**	**20.7**	**18.8**
Ethiopia	1.5	1.4	1.3	7.8	7.4	7.0
Sudan	0.3	0.3	0.3	3.2	4.4	3.6
Southern Africa	**2.7**	**2.9**	**2.8**	**19.6**	**14.5**	**15.5**
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.4	2.5	2.5	11.1	7.8	9.3
Zimbabwe	0.3	0.3	0.3	2.2	1.6	1.0
CENTRAL AMERICA	**3.4**	**3.3**	**3.2**	**27.9**	**30.0**	**29.8**
Mexico	3.4	3.3	3.2	24.4	26.6	26.3
SOUTH AMERICA	**20.0**	**21.0**	**23.1**	**63.2**	**71.8**	**64.1**
Argentina	16.0	15.3	17.0	21.7	19.5	16.0
Brazil	1.7	3.2	3.7	32.9	43.1	39.4
Colombia	-	-	-	1.5	1.6	1.5
NORTH AMERICA	**87.6**	**74.6**	**79.8**	**299.2**	**285.3**	**296.2**
Canada	26.8	21.3	23.8	24.5	23.0	29.4
United States	60.8	53.3	56.0	274.7	262.3	266.8
EUROPE	**183.5**	**201.1**	**210.6**	**199.7**	**219.7**	**217.6**
Bulgaria	3.2	3.5	3.5	1.9	1.8	2.1
EC 2/	105.1	91.5	105.6	109.7	108.4	106.6
Hungary	3.7	5.2	4.4	6.2	9.9	8.2
Poland	8.5	9.4	9.0	13.8	16.6	16.3
Romania	4.4	7.8	6.7	5.8	8.8	9.8
Russian Fed.	34.4	46.9	48.0	29.3	35.9	36.5
Ukraine	11.0	21.3	18.5	13.8	14.4	14.5
OCEANIA	**22.6**	**24.0**	**24.3**	**11.8**	**12.4**	**11.2**
Australia	22.2	23.8	24.0	11.3	11.8	10.6
WORLD	**582.5**	**581.3**	**602.9**	**877.4**	**906.0**	**909.5**
Developing countries	269.0	256.9	262.9	351.9	375.8	370.6
Developed countries	313.6	324.4	340.0	525.5	530.2	538.9

Source: FAO **Note:** Totals computed from unrounded data.
1/ Including Taiwan Province. **2/** Fifteen member countries.

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

	Rice (paddy)			Total Cereals 1/		
	2000	2001 estim.	2002 f'cast.	2000	2001 estim.	2002 f'cast.
	(. . . . . million tonnes . . . . .)					
ASIA	**544.9**	**539.0**	**533.0**	**991.4**	**984.2**	**992.0**
Bangladesh	37.6	38.1	39.0	39.4	40.1	40.9
China 2/	189.8	178.7	178.3	407.9	400.0	400.8
India	127.3	136.1	133.0	235.3	235.8	239.5
Indonesia	51.9	49.6	48.7	61.6	58.7	59.7
Iran, Islamic Rep. of	2.0	1.9	2.0	12.3	11.6	13.5
Japan	11.9	11.3	11.0	12.8	12.3	11.9
Kazakhstan	0.2	0.2	0.2	11.4	15.9	16.5
Korea, D. P. R.	1.7	2.1	2.1	2.9	3.8	3.6
Korea, Rep. of	7.2	7.5	7.3	7.5	7.9	7.7
Myanmar	21.3	21.3	20.5	21.9	21.9	21.1
Pakistan	7.2	5.7	5.2	30.5	26.8	26.6
Philippines	12.5	13.1	13.0	17.0	17.6	17.5
Saudi Arabia	-	-	-	2.1	2.1	2.1
Thailand	25.6	25.3	24.6	30.5	29.9	28.8
Turkey	0.4	0.3	0.4	28.4	25.8	28.5
Viet Nam	32.5	31.9	32.3	34.4	33.9	34.1
AFRICA	**17.4**	**17.3**	**17.5**	**111.9**	**116.3**	**111.1**
North Africa	**6.0**	**5.3**	**5.6**	**24.3**	**27.9**	**24.7**
Egypt	6.0	5.2	5.6	20.0	18.9	19.0
Morocco	-	-	-	2.0	4.8	2.8
Sub-Saharan Africa	**11.3**	**12.1**	**11.9**	**87.7**	**88.4**	**86.4**
Western Africa	**7.3**	**7.7**	**7.7**	**38.6**	**41.4**	**40.6**
Nigeria	3.3	3.5	3.5	22.7	23.2	23.6
Central Africa	**0.4**	**0.4**	**0.4**	**3.0**	**3.0**	**3.0**
Eastern Africa	**1.0**	**1.1**	**1.0**	**21.1**	**23.8**	**21.8**
Ethiopia	-	-	-	9.3	8.8	8.3
Sudan	-	-	-	3.5	4.7	3.9
Southern Africa	**2.6**	**2.9**	**2.7**	**24.9**	**20.3**	**21.0**
Madagascar	2.3	2.6	2.4	2.5	2.8	2.6
South Africa	-	-	-	13.5	10.3	11.7
Zimbabwe	-	-	-	2.5	1.9	1.2
CENTRAL AMERICA	**2.5**	**2.4**	**2.3**	**33.8**	**35.6**	**35.3**
Mexico	0.4	0.2	0.3	28.2	30.1	29.7
SOUTH AMERICA	**21.0**	**19.8**	**20.4**	**104.2**	**112.6**	**107.5**
Argentina	0.9	0.9	0.7	38.6	35.6	33.7
Brazil	11.4	10.4	11.5	46.0	56.6	54.6
Colombia	2.3	2.1	2.1	3.8	3.7	3.6
NORTH AMERICA	**8.7**	**9.7**	**9.6**	**395.4**	**369.5**	**385.5**
Canada	-	-	-	51.3	44.2	53.2
United States	8.7	9.7	9.6	344.1	325.3	332.3
EUROPE	**3.2**	**3.2**	**3.2**	**386.4**	**423.9**	**431.4**
Bulgaria	-	-	-	5.1	5.3	5.6
EC 3/	2.5	2.6	2.6	217.2	202.5	214.7
Hungary	-	-	-	10.0	15.1	12.6
Poland	-	-	-	22.3	26.0	25.3
Romania	-	-	-	10.2	16.6	16.5
Russian Fed.	0.6	0.5	0.5	64.3	83.3	85.0
Ukraine	0.1	0.1	0.1	24.9	35.8	33.1
OCEANIA	**1.1**	**1.8**	**1.2**	**35.5**	**38.2**	**36.7**
Australia	1.1	1.8	1.2	34.6	37.3	35.8
WORLD	**598.7**	**593.1**	**587.2**	**2 058.7**	**2 080.4**	**2 099.6**
Developing countries	573.4	566.8	561.8	1 194.4	1 199.5	1 195.3
Developed countries	25.3	26.3	25.4	864.3	880.9	904.3

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

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

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**43.7**	**49.4**	**50.1**	**58.5**	**57.7**	**58.0**
Bangladesh	1.0	1.4	1.4	0.1	-	-
China	1.4	2.6	3.1	7.1	7.9	8.1
Taiwan Province	1.0	1.1	1.1	4.8	5.2	5.2
Georgia	0.7	0.5	0.5	-	-	-
India	0.1	-	-	0.2	0.1	0.2
Indonesia	4.0	4.0	4.0	1.4	1.4	0.3
Iran, Islamic Rep. of	6.5	6.8	6.5	2.2	2.1	2.1
Iraq	3.2	3.2	3.2	0.3	0.1	0.1
Israel	1.3	1.5	1.5	1.4	1.3	1.3
Japan	5.7	5.9	5.9	20.4	20.0	20.0
Korea, D. P. R.	0.6	0.6	0.7	0.8	0.4	0.5
Korea, Rep. of	3.1	4.0	4.1	8.9	8.6	9.3
Malaysia	1.2	1.3	1.4	2.6	2.7	2.9
Pakistan	0.2	0.5	0.5	-	0.1	0.1
Philippines	3.0	3.0	3.0	0.4	0.6	0.6
Saudi Arabia	-	-	-	6.4	6.5	6.5
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	0.9	0.9	0.1	0.1	0.1
Syria	0.1	0.1	0.1	1.6	0.8	0.8
Thailand	0.8	0.8	0.9	0.3	0.3	0.6
Yemen	1.8	1.9	2.2	0.2	0.2	0.2
AFRICA	**25.3**	**24.2**	**26.2**	**14.6**	**13.3**	**15.6**
North Africa	**16.1**	**16.7**	**17.8**	**10.4**	**9.8**	**10.4**
Algeria	4.6	4.9	4.9	2.1	2.0	2.2
Egypt	5.7	6.2	6.8	4.9	4.3	4.5
Morocco	3.3	3.0	3.5	1.5	1.6	1.8
Tunisia	1.1	1.2	1.2	1.1	1.1	1.1
Sub-Saharan Africa	**9.2**	**7.5**	**8.4**	**4.2**	**3.5**	**5.2**
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.8	0.3	0.4	0.1	-	0.1
Kenya	0.6	0.5	0.7	1.4	0.4	0.9
Nigeria	1.6	1.7	1.7	0.1	0.1	0.1
Senegal	0.2	0.2	0.3	-	-	-
Sudan	1.3	1.2	1.1	0.1	0.1	0.1
South Africa	0.7	0.3	0.4	0.6	0.6	0.6
CENTRAL AMERICA	**6.6**	**6.4**	**6.8**	**14.5**	**14.2**	**14.4**
Cuba	0.9	1.0	1.0	0.3	0.3	0.3
Dominican Rep.	0.3	0.3	0.3	0.7	0.7	0.7
Mexico	3.2	2.9	3.2	11.2	10.9	10.9
SOUTH AMERICA	**12.5**	**11.6**	**11.8**	**7.8**	**6.2**	**6.7**
Brazil	7.2	6.5	6.5	1.6	0.2	0.4
Chile	0.5	0.3	0.5	1.2	1.2	1.3
Colombia	1.2	1.2	1.2	2.3	2.4	2.4
Peru	1.2	1.3	1.3	0.9	1.1	1.1
Venezuela	1.3	1.3	1.3	1.3	1.1	1.3
NORTH AMERICA	**2.5**	**2.6**	**2.6**	**5.0**	**5.8**	**3.9**
Canada	0.1	0.1	-	2.6	3.1	1.6
United States	2.4	2.6	2.6	2.4	2.6	2.3
EUROPE	**9.4**	**11.3**	**6.9**	**8.5**	**9.0**	**8.3**
Belarus	0.4	0.5	0.6	0.3	0.3	0.3
EC 2/	3.2	8.0	3.5	2.9	3.5	3.0
Poland	0.8	0.3	0.4	1.2	0.7	0.6
Romania	0.5	-	-	0.5	0.7	0.6
Russian Fed.	1.6	0.5	0.4	0.8	1.5	1.6
Ukraine	0.7	0.1	0.1	0.1	0.1	0.1
OCEANIA	**0.5**	**0.5**	**0.5**	**0.1**	**0.1**	**0.1**
New Zealand	0.2	0.2	0.2	0.1	0.1	0.1
WORLD	**100.6**	**106.0**	**105.0**	**109.0**	**106.2**	**107.0**
Developing countries	77.7	80.7	84.5	73.0	69.4	72.7
Developed countries	22.9	25.3	20.4	36.1	36.8	34.3

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

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

2/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**11.2**	**13.4**		**113.4**	**120.5**	
Bangladesh	0.4	0.2		1.5	1.6	
China	0.3	1.1		8.8	11.7	
Taiwan Province	-	0.1		5.9	6.5	
Georgia	-	-		0.7	0.5	
India	0.1	0.1		0.3	0.2	
Indonesia	1.5	3.0		6.9	8.4	
Iran, Islamic Rep. of	1.0	1.2		9.7	10.1	
Iraq	1.2	1.2		4.7	4.5	
Israel	0.1	0.1		2.8	2.8	
Japan	0.7	0.7		26.7	26.6	
Korea, D. P. R.	0.6	0.6		2.0	1.5	
Korea, Rep. of	0.1	0.2		12.1	12.7	
Malaysia	0.6	0.6		4.4	4.6	
Pakistan	-	-		0.2	0.6	
Philippines	0.9	0.6		4.3	4.2	
Saudi Arabia	0.8	0.8		7.3	7.4	
Singapore	0.4	0.4		0.9	0.9	
Sri Lanka	0.1	0.1		1.1	1.2	
Syria	0.2	0.2		1.8	1.1	
Thailand	-	-		1.1	1.1	
Yemen	0.2	0.3		2.2	2.4	
AFRICA	**7.2**	**6.5**		**47.1**	**43.9**	
North Africa	**0.2**	**0.2**		**26.7**	**26.7**	
Algeria	0.1	0.1		6.8	7.0	
Egypt	-	-		10.6	10.5	
Morocco	-	-		4.8	4.6	
Tunisia	-	-		2.3	2.3	
Sub-Saharan Africa	**6.9**	**6.2**		**20.3**	**17.2**	
Côte d'Ivoire	1.1	0.9		1.4	1.2	
Ethiopia	-	-		0.9	0.3	
Kenya	0.1	0.1		2.1	1.1	
Nigeria	1.6	1.2		3.3	3.0	
Senegal	0.6	0.6		0.9	0.8	
Sudan	-	-		1.4	1.3	
South Africa	0.6	0.6		1.8	1.5	
CENTRAL AMERICA	**1.6**	**1.7**		**22.7**	**22.3**	
Cuba	0.5	0.5		1.7	1.7	
Dominican Rep.	-	-		1.0	1.0	
Mexico	0.5	0.5		14.8	14.4	
SOUTH AMERICA	**1.1**	**1.0**		**21.3**	**18.7**	
Brazil	0.7	0.7		9.5	7.4	
Chile	0.1	0.1		1.8	1.5	
Colombia	0.2	0.1		3.7	3.7	
Peru	0.1	0.1		2.2	2.4	
Venezuela	-	-		2.7	2.4	
NORTH AMERICA	**0.7**	**0.7**		**8.2**	**9.0**	
Canada	0.3	0.3		3.0	3.5	
United States	0.4	0.4		5.2	5.6	
EUROPE	**1.6**	**1.7**		**19.5**	**21.9**	
Belarus	-	-		0.7	0.7	
EC 2/	0.7	0.7		6.8	12.2	
Poland	0.1	0.1		2.1	1.1	
Romania	0.1	0.1		1.1	0.8	
Russian Fed.	0.3	0.4		2.7	2.4	
Ukraine	0.1	0.1		0.9	0.2	
OCEANIA	**0.3**	**0.4**		**1.0**	**1.0**	
New Zealand	-	-		0.3	0.3	
WORLD	**23.7**	**25.2**	**24.2** 3/	**233.3**	**237.4**	**236.2**
Developing countries	19.9	21.3	20.5	170.6	171.5	177.7
Developed countries	3.7	3.8	3.7	62.7	65.9	58.4

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

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

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**9.8**	**11.1**	**12.3**	**11.6**	**6.9**	**7.0**
China 2/	0.4	0.8	0.6	9.8	5.0	5.0
India	2.4	3.8	3.5	-	-	-
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.4	0.5	0.4	-	-	-
Kazakhstan	3.7	3.0	4.7	0.4	0.4	0.4
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.3	0.9	0.5	-	-	-
Syria	0.1	0.5	0.5	-	-	-
Thailand	-	-	-	0.3	0.3	0.1
Turkey	1.6	0.4	1.0	0.1	0.2	0.5
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	**0.2**	**0.2**	**0.2**	**2.7**	**1.8**	**1.8**
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.2	0.2	0.1
Nigeria	-	-	-	0.2	0.1	0.1
South Africa	0.1	0.1	0.1	1.6	0.9	1.2
Sudan	-	-	-	-	0.1	-
Uganda	-	-	-	0.1	0.1	0.1
CENTRAL AMERICA	**0.7**	**0.7**	**0.6**	**-**	**0.5**	**0.5**
SOUTH AMERICA	**11.4**	**10.0**	**11.0**	**14.5**	**15.9**	**14.4**
Argentina	11.4	10.0	11.0	12.9	10.3	8.4
Brazil	-	-	-	1.0	5.0	5.4
Paraguay	-	-	-	0.3	0.3	0.3
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	**44.6**	**43.5**	**41.2**	**58.4**	**59.8**	**62.4**
Canada	16.8	16.0	15.2	3.2	2.8	3.4
United States	27.8	27.5	26.0	55.1	57.0	59.0
EUROPE	**17.5**	**23.1**	**22.2**	**14.1**	**16.7**	**16.2**
Bulgaria	0.5	0.7	0.5	0.3	0.3	0.3
Czech Rep.	0.5	0.8	0.8	-	0.2	0.2
EC 3/	14.5	10.5	11.5	10.6	8.0	8.9
Hungary	0.9	1.5	1.5	0.8	2.3	2.0
Romania	0.1	0.9	0.8	0.1	0.4	0.1
Russian Fed.	0.7	2.8	3.7	0.5	1.7	1.7
Ukraine	0.1	5.0	2.8	1.6	3.3	2.5
OCEANIA	**16.5**	**18.0**	**17.5**	**4.3**	**4.6**	**4.6**
Australia	16.5	18.0	17.5	4.3	4.6	4.6
WORLD	**100.7**	**106.7**	**105.0**	**105.6**	**106.2**	**107.0**
Developing countries	17.9	18.4	18.9	26.8	23.8	22.0
Developed countries	82.8	88.3	86.1	78.8	82.4	84.9

Source: FAO

Note: Totals computed from unrounded data.

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

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

	Rice (milled)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**18.1**	**19.7**		**39.5**	**37.7**	
China 2/	2.0	2.0		12.1	7.8	
India	1.5	3.5		3.9	7.3	
Indonesia	-	-		0.2	0.2	
Japan	0.5	0.6		0.9	1.0	
Kazakhstan	-	-		4.0	3.4	
Myanmar	0.6	0.7		0.7	0.8	
Pakistan	2.4	1.5		2.7	2.4	
Syria	-	-		0.1	0.5	
Thailand	7.5	7.5		7.8	7.8	
Turkey	-	-		1.7	0.6	
Viet Nam	3.5	3.8		3.6	4.0	
AFRICA	**0.8**	**0.9**		**3.6**	**2.9**	
Egypt	0.8	0.9		0.8	0.9	
Ethiopia	-	-		0.2	0.2	
Nigeria	-	-		0.2	0.1	
South Africa	-	-		1.7	1.0	
Sudan	-	-		-	0.1	
Uganda	-	-		0.1	0.1	
CENTRAL AMERICA	**-**	**-**		**0.7**	**1.2**	
SOUTH AMERICA	**1.3**	**1.1**		**27.2**	**27.1**	
Argentina	0.3	0.3		24.6	20.6	
Brazil	-	-		1.0	5.0	
Paraguay	-	-		0.3	0.3	
Uruguay	0.6	0.5		0.7	0.6	
NORTH AMERICA	**2.6**	**2.8**		**105.7**	**106.0**	
Canada	-	-		20.0	18.8	
United States	2.6	2.8		85.6	87.3	
EUROPE	**0.2**	**0.2**		**31.8**	**40.0**	
Bulgaria	-	-		0.8	1.0	
Czech Rep.	-	-		0.5	1.0	
EC 3/	0.2	0.2		25.3	18.7	
Hungary	-	-		1.7	3.8	
Romania	-	-		0.2	1.2	
Russian Fed.	-	-		1.3	4.5	
Ukraine	-	-		1.7	8.3	
OCEANIA	**0.7**	**0.6**		**21.5**	**23.2**	
Australia	0.7	0.6		21.5	23.2	
WORLD	**23.7**	**25.2**	**24.2** 4/	**230.0**	**238.1**	**236.2**
Developing countries	19.7	21.1	20.0	64.3	63.3	61.0
Developed countries	4.1	4.1	4.1	165.7	174.8	175.2

Source: FAO

Note: Totals computed from unrounded data.

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

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

	Wheat 1/			Coarse Grains 2/			Rice (milled basis)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)								
	UNITED STATES (June/May)			**UNITED STATES**			**UNITED STATES** (Aug./July)		
Opening stocks	25.9	23.8	19.9	48.9	52.7	44.6	0.9	0.9	
Production	60.8	53.3	56.0	274.7	262.3	266.8	5.9	6.6	
Imports	2.4	2.7	2.4	2.4	2.4	2.3	0.3	0.4	
Total Supply	**89.1**	**79.8**	**78.3**	**326.0**	**317.4**	**313.6**	**7.1**	**7.9**	
Domestic use	36.3	33.4	34.3	216.7	216.6	212.8	3.6	3.8	
Exports	28.9	26.5	27.0	56.6	56.2	59.7	2.7	2.7	
Closing stocks	23.8	19.9	17.0	52.7	44.6	41.1	0.9	1.4	
	CANADA (August/July)			**CANADA**			**THAILAND** (Nov./Oct.) 3/		
Opening stocks	7.7	9.2	6.2	5.8	4.3	2.8	1.7	1.8	
Production	26.8	21.3	23.8	24.5	23.0	29.4	17.0	16.8	
Imports	0.1	0.1	0.0	2.9	2.9	1.2	0.0	0.0	
Total Supply	**34.6**	**30.6**	**30.0**	**33.2**	**30.2**	**33.4**	**18.6**	**18.6**	
Domestic use	8.6	8.3	8.6	25.1	24.6	26.1	9.3	9.4	
Exports	16.7	16.1	15.1	3.8	2.8	3.9	7.5	7.5	
Closing stocks	9.2	6.2	6.3	4.3	2.8	3.5	1.8	1.7	
	ARGENTINA (Dec./Nov.)			**ARGENTINA**			**CHINA** (Jan./Dec.) 3/ 4/		
Opening stocks	0.5	0.4	0.4	0.8	1.2	1.0	112.9	106.6	
Production	16.0	15.3	17.0	21.7	19.5	16.0	130.1	122.5	
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.3	1.1	
Total Supply	**16.4**	**15.7**	**17.4**	**22.6**	**20.6**	**17.0**	**243.3**	**230.2**	
Domestic use	4.8	4.9	5.5	8.4	9.4	8.2	134.7	133.1	
Exports	11.2	10.5	10.7	13.0	10.2	8.4	2.0	2.0	
Closing stocks	0.4	0.4	1.2	1.2	1.0	0.4	106.6	95.1	
	AUSTRALIA (Oct./Sept.)			**AUSTRALIA**			**PAKISTAN** (Nov./Oct.) 3/		
Opening stocks	3.3	3.8	3.9	0.7	1.4	2.4	1.1	0.8	
Production	22.2	23.8	24.0	11.3	11.8	10.6	4.8	3.8	
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Supply	**25.5**	**27.5**	**27.9**	**12.0**	**13.2**	**13.0**	**5.9**	**4.6**	
Domestic use	5.7	6.0	6.0	6.1	6.0	6.1	2.7	2.7	
Exports	16.1	17.6	18.0	4.5	4.7	4.7	2.4	1.5	
Closing stocks	3.8	3.9	3.9	1.4	2.4	2.2	0.8	0.4	
	EC (July/June) 5/			**EC** 5/			**VIET NAM** (Nov./Oct.) 3/		
Opening stocks	12.9	15.0	12.5	17.6	19.9	21.9	3.1	4.0	
Production	105.1	91.5	105.6	109.7	108.4	106.6	21.7	21.3	
Imports	3.2	8.0	3.5	2.9	3.5	3.0	0.0	0.0	
Total Supply	**121.2**	**114.5**	**121.6**	**130.2**	**131.7**	**131.5**	**24.8**	**25.3**	
Domestic use	91.6	91.3	93.4	99.7	101.8	102.3	17.3	17.5	
Exports	14.6	10.7	11.7	10.6	8.0	8.9	3.5	3.8	
Closing stocks	15.0	12.5	16.5	19.9	21.9	20.2	4.0	4.0	
TOTAL ABOVE									
Opening stocks	50.3	52.2	42.9	73.8	79.4	72.8	119.6	114.1	
Production	230.8	205.2	226.4	441.9	425.0	429.3	179.5	170.9	
Imports	5.7	10.8	5.9	8.3	8.8	6.5	0.6	1.6	
Total Supply	**286.8**	**268.2**	**275.2**	**524.0**	**513.2**	**508.5**	**299.7**	**286.6**	
Domestic use	147.0	143.8	147.8	356.1	358.4	355.4	167.5	166.5	
Exports	87.5	81.5	82.5	88.4	82.0	85.7	18.1	17.5	
Closing stocks	52.2	42.9	44.9	79.4	72.8	67.4	114.1	102.5	

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

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

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

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

4/ Including Taiwan province.

5/ Excluding trade between the fifteen EC member countries.

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

	Crop Years ending in:						
	1997	1998	1999	2000	2001	2002 estim.	2003 f'cast
	(. . . . . million tonnes . . . . .)						
TOTAL CEREALS	**614.0**	**654.7**	**676.6**	**671.5**	**622.9**	**566.5**	**514.6**
Wheat	**223.7**	**246.6**	**253.5**	**249.3**	**234.5**	**206.2**	**188.9**
held by:							
- main exporters 2/	36.0	39.3	50.7	50.3	52.2	42.9	44.9
- others	187.7	207.4	202.7	199.0	182.2	163.3	144.0
Coarse Grains	**238.6**	**255.2**	**265.8**	**254.4**	**224.4**	**208.5**	**189.3**
held by:							
- main exporters 2/	46.7	69.3	79.7	73.8	79.4	72.8	67.4
- others	191.9	185.9	186.1	180.5	145.0	135.7	121.9
Rice (milled basis)	**151.7**	**152.9**	**157.4**	**167.9**	**164.1**	**151.8**	**136.4**
held by:							
- main exporters 3/	111.8	115.7	117.2	119.6	114.1	102.5	90.2
excl. China 4/	4.5	4.5	4.1	6.7	7.5	7.5	7.1
- others	39.9	37.2	40.2	48.3	50.0	49.2	46.1
BY REGIONS							
Developed Countries	**121.6**	**169.1**	**171.0**	**161.3**	**162.0**	**158.8**	**163.0**
Australia	3.2	3.8	3.0	4.2	5.2	6.5	
EC	24.4	35.1	36.6	31.0	35.3	34.9	
Canada	14.0	10.4	12.5	13.6	13.6	9.1	
Hungary	2.3	2.8	2.6	2.0	1.3	2.9	
Japan	6.7	6.7	6.0	5.7	5.4	4.9	
Poland	4.2	4.0	4.2	3.7	1.3	1.6	
Romania	1.2	5.0	3.5	3.5	0.6	1.4	
Russian Fed.	6.5	18.0	5.8	4.9	6.5	10.0	
South Africa	2.4	3.7	2.3	1.7	2.9	1.5	
Ukraine	3.6	4.5	2.2	2.2	1.9	4.4	
United States	39.9	58.7	77.8	75.6	77.4	65.9	
Developing Countries	**492.5**	**485.7**	**505.6**	**510.2**	**461.0**	**407.7**	**351.6**
Asia	**453.9**	**449.9**	**467.0**	**472.7**	**427.6**	**373.3**	
China 4/	374.0	366.6	374.7	367.7	319.3	273.3	
India	32.3	37.9	42.3	53.8	60.9	59.8	
Indonesia	6.4	4.7	5.0	5.3	5.1	3.3	
Iran, Islamic Rep. of	3.5	2.0	1.6	2.0	1.3	1.1	
Korea, Rep. of	2.3	2.8	2.8	3.3	3.0	3.3	
Pakistan	6.3	7.3	8.6	7.9	6.8	3.6	
Philippines	2.0	2.0	2.6	2.0	2.4	2.4	
Syria	5.1	4.0	4.2	3.8	3.2	3.6	
Turkey	6.8	7.4	9.4	7.4	5.4	3.7	
Africa	**23.8**	**21.0**	**25.8**	**23.4**	**20.7**	**19.9**	
Algeria	2.8	2.1	2.6	2.0	1.3	1.8	
Egypt	2.9	3.7	4.5	4.0	4.1	3.1	
Ethiopia	1.6	0.9	1.1	1.3	1.7	1.2	
Morocco	3.8	2.5	4.7	3.0	1.4	1.6	
Nigeria	1.9	1.9	1.9	1.6	1.9	2.3	
Tunisia	2.1	1.9	1.9	2.1	2.0	2.1	
Central America	**6.9**	**5.1**	**6.2**	**6.6**	**6.0**	**6.1**	
Mexico	5.7	3.9	5.0	5.0	4.5	4.9	
South America	**7.7**	**9.7**	**6.4**	**7.3**	**6.6**	**8.3**	
Argentina	2.5	2.1	1.7	1.5	1.7	1.5	
Brazil	2.9	4.9	1.5	2.6	1.7	3.8	

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

1/ Stock data are based on an aggregate of carryovers at the end of national crop years and should not be construed as representing world stock levels at a fixed point in time.

2/ The major wheat and coarse grains exporters are Argentina, Australia, Canada, the EC and the United States. See Table A.4 for country details.

3/ The major rice exporters are China (including Taiwan Province), Pakistan, Thailand, the United States and Viet Nam. See Table A.4 for country details.

4/ Including Taiwan Province.

Table A.6 - **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							
1997/98	142	129	135	112	109	111	263
1998/99	120	100	116	95	98	92	203
1999/2000	112	97	112	91	90	89	190
2000/2001	128	101	124	86	84	93	184
2001 – April	130	99	120	87	80	96	168
May	136	102	129	84	81	96	175
June	130	98	127	83	83	93	183
2002 – January	128	121	115	92	89	97	173
February	127	114	110	90	86	94	171
March	126	116	110	90	85	94	178
April I	130	117	114	89	86	93	182
II	124	113	116	88	86	91	180
III	127	114	124	87	87	89	180
IV	125	110	123	87	86	87	183
V	121	107	126	84	84	88	179

Sources: International Grain Council and USDA.

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

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 100%B 1/	Thai broken 2/	U.S. Long grain 3/	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and Meals
					High	Low			
January/December	(. . . . US$/tonne . . .)			(. . . 1982-84=100 . . .)			**Oct./Sept.**	(. . . 1990-92=100 . . .)	
1997	316	214	439	127	129	120	1992/93	103	97
1998	315	215	413	127	128	126	1993/94	127	93
1999	253	192	333	114	115	110	1994/95	153	94
2000	207	143	271	98	101	89	1995/96	140	128
2001	178	136	264	90	91	84	1996/97	135	133
2001 – April	170	122	271	87	90	77	1997/98	155	116
2002 – January	197	145	208	91	90	92	1998/99	127	82
February	200	147	203	91	91	91	1999/00 - Oct.-Mar.	100	87
March	195	149	202	90	90	89	- Apr.-Sep.	86	90
2002 – April I	195	148	203	)			2000/01 - Oct.-Mar.	77	98
II	194	149	198	)			- Apr.-Sep.	87	94
III	197	151	198	) 90	90	91	2001/02 - Oct.-Mar.	96	100
IV	201	149	198	)			- Apr.	96	101

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

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

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

Table A.8 - **WHEAT AND MAIZE FUTURES PRICES**

		May		July		September		December	
		this year	last year	this year	last year	this year	last year	this year	last year
		(. . . . . US$/tonne . . . . .)							
WHEAT									
March	26	106	98	106	102	108	106	112	111
April	2	104	95	106	99	108	103	112	109
	9	99	96	102	100	104	103	108	109
	16	101	99	104	103	106	107	110	113
	23	97	97	100	101	103	105	107	111
	30	94	97	97	101	100	105	104	111
MAIZE									
March	26	81	83	83	86	86	89	89	92
April	2	80	82	83	85	85	88	88	91
	9	79	83	82	86	84	89	88	92
	16	78	83	80	87	83	90	86	93
	23	78	77	81	80	83	84	86	86
	30	76	77	79	80	82	84	85	86

Source: Chicago Board of Trade

Table A.9 - **OCEAN FREIGHT RATES FOR WHEAT**

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
	(. . . . . US$/tonne. . . . .)					
July/June						
1996/97	11.00	18.85	12.77	20.00	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	27.00	29.17
1999/2000	12.60	40.97	13.65	18.50	27.00	32.83
2000/2001	13.08	40.97	15.00	18.31	27.00	36.31
2001 - April	11.50	40.97	15.50	16.25	27.00	36.50
May	12.00	40.97	14.75	18.50	27.00	36.50
June	12.00	40.97	15.00	18.50	27.00	35.75
July	12.00	40.97	15.00	18.50	27.00	35.75
August	12.00	40.97	15.00	18.50	27.00	35.75
2002 - January	10.35	40.97	15.00	18.50	27.00	33.00
February	9.25	40.97	15.00	18.50	27.00	33.00
March	10.50	40.97	15.00	18.50	27.00	33.00
April	10.50	40.97	15.00	18.50	27.00	33.00

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.10 - **UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2001**

	1999	2000	2001	Change 2001 over 2000
	(. . . . . million tons . . . . .)			(. . . percentage . . .)
Wheat	62.6	60.8	53.3	-12.3
of which: winter	46.2	42.6	37.1	-13.1
Coarse grains	263.6	274.7	262.3	-4.5
of which: maize	239.5	253.2	241.5	-4.6
Rice (paddy)	9.3	8.7	9.7	11.6
Soybeans	72.2	75.1	78.7	4.8

Source: USDA: March 2002.

Table A.11- **CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2002**

	2000	2001	2002	Change 2002 over 2001
	(. . . . . thousand tonnes . . . . .)			(. . percentage . . .)
Wheat	26 804	21 283	23 820	11.9
Oats	3 389	2 769	4 070	47.0
Barley	13 468	11 355	14 710	29.5
Rye	260	194	225	16.0
Maize	6 827	8 171	9 710	18.8
Mixed Grains	382	371	430	15.9
Linseed	693	702	836	19.1
Rapeseed	7 126	5 062	5 801	14.6

Source: Statistics Canada, March 2002.

Table A.12 - **AUSTRALIA: CEREAL PRODUCTION FOR 2002**

	2000	2001	2002	Change 2002 over 2001
	(. . . . . thousand tonnes . . . . .)			(. . percentage . .)
Wheat	22 190	23 760	23 970	0.9
Oats	1 131	1 222	1 216	-0.5
Barley	6 819	7 459	6 477	-13.2
Sorghum	2 116	2 107	1 825	-13.4
Maize	406	355	441	24.2
Triticale	764	601	572	-4.8
Rice (paddy)	1 098	1 760	1 200	-31.8

Source: Australian Bureau of Agricultural and Resources Economics, March 2002.

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

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	02.05.02	5.7	6.8	9.9	11.4
Coffee (I.C.O. daily price)	US cents per lb	07.05.02	47.6	49.4	51.8	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	07.05.02	69.6	71.9	48.2	56.0
Tea (total tea, Mombasa)	US$ per kg.	29.04.02	1.43	1.56	1.44	1.5
Bananas (Central America, f.o.b., Hamburg)	€ per tonne	03.05.02	1 029[1/] 879[2/]	1 163[1/] 935[2/]	989[1/] 767[2/]	566
Rubber (RSS 1, spot London)	Pence per kg.	26.04.02	51.3	52.8	48.0	54.5
Cotton (COTLOOK, index “A” 1-3/32")	US cents per lb	26.04.02	40.5	42.3	51.1	78.5
Wool (64's, London)	Pence per kg	26.04.02	485	476	369	466

Source: FAO
1/ EC 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 82 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 1999). 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 21 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.

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Cereal Utilization – extended report			●		
Cereal Import Bills		●			●
Food Aid					●
Ocean Freight Rates		●		●	
Cassava				●	
Fertilizers	●	●	●	●	●
Meat and Meat Products	●	●		●	
Milk and Milk Products		●			●
Oilseeds, Oils and Oilmeals		●			●
Pulses		●		●	
Sugar		●			●
Fish	●				
Special Features[3/]					

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. 3/ Each report may include topical notes as considered appropriate.

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