global information and early warning system on food and agriculture

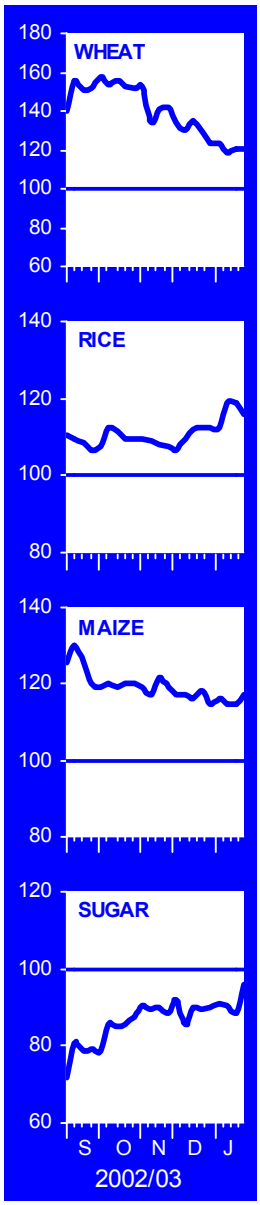
food outlook

No. 1 **February 2003**

highlights

EXPORT PRICES

(July 2001=100)



Global cereal output in 2002 is estimated at 1 838 million tonnes, slightly up from the forecast in December, but still 3.3 percent down from the previous year. However, given the expected expansion in cereal utilization in 2002/03, world cereal stocks for crop years ending in 2003 could plunge to their lowest level since the early 1970s.

Prospects for 2003 cereal production are mixed. Early indications for the 2003 wheat crops point to a likely increase in global output. The first 2003 coarse grain crops are already planted, and the paddy season is well advanced in many southern hemisphere countries.

Moderate El Niño persists, adding uncertainty to the outcome of the 2003 cereal harvests.

Based on the latest indications, 36 countries in the world are experiencing severe food shortages and require international food assistance.

The forecast for world cereal trade in 2002/03 has been raised to 240 million tonnes, but still remains 3 million tonnes below the previous year's level. The bulk of the decline is on account of smaller wheat trade, while that of coarse grains is forecast to increase marginally. For rice, early indication for trade in 2003 points to a small decline from the high level in 2002.

International prices for most cereals have weakened further since November, as non-traditional exporters continued to shift more of their domestic surpluses onto the world market.

Total world fish production in 2001 is estimated at 129.3 million tonnes, slightly below the previous year's level. Total world trade in fish and fishery products (in export value) is estimated to remain virtually unchanged in 2001, after a strong expansion in the previous year.

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	598.0	592.1	586.3	586.4	568.4	-3.1
Coarse grains	915.1	888.8	874.8	915.1	880.5	-3.8
Rice, milled	389.5	409.2	400.8	399.7	389.0	-2.7
(paddy)	(581.3)	(611.2)	(599.4)	(597.9)	(582.0)	-2.7
All cereals (incl. milled rice)	**1 902.6**	**1 890.1**	**1 861.8**	**1 901.2**	**1 837.9**	**-3.3**
Developing countries	1 043.3	1 040.6	1 007.8	1 024.6	1 004.5	-2.0
Developed countries	859.3	849.5	854.0	876.6	833.3	-4.9
WORLD TRADE 2/						
Wheat	100.9	110.5	100.5	108.6	105.2	-3.1
Coarse grains	94.6	102.0	107.7	106.7	107.8	1.0
Rice (milled)	24.7	23.0	24.1	27.4	26.8	-2.1
All cereals	**220.2**	**235.6**	**232.3**	**242.7**	**239.8**	**-1.2**
of which: Food aid shipments 3/	11.3	11.2	9.4	10.0		
WORLD UTILIZATION						
Wheat	591.6	595.7	600.1	608.6	618.9	1.7
Coarse grains	900.1	899.1	910.8	926.0	923.1	-0.3
Rice (milled)	387.5	400.4	405.9	412.0	413.7	0.4
All cereals	**1 879.1**	**1 895.2**	**1 916.8**	**1 946.6**	**1 955.7**	**0.5**
Developing countries	1 132.7	1 157.5	1 165.7	1 180.8	1 186.1	0.4
Developed countries	746.5	737.7	751.1	765.8	769.6	0.5
Per Caput Food Use	(. . . kg/year . . .)					
Developing countries	166.3	166.8	166.3	166.4	165.6	-0.5
Developed countries	132.9	132.7	133.4	133.2	133.0	-0.2
WORLD STOCKS 4/	(. . . million tonnes . . .)					
Wheat	259.5	253.9	240.4	217.9	169.8	-22.0
Coarse grains	266.6	259.3	225.9	210.7	172.5	-18.1
Rice (milled)	157.4	168.0	163.1	148.2	123.6	-16.6
All cereals	**683.5**	**681.3**	**629.3**	**576.7**	**465.9**	**-19.2**
Developing countries	512.4	516.6	469.1	414.5	342.2	-17.4
Developed countries	171.1	164.7	160.2	162.3	123.7	-23.8
EXPORT PRICES 5/	(. . . US$/tonne . . .)					
Rice (Thai, 100%, 2nd grade) 1/	315	253	207	177	197	11.3
Wheat (U.S. No.2 HRW)	120	112	128	127	171 6/	35.2 7/
Maize (U.S. No.2 Yellow)	95	91	86	90	108 6/	19.1 7/
OCEAN FREIGHT RATES 5/						
From U.S. Gulf to Egypt	9.3	13.7	15.0	15.0	15.0 6/	0.0 7/
LOW-INCOME FOOD-DEFICIT COUNTRIES 8/	(. . . million tonnes . . .)					
Roots & tubers production 1/	424	437	448	442	446	1.0
Cereal production (milled rice) 1/	813	817	776	781	772	-1.1
Per caput production (kg.) 9/	220	217	204	203	198	-2.3
Cereal imports	74.0	75.5	73.1	77.8	77.8	0.0
of which: Food aid	8.5	7.6	8.3	8.5		
Proportion of cereal import covered by food aid	(. . . percentage . . .)					
	11.5	10.1	11.4	10.9		

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

1/ Data refer to the calendar year of the first year shown. **2/** For wheat and coarse grains, trade refers to exports based on the July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown. **3/** July/June shipments. **4/** Stock data are based on an aggregate of individual country carryovers at the end of national crop years and, therefore, do not represent world stock levels at any point in time. **5/** July/June. **6/** Average of quotations for July 2002-January 2003. **7/** Change from the corresponding period of the previous year, for which figures are not shown. **8/** Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US$1 445 in 2000). **9/** Including milled rice.

Cereals

Supply/Demand Roundup

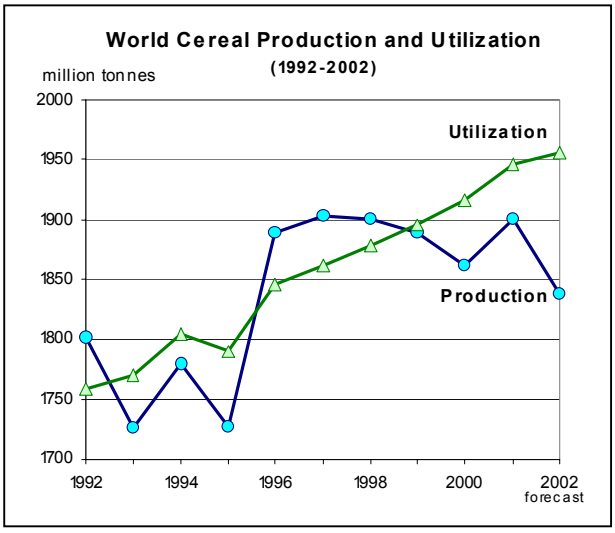
GLOBAL OUTLOOK[1/]

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

● stable ▲ up ▼ down: These signs refer only to the direction of change from the previous season.

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

After a small upward revision, world cereal output in 2002 is now estimated at 1 838 million tonnes (including rice in milled equivalent), which is 63 million tonnes less than the previous year's harvest. However, with total cereal utilization in 2002/03 rising, world cereal stocks for crop years ending in 2003 are expected to plunge to their lowest level since the early 1970s. Tighter supplies have led to generally higher prices for most cereals during the current season, although a weakening trend has predominated in recent months, mostly as a result of the coming onto the market of several non-traditional exporting countries with ample excess supplies.



Mixed prospects for 2003 production

Early indications for the 2003 **wheat** crops point to a likely increase in global output following larger plantings in several areas and the expectation of a return to normal yields in some major producing countries, where severe drought reduced production last year. In the northern hemisphere, winter wheat plantings in the United States have expanded to the highest level since 1998. In Canada, where the crop has still to be planted this spring, a sharp recovery from last year's exceptionally drought-reduced output is expected. In Asia, the outlook for the winter wheat crops is mixed: weather conditions are satisfactory in the northern and eastern countries of the region but plantings are reported to be down again in China, the largest producer. In the Indian sub-continent, drier than normal weather could reduce this year's yields. In Europe, the winter wheat area has changed little in the EU, but conditions for crops are generally good and at this stage, there is potential for yields to improve. In several countries in central and eastern Europe, adverse weather last autumn may well have led to an overall reduction in the area sown but conditions over the winter have been generally favourable. In the CIS countries in Europe, the area planted to winter cereals is estimated to have increased slightly, but late planting and harsh winter conditions may result in above-average winter kill and lower yields.

The first 2003 **coarse grain** crops are already planted in some of the major producing countries in the southern hemisphere. In southern Africa, prospects remain uncertain. Recent rainfall has helped to compensate for earlier dryness in several parts of the subregion, particularly in South Africa, but conditions still remain too dry in many important producing areas and below average rains could persist until March on the basis of recent El Niño monitoring. In South America, smaller plantings are expected in the two main producing countries – Argentina and Brazil. Although weather conditions have been generally favourable, farmers in Argentina are faced with financial constraints linked to the uncertain economic environment there, while in Brazil, a preference towards high value exportable crops has diverted area away from the main maize crop.

The 2003 paddy season is well advanced in the southern hemisphere **rice** producing areas, with the harvest due to commence from March/April. The outcome is still very uncertain in many parts, depending on the weather pattern in the next three

months, which is expected to be largely influenced by the current El Niño event.

Moderate El Niño will persist in early 2003[1/]

Latest reports from the major climate monitoring systems (IRI, the International Research Institute for Climate Prediction, BOM, the Australian Bureau of Meteorology, and NOAA/CPC, the US Climate Prediction Center), confirm a virtually 100 percent probability of El Niño conditions persisting in early 2003. However, it is most likely that this will remain a moderate El Niño, with a significantly weaker impact than in 1997-98.

Among the regions commonly affected by El Niño, drier-than-average conditions are expected to persist over most of Indonesia, Micronesia, northern/northeastern Australia and southeastern Africa during January-March 2003, and over Northeast Brazil and northern South America during January-April 2003, while wetter-than-average conditions are forecast over coastal sections of Ecuador and northern Peru during February-April 2003.

World Cereal Production, Supplies, Trade and Stocks

	2000/01	2001/02 estimate	2002/03 forecast
	(. . . . . million tonnes . . . . . .)		
Production 1/	**1 862**	**1 901**	**1 838**
Wheat	586	586	568
Coarse grains	875	915	881
Rice (milled)	401	400	389
Supply 2/	**2 543**	**2 531**	**2 415**
Utilization	**1 917**	**1 947**	**1 956**
Trade 3/	**232**	**243**	**240**
Ending Stocks 4/	**629**	**577**	**466**

Source: FAO

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

Cereal production down 3 percent in 2002

Global cereal output in 2002 is estimated at 1 838 million tonnes, up slightly since the previous report, but still 3.3 percent down from the previous year. The forecast for world wheat production in 2002 stands at 568 million tonnes, some 3 percent down from the previous year's level, largely on account of reduced plantings and drought in three of the world's major wheat exporters, namely Australia, Canada and the United States. For coarse grains, the provisional estimate of output in 2002 is 881 million tonnes, which would be almost 4 percent down from 2001. Drought in the afore-mentioned countries is again the principal cause of the reduction. FAO's latest estimate of global paddy production in 2002 has been lowered by 2 million tonnes since the last report to 582 million tonnes (389 million tonnes in milled equivalent). This is 16 million tonnes less than in 2001 and the lowest level since 1998. The year-on-year reduction, which was mainly concentrated in Asia, is mostly a result of adverse weather conditions, although persisting low international prices also contributed to the shortfall, especially in exporting countries.

Utilization to grow in 2002/03 but remains below trend

World cereal utilization by the close of the marketing seasons in 2003 is forecast at 1 956 million tonnes, up 9 million tonnes, or about 0.5 percent, from the previous season but still 6 million tonnes below the 10-year trend. The latest forecast is also 10 million tonnes more than was anticipated earlier, reflecting upward adjustments to feed use in the EU and in the United States. Nevertheless, at the current forecast levels, world feed utilization of cereals would still be down slightly from the previous season, at about 707 million tonnes. The decline is mostly on account of a smaller feed use of maize in the United States, given the expected reductions in pig and cattle inventories. By contrast, world cereal use for direct human consumption is forecast to rise to 978 million tonnes, driven by a modest increase in the developing countries as a group, to 803 million tonnes. However, on average, per caput food use could still decline somewhat.

Stock drawdown will be largest in past two decades

The forecast for global cereal stocks by the close of the seasons ending in 2003 remains at 466 million tonnes, 111 million tonnes below their opening level. This would represent the most pronounced year-on-year variation in two decades, which would bring global inventories down to the lowest level since the early 1970s. Along with deliberate attempts to downsize inventories in important cereal producing countries such as China and India, the global stock drawdown was also required to offset the contraction in production in a number of major exporting countries affected by drought.

1/ For regular updates on El Niño, visit "Environment: Geoinformation, monitoring and assessment," on the FAO World Wide Web site at the following URL address: ***http://www.fao.org/sd/***

Forecast for trade in 2002/03 raised by strong EU purchases

The forecast for world trade in cereals in 2002/03 has been raised by almost 4 million tonnes since the previous report to 240 million tonnes, mostly due to larger wheat purchases by the EU. Nevertheless, at this level, global trade would still be 3 million tonnes below the previous year's record volume. The bulk of the decline is expected to arise from smaller wheat trade, now forecast at 105 million tonnes. Trade in coarse grains is now set to increase marginally in 2002/03 to 108 million tonnes, with most of the gain stemming from a rise in maize shipments. The forecast for rice trade in 2003 is, as yet, very tentative but early information points to a modest decline from the high 2002 level, to just below 27 million tonnes.

Cereal prices remain under pressure

International **wheat** prices have continued to weaken since October 2002, in spite of sharply reduced exportable supplies in Australia and Canada as well as a tighter situation in the United States. The depressed prices reflect the abundance of cheaper supplies from alternative sources, which has greatly reduced the competitiveness of the US-origin wheat even among traditional US export markets, such as Egypt. In January, the U.S. wheat No.2 (HRW, fob) averaged US$153 per tonne, down US$27 per tonne from November, although still up by US$25 per tonne from the corresponding month last year. International **maize** prices also weakened considerably. The market has come under downward pressure from ample supplies of competitively priced low-quality wheat, as a substitute for maize, large maize sales by China and continued exports from Brazil. In January, the U.S. maize No.2 (Yellow, fob) averaged US$106 per tonne, down US$3 per tonne since November, but US$14 per tonne above the corresponding month in 2002. International **rice** prices have also remained under downward pressure over the past two months, with the FAO Total Price Index (1998-2000=100) averaging 72 in January, 1 point below November. However, although the Total Price Index has moved little since May 2002, there continues to be significant divergence in the trends in prices of different origins and qualities.

Current Production and Crop Prospects

Position by Region

- **Asia**

Far East: Aggregate **cereal** production in the region decreased in 2002, entirely as a result of a sharp reduction in the paddy crop, which more than offset increased output of **wheat** and **coarse grains**. FAO's latest forecast puts the region's aggregate wheat crop at 250.7 million tonnes, about 2 percent up from 2001, while output of coarse grains also rose by 2 percent to 214.4 million tonnes. By contrast, and largely the result of erratic monsoon rains, the region's **paddy** output fell by almost 16 million tonnes. The bulk of the decline was accounted for by the world's two major producing countries, i.e. China and India.

The outlook for the winter grain crops, planted in September to December, to be harvested later this year, is mixed. With above average or average rainfall during recent months in the northern and eastern countries of the region the outlook there is generally favourable, while in the Indian sub-continent, prospects are less favourable due to drier than normal weather.

In China, **wheat** production declined in 2002 for the third year in succession, to 89.3 million tonnes (5 percent below 2001 and 17 percent below the average of the past 5 years). The decline mostly results from a further reduction in the area dedicated to wheat production. The declining trend in wheat plantings over the past few years is reported to have continued again this year, with a further reduction estimated in the winter wheat area for harvest this summer. As a result, the preliminary production forecast points to a reduction of some 3 percent in the country's aggregate wheat output in 2003. In India, below normal rainfall in late 2002 and early 2003 in many parts, and particularly the drought in Rajasthan in the north-west and Orissa in the east, have adversely effected the sowing and growth of the Rabi winter wheat. The harvest is due to start from March and output is tentatively forecast to be around 70 million tonnes, significantly below the 73.5 million tonnes crop harvested in 2002. A similar weather pattern with below normal rainfall during late 2002 was observed in Pakistan. Consequently a decline in wheat production from last year's above average 19.2 million tonnes is expected in 2003.

The latest estimate of China's 2002 **coarse grain** crop (mostly maize) stands at some 135 million tonnes, slightly less than forecast in the previous report but still 10 million tonnes up from the previous year and above the average of the past five years. In India, reflecting the failure of the monsoon in key coarse grain producing states, the national output of maize and other coarse grains is estimated at 28.4 million tonnes, 18 percent below that of the previous year. The remaining countries of the region gathered coarse grain harvests similar to or higher than those of 2001.

SEVERE FOOD SHORTAGES PERSIST IN MOST REGIONS OF THE WORLD [1/]

At the start of 2003, some 36 countries in the world are experiencing severe food shortages and require international food assistance.

In **eastern Africa**, substantial crop and livestock losses, mainly due to drought, have caused serious food supply difficulties. The food situation is particularly serious in Eritrea and Ethiopia where large imports, mostly as food aid, are urgently required. In Eritrea, a severe food crisis due to a prolonged drought is affecting more than a third of the population. In addition, humanitarian assistance is needed for a large number of people displaced by the border war with Ethiopia in 1998-2000 and returnees from Sudan. In Ethiopia, grain production in 2002 declined by about 25 percent due to drought. Large numbers of livestock have died and rates of malnutrition, particularly among children, have increased dramatically. The Government has appealed to the international community for food assistance amounting to 1.44 million tonnes for more 11 million people. In Sudan, cereal production in 2002 declined by about 30 percent compared to the previous year. This has exacerbated the food difficulties faced by vulnerable groups, particularly the populations internally displaced by the long-running conflict. An estimated 3.5 million people require food assistance. In Kenya, despite improved rains in the previously drought-affected areas, food insecurity persists in northern districts. In Uganda, the escalation of the conflict in the north has displaced large numbers of people, while drought in parts has aggravated the food situation. Nearly 1.5 million people are currently being assisted by WFP. By contrast, the overall food supply situation has improved in Somalia and Tanzania due to good harvests, but localized food difficulties persist. In **southern Africa,** the food crisis is worsening as countries have just entered the critical hunger period of January-March. With prospects for the next main harvest unfavourable in several growing areas, it is likely that the crisis will extend well into 2003. About 14.4 million people in six countries of the subregion currently need emergency food aid. In Zimbabwe, where almost half of the population need food assistance, acute food shortages continue to be reported in rural and urban areas. Serious food shortages are also being experienced in Zambia, where distributions of food aid to 2.9 million targeted people fall well below requirements. The food supply situation is also tight for 2.3 million people in Malawi, as well as in Lesotho, Swaziland and parts of Mozambique. In Angola, the number of people requiring assistance after many years of civil conflict is estimated at 1.9 million. In Madagascar, thousands of people were recently displaced by floods, while food aid is being provided to 394 000 people affected by the recent political crisis and a poor 2002 harvest. In **western Africa**, Mauritania faces an acute food shortage but international assistance has been slow in coming. Serious food shortages are also being experienced in Liberia, Guinea, Cape Verde, Côte d'Ivoire and Sierra Leone, mainly related to civil conflicts. In **central Africa**, civil strifes in the Democratic Republic of Congo, the Republic of Congo, Central African Republic and Burundi, continue to displace large populations which need food assistance.

In **Asia**, a recent FAO/WFP Mission to DPR Korea in October found that the food deficit remains in excess of one million tonnes (or about 20 percent of its total consumption needs) despite increased food production in 2002. However, very little international food aid has been received to date. As a result, WFP has announced that it would be removing over 3 million vulnerable people from its food distribution list. In Mongolia, extreme winter weather following drought during the summer, has affected the livelihoods of some 665 000 people, with 2.3 to 2.5 million of their animals expected to die before the next spring. The International Federation of Red Cross and Red Crescent Societies has appealed for $2.85 million to assist 115 000 most affected people for 10 months. In **Asian CIS**, targeted food assistance is being provided to vulnerable populations in Georgia and Tajikistan due to recent droughts. In the **Near East**, despite significantly improved cereal harvest in 2002, a large part of the population in Afghanistan needs food assistance due to lack of purchasing power and unexpectedly high number of returnees to the country.

In **Central America and the Caribbean**, many rural families need food assistance in El Salvador, Guatemala, Honduras and Nicaragua as a consequence of the drastic fall in incomes related to the crisis in the coffee sector. Food assistance is being provided by the international community, in collaboration with local authorities. In **Europe**, emergency food assistance continues to be necessary for refugees, the internally displaced and vulnerable populations in the Federal Republic of Yugoslavia and in Chechnya in the Russian Federation.

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

The majority of the **paddy** growing states in India have now completed the harvest of the main Kharif (winter) crop. According to the official November forecast, the crop was expected to be about 16 percent smaller than in the previous year, owing to erratic monsoon rains. Since then, the brisk pace of Government procurement compared to last year and abundant supplies arriving onto the market place have raised some doubts over the extent of the shortfall. At the same time, expectations that the Kharif losses could be recovered through an expansion of the secondary irrigated (summer) Rabi crop have evaporated, since official sources have reported delays of over one month in the opening of the Rabi season as reservoir levels in some major growing areas were critically low. FAO now forecasts the country's aggregate 2002 output at 120 million tonnes (80 million tonnes milled equivalent), 17 million tonnes below the previous season and 5 million tonnes less than previously anticipated. This would be the lowest output since the 1995 drought-afflicted season. Basmati rice production, of particular relevance to the high quality export markets, was particularly affected, with its decline estimated at 30 percent.

In Cambodia, paddy production from the 2002 season is officially forecast to drop by 18 percent to a six-year low of 3.4 million tonnes, reflecting disruptive weather patterns earlier in the season that sharply depressed both plantings and yields.

The 2002 season is about to be concluded in China (mainland) and sources in the country confirm that paddy output could fall to a fourteen-year low of 175.7 million tonnes, 2 million tonnes less than in 2001. The decline has coincided with changes in the cropping pattern, which has seen a 4 percent expansion in the main, "intermediate" paddy crop this year, while the early and late crops contracted by a combined 9 percent. These movements were largely policy-induced, as pressure on farmers to grow rice has softened in several provinces, with the complete removal of protective prices on early rice and in some provinces, also on late rice. The 2002 rice output in the Chinese Province of Taiwan is expected to remain close to the previous year's low level. Water shortages were recently reported, which might prompt a contraction of the main crop, now at the planting stage.

In Japan, the first estimate of the country's 2002 paddy production by the Ministry of Agriculture was set at 11.1 million tonnes, around 200 000 tonnes lower than in the previous season. The moderate contraction is partly explained by unfavourable weather, but also by the Government's "gentan" policy, which aims to curtail production through area cuts in response to faltering domestic demand. With regard to the 2003 season, the Government has targeted 1.06 million hectares, or 40 percent of the country's paddy capacity, for set-aside, 50 000 hectares more than in 2002.

In the Republic of Korea, the official estimate for the 2002 crop has been revised downward slightly. The revised figure of 6.7 million tonnes, which is only slightly lower than the earlier FAO estimate, would imply an 11 percent contraction from the previous year and be the lowest output since 1995, owing to adverse weather and policy measures designed to cut the country's stock surplus.

The 2002 paddy season is soon to be concluded in Myanmar. On account of an increase in the official estimate for the 2001 crop, FAO has also marginally raised its paddy forecast for 2002, to 21.9 million tonnes, to keep it at about the same level as last season. However, this would be less than the 23 million tonnes targeted by the Government, as excessive rainfall during the peak harvest period has likely caused some losses.

The 2002 paddy harvest in Pakistan was completed in November. A return to a regular pattern of monsoon rainfall supported larger plantings and yields, resulting in an estimated 14 percent recovery in paddy production from the drought-hit level of 2001. The current estimate of 6.6 million tonnes, however, would still be short of the record crop gathered in 1999.

Harvesting of the main paddy crop in the Philippines is expected to end by January. There is anticipation that aggregate paddy production in 2002 may reach a record level of 13.2 million tonnes, up by 1 percent from the 2001 bumper output. The foreseen production growth is reported to have been fostered by the application of better inputs and an expansion of irrigated fields, despite below-normal rainfall in the latter months of 2002. However, as the dry spell is expected to linger in the first half of the 2003, the final production outcome could be less favourable than currently anticipated.

In Thailand, the harvest of the main paddy crop is progressing satisfactorily. Output this season is expected to be about 25.8 million tonnes, 700 000 tonnes below the record produced in 2001, but still one of the highest levels ever for the country. Cultivation of Thailand's minor crop, which normally accounts for 12 percent of total production, began in January and planting is expected to be concluded by May. The Government has targeted to purchase almost 9 million tonnes of paddy under its 2002/03 paddy procurement programme. Such a scheme is likely to boost this crop, especially as intervention prices have been set at 35 percent above farmers' average production costs.

Official sources in Viet Nam have raised their 2002 paddy production estimate by 500 000 tonnes, to a record 34.1 million tonnes, in spite of serious flooding earlier in the season in the Mekong Delta (the principal growing region). The favourable outcome reflects high domestic prices, which contributed to an estimated 4 percent expansion in total rice area and a moderate rise of yields. Nonetheless, the Government, in its drive to shift away from low quality rice production, has recently announced further removals of marginal lands from paddy cultivation, which will take effect in the new season.

World Cereal Production

	Wheat		Coarse grains		Rice (paddy)		Total	
	2001	2002 estim.	2001	2002 estim.	2001	2002 estim.	2001	2002 estim.
	(. . . . . million tonnes . . . . .)							
Asia	245.2	250.7	209.8	214.2	543.5	528.0	998.5	992.9
Africa	17.8	16.0	82.5	78.7	17.4	18.1	117.7	112.7
Central America	3.3	3.3	30.7	29.3	2.3	2.3	36.2	34.9
South America	21.2	18.7	71.3	64.8	20.0	19.5	112.6	103.0
North America	73.8	59.7	285.1	264.9	9.8	9.6	368.7	334.2
Europe	200.7	209.7	223.5	221.1	3.2	3.3	427.3	434.1
Oceania	24.3	10.3	12.3	7.5	1.8	1.3	38.4	19.1
WORLD	**586.4**	**568.4**	**915.1**	**880.5**	**597.9 (400)1/**	**582.0 (389)1/**	**2 099.4 (1 901)2/**	**2 031.0 (1 838)2/**
Developing countries	262.3	261.3	381.2	372.3	571.5	556.3	1 215.0	1 190.0
Developed countries	324.1	307.1	533.9	508.2	26.4	25.7	884.4	841.0

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

Among the countries situated in the southern hemisphere and along the equatorial belt, Indonesia already concluded its 2002 paddy season. Based on a more recent assessment of the outcome, the Central Bureau of Statistics has raised its estimate of the 2002 paddy production by 800 000 tonnes to 51.6 million tonnes, which would be 1.1 million tonnes more than in the previous season and close to the 2002 record. A moderate expansion in cultivated area and a marked improvement in yields led to the increase. Meanwhile, planting of the first of the 2003 paddy crops is well underway in several parts of the archipelago. Under Indonesia's concerted efforts to attain self-sufficiency, the Government has set a paddy target of 53 million tonnes for the new season.

The estimate of Sri Lanka's 2002 paddy output has been revised upward by 6 percent, which would match the record crops of 1999 and 2000. However, excessive precipitation in the northern and eastern parts of the country has caused some disruption to the early maturation stage of the main (Maha) crop, which might compromise the 2003 season.

Near East: Early indications for the 2003 **wheat** output in Afghanistan point to a likely reduction after a strong recovery in production last year, by 68 percent, to 2.7 million tonnes. Inadequate precipitation is reported in the south and eastern parts of the country. In the Islamic Republic of Iran, growing conditions for the recently planted wheat and barley crops for harvest in mid-2003 are favourable after the early onset of rains and snowfall in most parts of the country, and another good harvest is in prospect. Output in 2002 rose to 12 million tonnes, sharply up from the previous year's drought-reduced crop. In Syria and Jordan, recent good rains have improved prospects for the 2003 cereal crop to be harvested in April/May. In Turkey, heavy rains and snow received in the last month are expected to be beneficial for the wheat crop, to be harvested from June.

The 2002 **paddy** season is about to be concluded in the Near East. The aggregate paddy output for these countries for the 2002 season is now forecast to have increased by about 23 percent, to a record 9.6 million tonnes. This significant upturn reflects a sharp improvement in irrigated water supplies compared with the previous year and generally favourable growing conditions in several major rice producing countries. Leading the recovery, the Islamic Republic of Iran's paddy output is projected to reach 2.7 million tonnes, up 500 000 tonnes from 2001. Large to moderate production growth is also forecast by FAO in Afghanistan, Iraq and Turkey.

CIS in Asia: The CIS countries in Asia produced some 24.1 million tonnes of **wheat** in 2002 compared with 21.9 million tonnes in 2001. Kazakhstan (the largest producer in the region) produced some 12.6 million tonnes followed by Uzbekistan 4.9 million tonnes, Turkmenistan 2.2 million tonnes, Azerbaijan 1.9 million tonnes and the Kyrghyz Republic 1.3 million tonnes. Wheat is the most important staple in the region and the area planted to wheat has significantly increased in the region in the past few years. A similar or even larger output is foreseen for 2003, assuming that the satisfactory levels of precipitation so far this season continue until harvest. The region produced some 4.8 million tonnes of **coarse grains** in 2002, which is slightly below the 2001 harvest. This total includes some 2.8 million tonnes of barley and 1.4 million tonnes of maize. In Uzbekistan, the **paddy** harvest is now officially estimated at around 140 000 tonnes, double the level of 2001 but almost 60 000 tonnes below the Government target, since the increase in water availability failed to trigger a sharp expansion of plantings. Output in Turkmenistan also increased sharply.

- **Africa**

Northern Africa: The subregion's aggregate production of **wheat** in 2002 is estimated at about 11.7 million tonnes, almost 10 percent down from 2001, but close to the average of the past 5 years. Production increased by some 6 percent in Egypt where the crop is largely irrigated, reflecting an expansion in plantings of almost 5 percent compared to 2001 and higher than normal yields. A small increase in production is reported for Morocco. In Algeria and Tunisia, by contrast, delayed rains and dry conditions during the growing season resulted in sharply reduced outputs. Production of **coarse grains** in 2002 for the subregion as a whole was slightly above average. This is principally due to the satisfactory production levels of maize in Egypt and barley in Morocco which helped offset the low outputs of barley in Algeria and Tunisia.

Planting of the 2003 winter wheat and coarse grain crops has been virtually completed in the subregion. Sowing was conducted under normal weather conditions in Egypt, while in Tunisia conditions were rather dry. In Morocco, by contrast, heavy rains and flooding in mid-November are reported to have had an adverse affect on the developing winter crops.

In Egypt, the 2002 **paddy** season is virtually over, with the harvest underway in the last remaining paddy areas in the south of the country. The estimate of the crop remains at a record of over 6 million tonnes, reflecting an officially estimated 15 percent expansion in rice area.

Western Africa: Harvesting of **coarse grains** is now underway. In the Sahel, a series of joint FAO/CILSS Crop Assessment Missions were fielded in October to the nine CILSS member countries to review the outcome of the 2002 cropping season. The aggregate cereal production of the nine CILSS member countries has been estimated by these missions at 11.3 million tonnes, 3 percent below 2001 but 11 percent above the average of the last five years. Below-average crops are anticipated in Cape Verde, Guinea Bissau and Mauritania. Near-average production is expected in Chad, the Gambia, Mali and Senegal, while above-average outputs are foreseen in Burkina-Faso and Niger. In the coastal countries along the Gulf of Guinea, harvest prospects are generally good in Benin, Nigeria and Togo but are less favourable in Ghana, following below-normal rains in September and October.

Almost all countries in Western Africa had completed the harvest of their **paddy** crops by January. Below-normal precipitation and continuing civil unrest marred the 2002 season in several of them. A number of revisions have been made to production estimates, which, on balance, have left aggregate prospects for the subregion unchanged. For instance, based on the release of official estimates for the preceding season and several recent FAO/WFP missions, output is seen to expand in Benin, Ghana, Mauritania, Nigeria and Sierra Leone but contract in Burkina Faso, Côte d'Ivoire, Liberia, Mali and Senegal.

Central Africa: Harvesting of **coarse grains** is underway in Cameroon and prospects are favourable. In the Central African Republic, harvest prospects are uncertain following erratic and below average rains that affected crop development in some regions.

Persistent insecurity in the Democratic Republic of Congo has led to a fourth consecutive contraction in **paddy** production, which is officially forecast at 315 000 tonnes in 2002 – the lowest output level in the past two decades.

Eastern Africa: Harvesting of the 2002 **wheat** crop is complete. The subregion 's aggregate output is preliminarily estimated at 1.6 million tonnes, about 17 percent below the previous year and 15 percent below the average of the past five years. In Ethiopia, the wheat crop is estimated at 1.1 million tonnes, 22 percent down from the previous year, reflecting erratic weather and insufficient rainfall overall during the season. In the Sudan, wheat output declined 18 percent to 247 000 tonnes.

Harvesting of the 2002/03 main season **coarse grains** is completed in the subregion while the secondary season's crops are being harvested, with the exception of Ethiopia where the crop is about to be planted. The 2002/03 aggregate coarse grains output is provisionally forecast at 18 million tonnes, 18 percent below the good crop in the previous year and 8 percent below the average of the past five years. In Ethiopia, late and erratic rains during the season resulted in a 25 percent drop in coarse grains output, from the good crop of 2001, to 5.6 million tonnes. In Sudan, coarse grain production declined by nearly 30 percent from the previous year, mainly due to a significant reduction in the area under irrigated sorghum. This was largely an adjustment back to a normal area after the unusually large expansion in 2001. In Eritrea, the 2002 coarse grains were affected by a severe drought and output is estimated to have declined by nearly 80 percent to just 44 000 tonnes. In Kenya, the 2002/03 maize output is forecast at 2.3 million tonnes, about 16 percent below the previous year's crop but slightly higher than average. In Tanzania, despite some heavy rains and flooding in parts, prospects for the 2003 secondary season "vuli" crop, now being harvested, are favourable. In Uganda, the 2002 main season crop was reduced as a result of population displacement and dry weather. The outlook for the second crop, now being harvested, is also unfavourable due to delayed rains. In Somalia, the outlook for the secondary "deyr" season crops, about to be harvested, is favourable due to better distributed rains compared to last year. The main "gu" season crop in southern Somalia, harvested last August/September, is estimated at about 209 000 tonnes (80 000 tonnes sorghum and 129 000 tonnes maize), well above the relatively poor crop in 2001.

Official estimates for 2002 **paddy** production have been made available for the minor producing countries of Kenya, Sudan and Rwanda. Output is expected to rebound sharply in the latter two countries, but to remain unchanged in Kenya.

Southern Africa: FAO's latest estimate of the subregion's aggregate 2002 **wheat** crop is 2.6 million tonnes, a decline of 10 percent from the good level of the previous year but still average. In South Africa, which accounts for three-quarters of the subregion's production, the 2002 wheat output decreased to 2.3 million tonnes, which is 7 percent below the 2001 level. This is the result of a slight reduction in plantings and lower yields in the major producing Free State due to relatively high temperatures during the cropping season. In Zimbabwe, wheat production declined by 42 percent, to a poor level of 160 000 tonnes, as a result of low plantings and yields following land reform activities.

Prospects for the 2003 **coarse grains** are uncertain. Abundant rains in the first half of January provided relief to crops in areas previously affected by dry weather, but cumulative precipitation since the beginning of the season remained below average in most of the subregion. The heavy rains of January also resulted in floods and crop losses in parts. In South Africa, the outlook for the main maize crop is favourable so far. Following a prolonged dry spell in November rains have been adequate in most of the maize belt since December and only northern parts continue to experience moisture deficit. Preliminary official estimates point to an increase of 7 percent in the area planted to maize, comprising an increase of 17 percent in white maize plantings and a decline of 9 percent in that of yellow maize. By contrast, prospects for this year's crop are poor in Zimbabwe. Rains in the second dekad of January relieved dryness in eastern parts, but the main maize growing areas remained dry. The outlook is unfavourable also due to reduced plantings as a result of disruption in the commercial sector and shortages of agricultural inputs. In Mozambique and Malawi, widespread heavy rains around 10 January resulted in localized floods but overall benefited crops, which were stressed by previous dry weather. In Zambia, abundant rains in January improved prospects for the 2003 maize crop in most growing areas except in the extreme southern parts, where more precipitation is are still needed. In Botswana, prolonged dry conditions since the beginning of the season have negatively affected crop prospects, mainly sorghum. In Namibia, rains in January benefited developing coarse grains affected by earlier dry weather. In Lesotho, good rains were received in January but yields are likely to have been adversely affected by hail. Several current indicators point to a moderate El Niño event, which should result in below average rains in Southern Africa until March 2003. The weather and crop situation needs to be closely monitored in the coming weeks.

Latest estimates of the subregion's 2002 coarse grain crop stand at 14.8 million tonnes, only slightly higher than the previous year's below average level. Production was sharply reduced in most countries of the subregion, with the exception of South Africa, Mozambique and minor producer Botswana.

The 2003 **rice** season is advancing in the major producing countries of Madagascar and Mozambique, but information regarding the state of these crops is sparse. With regard to the 2002 season, a recent FAO/WFP mission to Madagascar concluded that the rice production may have reached 2.7 million tonnes, 300 000 tonnes higher than the prior forecast, and similar the levels produced in the past two seasons.

- **Central America and the Caribbean**

Growing conditions are normal for the 2002/03 irrigated **wheat** crop in the northwestern parts of Mexico. Water reservoir levels are reported to be adequate. Harvesting is due to start from April and early forecasts indicate that 2003 output will likely be somewhat less than last year's 3.3 million tonne crop, largely as a result of a decrease in the area planted, but should still remain about average.

Harvesting of the 2002/03 second season **coarse grain** (mainly maize) is virtually completed in all Central American countries while harvesting of the third season crop ("apante") is about to start in some countries. Average maize outputs are provisionally estimated for Honduras and Guatemala while production should be above average in El Salvador and Nicaragua, particularly in the latter country where a near record output has been collected. By contrast, production has been low in Costa Rica. In aggregate, production of maize in 2002 for these countries is tentatively estimated at an about-average 2.7 million tonnes, 8 percent up from 2001. In Mexico, an average output of about 19 million tonnes in 2002 is tentatively estimated. In the Caribbean, maize output in the Dominican Republic is provisionally estimated at an above-average level, largely reflecting favourable weather conditions at planting and during the growing season. In Cuba, despite damage caused to first season crops by hurricane rains and winds (Hurricanes 'Isidore" and "Lili" in late September), a good maize crop was gathered. In Haiti, maize output was below average, mainly as a result of the poor outcome of the first season crops which were affected by extremely dry weather at planting and during the growing season.

As the 2002 **rice** season draws to a close in Central America and the Caribbean, latest information indicates that output in several countries is higher than earlier expected. For instance, unofficial sources in the Dominican Republic put paddy output at a record 740 000 tonnes, some 140 000 tonnes more than earlier anticipated and up 9 percent from 2001. Favourable growing conditions and high domestic support prices have had a positive effect on both yields and rice area. Similarly in Panama, the Government anticipates a record paddy crop of 320 000 tonnes, up 15 percent from the previous year. For the other major

producers in the region, rice production in Costa Rica, Mexico and Nicaragua is estimated to have undergone a contraction, while in Cuba moderate growth is foreseen.

- **South America**

Harvesting of the 2002 **wheat** crop is reaching completion in the southern areas of the subregion. In Argentina, the largest producer, about 96 percent of the crop had been harvested by mid-January. The latest official forecast indicates a below-average production of 13 million tonnes. The sown area for the 2002 crop was significantly reduced compared to the previous year, and yields were lower, largely as a result of financial constraints on farmers, curtailing plantings and input use. Furthermore, heavy rains in mid-January have affected the tail-end of the harvest in the large producing areas of southeastern Buenos Aires Province and the final figure could be somewhat lower. In Brazil, harvesting has been completed and output is estimated at 2.9 million tonnes, 12 percent down from the previous year but still above the five-year average. This is less than earlier expected as adverse weather in the main producing states of Paraná and Rio Grande do Sul seriously affected developing crops in the latter part of the season. In Chile, harvesting is underway. Recent heavy rains are reported to have negatively affected the crops, but no detailed assessment of damage has been made available yet. Output is nevertheless forecast to be about average. In Uruguay, harvest operations have been virtually completed and some 135 000 hectares of wheat have been harvested, an improvement over the previous year but still well below average. In the Andean countries, in Bolivia, wheat output in 2002 is estimated at a slightly above-average 143 000 tonnes. Planting of the 2003 first season crop has started in the largest producing areas in the eastern Department of Santa Cruz. In Peru, production of wheat, mostly grown in the highlands and for local consumption, was a high 190 000 tonnes in 2002.

Planting of the 2003 **coarse grain** crops, principally maize, in the southern areas of the subregion is well advanced. In Argentina, about 95 percent of intended plantings had been completed by the end of the first week of January. As a whole, the crop is reported to be in good condition, particularly in the main growing areas; nevertheless, total maize plantings are provisionally estimated to be slightly lower than the previous year's below average level. This is mainly the result of credit constraints on producers in view of the uncertain economic situation faced by the country. In Brazil, planting of the 2003 main maize crop (summer crop), which started in August 2002 should be completed by February. Harvesting is due to start in some parts by next month. Latest official estimates indicate that the planted area decreased slightly from last year's level, largely because of farmers' decision, principally in the large producing southern states, to decrease the area planted to maize in the summer in favour of more exportable crops. To offset the decline, it is expected that farmers will increase plantings of the second season crop ("safrihna"), which are due to start from March. Planting has also been recently completed in Chile and Uruguay, and an increased area is reported in the former country. In the Andean countries, in Bolivia, planting of maize and barley has been completed in the highland valleys as well as in the important producing eastern Department of Santa Cruz. Growing conditions are reported to be normal and harvesting is due to start from late March. In Ecuador, harvesting of the 2002 second season maize crop has recently been completed and output for the year is provisionally estimated at a high 560 000 tonnes. In Peru, where maize is grown throughout the year, a record output of about 1.5 million tonnes has been harvested. In Colombia, harvesting of the 2002 second season crops is underway and an average aggregate maize output (both first and second season crops) is anticipated. In Venezuela, harvesting of the 2002 maize and sorghum crops has been recently completed and below-average outputs were collected.

With the exception of a few countries situated north of the equator, which are in the process of gathering winter **paddy**, the 2002 rice season for the region ended in June of last year. The aggregate output estimate remains unchanged at 19.5 million tonnes, 3 percent down from the 2001 level.

As for the 2003 season, most countries in South America, began planting their main paddy crops last October. As these crops approach maturation, several of the larger rice-growing countries in the region have released preliminary production forecasts, which all appear promising, despite widespread economic uncertainty. For example, in Argentina, a sharp area expansion might lead to rebound in production by about 24 percent from last year's level. In Brazil, the region's largest producer, output is forecast to increase by 3 percent from 2002, based on trend growth in yields. However, excessive rainfall during the planting stage has cast some doubt on the country's prospects. A production recovery could also take place in Uruguay, led by a forecast increase in plantings.

- **North America**

In the United States, the final official estimate of the 2002 **wheat** crop is 44 million tonnes, some 8 percent down from the already well-below average crop in the previous year. The first official forecast of the winter wheat seeded area for the 2003 crop points to an increase of 6 percent from the previous year to 17.9 million hectares, the largest area since 1998. The increase is mostly attributed to higher wheat prices during the peak planting time last August. Apart from the increased area, improved planting and growing conditions also contribute to the likelihood of a larger crop this year. According to the last official Crop Progress report of the 2002 season in late November, overall, about 60 percent of the crop had a good to excellent condition rating compared with 44 percent a year ago. In Canada, latest estimates put the 2002

wheat crop at 15.7 million tonnes, a 24 percent drop from the previous year and well below the five-year average. Regarding the prospects for 2003, the relatively small winter wheat crop has already been sown and the area is estimated at a record high of 400 000 ha, 67 percent up from last year, in response to the high wheat prices last autumn. Early indications for the main spring crop to be sown later this year also point to a sharp increase in the area sown by about 7 percent. However, the area harvested is expected to increase much more compared to 2002 as a sharp drop in abandonment is likely. Thus, based on the expected harvested area and assuming a return to near-normal yields, total wheat production in 2003 could increase by over 60 percent.

The final estimate of the United States 2002 **coarse grains** crop is 245.2 million tonnes, about 6.5 percent down from the previous year's crop and below the average of the past five years. Of the total, maize is estimated to account for about 229 million tonnes. In Canada, as for wheat, output of coarse grains was also reduced by drought, falling to just 19.8 million tonnes, 13 percent down from the previous year's already below average output.

According to the USDA, United States' **rice** production registered a 2 percent contraction from the 2001 high, but the agency confirmed that the crop still stands as the second largest in history. Although several major producing states posted record yields, a decrease in long-grain production, attributed to a price-induced fall in planted area, more than offset a sharp rise in medium grain output.

- **Europe**

The latest estimate for the region's aggregate 2002 **cereal** output is 434 million tonnes, 1.6 percent up from the previous year. Most of the increase is attributed to larger wheat crops in the main producing countries in the EU and in the Russian Federation. The wheat crops elsewhere, and the coarse grain crops throughout the region were mostly similar to, or somewhat down from the previous year's levels. Output of **wheat** in the region is estimated at some 209.7 million tonnes, about 4.5 percent up from 2001. The latest estimate of the region's **coarse grains** output has been raised slightly since the last report to 221.1 million tonnes, about 1 percent down from the previous year, while **paddy** production is estimated marginally up at 3.3 million tonnes.

Autumn and winter weather conditions so far, have been generally favourable for the bulk of the winter grain crops throughout the EU, and mostly better than during the same period in the previous season. Latest information suggests that the overall winter wheat area will probably remain around last year's level. Wheat prices in the EU in the latter part of 2002 were under pressure from large volumes of imports from other parts of Europe, somewhat reducing the incentive for EU producers to plant wheat last autumn. However, generally better conditions for crops so far this season may lead to higher yields.

The outcome of the 2002 cereal harvests in central and eastern Europe were somewhat mixed. While production in Bulgaria registered a significant improvement, rising above the average of the past five years, output in Hungary and Romania fell back to below-average and average levels respectively after bumper crops in 2001. Elsewhere the harvests were similar to the previous year's levels.

Regarding the winter grain crops for the 2003 harvest, apart from adverse weather last autumn, which disrupted planting in some parts, conditions have been generally satisfactory. In the Czech Republic, the outlook is somewhat uncertain: a new wave of flooding in early January may have further stressed some crops following the impact of adverse weather already during planting last autumn. The winter wheat area in Hungary is estimated to be similar to that of the previous year. However, the condition of the crop is reported to be significantly better, pointing to an increase in production from last year's below average level, should the weather be normal during the remainder of the season. In Poland, the winter wheat area is tentatively estimated to be down for the second year. In the Slovak Republic, as of early December, planting of the winter grain crops was reported to be about 75 percent complete, well behind the pace at the same time in the previous year. It is likely that the final area sown will haven fallen short of last year's level. Excessive autumn rainfall hampered fieldwork, particularly in October.

In the Balkan countries, in Bulgaria, latest official information points to a winter wheat area of about 850 000 tonnes, down from the average of 1 million hectares. The decline is attributed to adverse weather during the peak planting period last autumn, and poor returns on last year's crops for most small to medium sized wheat producers. The area planted to wheat for harvest this year in the Federal Republic of Yugoslavia (Serbia and Montenegro) is reported to be similar to last year's. Growing conditions have been favourable so far and overall cereal output is expected to be similar to last year's level, which comprised about 2 million tonnes of wheat and 6 million tonnes of coarse grains. In Romania, in contrast to many other parts of the region, the winter grain planting campaign benefited from generally favourable weather. The total wheat area is estimated at about 2.1 million hectares, similar to the previous year's area, and with the bulk of the crop planted within the optimum date the yields prospects are good.

The 2002 wheat harvest in the Baltic States, estimated at 1.3 million tonnes, was similar to the 2001 harvest. Production is expected to be maintained at this level in 2003 also.

In the CIS countries west of the Ural Mountains, the aggregate wheat harvest in 2002 totaled about 73

million tonnes, which is a record in post-Soviet era. The Russian Federation accounted for the bulk of the increase as output in Ukraine fell slightly. The overall coarse grains output among these countries in 2002 also rose, to 58.4 million tonnes, 1 million tonnes higher than the bumper harvest in 2001. In this case Ukraine and Belarus accounted for the bulk of the increase, as coarse grain output fell in the Russian Federation. The estimate of the 2002 paddy output in the Russian Federation has been revised downward since the last report, to 480 000 tonnes, around 3 percent below last year's crop, mostly on account of reduced plantings.

The area planted to wheat and other winter cereals in these countries for harvest later this year is estimated to have increased slightly, but late planting due to adverse autumn weather, and harsh winter conditions may result in lower yields this year.

- **Oceania**

In Australia, the recently completed 2002 winter **wheat** harvest is officially estimated at 10 million tonnes, just a little more than 40 percent of the previous year's bumper crop, reflecting the devastating impact of a severe and prolonged drought.

The winter **coarse grain** crops (mostly barley and oats) also suffered from the drought, and the aggregate coarse grains output shrank to about 6.8 million tonnes, compared to almost 12 million tonnes in the previous year. Prospects for the summer coarse grain crop (mostly sorghum) have improved somewhat in parts of northern NSW and southern Queensland following the arrival of some rainfall in late December. The precipitation is reported to have benefited crops already in the ground and allowed planting in some areas that would otherwise have remained fallow. However, the rainfall was insufficient to significantly improve the severely depleted soil moisture reserves or irrigation reserves.

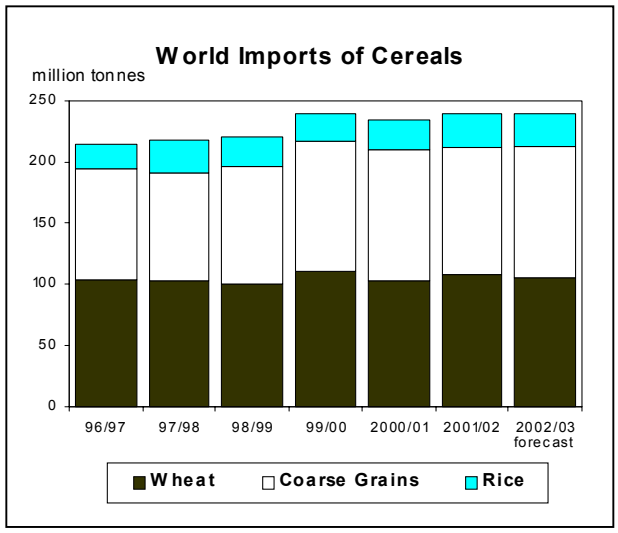
The ABARE crop report in December confirmed that owing to severe water shortages, the area sown to **rice** would cover only 30 percent of the 2002 level. This could bring the 2003 paddy crop down to 380 000 tonnes, compared to 1.3 million tonnes in 2002. The situation might even deteriorate further, given that the current drought conditions are forecast to prevail up to the harvest in April.

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

Trade[1/]

Higher imports by the EU raises the FAO world trade forecast for 2002/03

The FAO forecast for world trade in **cereals** in 2002/03 has been raised by almost 4 million tonnes since the previous report to 240 million tonnes, but this is still about 3 million tonnes smaller than in the previous season's record volume. Larger than anticipated wheat purchases by the EU is the main reason for this month's upward revision. Nevertheless, global wheat trade would still remain below the previous season's estimated level. Cereal imports by the developing countries, as a group, are likely to increase slightly, while total imports by LIFDCs are expected to remain unchanged from the previous season.



World trade in **wheat**[2/] in 2002/03 is currently forecast at 105 million tonnes, up 2.7 million tonnes since the previous report, but down 3.4 million tonnes from 2001/02. Aggregate wheat imports in **Asia** in 2002/03 are forecast at 44 million tonnes, down 3 million tonnes from the previous season. Most of the decline is expected in the Islamic Republic of Iran where, after a bumper wheat harvest in 2002, imports are forecast at just 3 million tonnes, down 2.6 million tonnes from the previous season and the lowest since 1998/99. Above-average production in Turkey is expected to result in a cut of about 600 000 tonnes in its imports, holding out the prospect of becoming a net wheat exporter again, after a brief interruption last season. Higher production is also expected to help Bangladesh to reduce its reliance on wheat imports this season by at least 400 000 tonnes. Wheat imports by most other Asian countries are likely to remain similar to the previous season except for the Philippines, where strong demand for livestock and poultry meat has increased the demand for feeds, resulting in larger imports of

Overview of World Cereal Imports

	Wheat		Coarse grains		Rice (milled)		Total	
	2001/02	2002/03 forecast	2001/02	2002/03 forecast	2002	2003 forecast	2001/02	2002/03 forecast
	(. . . . . million tonnes . . . . .)							
Asia	47.3	44.1	56.8	55.3	13.8	13.4	118.0	112.8
Africa	24.9	26.2	15.1	17.9	7.8	7.5	47.8	51.7
Central America	6.7	7.0	12.5	14.0	2.0	2.0	21.2	22.9
South America	11.8	11.7	6.2	6.3	1.0	1.0	19.0	19.0
North America	2.9	2.2	6.5	7.2	0.7	0.7	10.1	10.1
Europe	13.3	13.4	7.5	6.9	1.7	1.7	22.4	22.1
Oceania	0.4	0.5	0.1	0.2	0.4	0.4	0.9	1.1
WORLD	**107.4**	**105.2**	**104.7**	**107.8**	**27.4**	**26.8**	**239.4**	**239.8**
Developing Countries	80.5	78.9	68.7	71.7	23.3	22.7	172.4	173.3
Developed Countries	26.9	26.3	36.0	36.1	4.1	4.1	67.0	66.5

Source: FAO

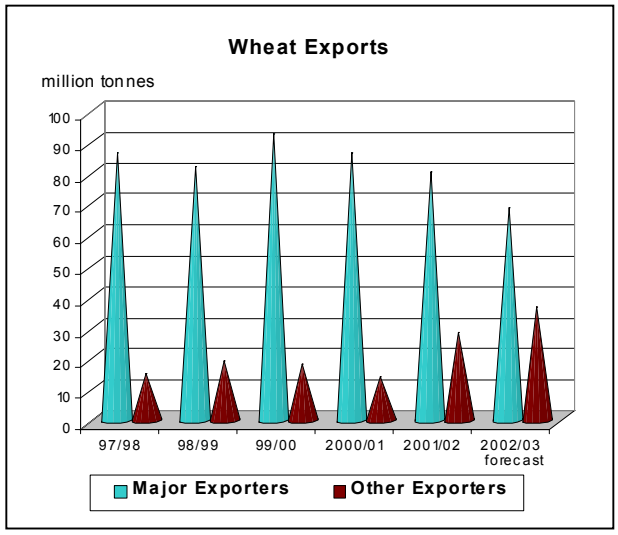
cheaper feed wheat from India as a substitute for maize.

Total wheat imports by countries in **Africa** are expected to reach 26 million tonnes, up more than 1 million tonnes from 2001/02. However, Egypt, Africa's largest wheat importer, is forecast to import 500 000 tonnes less this year as a result of larger domestic output. By contrast, wheat purchases by Algeria and Tunisia are likely to increase sharply this season due to drought. Imports by Libya are also forecast to increase significantly, supported by a growing demand for processed wheat products. In the sub-Saharan region, total wheat imports (including food aid) are forecast to rebound to the 2000/01 level of around 9 million tonnes. Imports by Nigeria, the largest wheat importer in the subregion, are likely to remain stable at last year's level of around 1.7 million tonnes. However, imports by Ethiopia are forecast to surge this season in view of generally lower cereal output in 2002.

Wheat imports by most countries in **Latin America and the Caribbean** are expected to remain unchanged from the previous season. Brazil, the largest importer in the region, is seen to maintain it imports of around 7 million tonnes. Wheat purchases have been restrained this season by the weaker *Real*, making imports more expensive. Given the rise in domestic wheat prices in Brazil, the Government has reduced the import tariff for wheat coming from outside the MERCOSUR from 11.5 percent to 10 percent, although Argentina is likely to remain the main supplier of wheat to Brazil. Wheat imports by Mexico, the second largest importer in the region, are forecast to rise slightly, driven by strong demand for processed wheat.

In **Europe**, aggregate wheat imports are again likely to exceed normal levels to reach last season's peak of more than 13 million tonnes. The EU has already imported exceptionally large quantities of Black Sea origin wheat. While a near-record harvest in 2002 was initially expected to reduce EU imports in 2002/03, the forecast for imports has been raised and now stands at 10 million tonnes, similar to 2001/02. The introduction of wheat import quota from January 2003, which is primarily aimed at limiting imports of feed wheat from the Russian Federation and Ukraine, may restrain imports somewhat but the main impact is not expected until the next marketing season.

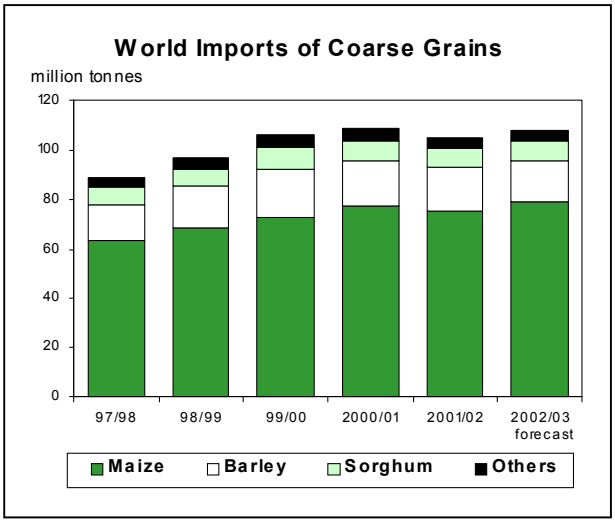
Turning to **exports**, the exceptional surge in exportable supplies among non-traditional exporters continues to draw attention in world markets, particularly large exports from India, the Russian Federation and Ukraine, which surged to a combined total of over 13 million tonnes during the previous marketing season.



Their exports in 2002/03 are likely to expand even further, exceeding 20 million tonnes, thus capturing 20 percent of the global market, as compared to 12 percent in 2001/02. The expected increase in exportable supplies from non-traditional exporters coincides with a major cut in supplies in Canada and

Australia, both leading traditional exporters. In addition, the more competitive prices from the new suppliers have resulted in a significant diversion of purchases away from the United States, the world's largest exporter. However, a drop in the United States wheat production in 2002 has resulted in a tighter wheat balance and given way to a much faster rise in the US export prices. By contrast, large supplies in the EU are forecast to result in a strong recovery in export sales, although maintaining competitiveness in view of the continuing strength of the Euro against the US dollar may necessitate a more active use of export subsidies by the EU in the coming months.

World trade in **coarse grains** in 2002/03 is forecast at 108 million tonnes, up slightly from the previous season's reduced level. Among the major coarse grains, world trade in maize is forecast to rise to 79 million tonnes, but exports of barley and sorghum are now seen to decline slightly while trade prospects for rye and oats point to some expansion.



Coarse grain imports in **Africa** are likely to rise to around 18 million tonnes in 2002/03, up 3 million tonnes from the previous season. The increase is mostly driven by significant drops in production in several countries in the sub-Saharan region where millions of people are now estimated to be in need of urgent food assistance. Imports are forecast to rise most in Zimbabwe (up 1.6 million tonnes), Kenya (up 400 000 tonnes), Ethiopia (up 400 000 tonnes) and Zambia (up 255 000 tonnes). The food supply situation in the southern African region alone has increased global cereal food aid requirements (mostly maize) to 1.6 million tonnes, half of which has remained uncovered so far. In Zimbabwe, where half of the population is in need of emergency food assistance, food aid distributions remain slow. In Zambia, due to the tight domestic situation, the Government decided to waive its 15 percent import duty and the planned commercial imports by private millers at 150 000 tonnes are also expected to increase with the Government granting tenders for additional 300 000 tonnes.

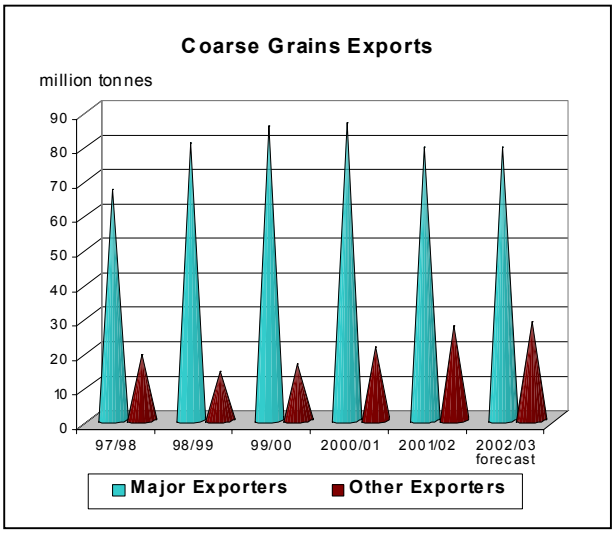
Total imports in **Asia** are forecast at 55 million tonnes, down slightly from the previous season. The anticipated decline is mostly in response to reduced import demand for maize and barley in the Islamic Republic of Iran, lower maize purchase by Syria and smaller barley imports by Saudi Arabia, the world's largest barley importer. Coarse grain imports by most other countries in Asia are forecast to remain unchanged from the previous season despite strong growth in feed demand, due primarily to large supplies of cheaper wheat which continue to weigh on demand for maize in some of those markets.

Imports into **Central America** are forecast to reach 14 million tonnes, up 1.5 million tonnes from the previous season. The increase would be mostly associated with larger anticipated maize and sorghum purchases by Mexico. Total coarse grain imports by Mexico are likely to approach 11 million tonnes because of a small reduction in production and, more importantly, continued expansion of its poultry industry. In **South America,** total imports are expected to remain virtually unchanged from the previous season, at around 6 million tonnes. Imports by Brazil could again remain at relatively low levels, despite a decline in production and expected large exports.

In **Europe**, total imports could reach 7 million tonnes, down slightly from the previous season, in light of an anticipated decline in barley purchases by the EU, which are forecast to decline sharply this season after an unexpected surge last year. In other regions, the drought situation on the Canadian prairies cut output and reduced supplies of coarse grains, increasing the need for imports of feed quality grains. As a result, in eastern Canada, imports of feed wheat have become an attractive option while, in the western parts, maize from the United States is regarded as the best alternative to cover this year's exceptional shortfalls. Similarly, a sharp drop in coarse grain production in Australia has severely reduced exportable supplies and, for the first time since the mid-1990s, prompted maize purchases from the United States.

On the **export** side, with the anticipated small expansion in world trade and more limited exportable supplies in Canada and Australia, shipments from the United States, the world's largest exporter, are likely to increase slightly, even though production fell sharply in 2002. Larger exports are also anticipated from the EU where sales of rye, oats and barley are likely to rebound after a drop in the previous season. By contrast, maize exports from Argentina are forecast to remain below the previous year's level due to production shortfalls. In addition to the major traditional exporters just mentioned, China's presence in the world market would be even more pronounced this season with maize exports rising to 11 million tonnes, the third highest on record and the largest volume after

the United States. Maize exports from Brazil will be smaller, but still above normal at about 2 million tonnes, despite a decline in domestic production. Maize exports from Hungary are also forecast to decline as a result of smaller production, but shipments from the Republic of South Africa, the largest net-exporter in Africa, are forecast to remain unchanged from the previous season. In the barley market, Ukraine and the Russian Federation will increase their exports again this season, capturing a 36 percent share of the global market, with their combined exports exceeding 6 million tonnes. Turkey is also expected to remain an important player in the global barley market, with exports around 700 000 tonnes, slightly more than in the previous season.



Rice Trade in 2002

FAO has raised its estimate of global rice trade in 2002 by 1 million tonnes to 27.4 million tonnes, in milled equivalent, a level close to the all-time record realized in 1998. The upward adjustment reflects a much higher estimate of exports by India, which are now believed to reach 6.5 million tonnes, up from the earlier forecast of 5.5 million tonnes and the largest volume ever dispatched by that country. Changes in the 2002 exports figures were also made for other countries on the basis of reported shipments. This was the case of China, where strong export activity during the latter months of the year has probably led to a repeat of the 2001 performance of 1.8 million tonnes, in spite of the contraction in output. Similarly, official estimate of exports by Thailand was lifted by 300 000 tonnes to 7.3 million tonnes. At that level, the outcome in 2002 would be only 200 000 tonnes below the record level achieved in 2001. By contrast, the estimate of Egypt's rice exports last year has been revised downward to some 400 000 tonnes, which would imply a 40 percent year-on-year reduction from the exceptionally high level of 2001, when exporters benefited from government export subsidies. On the import side, the higher trade estimate for 2002 reflects upward adjustments for Africa, where deliveries are now anticipated to reach a record 7.8 million tonnes, up by 500 000 tonnes from the earlier figure, and for Central America and the Caribbean.

Trade Outlook for 2003

FAO's forecast of international trade in rice in 2003 has been revised upward by 600 000 tonnes since the last report and now stands at 26.8 million tonnes. At this level, trade would be somewhat below the current estimate for 2002, with most of the difference attributable to an expected fall in exports from India and, on the import side, to smaller shipments to a number of traditional importers in Asia that gathered good crops in 2002 and to the African Continent.

Part of the anticipated dip in trade in 2003 would be on account of smaller deliveries to Indonesia, which are now forecast to reach 3.2 million tonnes, 300 000 tonnes less than last year. The drop in imports there should be facilitated by the favourable production outcome in 2002 and could be more pronounced should the ambitious production target for 2003 materialize, especially in the light of the new tariffs, which were raised from Rupees 430 to Rupees 510 per kilo as of 1 January. The outlook is similar for the Philippines, which is expected to cut rice imports in 2003, consistent with current expectations of a record 2002 crop. Starting in 2003, the Government will allow the private sector, including farmers and local traders, to participate in importing activities alongside the National Food Agency, the sole importer until last year. However, this opening is not expected to boost purchases, since the Government will maintain strict control on the flow entering the country through non-tariff barriers, including registration, quantitative ceiling per trader, and penalties for supplies reaching the country beyond a certain time limit. In the Islamic Republic of Iran, the ending of the long-term drought that has gripped the country since 1999 and the expected recovery in 2002 production, should also prompt a fall in shipments during the current year. In general, rice trade with countries in the Near East could be disrupted should a military conflict start in the subregion. Current threats of an attack to Iraq were already reported to be delaying the clinching of trade deals between exporters and those countries. Expectation of a surge of imports by China Mainland, following the opening of a WTO preferential tariff quota did not materialize in 2002. Although the supply situation has tightened further, a sharp increase in rice purchases this year is not yet anticipated, with China's imports now forecast at 200 000 tonnes, the same level as in 2002 but down substantially from the previous 600 000 tonnes forecast. At that level, imports would be only a fraction of the preferential import quota of 3.79 million tonnes (2.6 million tonnes of long grain rice and 1.53 million tonnes of short and medium grain rice) that the Government agreed to open under WTO. By contrast, the Chinese Province of Taiwan is expected to buy the full 150 000 tonnes committed under the WTO minimum import commitment. Purchases by Bangladesh, which used to be a large rice importer, are again anticipated to shrink in the face of the large increase in production in 2002.

Rice shipments to Africa are currently forecast to reach an overall 7.5 million tonnes in 2003, 300 000 tonnes more than previously reported, but somewhat below the revised estimate for 2002. The upward adjustment in 2003 mainly reflected higher forecasts for Kenya, Niger, Nigeria, Senegal and South Africa, while the import forecast was lowered for Côte d'Ivoire. From an historical perspective, imports into the region have been soaring since 1998, sustained by strong increases in consumption and relatively open import regimes. The small decline in imports foreseen for 2003, which would go against that tendency, is based on expectations of a decline in the volume flowing to the two major destinations in the region, namely the Côte d'Ivoire and Nigeria. In the Côte d'Ivoire, trade is foreseen to be constrained by the military conflict that has divided the country geographically and is hindering inland transportation of supplies. As for Nigeria, higher production in 2002 and the stepping-up of import tariffs last December might slow down the pace of imports. Little year-on-year changes are anticipated for the other major importers, including Senegal and South Africa, where shipments in 2002 were already high, at around 700 000 tonnes each. However, the above forecasts are still subject to a high degree of uncertainty in absence of official assessments of the paddy crops in 2002.

Rice imports to Latin America and the Caribbean countries are forecast to reach some 3 million tonnes in 2003, about 350 000 tonnes more than earlier anticipated and similar to the revised volume in 2002. The adjustment to the 2003 figure reflects mainly increased shipments to Cuba, Mexico and Brazil. In the rest of the world, official estimates of imports by the United States have been somewhat lowered and are now close to the level of last year, while they were raised slightly for the European Union.

As regards exports, the new trade figure for 2003 reflects larger expected shipments by Argentina, China and the United States, which more than offset downward revisions for Australia and Egypt. In the case of Mainland China, exports during the current calendar year are now expected to reach 2 million tonnes, 700 000 tonnes more than the previous forecast and 200 000 tonnes up from 2002. Despite falling production in the past seasons, domestic prices have remained fairly low, as supplies have been released from stocks. Since the same strategy is likely to be followed in the course of the year, it should enable the country to keep sales abroad relatively buoyant in 2003, barring a large production decline or tumbling international prices. Similarly, the forecast of exports from the Chinese Province of Taiwan has been raised to 100 000 tonnes, following the announcement of food aid commitments. Favourable crop prospects in Argentina in the coming season could also sustain a 25 percent recovery in its exports, which are now foreseen to reach 350 000 tonnes, 50 000 tonnes more than earlier anticipated. The official outlook for the United States has also been raised by 200 000 tonnes to a record 3.4 million tonnes, based on expectations of larger paddy sales to some Latin American countries, especially Mexico and Brazil. This improved outlook contrasts with deteriorating prospects for exports by Australia and Cambodia, in the face of the severe production shortfall expected this year, and by Egypt. Expected shipments from Australia have been halved to a mere 200 000 tonnes, which would be the lowest level since 1976. For Cambodia, they were lowered from 100 000 tonnes to 60 000 tonnes. For Egypt, exports are now anticipated to reach 600 000 tonnes, down 150 000 tonnes from the previous report, which would still imply a 50 percent increase from the previous year.

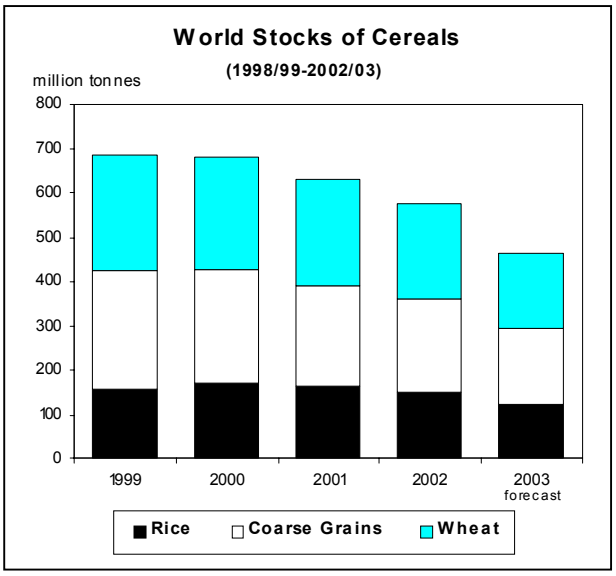
Little change was made to the 2003 export forecasts elsewhere. Thailand shipments in 2003 are currently expected to equal the 2001 record of 7.5 million tonnes, which would imply an increase of 200 000 tonnes from last year. The forecast for India remains at 4.5 million tonnes, a level relatively high for the country but well below the revised 6.5 million tonnes shipped in 2002, which propelled the country to the second position among exporters. The sharp drop in production in 2002 and the recent announcement of increases in sale prices from the Food Corporation of India all point to a reduction in exports this year. Unlike for Thailand and India, sales from Viet Nam are anticipated to expand strongly in 2003, following the gathering of a record 2002 crop. Export prospects for Pakistan, at 1.5 million tonnes, point to a small recovery from the depressed level of last year, but far below the 2 million tonnes the country shipped annually between 1997 and 2001. Similarly, exports from Uruguay are expected to partly recover during the year.

Carryover Stocks

Largest drop in world cereal stocks in more than two decades

FAO's forecast for global **cereal** stocks by the close of the seasons ending in 2003 remains unchanged since the last report at 466 million tonnes, which is 111 million tonnes, or 19 percent down from their opening level. This would represent the largest year-on-year variation during the course of the past two decades, bringing world cereal stocks down to their smallest level since the early 1970s. Along with deliberate policies to downsize inventories in important cereal producing countries such as China and India, the reduction in stocks is also driven by the adverse impact on supplies of drought-reduced crops among a number of major exporting countries.

World **wheat** stocks by the close of the seasons ending in 2003 are forecast to reach 170 million tonnes, around 48 million tonnes, or 22 percent, below their opening levels. In aggregate terms, wheat stocks held by the five major exporters could fall to 33 million tonnes, down 13.5 million tonnes, or 29 percent, from the previous season and the lowest since 1997. As a result, the ratio of their aggregate wheat stocks to their



total disappearance (the sum of their domestic consumption and exports) is expected to deteriorate for the third consecutive season to 16 percent, which would be 5 percentage points below the previous season and 2 percentage points below the average since the mid-1990s. Among the major exporters, only the EU is expected to end this season with higher wheat inventories (up 2 million tonnes), supported by a strong rebound in its 2002 production and large imports for the second consecutive season. By contrast, wheat stocks held in the United States are forecast to contract by as much as 9 million tonnes, to a 20-year low of just over 11 million tonnes, reflecting a sharp decline in domestic production. Similarly, with severe drought hampering crops in Australia and Canada, their wheat inventories are also forecast to fall sharply in 2003.

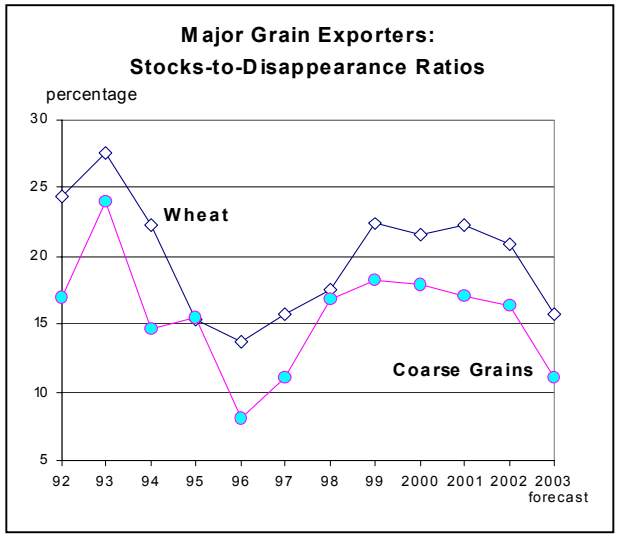
World Carryover Stocks of Cereals

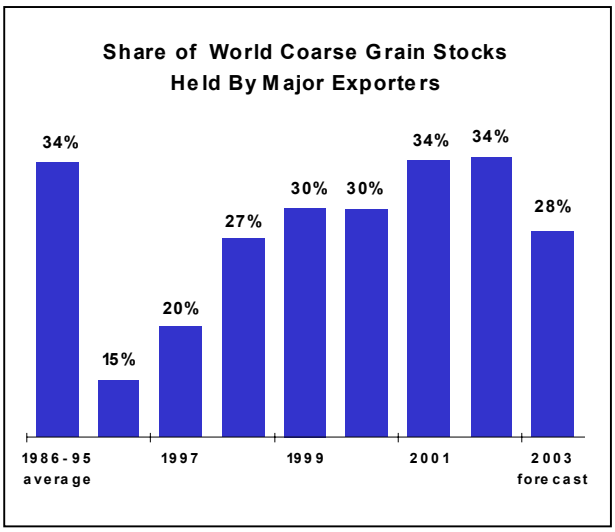
	Crop year ending in:		
	2001	2002 estimate	2003 forecast
	(. . . . million tonnes . . . .)		
Wheat	240.4	217.9	169.8
Coarse grains	225.9	210.7	172.5
of which:			
Maize	181.2	158.7	128.4
Barley	25.8	28.7	22.8
Sorghum	5.3	7.0	5.6
Others	13.5	16.3	15.6
Rice (milled)	163.1	148.2	123.6
TOTAL	**629.3**	**576.7**	**465.9**

Source: FAO

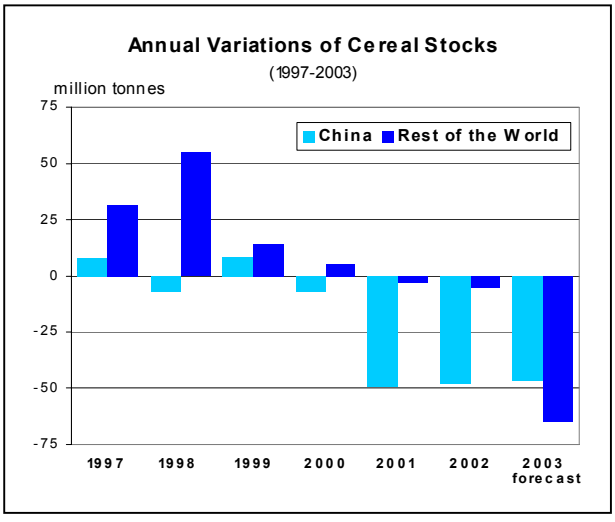
Wheat inventories in China are anticipated to fall again this season to 63 million tonnes, or 24 million tonnes below their reduced opening levels, partly explained by a reduction in 2002 production. However, the main factor behind consecutive declines in China's stocks in recent years has been the policy to downsize large inventories. In India, despite a rise in domestic production in 2002, stocks are forecast to contract by 4 million tonnes to 28 million tonnes. This reduction is mainly driven by a continuing flow of exports, as the Government tries to shrink its large grain stocks in order to lower costs. Despite the near-record wheat production in Pakistan, large exports coupled with strong domestic demand would result in a drop of some 3.5 million tonnes in its stocks. Sharp drawdowns are also anticipated in several countries in Africa, in particular among countries where production fell in 2002, such as in Algeria and Tunisia. By contrast, wheat stocks in most CIS countries are expected to increase. Total wheat stocks in the CIS countries are forecast at 17 million tonnes, up 2 million tonnes from the previous season and highest level since 1995. As a result of rising exports, stocks in the Russian Federation could decline slightly this season, while end-of-season inventories in most other CIS countries, including all other large wheat producers such as Kazakhstan, Ukraine and Uzbekistan, could actually increase as a result of good harvests in 2002.

World **coarse grain** inventories for crop years ending in 2003 are forecast to decline by 38 million tonnes to 172 million tonnes. Among the major exporters, the sharpest fall is expected in the United States, where, because of poor harvests, end-of-season stocks are forecast to drop by 47 percent to 24 million tonnes. While maize stocks in the United States are forecast to decline most, by 19 million tonnes, barley and sorghum inventories are also likely to contract significantly. A drop in barley production in Australia and Canada is also expected to lower coarse grain stocks in those countries, while in the EU, reductions in maize and rye output would be mostly responsible for a small decrease in total coarse grain stocks. On the whole, the ratio of major exporters' total coarse grain stocks to their total disappearance is forecast to plunge considerably, falling to 11 percent, which would be significantly below the estimated 16 percent in the previous season.





Elsewhere, total stocks in Mainland China are forecast at 82 million tonnes, which would be 7 million tonnes smaller than in the previous season despite a strong rebound in 2002 coarse grain (mostly maize) output. The decline is mainly the result of larger anticipated maize exports and continuing strong demand for feed grains in the domestic market. Coarse grain stocks in most CIS countries are expected to remain unchanged from the previous season, but barley stocks in the Russian Federation and Ukraine are forecast to decline, as exports are expected to expand. Barley inventories are also forecast to contract sharply in Turkey given static supplies in the face of larger expected demand for feed and exports. A decline in maize production in Brazil is forecast to result in a drawdown of stocks in that country, leading to a tighter domestic balance than in the previous season. In Africa, smaller production would be mostly responsible for declines in coarse grain carryovers in several countries, including maize stocks in Kenya, Ethiopia and Uganda as well as sorghum stocks in Sudan. In Zimbabwe, normally a country with large exportable maize supplies, the drop in domestic maize production for two years consecutively could deplete stocks.



The forecast of world **rice** stocks at the end of the marketing seasons in 2003 has been revised downward by almost 2 million tonnes since the last report and now stands at 124 million tonnes, one of the lowest levels on record, and almost 25 million tonnes below their opening level. The reduction in the size of world inventories confirms the continuation of the tendency that has prevailed since 1999, when China initiated a deliberate policy to reduce the size of its grain inventories. Unlike in recent years, however, the contraction this season was not just attributable to China, but also to India, which engaged last year a similar strategy to cut public rice reserves. Based on the new estimate, the global stock-to-utilization ratio for rice would now stand at 30 percent, down from the peak of 42 percent in 2000.

The lowering of the world stock forecast since the last report mainly reflects the downward revision for India's production, which, combined with a higher estimate of exports, resulted in an additional 2.5 million tonnes drawdown from the country's rice inventories, to 15 million tonnes. This would imply a year-on-year reduction in India's stocks of almost 10 million tonnes from their opening levels. Similarly, for China, larger shipments than previously anticipated in 2002 have reduced the size of the country's rice carry-over by a further 700 000 tonnes to 78.3 million tonnes. At this level, China's stocks would be depleted by almost 15 million tonnes from last year and by an overall 35 million tonnes since 2000. Downward adjustments have also been made to the forecast stocks in Cambodia, reflecting the deterioration of the production prospects in 2002, and in the United States, following on improved outlook for trade in the current year. By contrast, the forecasts for Indonesia's carryovers have been raised, following the improved 2002 crop prospects.

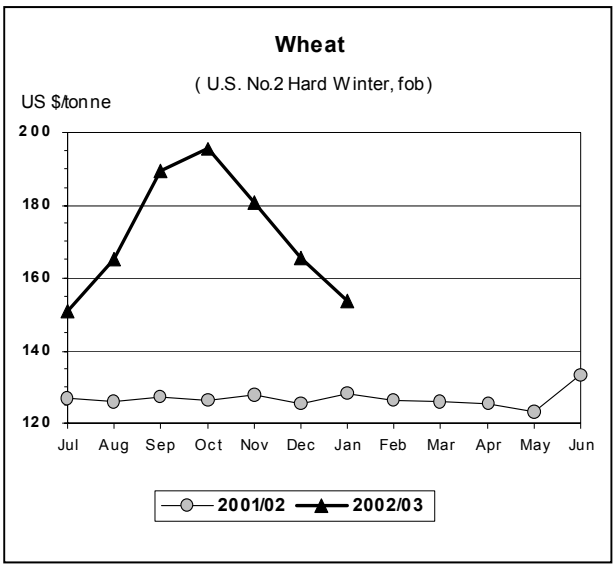
Export Prices

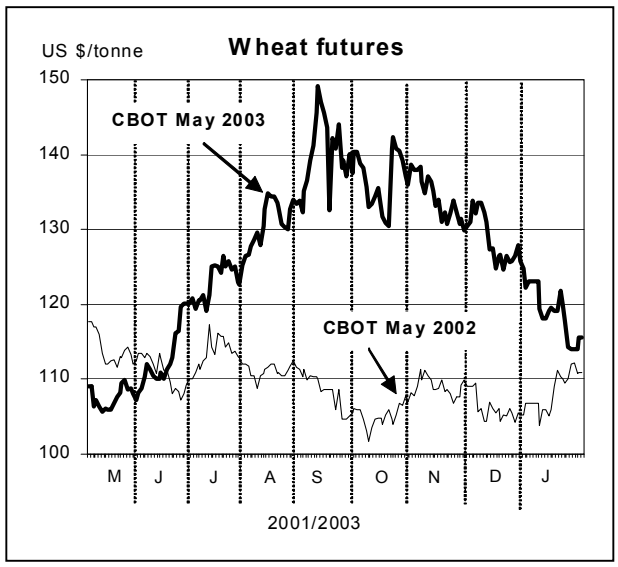
Grain prices remain under pressure but rice prices strengthen

Cereal Export Prices *

	2003	2002	
	Jan.	Nov.	Jan.
	(. . . . . US$/tonne . . . . . .)		
United States			
Wheat	153	180	128
Maize	106	109	92
Sorghum	113	122	97
Argentina			
Wheat	138	136	115
Maize	102	108	89
Thailand			
Rice, white	204	190	197
Rice, broken	152	157	145

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

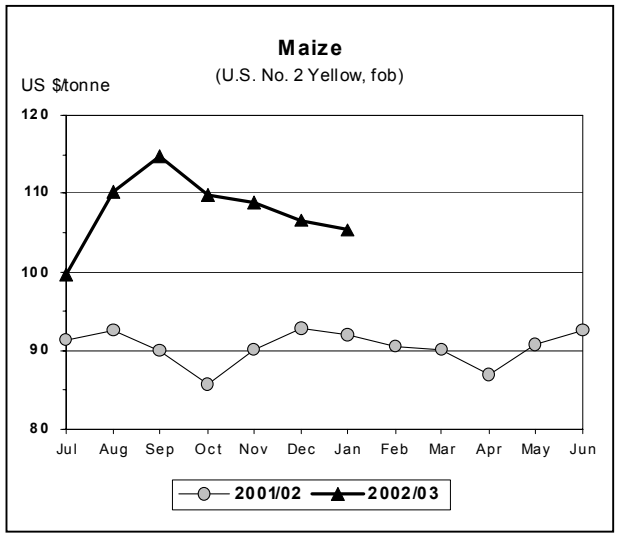


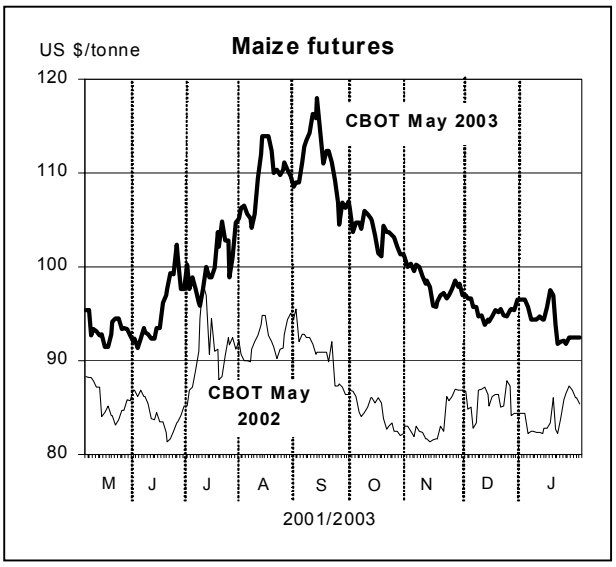


International grain prices continued to weaken considerably with non-traditional exporters shifting more of their domestic surpluses onto the world market. The slide in international **wheat** prices has continued since October 2002 in spite of much smaller exportable supplies in Australia and Canada, as well as a tight situation in the United States. The abundance of cheaper supplies from alternative sources has greatly reduced the competitiveness of the US-origin wheat, even among traditional US export markets such as Egypt, for example. In January, the U.S. wheat No.2 (HRW, fob) averaged US$153 per tonne, down US$27 per tonne from November, although still up by US$25 per tonne, or 20 percent, from the corresponding month last year.

Wheat futures also fell significantly in recent weeks with prices converging towards last year's much lower levels. By the third week in January, the May futures for the soft red winter wheat contracts at the Chicago Board of Trade (CBOT) were quoted at around US$116 per tonne, sharply lower than the peak in September 2002, though still slightly above the corresponding period last year. Weak international demand for US wheat has been the main reason for the slide in the futures. However, with relatively small stocks in the United States, weather developments have also increased volatility in the US futures. In late January, unseasonably dry conditions in the US Great Plains hard red winter wheat growing areas helped prices to recover slightly from a 6-month low.

International **maize** prices also weakened considerably over the past few weeks. While a decline in the US maize production in 2002 was the main driving force for the earlier surge in prices, ample supplies of competitively-priced feed wheat, large maize sales by China and continued exports from Brazil have contributed to the recent decline in international maize prices. In January, the U.S. maize No.2 (Yellow, f.o.b.) averaged US$106 per tonne, down US$3 per tonne since November, but US$14 per tonne above the corresponding period in 2002. May futures at the CBOT also continued to slide in recent weeks in reaction to the slow pace of exports from the United States.

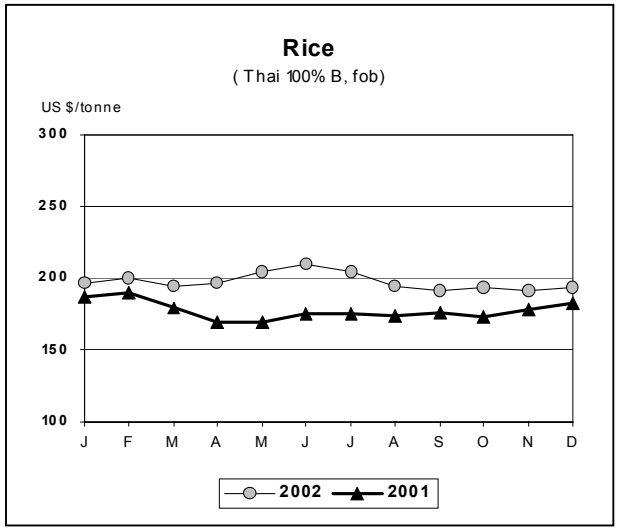




International **rice** prices have remained under downward pressure since the last Food Outlook, with the FAO Total Price Index (1998-2000=100) averaging 72 in January, 1 point below November. The lack of movement exhibited since May 2002 by the index has tended to mask divergent trends in prices of different origins and qualities. For instance, since November, quotations have strengthened in Thailand, sustained by domestic intervention via the Government's procurement scheme and, lately, by a strict application of weight restrictions on internal haulage. Similarly, the Food Corporation of India recently raised its selling prices for export. By contrast, quotations from other origins, notably Viet Nam, the United States and Pakistan, have fallen in the wake of new crop arrivals onto their markets.

International prices for high quality Indica have fluctuated sharply since the December report. For example, the Thai 100% B averaged US$204 per tonne in January, up US$14 per tonne from November. By contrast, prices of the US long grain No.2/4% fell over the same period by an average US$10 per tonne to US$205 per tonne, reflecting an easing of demand for Government aid programmes. Viet Nam 5% quotations also registered a steep fall, with the January average prices at US$15 per tonne below that of November. The net effect of these price movements has left FAO High Quality Indica Price Index virtually unchanged since the December Food Outlook.

The FAO Low Quality Indica Price Index has declined by 2 points since November, reflecting mainly falling quotations from Thailand, for 100% broken rice, as well as from Viet Nam and Pakistan, which more than offset some strengthening in India's prices. Such divergent patterns resulted in a narrowing of the price differential among rice from different origins, as competition intensified. Similarly, the FAO Japonica Price Index fell by 2 points over the same period, mostly on account of a US$23 per tonne dip in prices of the US medium grain No.2/4% in January. Finally, in the face of strong international demand and of a reported large shortfall in Basmati production in India, Basmati and Fragrant rice prices have staged a sharp recovery, as exhibited by the FAO Aromatic Price Index, which rose from 75 points in December to 82 points in January.



The near-term prospects for international rice prices remain downcast, with the arrival, in February-March, of new rice crops in South America and from secondary crops in the northern hemisphere. The weakness might linger well into 2003, under current prospects of sluggish imports by those countries that have given a boost to the market in recent years, such as Indonesia, the Philippines or the Islamic Republic of Iran.

Fish and Fisheries Products

Overview

Total world fish production (capture plus aquaculture) in 2001 is estimated at 129.3 million tonnes, slightly below the previous year's production of 130.4 million tonnes. The decline in 2001 was due primarily to reduced catches of small pelagics fisheries in South America, particularly in Peru. Of the total world production in 2001, fish capture accounted for 91.8 million tonnes. This is 3 million tonnes short of the 2000 record capture. Aquaculture production continued to expand in 2001, reaching 37.5 million tonnes, or 29 percent of total fisheries production, compared to a share of just 15 percent in 1990.

Fishery Production 1/

	1999	2000	2001 provisional
	(. . .million tonnes . . .)		
China	40 029	41 600	42 580
Peru	8 437	10 665	7 996
India	5 593	5 689	5 689
Japan	5 961	5 752	5 405
USA	5 228	5 173	5 402
Indonesia	4 736	4 929	5 117
Chile	5 325	4 692	4 363
Russian Federation	4 210	4 048	3 718
Thailand	3 621	3 631	3 631
Norway	3 096	3 191	3 199
Others	40 415	41 095	42 200
World total	**126 651**	**130 433**	**129 300**

1/ Fish, crustaceans, molluscs, etc. – nominal catches including acquaculture.

China is now by far the top producer of fish with some 42.6 million tonnes in 2001. Peru recovered its second position among the main producing countries, but reported a strong reduction in 2001 compared with 2000. India is now the third major fishing nation in 2001 with 5.7 million tonnes.

Total world imports of fish products declined slightly in 2001 in value terms to US$59 300 million. Developed countries accounted – as usual - for more than 80 percent of the total. Japan was again the biggest importer of fishery products, accounting for some 22 percent of the global total, though a substantial decline from the 30 percent share that this country used to have. Japan's imports of fish and fishery products have declined due to the continuous economic recession. The EU further increased its dependency on imports for its fish supply. The share of the EU in the value of world imports increased to 35 percent. The United States, besides being the world's fourth major exporting country, was the second biggest importer of fish products in 2001 with value of US$10 200 million.

International Trade by Principal Importers

	1999	2000	2001 provisional
	(. . . million US$ . . .)		
Japan	14 700	15 500	13 500
USA	9 400	10 500	10 300
Spain	3 300	3 400	3 700
France	3 300	3 000	3 100
Italy	2 700	2 500	2 700
Germany	2 300	2 300	2 400
UK	2 300	2 200	2 200
China	1 100	1 800	1 800
China, H.Kong	1 600	1 900	1 800
Denmark	1 800	1 800	1 700
Others	15 100	15 200	16 100
World total	**57 600**	**60 000**	**59 300**

Thailand and China are the world's major exporters of fish products in value terms, with US$4 000 million each. China has impressively expanded its performance as a fish exporter in recent years and is likely to have overtaken Thailand as major fish exporter in 2002.

Review by Commodity

Shrimp is the world's most important fish commodity accounting for about 19 percent of international trade in value terms. The EU, Japan and the United States are the world's major importers of shrimp. Their combined imports is stable at 950 000 tonnes annually.

There are signs of a pick-up in shrimp prices during the second half of 2002. It is likely that import growth in several key markets during this period will be weaker than in the first half of the year. While 2002 as a whole should be a record year for imports by the United States (in volume terms), Japan's imports this year are likely to be similar to the level in 2001. In Europe, Spanish shrimp imports for the first 8 months of 2002 were on a par with levels for last year while French imports for the January – September period were up 5 percent on the corresponding 2001 period. In all key shrimp markets, import values in 2002 will be lower than 2001 levels as a result of weaker average prices. On the producer side, year-end figures should confirm strong export performances by Viet Nam and Brazil for 2002 as a whole.

Tuna: After two years of extremely low prices in 1999 and 2000, the tuna market stabilized in 2001 and continues to remain stable in 2002. After the fishing bans enforced by the private tuna industry, prices continue to remain steady at a level which is considered economically viable by producers and processors. The prices of raw material for canning are

expected to stay at present levels, while the sashimi market depends much more on quality and demand in Japan, with some improvements foreseen for the coming months.

International Trade by Principal Exporters

	1999	2000	2001 provisional
	(. . . million US$ . . .)		
Thailand	4 100	4 400	4 000
China	3 000	3 600	4 000
Norway	3 800	3 500	3 400
USA	2 900	3 100	3 300
Canada	2 600	2 800	2 800
Denmark	2 900	2 800	2 700
Chile	1 700	1 800	1 900
Spain	1 600	1 600	1 800
China, Taiwan	1 700	1 800	1 800
Viet Nam	900	1 500	1 800
Others	27 600	28 500	28 100
World total	**52 800**	**55 300**	**55 600**

Bluefin tuna farming in the Mediterranean was difficult in 2002 since lower catches of bluefin resulted in less tuna to be put into onward growing pens. Bad weather during the summer months led to a shorter fishing season than usual. Total production of the farming industry in 2002 is estimated to be 5 000 tonnes in Spain, 3 000 tonnes in Croatia, 1 500 tonnes in Italy and 1 000 tonnes in both Malta and Turkey, for a total of 11 500 tonnes in the Mediterranean. The fish are normally caught in summer months, mainly in July, and then put into the pens. They are kept for about 6 months, awaiting the main consumption period in Japan, the year-end season, which brings the highest prices for the sashimi tuna. The fish grows in the pens by about 15 percent in weight during this period. The feed consists mainly of live or very fresh pelagic fish, which is an interesting market outlet for the pelagic fish production from the area.

Groundfish: Indications for 2002 point to a decrease in frozen Atlantic cod fillet imports in key markets. The general decrease in fillet imports, attributed by the trade to higher prices, is balanced in certain markets by an increase in whole frozen imports. Competition from double frozen Chinese fillets may undermine any further increase in cod fillet prices in 2003. This increase may reduce any upward pressure on block prices but there is uncertainty as to the likely utilization of any increased Russian Federation production.

Representatives from the pollock industry report that increasing amounts of Alaska pollock are driving the whole ocean whitefish industry. Governments are finally beginning to see some positive results from implementing a conservative management scheme over many years.

About half of the Alaska Pollock harvest is processed into a fish paste called surimi, which is fashioned into many products in Japan and other Asian nations. Much of the remainder is filleted and frozen in block form for reprocessing in the United States and in Europe.

Alaska groundfish, with pollock being the dominant species, is one of the most important United States fish harvests. In 2001, the fishery produced a catch of 1.9 million tonnes and an ex-vessel value of US$543 million. According to federal figures, this represented 47 percent of the quantity and 17 percent of the value of the total United States domestic landings. After primary processing, the value of fish increased sharply to reach about US$1.4 billion.

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

Cephalopods: Illex catches in Argentine waters in 2003 are forecast to be even lower than the reduced 2002 levels. This will have a direct impact on prices which should go up. However, experience teaches that forecasting the future Illex season at this time of the year can often be erroneous, leading in many cases to speculative purchases and over-pricing. The octopus market seems to have normalized in recent months, and no dramatic price developments are foreseen. The measure of the Moroccan government of fixing minimum prices seems to have been successful in raising prices, and prices have soared from the very low levels reached in 2001 and early 2002.

Squid supplies are expected to stay low in 2003. The flying squid resource in Japan is reported to be in a poor state overall, while Illex catches in the South West Atlantic are expected to be even lower than in 2002. Giant squid catches in Peru are expected to be affected by the El Niño, which could lead to a shortage of squid on the market.

Fertilizers

International **Urea** spot prices remained stable through December 2002, but began to rise in early January 2003, to an average 8 to 16 percent above those in January 2002 It is foreseen that prices will continue to increase especially in the Black Sea due to strong demand from Latin America, Turkey and Europe. China has announced its import quota of 1.8 million tonnes urea for 2003. The quota will probably be released on a quarterly basis. Ninety percent is for state-owned companies and the remainder for private firms. China and Viet Nam are reportedly reluctant to import urea at these increased prices. Brazil has already imported large quantities, but needs further product for February. Brazil might find it difficult to obtain credit at such prices. The anti-dumping duties in Europe on product from the Russian Federation will also contribute to the unviability of sales at such prices. Argentina has technical problems with production plants and prices there remain firm. The domestic demand in Indonesia is rising as January and February are peak application months. Indonesia's export allocation is 60 000 tonnes of urea for the first quarter. In the Baltic Sea region availability is restricted until the second half of February due to adverse weather conditions. In the Arab Gulf prices remain firm or are expected to increase. The domestic market in the United States for top dressing is weak but will become stronger shortly.

Ammonia prices have shown slight fluctuations from November 2002 to January 2003. In the Caribbean, prices have increased and the tight outlook is sustained by the shutdown of the plants in Venezuela.

Due to logistical problems ammonia prices have been driven upwards in the Black Sea and the Arab Gulf. In the Far East, plant turnarounds keep the supply tight. Markets in Europe are opening up. Uncertainty about US gas prices contributed to the expectation that the Black Sea prices would remain firm.

International spot prices of **ammonium sulphate** were some 26 - 46 percent lower in the eastern and western Europe markets in January 2003 compared to the same period in 2002. However, prices are rising in the Black Sea region due to strong domestic demand and exports to the Mediterranean.

Diammonium phosphate (DAP) prices mostly remained stable or strengthened somewhat from December 2002 into early 2003, as rising raw material prices continue to increase the cost of production. The exception was Jordan where prices fell. The United States has commitments to China and is supplying Latin America. In North Africa prices have firmed because of a seasonally strong demand from Europe.

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

	December 2002	January 2003	January 2002	Change from last year 1/
	(. . . . . US$/tonne . . . . .)			(. percentage .)
Urea				
eastern Europe	100-102	110-114	103-105	7.8
Near East	120-124	129-132	111-113	16.2
Ammonium Sulphate				
eastern Europe	37-39	36-39	49-53	-26.7
western Europe	38-40	38-40	70-75	-46.2
Diammonium Phosphate				
Jordan	167-170	156-164	157-161	1.4
North Africa	154-157	154-160	146-152	5.4
U.S. Gulf	149-151	152-154	152-155	-0.1
Triple Superphosphate				
North Africa	126-128	126-129	120-126	3.3
U.S. Gulf	130-133	129-131	126-131	1.1
Muriate of Potash				
eastern Europe	89-104	90-104	90-107	-1.6
Vancouver	110-123	110-121	110-129	-3.5
western Europe	105-115	105-115	111-116	-3.3

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

Viet Nam is expected to enter the market in the near future. In Mexico, credit problems might lead to lower imports, which might have an unfavourable impact on US exports. The season in the United States is expected to start and demand will be high in March-May. The Russian Federation has shipment problems due to ice but intends to export all DAP produced nationally to Brazil and the United States, while Morocco is supplying India. Demand from Nepal and Pakistan is high.

Prices for **triple superphosphate** (TSP) remained stable from late 2002 into early 2003 and in January were between 1 percent and 3 percent higher than a year earlier. TSP from Morocco has been sold to Latin America and Europe. European demand is expected to increase in March/April. China plans for a shutdown of its TSP plant, but will later continue supplying Bangladesh.

Latest prices for **muriate of potash** (MOP) have decreased between 1 percent and 4 percent compared to the same period in 2002. Substantial imports by China are keeping prices stable. In the Far East market prices are firm. Demand is starting again in Europe and the United States in the coming weeks for spring season planting. Canada is supplying Europe, Latin America and China. In Turkey MOP prices are continuing to rise. The Russian Federation is delivering large amounts of MOP to South Africa.

Appendix Tables

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

	Wheat			Coarse Grains		
	2000	2001	2002 estim.	2000	2001	2002 estim.
	(. . . . . million tonnes . . . . .)					
ASIA	**254.7**	**245.2**	**250.7**	**195.8**	**209.8**	**214.2**
Bangladesh	1.7	1.6	1.8	0.1	0.1	0.1
China 1/	99.6	93.9	89.3	117.2	125.2	134.9
India	76.4	68.8	71.5	31.6	34.7	28.4
Indonesia	-	-	-	9.7	9.3	9.8
Iran, Islamic Rep. of	8.1	9.5	12.0	2.8	3.5	4.5
Japan	0.7	0.7	0.7	0.2	0.2	0.3
Kazakhstan	9.1	12.7	12.6	2.1	3.0	2.9
Korea, D. P. R.	0.1	0.1	0.1	1.1	1.6	1.8
Korea, Rep. of	-	-	-	0.3	0.5	0.4
Myanmar	0.1	0.1	0.1	0.5	0.7	0.8
Pakistan	22.0	19.0	19.2	2.2	2.1	2.1
Philippines	-	-	-	4.5	4.5	4.3
Saudi Arabia	1.8	1.8	1.8	0.3	0.3	0.3
Thailand	-	-	-	4.9	4.7	4.2
Turkey	21.0	19.0	20.0	10.9	10.2	10.1
Viet Nam	-	-	-	2.0	2.1	2.3
AFRICA	**14.5**	**17.8**	**16.0**	**80.4**	**82.5**	**78.7**
North Africa	**9.7**	**12.9**	**11.7**	**8.6**	**10.0**	**10.1**
Egypt	6.6	6.3	6.6	7.5	7.8	7.7
Morocco	1.4	3.3	3.4	0.6	1.3	1.9
Sub-Saharan Africa	**4.8**	**4.9**	**4.3**	**71.8**	**72.5**	**68.6**
Western Africa	**0.1**	**0.1**	**0.1**	**31.3**	**33.4**	**33.3**
Nigeria	-	0.1	-	19.3	19.6	20.0
Central Africa	**-**	**-**	**-**	**2.5**	**2.5**	**2.5**
Eastern Africa	**2.0**	**2.0**	**1.6**	**18.5**	**21.9**	**17.9**
Ethiopia	1.5	1.4	1.1	7.8	7.4	5.6
Sudan	0.3	0.2	0.2	3.0	5.1	3.5
Southern Africa	**2.7**	**2.9**	**2.6**	**19.4**	**14.7**	**14.8**
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.4	2.5	2.3	11.1	7.9	9.5
Zimbabwe	0.3	0.3	0.2	2.2	1.6	0.6
CENTRAL AMERICA	**3.5**	**3.3**	**3.3**	**27.6**	**30.7**	**29.3**
Mexico	3.5	3.3	3.3	23.9	27.1	25.6
SOUTH AMERICA	**20.0**	**21.2**	**18.7**	**63.0**	**71.3**	**64.8**
Argentina	16.0	15.3	13.0	21.7	19.6	18.7
Brazil	1.7	3.3	2.9	32.9	43.0	37.0
Colombia	-	-	-	1.4	1.4	1.4
NORTH AMERICA	**87.3**	**73.8**	**59.7**	**297.6**	**285.1**	**264.9**
Canada	26.5	20.6	15.7	24.2	22.7	19.8
United States	60.8	53.3	44.0	273.4	262.4	245.2
EUROPE	**183.7**	**200.7**	**209.7**	**198.7**	**223.5**	**221.1**
Bulgaria	2.8	3.1	3.5	1.5	1.9	2.4
EU	105.4	92.1	103.8	108.7	108.1	106.5
Hungary	3.7	5.2	3.9	6.3	9.9	7.7
Poland	8.5	9.3	9.3	13.8	17.7	17.6
Romania	4.4	7.8	4.4	6.0	10.3	9.8
Russian Fed.	34.4	46.9	50.3	29.3	35.9	34.2
Ukraine	11.0	21.3	20.5	13.8	16.1	17.7
OCEANIA	**22.5**	**24.3**	**10.3**	**11.7**	**12.3**	**7.5**
Australia	22.2	24.0	10.0	11.2	11.8	6.8
WORLD	**586.3**	**586.4**	**568.4**	**874.8**	**915.1**	**880.5**
Developing countries	272.8	262.3	261.3	352.0	381.2	372.3
Developed countries	313.4	324.1	307.1	522.8	533.9	508.2

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

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

	Rice (paddy)			Total Cereals 1/		
	2000	2001	2002 estim.	2000	2001	2002 estim.
	(. . . . . million tonnes . . . . .)					
ASIA	**545.3**	**543.5**	**528.0**	**995.8**	**998.5**	**992.9**
Bangladesh	37.6	37.8	38.5	39.4	39.5	40.3
China 2/	189.8	179.3	177.5	406.6	398.4	401.7
India	127.3	137.4	120.0	235.3	240.9	219.9
Indonesia	51.9	50.5	51.6	61.6	59.8	61.4
Iran, Islamic Rep. of	2.0	2.0	2.7	12.9	14.9	19.2
Japan	11.9	11.3	11.1	12.8	12.3	12.1
Kazakhstan	0.2	0.2	0.2	11.4	15.9	15.7
Korea, D. P. R.	1.7	2.1	2.2	2.9	3.8	4.1
Korea, Rep. of	7.2	7.5	6.7	7.5	7.9	7.0
Myanmar	21.3	21.9	21.9	22.0	22.7	22.8
Pakistan	7.2	5.8	6.6	31.4	26.9	28.0
Philippines	12.5	13.1	13.2	17.0	17.6	17.5
Saudi Arabia	-	-	-	2.1	2.1	2.1
Thailand	25.8	26.5	25.8	30.7	31.2	30.0
Turkey	0.4	0.4	0.4	32.2	29.6	30.5
Viet Nam	32.5	32.0	34.1	34.6	34.1	36.4
AFRICA	**17.6**	**17.4**	**18.1**	**112.5**	**117.7**	**112.7**
North Africa	**6.0**	**5.3**	**6.1**	**24.3**	**28.2**	**27.9**
Egypt	6.0	5.2	6.0	20.1	19.3	20.3
Morocco	-	-	-	2.0	4.6	5.3
Sub-Saharan Africa	**11.5**	**12.1**	**12.0**	**88.1**	**89.5**	**84.8**
Western Africa	**7.3**	**7.7**	**7.5**	**38.7**	**41.1**	**40.9**
Nigeria	3.3	3.4	3.5	22.7	23.0	23.6
Central Africa	**0.4**	**0.4**	**0.4**	**3.0**	**3.0**	**3.0**
Eastern Africa	**1.0**	**1.0**	**1.0**	**21.5**	**24.9**	**20.6**
Ethiopia	-	-	-	9.3	8.8	6.7
Sudan	-	-	-	3.3	5.3	3.8
Southern Africa	**2.8**	**3.0**	**3.0**	**24.9**	**20.5**	**20.4**
Madagascar	2.5	2.7	2.7	2.6	2.8	2.9
South Africa	-	-	-	13.5	10.4	11.8
Zimbabwe	-	-	-	2.5	1.9	0.7
CENTRAL AMERICA	**2.5**	**2.3**	**2.3**	**33.6**	**36.2**	**34.9**
Mexico	0.4	0.2	0.2	27.8	30.6	29.0
SOUTH AMERICA	**21.0**	**20.0**	**19.5**	**104.1**	**112.6**	**103.0**
Argentina	0.9	0.9	0.7	38.5	35.7	32.4
Brazil	11.4	10.4	10.7	46.0	56.7	50.5
Colombia	2.3	2.3	2.4	3.7	3.7	3.8
NORTH AMERICA	**8.7**	**9.8**	**9.6**	**393.5**	**368.7**	**334.2**
Canada	-	-	-	50.7	43.3	35.4
United States	8.7	9.8	9.6	342.8	325.4	298.7
EUROPE	**3.2**	**3.2**	**3.3**	**385.7**	**427.3**	**434.1**
Bulgaria	-	-	-	4.3	5.0	5.9
EU	2.5	2.6	2.6	216.6	202.8	213.0
Hungary	-	-	-	10.0	15.1	11.6
Poland	-	-	-	22.3	27.0	26.9
Romania	-	-	-	10.5	18.1	14.2
Russian Fed.	0.6	0.5	0.5	64.3	83.3	85.0
Ukraine	0.1	0.1	0.1	24.9	37.5	38.2
OCEANIA	**1.1**	**1.8**	**1.3**	**35.3**	**38.4**	**19.1**
Australia	1.1	1.8	1.3	34.4	37.5	18.0
WORLD	**599.4**	**597.9**	**582.0**	**2 060.4**	**2 099.4**	**2 031.0**
Developing countries	574.1	571.5	556.3	1 198.9	1 215.0	1 190.0
Developed countries	25.3	26.4	25.7	861.5	884.4	841.0

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

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

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**44.1**	**47.3**	**44.1**	**58.8**	**56.8**	**55.3**
Bangladesh	1.0	1.7	1.3	0.2	0.1	0.1
China	1.5	2.0	2.1	7.1	7.3	7.2
Taiwan Province	1.0	1.0	1.1	4.8	4.9	4.8
Georgia	0.7	0.5	0.6	-	-	-
India	0.1	-	0.1	0.2	0.1	0.2
Indonesia	4.1	4.0	4.0	1.6	1.1	1.1
Iran, Islamic Rep. of	6.5	5.9	3.3	2.5	2.0	1.7
Iraq	3.2	3.0	3.0	0.3	0.1	0.1
Israel	1.3	1.5	1.5	1.4	1.2	1.1
Japan	5.7	5.7	5.9	20.4	19.9	19.9
Korea, D. P. R.	0.6	0.6	0.6	0.8	0.5	0.4
Korea, Rep. of	3.1	4.0	4.0	8.9	8.6	8.8
Malaysia	1.3	1.3	1.4	2.7	2.4	2.4
Pakistan	0.1	0.4	0.5	0.1	0.1	0.1
Philippines	3.0	3.1	3.4	0.4	0.4	0.4
Saudi Arabia	-	0.1	0.1	6.2	7.0	6.4
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.8	0.9	0.9	0.1	0.2	0.1
Syria	0.1	0.3	0.1	1.6	0.9	0.5
Thailand	0.8	0.8	0.8	-	0.3	0.4
Yemen	1.9	2.0	2.0	0.2	0.2	0.2
AFRICA	**25.8**	**24.9**	**26.2**	**14.4**	**15.1**	**17.9**
North Africa	**16.8**	**16.6**	**17.2**	**10.4**	**11.3**	**11.2**
Algeria	4.6	4.4	4.8	2.1	2.1	2.2
Egypt	5.7	6.8	6.3	4.9	5.5	5.5
Morocco	3.3	3.0	2.9	1.5	1.6	1.4
Tunisia	1.6	1.3	1.8	1.1	1.4	1.3
Sub-Saharan Africa	**9.0**	**8.3**	**9.0**	**4.0**	**3.8**	**6.7**
Côte d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.8	0.3	1.2	0.1	-	0.4
Kenya	0.6	0.5	0.6	1.1	0.5	0.9
Nigeria	1.6	1.7	1.7	0.1	0.1	0.1
Senegal	0.3	0.3	0.3	-	0.1	-
Sudan	0.8	1.1	1.3	0.1	0.1	0.1
South Africa	0.7	0.5	0.4	0.5	0.7	0.7
CENTRAL AMERICA	**6.9**	**6.7**	**7.0**	**14.7**	**12.5**	**14.0**
Cuba	0.9	1.0	1.0	0.1	0.2	0.3
Dominican Rep.	0.5	0.3	0.3	1.1	0.7	0.7
Mexico	3.2	3.1	3.3	11.2	9.2	10.6
SOUTH AMERICA	**12.7**	**11.8**	**11.7**	**7.5**	**6.2**	**6.3**
Brazil	7.4	6.8	6.9	1.8	0.6	0.6
Chile	0.4	0.3	0.3	1.3	1.2	1.1
Colombia	1.2	1.2	1.1	1.9	2.4	2.4
Peru	1.4	1.3	1.3	0.9	1.1	1.1
Venezuela	1.3	1.3	1.2	1.1	0.6	0.7
NORTH AMERICA	**2.5**	**2.9**	**2.2**	**5.0**	**6.5**	**7.2**
Canada	0.1	0.1	0.2	2.6	3.9	5.0
United States	2.4	2.9	2.0	2.4	2.6	2.2
EUROPE	**9.6**	**13.3**	**13.4**	**8.1**	**7.5**	**6.9**
Belarus	0.4	0.5	0.4	0.3	0.3	0.2
EU 2/	3.2	10.0	10.0	2.7	3.8	3.4
Poland	0.8	0.3	0.3	1.2	0.3	0.2
Romania	0.5	-	0.3	0.5	0.2	0.1
Russian Fed.	1.6	0.5	0.4	0.8	0.8	0.9
Ukraine	0.8	0.1	0.1	0.1	0.1	0.1
OCEANIA	**0.5**	**0.4**	**0.5**	**0.1**	**0.1**	**0.2**
New Zealand	0.2	0.2	0.2	-	-	-
WORLD	**102.1**	**107.4**	**105.2**	**108.5**	**104.7**	**107.8**
Developing countries	79.0	80.5	78.9	73.0	68.7	71.7
Developed countries	23.1	26.9	26.3	35.5	36.0	36.1

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

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

2/ Excluding trade between the EU member countries.

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

	Rice (milled)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**11.4**	**13.8**	**13.4**	**114.2**	**118.0**	**112.8**
Bangladesh	0.4	0.3	0.3	1.6	2.1	1.7
China	0.3	0.3	0.4	8.8	9.6	9.6
Taiwan Province	-	0.1	0.2	5.9	6.1	6.0
Georgia	-	-	-	0.7	0.5	0.6
India	0.1	-	0.1	0.3	0.2	0.3
Indonesia	1.5	3.5	3.2	7.2	8.6	8.3
Iran, Islamic Rep. of	0.8	0.8	0.8	9.8	8.8	5.8
Iraq	1.2	1.2	1.2	4.7	4.3	4.3
Israel	0.1	0.1	0.1	2.8	2.8	2.7
Japan	0.6	0.7	0.7	26.7	26.3	26.5
Korea, D. P. R.	0.7	0.7	0.7	2.0	1.8	1.8
Korea, Rep. of	0.1	0.2	0.2	12.1	12.8	13.0
Malaysia	0.6	0.6	0.7	4.6	4.3	4.5
Pakistan	-	-	-	0.1	0.5	0.6
Philippines	1.0	1.2	1.0	4.5	4.7	4.8
Saudi Arabia	0.8	0.9	1.0	7.1	7.9	7.5
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	0.1	0.1	0.1	1.0	1.1	1.1
Syria	0.2	0.2	0.2	1.8	1.4	0.7
Thailand	-	-	-	0.8	1.1	1.2
Yemen	0.2	0.3	0.3	2.4	2.4	2.5
AFRICA	**7.3**	**7.8**	**7.5**	**47.5**	**47.8**	**51.7**
North Africa	**0.2**	**0.3**	**0.3**	**27.5**	**28.2**	**28.6**
Algeria	0.1	0.1	0.1	6.8	6.6	7.1
Egypt	-	-	-	10.6	12.3	11.8
Morocco	-	-	-	4.8	4.6	4.3
Tunisia	-	-	-	2.7	2.7	3.1
Sub-Saharan Africa	**7.1**	**7.6**	**7.3**	**20.0**	**19.6**	**23.1**
Côte d'Ivoire	1.1	1.0	0.9	1.4	1.3	1.2
Ethiopia	-	-	-	0.9	0.4	1.6
Kenya	0.1	0.2	0.2	1.9	1.2	1.7
Nigeria	1.6	1.8	1.7	3.3	3.6	3.5
Senegal	0.6	0.7	0.7	0.9	1.1	1.0
Sudan	-	-	-	1.0	1.3	1.4
South Africa	0.6	0.7	0.7	1.8	1.9	1.7
CENTRAL AMERICA	**1.7**	**2.0**	**2.0**	**23.3**	**21.2**	**22.9**
Cuba	0.5	0.6	0.6	1.5	1.8	1.8
Dominican Rep.	-	-	-	1.6	1.0	1.0
Mexico	0.5	0.6	0.6	14.9	12.9	14.5
SOUTH AMERICA	**1.1**	**1.0**	**1.0**	**21.3**	**19.0**	**19.0**
Brazil	0.7	0.7	0.7	9.9	8.1	8.2
Chile	0.1	0.1	0.1	1.8	1.5	1.5
Colombia	0.2	0.1	0.2	3.2	3.7	3.6
Peru	0.1	0.1	0.1	2.4	2.4	2.4
Venezuela	-	-	0.1	2.5	1.9	2.0
NORTH AMERICA	**0.7**	**0.7**	**0.7**	**8.2**	**10.1**	**10.1**
Canada	0.3	0.3	0.3	3.0	4.2	5.5
United States	0.4	0.4	0.4	5.2	5.9	4.6
EUROPE	**1.6**	**1.7**	**1.7**	**19.3**	**22.4**	**22.1**
Belarus	-	-	-	0.7	0.8	0.7
EU 2/	0.7	0.7	0.7	6.6	14.5	14.2
Poland	0.1	0.1	0.1	2.1	0.7	0.6
Romania	0.1	0.1	0.1	1.1	0.3	0.5
Russian Fed.	0.3	0.4	0.4	2.7	1.6	1.7
Ukraine	0.1	0.1	0.1	0.9	0.3	0.3
OCEANIA	**0.4**	**0.4**	**0.4**	**0.9**	**0.9**	**1.1**
New Zealand	-	-	-	0.3	0.2	0.2
WORLD	**24.1**	**27.4**	**26.8** 3/	**234.7**	**239.4**	**239.8**
Developing countries	20.2	23.3	22.7	172.2	172.4	173.3
Developed countries	3.8	4.1	4.1	62.5	67.0	66.5

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

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

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	2000/01	2001/02 estim.	2002/03 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**10.1**	**11.6**	**15.5**	**11.6**	**8.2**	**13.0**
China 2/	0.6	0.9	1.2	10.0	6.4	11.0
India	2.4	3.5	5.0	-	-	-
Indonesia	-	-	-	0.1	0.1	0.1
Japan	0.4	0.4	0.4	-	-	-
Kazakhstan	3.7	3.8	5.0	0.4	0.4	0.4
Myanmar	-	-	-	0.1	0.1	0.2
Pakistan	0.3	0.6	1.0	-	-	-
Syria	0.1	0.5	0.5	-	-	-
Thailand	-	-	-	0.3	0.2	0.1
Turkey	1.6	0.6	1.2	0.1	0.6	0.7
Viet Nam	-	-	-	-	-	-
AFRICA	**0.4**	**0.4**	**0.5**	**2.9**	**2.4**	**2.1**
Egypt	-	-	-	-	-	-
Ethiopia	-	-	-	0.2	0.2	-
Nigeria	-	-	-	0.2	0.1	0.1
South Africa	0.1	0.1	0.3	1.6	1.4	1.3
Sudan	-	-	-	0.1	0.1	0.1
Uganda	-	-	-	0.3	0.3	0.1
CENTRAL AMERICA	**0.7**	**0.7**	**0.6**	**0.3**	**0.2**	**0.3**
SOUTH AMERICA	**10.8**	**11.0**	**8.8**	**15.5**	**15.1**	**11.6**
Argentina	10.7	11.0	8.7	12.8	9.6	9.3
Brazil	-	-	-	2.3	5.0	2.0
Paraguay	-	0.1	0.1	0.2	0.3	0.2
Uruguay	0.1	-	-	0.1	0.1	0.1
NORTH AMERICA	**44.6**	**42.1**	**36.0**	**58.9**	**59.6**	**59.3**
Canada	16.8	16.0	9.5	3.8	3.1	2.4
United States	27.8	26.1	26.5	55.0	56.5	56.8
EUROPE	**17.4**	**26.8**	**35.0**	**14.1**	**16.4**	**19.7**
Bulgaria	0.5	0.8	1.1	0.3	0.3	0.5
Czech Rep.	0.4	0.8	0.6	-	0.2	0.3
EU 3/	14.5	11.4	15.0	10.6	5.4	8.6
Hungary	0.9	2.1	1.0	0.8	3.1	1.7
Romania	0.1	0.8	0.5	0.1	0.6	0.6
Russian Fed.	0.7	4.5	8.5	0.5	2.6	3.0
Ukraine	0.1	5.5	6.8	1.6	3.5	4.0
OCEANIA	**16.5**	**16.0**	**9.0**	**4.3**	**4.9**	**2.0**
Australia	16.5	16.0	9.0	4.3	4.8	1.9
WORLD	**100.5**	**108.6**	**105.2**	**107.7**	**106.7**	**107.8**
Developing countries	17.8	19.3	19.6	28.4	24.1	25.1
Developed countries	82.7	89.3	85.6	79.3	82.6	82.7

Source: FAO

Note: Totals computed from unrounded data.

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

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

	Rice (milled)			Total Cereals 1/		
	2001	2002 estim.	2003 f'cast	2000/01	2001/02 estim.	2002/03 f'cast
	(. . . . . million tonnes . . . . .)					
ASIA	**18.5**	**21.9**	**21.0**	**40.2**	**41.7**	**49.4**
China 2/	2.0	1.9	2.1	12.6	9.2	14.3
India	1.9	6.5	4.5	4.3	10.0	9.5
Indonesia	-	-	-	0.1	0.1	0.1
Japan	0.6	0.6	0.5	1.0	1.0	0.9
Kazakhstan	-	-	-	4.0	4.2	5.4
Myanmar	0.7	0.7	0.7	0.8	0.8	0.9
Pakistan	2.3	1.5	1.5	2.5	2.1	2.5
Syria	-	-	-	0.1	0.5	0.5
Thailand	7.5	7.3	7.5	7.8	7.5	7.6
Turkey	-	-	-	1.7	1.2	1.9
Viet Nam	3.5	3.2	3.9	3.5	3.3	3.9
AFRICA	**0.7**	**0.4**	**0.6**	**4.0**	**3.2**	**3.2**
Egypt	0.7	0.4	0.6	0.7	0.4	0.6
Ethiopia	-	-	-	0.2	0.2	-
Nigeria	-	-	-	0.2	0.1	0.1
South Africa	-	-	-	1.7	1.5	1.6
Sudan	-	-	-	0.1	0.1	0.1
Uganda	-	-	-	0.3	0.3	0.1
CENTRAL AMERICA	**-**	**-**	**-**	**1.1**	**1.0**	**0.8**
SOUTH AMERICA	**1.4**	**1.2**	**1.4**	**27.8**	**27.3**	**21.8**
Argentina	0.4	0.3	0.4	23.9	20.8	18.3
Brazil	-	-	-	2.3	5.0	2.0
Paraguay	-	-	-	0.2	0.4	0.2
Uruguay	0.7	0.6	0.7	0.9	0.6	0.8
NORTH AMERICA	**2.5**	**3.1**	**3.4**	**106.0**	**104.8**	**98.7**
Canada	-	-	-	20.6	19.1	11.9
United States	2.5	3.1	3.4	85.4	85.7	86.7
EUROPE	**0.2**	**0.2**	**0.2**	**31.8**	**43.4**	**54.9**
Bulgaria	-	-	-	0.8	1.1	1.6
Czech Rep.	-	-	-	0.5	1.0	0.9
EU 3/	0.2	0.2	0.2	25.3	17.0	23.8
Hungary	-	-	-	1.7	5.2	2.7
Romania	-	-	-	0.2	1.4	1.1
Russian Fed.	-	-	-	1.3	7.0	11.5
Ukraine	-	-	-	1.7	9.0	10.8
OCEANIA	**0.6**	**0.5**	**0.2**	**21.5**	**21.4**	**11.2**
Australia	0.6	0.5	0.2	21.5	21.3	11.1
WORLD	**24.1**	**27.4**	**26.8** 4/	**232.3**	**242.7**	**239.8**
Developing countries	20.1	23.0	22.5	66.3	66.4	67.2
Developed countries	4.0	4.4	4.3	166.0	176.3	172.7

Source: FAO

Note: Totals computed from unrounded data.

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

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

	Wheat 1/			Coarse Grains 2/			Rice (milled basis)		
	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	21.1	48.9	52.7	45.1	0.9	0.9	1.2
Production	60.8	53.3	44.0	273.4	262.3	245.4	5.9	6.7	6.6
Imports	2.4	2.9	2.0	2.4	2.3	2.4	0.3	0.4	0.4
Total Supply	**89.1**	**80.0**	**67.2**	**324.7**	**317.3**	**292.8**	**7.1**	**8.0**	8.2
Domestic use	36.4	32.7	30.6	215.3	217.5	213.8	3.7	3.9	3.9
Exports	28.9	26.2	25.2	56.6	54.7	55.1	2.6	2.9	3.3
Closing stocks	23.8	21.1	11.3	52.7	45.1	24.0	0.9	1.2	1.0
	CANADA (August/July)			**CANADA**			**THAILAND** (Nov./Oct.) 3/		
Opening stocks	7.7	9.7	6.5	5.8	4.4	3.6	1.7	1.8	2.5
Production	26.5	20.6	15.7	24.2	22.7	19.8	17.1	17.6	17.1
Imports	0.1	0.1	0.2	2.9	4.0	5.3	0.0	0.0	0.0
Total Supply	**34.3**	**30.3**	**22.4**	**32.9**	**31.2**	**28.6**	**18.8**	**19.4**	**19.6**
Domestic use	7.6	7.6	8.6	23.9	24.2	23.2	9.4	9.6	9.6
Exports	17.1	16.2	9.5	4.6	3.5	2.5	7.5	7.3	7.5
Closing stocks	9.7	6.5	4.4	4.4	3.6	2.9	1.8	2.5	2.5
	ARGENTINA (Dec./Nov.)			**ARGENTINA**			**CHINA** (Jan./Dec.) 3/ 4/		
Opening stocks	0.6	0.6	0.7	0.8	1.2	1.2	113.0	106.5	92.9
Production	16.0	15.3	13.0	21.7	19.3	18.7	130.1	122.9	121.7
Imports	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.3	0.4
Total Supply	**16.5**	**15.9**	**13.7**	**22.6**	**20.5**	**20.0**	**243.4**	**229.7**	**214.9**
Domestic use	4.8	4.9	4.9	8.4	9.1	9.5	134.9	134.9	134.4
Exports	11.2	10.3	8.2	13.0	10.2	9.4	2.0	1.9	2.1
Closing stocks	0.6	0.7	0.6	1.2	1.2	1.0	106.5	92.9	78.4
	AUSTRALIA (Oct./Sept.)			**AUSTRALIA**			**PAKISTAN** (Nov./Oct.) 3/		
Opening stocks	3.3	3.8	5.3	0.7	1.4	2.0	1.1	0.9	0.5
Production	22.2	24.0	10.0	11.2	11.8	6.8	4.8	3.9	4.4
Imports	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0
Total Supply	**25.5**	**27.7**	**15.4**	**11.9**	**13.1**	**8.9**	**5.9**	**4.8**	**5.0**
Domestic use	5.7	5.9	4.9	6.0	6.2	6.2	2.7	2.8	2.9
Exports	16.1	16.5	8.6	4.5	4.9	1.7	2.3	1.5	1.5
Closing stocks	3.8	5.3	1.9	1.4	2.0	1.0	0.9	0.5	0.6
	EU (July/June) 5/			**EU** 5/			**VIET NAM** (Nov./Oct.) 3/		
Opening stocks	12.9	14.5	13.2	20.8	17.0	20.3	3.1	4.0	4.5
Production	105.4	92.1	103.8	108.7	108.1	106.5	21.7	21.3	22.7
Imports	3.2	10.0	10.0	2.7	3.8	3.4	0.0	0.0	0.0
Total Supply	**121.5**	**116.6**	**127.0**	**132.2**	**128.8**	**130.2**	**24.8**	**25.3**	**27.2**
Domestic use	92.4	91.9	96.6	104.7	103.2	102.5	17.3	17.6	18.4
Exports	14.6	11.5	15.2	10.6	5.4	8.6	3.5	3.2	3.9
Closing stocks	14.5	13.2	15.2	17.0	20.3	19.2	4.0	4.5	4.9
TOTAL ABOVE									
Opening stocks	50.4	52.3	46.8	77.0	76.7	72.1	119.7	114.1	101.7
Production	230.9	205.2	186.5	439.2	424.2	397.2	179.7	172.4	172.5
Imports	5.7	13.0	12.4	8.1	10.2	11.3	0.6	0.8	0.7
Total Supply	**287.0**	**270.6**	**245.7**	**524.2**	**511.0**	**480.6**	**300.0**	**287.3**	**274.9**
Domestic use	146.8	143.1	145.6	358.3	360.2	355.2	168.0	168.8	169.3
Exports	87.9	80.7	66.7	89.3	78.7	77.3	17.8	16.8	18.3
Closing stocks	52.3	46.8	33.3	76.7	72.1	48.1	114.1	101.7	87.3

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

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

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

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

4/ Including Taiwan province.

5/ Excluding trade between the EU member countries.

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

	Crop Years ending in:						
	1997	1998	1999	2000	2001	2002 estim.	2003 f'cast
	(. . . . . million tonnes . . . . .)						
TOTAL CEREALS	**617.9**	**661.3**	**683.5**	**681.3**	**629.3**	**576.7**	**465.9**
Wheat	**227.4**	**252.9**	**259.5**	**253.9**	**240.4**	**217.9**	**169.8**
held by:							
- main exporters 2/	36.0	39.3	50.7	50.4	52.3	46.8	33.3
- others	191.4	213.7	208.8	203.6	188.0	171.1	136.5
Coarse Grains	**238.8**	**255.5**	**266.6**	**259.3**	**225.9**	**210.7**	**172.5**
held by:							
- main exporters 2/	46.7	69.3	79.7	77.0	76.7	72.1	48.1
- others	192.0	186.2	186.9	182.3	149.2	138.6	124.4
Rice (milled basis)	**151.7**	**152.9**	**157.4**	**168.0**	**163.1**	**148.2**	**123.6**
held by:							
- main exporters 2/	111.8	115.7	117.2	119.7	114.1	101.7	87.3
excl. China 3/	4.5	4.5	4.1	6.7	7.6	8.7	8.9
- others	40.0	37.2	40.1	48.3	49.0	46.6	36.3
BY REGIONS							
Developed Countries	**121.6**	**169.2**	**171.1**	**164.7**	**160.2**	**162.3**	**123.7**
Australia	3.2	3.8	3.0	4.2	5.2	7.5	3.1
EU	24.4	35.1	36.6	34.2	31.9	33.9	34.8
Canada	14.0	10.4	12.5	13.6	14.1	10.1	7.3
Hungary	2.3	2.8	2.6	2.0	1.3	1.6	1.3
Japan	6.7	6.7	6.0	5.7	5.3	4.8	5.1
Poland	4.2	4.0	4.2	3.7	1.5	2.2	2.0
Romania	1.2	5.0	3.5	3.6	1.0	2.8	1.8
Russian Fed.	6.5	18.0	5.8	4.9	6.5	9.6	8.0
South Africa	2.4	3.7	2.3	1.7	2.9	1.8	1.9
Ukraine	3.6	4.5	2.2	2.2	2.2	5.0	5.2
United States	39.9	58.7	77.8	75.6	77.4	67.4	36.4
Developing Countries	**496.3**	**492.2**	**512.4**	**516.6**	**469.1**	**414.5**	**342.2**
Asia	**457.6**	**456.3**	**473.5**	**478.6**	**434.4**	**378.1**	**311.0**
China 3/	374.0	366.6	374.7	367.6	318.7	271.0	224.8
India	35.3	42.9	47.3	57.4	62.1	58.3	43.8
Indonesia	6.9	5.5	5.6	5.9	6.1	3.9	4.4
Iran, Islamic Rep. of	3.5	2.0	1.6	2.0	1.1	1.3	1.2
Korea, Rep. of	2.3	2.8	2.8	3.3	3.2	3.5	3.4
Pakistan	6.3	7.1	8.6	7.9	7.9	4.8	1.3
Philippines	2.0	2.0	2.6	1.9	2.0	1.9	2.1
Syria	5.1	4.0	4.2	4.0	3.6	4.4	4.1
Turkey	6.8	7.4	9.4	8.3	8.7	7.2	5.0
Africa	**23.8**	**21.1**	**26.4**	**24.1**	**21.7**	**21.6**	**18.1**
Algeria	2.8	2.1	2.6	2.0	1.3	1.7	1.2
Egypt	2.9	3.7	4.5	4.1	3.9	3.4	2.7
Ethiopia	1.6	1.2	1.4	1.4	1.8	1.2	0.2
Morocco	3.8	2.5	4.7	3.0	1.8	1.9	2.1
Nigeria	1.9	1.9	1.9	1.6	2.2	2.6	2.3
Tunisia	2.1	1.9	1.9	2.1	2.1	2.2	2.0
Central America	**7.0**	**5.1**	**6.2**	**6.4**	**6.0**	**5.9**	**5.8**
Mexico	5.7	3.9	5.0	4.8	4.5	4.7	4.7
South America	**7.7**	**9.6**	**6.2**	**7.4**	**7.0**	**8.8**	**7.2**
Argentina	2.5	2.1	1.7	1.6	1.9	2.0	1.6
Brazil	2.9	4.9	1.5	2.7	1.8	4.2	3.4

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

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

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

3/ Including Taiwan Province.

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

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Red Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 1/	Argentina Trigo Pan 2/	U.S. No.2 Yellow 1/	Argentina 2/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 1/
	(. . . . . US$/tonne . . . . .)						
July/June							
1998/1999	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
2001/2002	127	113	119	90	89	95	182
2002 – January	128	121	115	92	89	97	173
July	151	123	137	100	97	104	220
August	165	131	138	110	105	115	219
September	189	154	153	115	108	120	221
October	196	159	155	110	105	121	212
November	180	159	136	109	108	122	225
December	165	146	130	107	104	117	223
2003 – January I	157	139	133	106	104	114	229
II	150	137	135	105	101	112	221
III	153	139	140	105	101	113	223
IV	153	138	143	107	103	114	229

Sources: International Grain Council and USDA.

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

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

Calendar years	Export Prices				FAO Indices				
	Thai 100% B 1/	Thai broken 2/	U.S. Long grain 3/	Pakistani Basmati 4/	Total	Indica		Japonica	Aromatic
						High quality	Low quality		
January/December	(. . . . . U.S.$/tonne . . . . .)				(. . . . . 1998-2000=100 . . . . .)				
1999	253	192	333	486	101	99	101	105	98
2000	207	143	271	418	84	84	83	83	89
2001	177	135	264	332	74	74	74	76	69
2002	197	151	207	366	72	73	75	67	74
2002 - January	197	145	208	347	72	73	74	71	66
October	193	161	215	397	74	74	77	69	80
November	190	157	215	348	73	73	77	68	76
December	193	151	215	341	72	72	75	67	75
2003 - January I	197	148	215	n.a.	)				
II	208	152	202	n.a.	)				
III	208	153	202	369	) 72	72	75	66	82
IV	203	153	200	369	)				

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

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

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

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

Marketing years		FAO Indices			International Prices				
		Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals	Soybeans 1/	Soybean Oil 2/	Palm Oil 3/	Soybean Cake 4/	Rapeseed Meal 5/
October/September		(. . . . . 1990-92=100 . . . . . .)			(. . . . . U.S.$/tonne . . . . .)				
1997/98		109	154	116	256	634	641	197	138
1998/99		89	125	82	209	483	514	149	104
1999/00	Oct.-Mar.	83	98	87	206	374	356	176	122
	Apr.-Sep	84	84	90	213	337	318	184	125
2000/01	Oct.-Mar.	82	76	98	206	314	254	198	146
	Apr.-Sep	82	86	94	197	356	289	178	135
2001/02	Oct.-Mar.	83	95	100	188	378	323	175	135
	Apr.-Sep	90	107	104	213	445	392	174	122
2002/03	Oct.-Jan.	103	124	105	241	558	445	183	132

Sources: FAO and Oil World.

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

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

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

		March		May		July		September	
		this year	last year	this year	last year	this year	last year	this year	last year
		(. . . . . US$/tonne . . . . . .)							
WHEAT									
December	23	127	108	123	107	113	106	114	107
	30	121	106	118	105	111	105	112	106
January	7	120	112	119	110	115	109	116	110
	14	115	113	114	112	113	112	114	112
	21	117	108	116	109	115	109	116	110
	28	116	106	115	108	114	108	115	109
MAIZE									
December	23	96	81	97	84	98	87	96	89
	30	93	79	94	82	96	85	95	87
January	7	94	80	96	83	97	86	96	88
	14	91	83	92	86	93	88	94	90
	21	92	83	93	85	94	88	94	90
	28	94	81	95	84	96	87	95	89

Source: Chicago Board of Trade

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

	From U.S. Gulf ports to:				From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	China 1/	Japan 1/
	(. . . . . US$/tonne. . . . .)					
July/June						
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	13.10	40.97	15.00	18.31	27.00	36.31
2001/2002	11.00	40.97	15.00	18.50	26.92	34.19
2001 - December	11.50	40.97	15.00	18.50	26.00	33.00
2002 - January	11.35	40.97	15.00	18.50	27.00	33.00
July	10.75	40.97	15.00	18.50	27.00	33.00
August	10.75	40.97	15.00	18.50	27.00	33.00
September	10.75	40.97	15.00	18.50	27.00	33.00
October	10.75	40.97	15.00	18.50	27.00	29.00
November	10.75	40.97	15.00	18.50	27.00	29.00
December	10.75	40.97	15.00	18.50	27.00	29.00
2003 - January	10.75	40.97	15.00	18.50	27.00	29.00

Source: International Grain Council

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

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

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	28.01.03	8.53	7.97	7.4877	11.4
Coffee (I.C.O. daily price)	US cents per lb	24.01.03	56.4	50.1	42.6	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	24.01.03	98.7	93.7	62.4	56.0
Tea (total tea, Mombasa)	US$ per kg.	21.01.03	1.53	1.47	1.44	1.5
Bananas (Central America, f.o.b., Hamburg)	€ per tonne	31.01.03	951 1/ 840 2/	778 1/ 728 2/	941 1/ 775 2/	566
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	24.01.03	56.4	56.3	43.7	78.5
Wool (64's, London)	Pence per kg	24.01.03	579	570	419	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 2000). The LDCs and NIFDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries. The LDCs group currently includes 49 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NIFDCs group includes 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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Contents and Release Dates[1/]	No. 1 7 February	No. 2 8 April	No. 3 10 June	No. 4 16 September	No. 5 10 November
Cereal Supply/Demand Roundup[2/]	●	●	●	●	●
Cereal Production, Trade, Stocks & Prices	●	●	●	●	●
Cereal Utilization – extended report		●			
Food Aid and Cereal Import Bills		●			
Ocean Freight Rates		●		●	
Fertilizers	●	●	●	●	●
Meat and Meat Products		●			●
Milk and Milk Products		●			●
Oilseeds, Oils and Oilmeals			●		●
Pulses			●		
Sugar			●		●
Fish	●				

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

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