

# food outlook

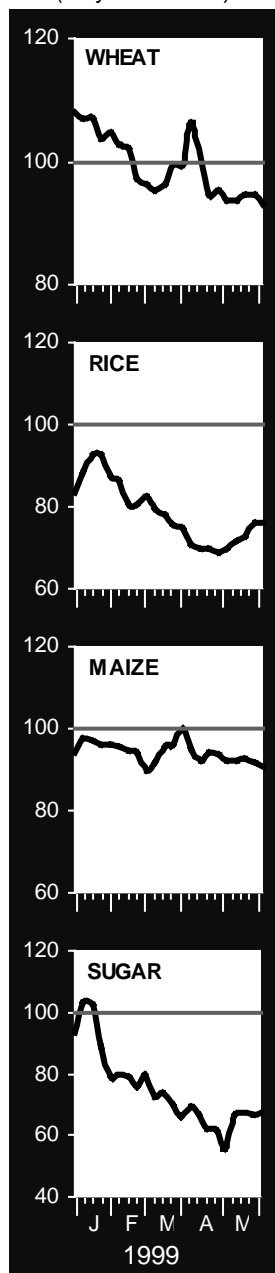
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## highlights

### EXPORT PRICES

(July 1998=100)



**Latest indications continue to point to a reduction in cereal output in 1999** and to a slight deterioration in the cereal supply outlook for the forthcoming 1999/2000 marketing season. If current forecasts materialize, cereal output in 1999 would not be sufficient to meet expected consumption requirements in 1999/2000 and global cereal reserves accumulated in the last three seasons will have to be drawn down.

**A major humanitarian emergency persists in Europe**, where thousands of refugees have continued to flee from the Kosovo Province of the Federal Republic of Yugoslavia over the past weeks. Elsewhere, serious food supply problems also persist in several countries in Africa, Asia and Latin America (see Food Emergency Box on page 4).

**FAO's latest forecast puts global cereal output in 1999 at 1 858 million tonnes**, 1.3 percent below last year's crop. Wheat output is forecast at 579 million tonnes, 2.6 percent down from 1998 and below trend, that of coarse grains at 891 million tonnes, 1.5 percent down from the previous year and also below trend. Global rice output is tentatively forecast to increase by 1.4 percent to 387 million tonnes (milled basis).

**FAO's first forecast of world trade in cereals in 1999/2000 is 212 million tonnes**, 5 million tonnes up from 1998/99. Global trade in wheat is expected to increase by about 5 percent to 100 million tonnes, and that for coarse grains by almost 2 percent, to 92 million tonnes. By contrast, for rice, reduced trade is anticipated in response to better production prospects among several major importing countries.

**International wheat and coarse grains prices weakened further since March**, mostly reflecting continuing sluggish demand on international markets and generally satisfactory growing conditions for 1999 crops. International rice prices fell in April, but recovered somewhat in May in response to increased import demand.

**Global production of pulses is expected to rise in 1999 to 58.5 million tonnes**. World imports of pulses are also seen to rise, with larger shipments for direct food consumption more than offsetting reduced trade of feed beans. Prices for lentils and chickpeas are anticipated to be firm in 1999 but prospects for other pulses are mixed.

**FAO estimates world sugar production in 1998/99 at 129.6 million tonnes**, 6.5 percent up from the previous season. At this level, output would be above demand for the fourth year in succession and stocks would rise further. Reflecting oversupply on international markets, sugar prices have continued to fall sharply this season.



## BASIC FACTS OF THE WORLD CEREAL SITUATION

	1995/96	1996/97	1997/98	1998/99	1999/2000 forecast	Change 1999/2000 over 1998/99
<b>WORLD PRODUCTION <sup>1/</sup></b>	( ..... million tonnes ..... )					( .percentage . )
Wheat	548	589	613	595	579	-2.6
Coarse grains	810	920	905	905	891	-1.5
Rice, milled	370	383	387	382	387	1.3
(paddy)	(550)	(571)	(578)	(571)	(579)	1.4
<b>All cereals (including milled rice)</b>	<b>1 728</b>	<b>1 892</b>	<b>1 905</b>	<b>1 882</b>	<b>1 858</b>	<b>-1.3</b>
Developing countries	958	1 025	1 006	1 024	1 017	-0.7
Developed countries	770	867	899	858	841	-2.0
<b>WORLD IMPORTS <sup>2/</sup></b>						
Wheat	99	103	99	95	100	5.2
Coarse grains	95	90	90	91	92	1.9
Rice (milled)	19	19	28	22	20	-6.5
<b>All cereals</b>	<b>214</b>	<b>212</b>	<b>217</b>	<b>207</b>	<b>212</b>	<b>2.5</b>
Developing countries	151	150	159	152	154	1.3
Developed countries	62	62	58	55	59	5.8
<b>FOOD AID IN CEREALS <sup>3/</sup></b>	<b>7.4</b>	<b>5.3</b>	<b>5.8</b>	<b>8.0</b>		
<b>WORLD UTILIZATION</b>						
Wheat	562	577	589	595	595	0.0
Coarse grains	855	892	897	895	901	0.7
Rice (milled)	373	380	382	388	389	0.1
<b>All cereals</b>	<b>1 790</b>	<b>1 849</b>	<b>1 868</b>	<b>1 879</b>	<b>1 885</b>	<b>0.4</b>
Developing countries	1 078	1 107	1 114	1 131	1 140	0.8
Developed countries	712	741	754	748	745	-0.3
<b>Per Caput Food Use</b>	( ..... kg/year ..... )					
Developing countries	171	172	172	173	173	0.1
Developed countries	127	128	128	133	129	-3.4
<b>WORLD STOCKS <sup>5/</sup></b>	( ..... million tonnes ..... )					
Wheat	103	114	137	138	122	-11.3
Coarse grains	102	131	143	146	140	-4.4
Rice (milled)	52	56	55	53	53	-1.2
<b>All cereals</b>	<b>257</b>	<b>301</b>	<b>335</b>	<b>337</b>	<b>315</b>	<b>-6.7</b>
Developing countries	152	174	161	157	146	-7.2
Developed countries	105	128	174	180	169	-6.3
<b>Stocks as % of world cereal consumption</b>	( ..... percentage ..... )					
	<b>13.9</b>	<b>16.1</b>	<b>17.8</b>	<b>17.9</b>	<b>16.4</b>	
<b>EXPORT PRICES <sup>3/</sup></b>	( ..... U.S.\$/tonne ..... )					
Rice (Thai, 100%, 2nd grade) <sup>1/</sup>	336	352	316	315	315 <sup>5/</sup>	-15.2 <sup>7/</sup>
Wheat (U.S. No.2 Hard Winter)	216	181	142	121 <sup>6/</sup>		
Maize (U.S. No.2 Yellow)	159	135	112	95 <sup>6/</sup>		
<b>OCEAN FREIGHT RATES <sup>3/</sup></b>						
From U.S. Gulf to Egypt	16.8	12.8	11.7	9.1 <sup>6/</sup>		
<b>LOW-INCOME FOOD- DEFICIT COUNTRIES <sup>8/</sup></b>	( ..... million tonnes ..... )					
Roots & tubers production <sup>1/</sup>	357	380	355	357	353	-1.1
Cereal production (milled rice) <sup>1/</sup>	744	803	794	799	794	-0.6
Per caput production (kg.) <sup>9/</sup>	211	224	219	217	212	-1.9
Cereal imports <sup>2/</sup>	78.9	69.0	77.9	69.7	70.8	1.6
of which: Food aid <sup>3/</sup>	6.4	4.4	5.3	5.6		
Proportion of cereal import covered by food aid	( ..... percentage ..... )					
	8.1	6.4	6.8	8.0		

SOURCE: FAO

Note: Totals and percentages computed from unrounded data.

<sup>1/</sup> Data refer to the calendar year of the first year shown. <sup>2/</sup> July/June except for rice for which the data refer to the calendar year of the second year shown. <sup>3/</sup> July/June. <sup>4/</sup> Stock data are based on aggregate of national carryover levels at the end of national crop years. <sup>5/</sup> Average of quotations for January-May 1999. <sup>6/</sup> Average of quotations for July 1998-May 1999. <sup>7/</sup> Change from corresponding period of previous year for which figures are not shown. <sup>8/</sup> Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. U.S.\$ 1 505 in 1997), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid. <sup>9/</sup> Includes rice on a mille basis.

## CEREALS

### SUPPLY/DEMAND ROUNDUP

Latest indications continue to point to a reduction in cereal output in 1999 and to a slight deterioration in the cereal supply outlook for the forthcoming 1999/2000 marketing season. Based on the condition of crops already in the ground and assuming normal weather for the remainder of the 1999 cropping seasons, FAO's latest forecast of world cereal output this year is 1 858 million tonnes (including rice in milled terms), 24 million tonnes or 1.3 percent less than output in 1998. If current forecasts materialize, cereal output would not be sufficient to meet expected consumption requirements in 1999/2000, and as a result global cereal stocks accumulated in the past three seasons would have to be drawn down by almost 7 percent to 315 million tonnes. The stock-to-use ratio at the end of the 1999/2000 season is forecast to fall to 16.4 percent, below the 17-18 percent range which the FAO Secretariat considers the minimum necessary to safeguard global food security. Thus, early indications are that to avoid a deterioration of the cereal supply/demand situation in 2000/01, a significant increase in cereal production to a level at least equal to consumption needs, would be required in the year 2000.

### WORLD CEREAL PRODUCTION, SUPPLIES, TRADE AND STOCKS

	1997/98	1998/99 estim.	1999/00 f'cast
	(. . . . . million tonnes . . . . .)		
<b>Production <sup>1/</sup></b>	<b>1 905</b>	<b>1 882</b>	<b>1 858</b>
Wheat	613	595	579
Coarse grains	905	905	891
Rice (milled)	387	382	387
<b>Supply <sup>2/</sup></b>	<b>2 207</b>	<b>2 217</b>	<b>2 195</b>
<b>Utilization</b>	<b>1 868</b>	<b>1 879</b>	<b>1 885</b>
<b>Trade <sup>3/</sup></b>	<b>217</b>	<b>207</b>	<b>212</b>
<b>Ending Stocks <sup>4/</sup></b>	<b>335</b>	<b>337</b>	<b>315</b>

SOURCE: FAO

<sup>1/</sup> Data refer to calendar year of the first year shown. Rice in milled equivalent.

<sup>2/</sup> Production plus opening stocks.

<sup>3/</sup> July/June basis for wheat and coarse grains and calendar year for rice.

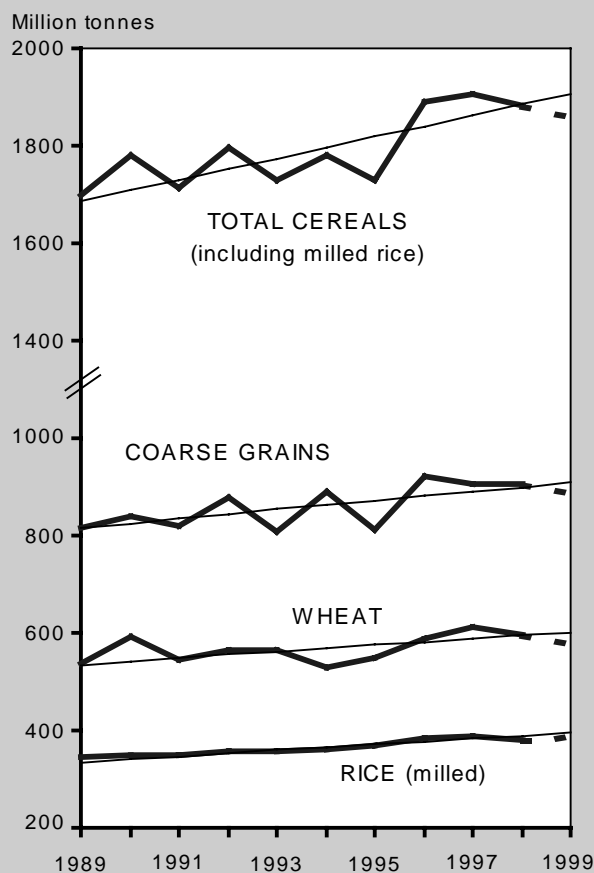
<sup>4/</sup> May not equal the difference between supply and utilization due to differences in individual country marketing years.

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### WORLD CEREAL PRODUCTION

(Actual, 1999 forecast and trend)



## FOOD SUPPLY PROBLEMS CONTINUE TO AFFECT MANY DEVELOPING COUNTRIES

In **Africa**, civil strife and/or weather adversities are causing food supply difficulties in parts, increasing the number of people in need of food assistance. In **eastern Africa**, severe drought conditions in Somalia have exacerbated the country's already tight food supply situation due to a succession of poor harvests and the long-running civil conflict. An estimated 1 million people are facing food shortages. In Ethiopia, some 4.6 million vulnerable people, including those affected by the failure of the current belg season, as well as 385 000 internally displaced people due to the ongoing conflict with Eritrea, are in need of food assistance. In Eritrea, an estimated 450 000 people affected by the conflict with Ethiopia need food assistance. In Sudan, nearly 2.4 million war-affected people in the south are receiving emergency food assistance. In Uganda, about 400 000 displaced people plus 30 000 people in Rakai district affected by drought are receiving food assistance. In Tanzania, food supply difficulties are being experienced in parts of central, northern and coastal regions, with the number of people in need of assistance estimated at about one million. In Kenya, severe food shortages are being experienced by a large number of people in Eastern and Central provinces. In **western Africa**, while the overall food outlook for 1999 is favourable, food supply difficulties persist in several parts. In Sierra Leone, violence in the rural areas continues to displace farmers, disrupting agricultural production. In Guinea-Bissau, civil strife has hampered agricultural production and the overall food outlook is poor. Localized food supply difficulties are anticipated in southern Chad, parts of Mauritania and Senegal, and in Cape Verde. In **central Africa**, civil strife continues to hamper food production and to displace rural people in eastern parts of the Democratic Republic of Congo. In **southern Africa**, renewed civil conflict in Angola since late 1998 is displacing large numbers of people, estimated at 1.1 million at the end of May. Despite favourable growing conditions, production of cereals in 1999 declined compared to last year. Elsewhere in the subregion, torrential rains in central Mozambique in February and early March resulted in floods with loss of human life, property and crops.

In **Asia and Near East**, several countries face food supply difficulties mainly due to adverse weather. In Jordan, a recent FAO/WFP Mission found that a severe drought has sharply reduced agricultural production leaving over 180 000 people in need of assistance. In Iraq, similar drought conditions are reported to have seriously affected cereal and vegetable production, exacerbating the food supply problems in the country. In Afghanistan, the food situation remains precarious, particularly in the areas affected by civil strife. In Korea, D.P.R. the serious food supply difficulties are anticipated to worsen with the approach of the lean season which begins in June. In Indonesia, despite some improvement in rice production, continuing economic problems have severely affected the livelihood of the poorest and their access to food. In Laos, despite increased rice production in 1998/99, targeted food assistance is still required for households affected by localised drought. In Mongolia, the food security situation of vulnerable groups continues to be precarious. Vulnerable people in Armenia, Azerbaijan, Georgia, Tajikistan continue to need relief food assistance.

In **Central America**, countries affected by hurricane "Mitch" continue to receive emergency food and technical assistance. However, prospects for recovery in 1999/2000 are favourable. In the Caribbean, the food outlook in Cuba is uncertain due to insufficient precipitation at the start of the rainy season which has already affected minor foodcrops.

In **Europe**, a major humanitarian emergency persists as large numbers of refugees have continued to flee from the Kosovo Province of the Federal Republic of Yugoslavia over the past weeks, while the number of IDPs living in difficult conditions within the Province remains high. Continued international humanitarian assistance on a large scale will be required in the coming months. Vulnerable populations in remote and disadvantaged areas of the Russian Federation continue to need relief food assistance.

### IMPORTANT NOTICE

Starting with this issue of Food Outlook, the Commonwealth of Independent States (CIS) grouping will no longer be used. Instead, the CIS countries have now been included in the regional aggregations reflecting their respective geographical locations (i.e. Belarus, the Moldova Republic, the Russian Federation and Ukraine in Europe, and Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan in Asia). In addition, the estimates for world cereal imports and exports have been adjusted to include intra-trade of cereals in the CIS.

As indicated above, FAO now forecasts world cereal production in 1999 at 1 858 million tonnes (including rice in milled terms), 8 million tonnes more than the first forecast in the previous report but about 1.3 percent down compared to the revised estimate of 1 882 million tonnes in 1998. The forecast for wheat output remains virtually unchanged since the last report at 579 million tonnes, 2.6 percent down from 1998 and below trend. Output is expected to fall marginally in Africa and Asia, while larger declines are expected in North America and Europe. Elsewhere in the northern hemisphere, wheat output in Central America is expected to remain largely unchanged from the previous year. In the southern hemisphere, the main 1999 wheat crops are still being planted in parts, but early indications are generally favourable. A recovery in production is expected in both Argentina and Brazil after 1998's reduced crops, and another good crop is in prospect in Australia, similar to last year's. FAO's forecast for global coarse grains output in 1999 also remains virtually unchanged since the last report at 891 million tonnes, 1.5 percent down from 1998 and below trend. The bulk of the reduction compared to the previous year is expected to occur in Asia and North America, while a slightly reduced crop is also forecast in Central America. Europe is the only region where coarse grains output is foreseen to expand in 1999, mostly on account of a recovery in production expected in several eastern countries after the severely drought-reduced crops in 1998. The 1999 coarse grains crops are forecast to remain virtually unchanged in Africa and Oceania. As regards rice, planting of paddy for the 1999 season is underway in some of the northern hemisphere countries, while in the southern hemisphere and around the equatorial belt the 1999 main paddy crop season is nearing completion under very favourable conditions. Based on the good harvest results in the southern hemisphere so far, and indications of larger plantings intended in the main northern hemisphere producers, FAO now forecasts global rice output in 1999 at a record 387 million tonnes (579 million tonnes in paddy terms), 1.3 percent up from the 1998 crop. However, this forecast is still very tentative as much of the 1999 rice crop has yet to be planted in Asia pending the arrival of the monsoon rains.

FAO's first forecast of world cereal trade in 1999/2000 (July/June) is 212 million tonnes, 5 million tonnes up from the estimated volume in 1998/99. Larger wheat shipments are expected to account for most of the increase, rising by some 5 percent to about 100 million tonnes. Increased import demand for wheat is expected to come from several Asian countries where 1999 wheat production is forecast to decline, while substantial food aid pledges, particularly for the Russian Federation, which are still pending are likely to be delivered in the next season. Regarding coarse grains, little change is expected in the volume of global trade, for the fourth consecutive year. FAO forecasts coarse grains imports in 1999/2000 at about 92 million tonnes, compared to 91 million tonnes in the previous year. For rice, while it is too early to make a forecast for the calendar year 2000, FAO tentatively expects that rice shipments could decrease from the current year's level, now anticipated at 22 million tonnes.

World utilization of cereals in 1999/2000 is forecast to grow only marginally, by about 0.4 percent, to 1 885 million tonnes, after a small growth (0.6 percent) also in the preceding year, despite relatively low prices and large supplies. While the growth in direct food consumption of cereals is expected to keep pace with the population increase, feed usage of cereals is expected to remain below trend for the second consecutive year. The sluggish economic growth in several major markets and the associated weak-to-stagnant livestock production is expected to prevent any major upturn in feed utilization for at least another year.

Export activity on international cereal markets remained generally sluggish over the past two months and prices weakened further. By late May, U.S. wheat No. 2 (HRW, fob) was quoted at US\$111 per tonne, down US\$8 per tonne from March, and US\$17 per tonne below the price a year earlier. Coarse grains prices also fell since March, with generally favourable planting prospects for the major northern hemisphere crop in the United States, adding downward pressure to an already weak market. By late May, US maize was quoted at US\$91 per tonne, about US\$10 per tonne down from March, and US\$12 per tonne lower than a year

earlier. International rice prices followed those of other cereals downwards in April, regained some ground in May, mostly in response to increased import demand. The FAO Export Price Index for Rice (1982-84=100) fell to 112 points in April, the lowest level since 1994, but recovered one point in May.

Latest information indicates larger world cereal stocks at the close of the current 1998/99 season than earlier anticipated, following upward revisions to production estimates for 1998 and slower growth in utilization. FAO's forecast of global cereal stocks at the end of countries' 1998/99 crop years is now put at 337 million tonnes, 7 million tonnes up from the previous report and 2 million tonnes up from their revised opening level. The ratio of global cereal carryovers in 1998/99 to trend utilization in the following year now stands at 17.9 percent, the upper end of the 17 to 18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security. However, as indicated earlier, if current forecast for 1999 cereal production materialize, a sizable reduction in cereal stocks is anticipated in the 1999/2000 marketing season, to below minimum safe levels (i.e. 16.4 percent), in order to meet expected consumption needs in that year.

## CURRENT PRODUCTION AND CROP PROSPECTS

### POSITION BY REGION

#### ASIA

In Asia, the 1999 **wheat** crop is forecast to remain close to the previous year's level at 253 million tonnes, with increased output expected in some parts likely to offset reductions in others. A record wheat crop of nearly 73 million tonnes is forecast in India, almost 7 million tonnes or 10 percent higher than 1998. Production in main producing areas in the north benefited from below-normal temperatures and above average sunshine during February-March, whilst rainfall and irrigation was adequate during critical stages of growth. A bumper wheat crop is also in prospect in Bangladesh, the second in succession, following favourable conditions which have boosted yields. In contrast, prospects for wheat production in China, the region's largest producer, are less favourable due to drought earlier in the season that affected the main winter crop. Production for the current year is forecast to fall by about 5 million tonnes to 105 million tonnes. Production in Pakistan is also anticipated to be somewhat lower, by about 4 percent, compared to the 18.7 million tonnes produced last year. This is largely due to lower yields in response to a decrease

in fertiliser use, prolonged dry weather in rainfed areas and late planting. A severe drought, reportedly one of the worst on record, has affected the wheat crop in several countries of the Near East. In the Islamic Republic of Iran, output is officially forecast to fall between 20 and 25 percent. In Jordan, a recent FAO/WFP Mission found that the 1998/99 wheat crop, estimated at 7 550 tonnes, is less than 13 percent of the 1997/98 level. Similarly, well below average wheat crops are anticipated in Iraq and Syria.

In Kazakhstan, sowing of the main 1999 **wheat** crop is underway. Planting conditions are favourable reflecting satisfactory soil moisture levels accumulated since last autumn, but farmers' shortage of cash and/or limited access to credit is expected to reduce the area sown to about 12 million hectares. However, if normal weather prevails throughout the growing season, yields should recover from the low levels in 1998 and cereal output could reach about 9 million tonnes (1998: 7.2 million tonnes) including 7.5 million tonnes (1998: 5.5 million tonnes) of wheat. In Uzbekistan, the aggregate area sown has remained stable but the upward trend in grain yields on private plots could result in a harvest somewhat larger than last year's 4.3 million tonnes. Wheat output is tentatively forecast at 1.8 million tonnes. In Turkmenistan grain production increased sharply in 1998 and only a marginal increase to about 1.3 million tonnes is forecast this year, given favourable conditions. In Tajikistan, the area sown to grains (mostly wheat) declined and output is now forecast to decline to 420 000 tonnes compared to about 500 000 tonnes last year. In Armenia, a smaller cereal harvest is in prospect as the dry autumn and winter reduced the area sown, caused damage to winter wheat and reduced irrigation water supplies for spring crops. In Kyrgyzstan, area diversion to more profitable non-cereal crops continues and cereal output could decline to about 1.5 million tonnes. In Azerbaijan, very heavy rains could prove beneficial enabling grain production to remain at last year's level of about 1 million tonnes. In Georgia, output could increase to 850 000 tonnes (1998: 800 000 tonnes).

Planting of 1999 main season **coarse grain** crops is underway or almost complete in main producing countries. Early prospects appear satisfactory in India, where normal monsoon rains are expected to begin at the end of May. In 1998 the country received normal monsoon rains for the 11th year in a row. In China, heavy rains in late April in southern parts and drought and low temperatures in the north may have delayed maize planting, which could affect yields.

**WORLD CEREAL PRODUCTION - FORECAST FOR 1999**

	Wheat		Coarse grains		Rice (paddy)		Total <u>1/</u>	
	1998	1999	1998	1999	1998	1999	1998	1999
	( ..... million tonnes ..... )							
Asia	254.9	253.0	222.4	216.7	523.6	525.5	1 000.9	995.3
Africa	18.2	16.8	81.0	81.0	15.6	16.1	114.8	113.9
Central America	3.3	3.4	28.7	28.1	2.2	2.4	34.1	33.8
South America	15.7	17.0	63.0	60.0	16.8	20.5	95.5	97.6
North America	93.8	84.6	298.5	287.5	8.5	9.4	400.9	381.5
Europe	187.9	183.0	202.2	208.6	3.2	3.2	393.3	394.7
Oceania	21.3	21.5	9.1	9.2	1.4	1.4	31.8	32.1
<b>WORLD</b>	<b>595.1</b>	<b>579.4</b>	<b>904.8</b>	<b>891.1</b>	<b>571.3</b>	<b>578.5 <u>2/</u></b>	<b>2 071.2</b>	<b>2 048.9</b>
Developing countries	276.4	272.8	383.7	375.5	546.2	552.5	1 206.3	1 200.8
Developed countries	318.6	306.6	521.2	515.6	25.1	26.0	864.9	848.1

**SOURCE:** FAO

1/ Total cereal, including rice in paddy terms. 2/ Highly tentative.

Asia's 1999 **paddy** output is forecast to expand by about 2 million tonnes from the previous season to 526 million tonnes. Unlike in 1998 when the lingering effects of the El Niño weather phenomenon caused planting delays in several Asian countries, the outlook for the 1999 season is much more favourable. The season is just getting started in the countries of the northern hemisphere while it is already quite advanced in the southern hemisphere and around the equatorial belt where early indications point to a recovery in production.

In China (Mainland), planting of the 1999 early **rice** crop, the first and smallest of the three crops, is at an advanced stage. Prospects are uncertain as the weather has been very variable over the last two months. Low temperatures reportedly caused rotting of early rice seedlings in some parts of the country towards the end of March, while torrential rains in late April, following earlier drought conditions, caused some crop damage. The forecast of China's total paddy output in 1999 remains very tentative at about 197 million tonnes (1998:193 million tonnes) as the bulk of the country's total paddy output is produced from its intermediate and late rice seasons. In Viet Nam, harvesting of the winter-spring paddy crop is in full swing in the south, but just getting underway in the north. Yields are reported to be lower than last year's, which is attributed to the below-normal water availability during part of the growing season. Accordingly, the estimate of the aggregate 1998/99 paddy output has been reduced somewhat since the last report to 28 million tonnes. Planting of the next crop, summer-autumn, has started in some parts of the Mekong Delta and the prevailing weather conditions are reported to be favourable. In the

Philippines, harvesting of the secondary crop is virtually complete and the aggregate estimate of the 1998-99 paddy output is now 10.2 million tonnes, slightly above the previous season but still below the five-year average of about 10.5 million tonnes, due to unfavourable weather during the season. Farmers are now planting the main season crop and a return to a normal output of about 11 million tonnes is anticipated in 1999, assuming normal growing conditions.

In Thailand, harvesting of the second-season paddy crop is in progress and a paddy output of over 4 million tonnes is expected, which would be much above earlier expectations as the crop benefited from unusually high rainfall during March and April. Aggregate output in 1998 is now put at 22.6 million tonnes, similar to the previous year's crop. Preparation for the 1999 main-season crop is underway, and the Government forecasts production of this crop at about 18.9 million tonnes of paddy, up by 3 percent from 1998. In Japan, farmers have started planting the 1999 rice crop, which is officially forecast to cover about 1.8 million hectares, unchanged from last year, notwithstanding the lowering of the support price for rice in 1999. In the Republic of Korea, the rice area in 1999 is expected to remain similar to the previous season's level of 1.1 million hectares. Based on average yields, paddy output is thus forecast at 6.9 million tonnes. In Cambodia, preparations are underway for the 1999/2000 wet season crop. For the 1998/99 season, the Government estimates an output of 3.5 million tonnes, up from 3.4 million tonnes during the previous year, as fears of a critical water shortage and an insect problem reported during the season

affected rice production less severely than anticipated.

In India, the harvest of the rabi crop is underway and good early results have prompted the Government to increase the total 1998/99 paddy output forecast by over 6 million tonnes to about 130 million tonnes. Planting of the Kharif main crop for the 1999/2000 season awaits the arrival of the southwest monsoon. In Bangladesh, harvesting of the mostly irrigated Boro crop, is coming to an end and output is estimated at some 9.3 million tonnes or 15 percent above the 1997/98 Boro crop, reflecting mainly an expansion in the area. Such an increase has partly offset the flood-inflicted losses of last summer and led to an upward revision of the estimate for the country's 1998/99 paddy output by 1.3 million tonnes to 28 million tonnes, only a fraction less than the previous season's outcome. Planting of the Aus crop, the first and smallest of the three paddy crops for the 1999/2000 season, is in progress. In many other northern hemisphere countries of the region, including Pakistan and Myanmar, the beginning of the 1999 paddy season awaits the arrival of the monsoon rains.

In the southern hemisphere, in Indonesia, harvesting of the main-season rice crop is proceeding and planting of the second-season crop is expected to begin towards the end of June. The official forecast for paddy output in 1999 is about 48.7 million tonnes, up by 200 000 tonnes from the previous season. In Sri Lanka, harvesting of the Maha (main) paddy crop is almost completed and the Yala season is underway. The Government is targeting a paddy output of over 3 million tonnes, compared to last year's crop of about 2.7 million tonnes.

## AFRICA

**NORTHERN AFRICA:** Harvesting of the subregion's 1999 **wheat** crop is underway. Aggregate output is forecast at about 13 million tonnes, some 8 percent below the level of 1998 but close to the 5-year average. However conditions are very mixed throughout the subregion. In Morocco, production is expected to drop sharply this year as a result of inadequate rainfall and reduced plantings. Reports of reduced sales of quality seeds and fertilizers also suggest yields will be lower. Output is tentatively forecast at about 2.3 million tonnes, some 50 percent below the 1998 level and close to the drought-reduced 1997 crop. Production is also expected to fall in Tunisia by some 6 percent compared to the previous year. By contrast, output is expected to increase by about 40 percent in Algeria and 4 percent in Egypt.

The subregion's 1999 aggregate **coarse grains** crop is forecast at some 11 millions tonnes, close to the previous year's level. In Morocco, as for wheat, drought has adversely affected the winter barley crop, which is forecast to be down by 40 percent from 1998. In Algeria, however, the favourable conditions are expected to boost yields, and barley output is forecast to increase by 500 000 tonnes from 1998 to 1.5 million tonnes. Early indications for the maize crop in Egypt point to an output similar to that in 1998.

In Egypt, the main **rice** producer in the subregion, rice planting is underway. Normal weather conditions have prevailed so far but the final area planted during the 1999 season will depend largely on the availability of irrigation water.

**WESTERN AFRICA:** In western Africa, the first rains were received in early March in southern parts of the coastal countries along the Gulf of Guinea, where they permitted planting of the first **maize** crop. Rains reached northern parts in early April, allowing the planting of millet and sorghum. Satellite imagery indicates that the rainfall was below-normal during the start of the rainy season in the north and the centre of most countries, which may have needed the replanting of some crops and could reduce the maize and rainfed rice output. In Liberia the agriculture sector is improving with rehabilitation programmes underway, while the tense security situation in Sierra Leone prevents most activities. In the Sahelian countries, the rainy season started in April in the south of Mali, Burkina Faso and Chad, allowing land preparation and plantings of coarse grains to start. Plantings will progress northwards following the development of the rains. Availability of seeds, is generally adequate following 1999 record crops in the main producing countries of the Sahel. The 1999 **paddy** season has started in several countries of West Africa and weather conditions are generally favourable.

**CENTRAL AFRICA:** In central Africa, planting of **coarse grains** are progressing satisfactorily in Cameroon and Central African Republic. Agriculture activities are hampered by civil disturbances in both the Republic of Congo and the Democratic Republic of Congo where another poor B-season crop is about to be harvested.

**EASTERN AFRICA:** Harvest of the 1999 **wheat** crop is underway in Sudan. Output is estimated to be sharply down from the previous year and well-below average at about 182 000 tonnes. The smaller crop is attributed to a sharp reduction in area planted and lower yields, due to late sowing and high temperatures during the growing season. In Ethiopia, the early outlook is uncertain following



erratic rains but prospects in Kenya are favourable reflecting good rains so far.

Planting of the 1999 main season **coarse grains** is underway in several countries in the subregion. Early prospects are mixed. In Kenya, abundant rains in March and April benefited developing crops. In Uganda the 1999 main season coarse grains have benefited from well-distributed rainfall received during most of March and April. In Somalia, despite good rains in March, that provided some relief in parts of southern and northern Somalia, water and pasture conditions continue to deteriorate in eastern parts of the country. In Sudan and Eritrea, the planting of 1999 main season crop is due to start in June. In Ethiopia, the outlook for the 1999/2000 coarse grains crop is uncertain reflecting low and erratic rainfall for the belg season. The 1998/99 crop, already harvested, was significantly above-average due to favourable growing conditions.

**SOUTHERN AFRICA:** Harvesting of the 1999 main season **coarse grains** is well advanced. Although rainfall during the growing season was generally satisfactory, localized floods and dry spells appear to have had a larger impact on yields than earlier anticipated. FAO's latest forecast puts the subregion's aggregate 1999 coarse grains output at 14.9 million tonnes close to last year's reduced crop. However, the outcome varies greatly from country to country. In South Africa, the largest producer in the subregion, coarse grains output is forecast to decline by about 16 percent from the previous year to 6.8 million tonnes of which maize is expected to account for 6.3 million tonnes (1988: 7.6 million tonnes). By contrast, in Zambia, despite erratic weather in some areas, coarse grain production is estimated to be substantially higher than last year's reduced level. In Zimbabwe, maize production is estimated above last year's poor level but still below average. Excessive rains during the season resulted in floods causing crop losses and reducing yield potential. In Angola, this year's coarse grain production has declined less than earlier anticipated, with good rains during the season partially compensating the disruption in the agricultural sector due to civil war. In Mozambique, despite extensive floods earlier in the season, a good crop, up from the 1998/99 level, is in prospect. Coarse grains production is also estimated above last year's level in Malawi reflecting above-normal and well distributed rains during the season. In Botswana, production is estimated to increase from last year's poor harvest but still to remain at below-average levels due to dry spells in southeastern parts. Dry spells in February also affected yields in Lesotho, where production has increased but less than earlier anticipated. Latest information confirms

that the subregion's aggregate 1998/99 **wheat** production harvested in late 1998 declined one-third from the previous year's level to 1.8 million tonnes. This mainly reflects a reduction in the area planted in response to low international prices. Planting of the 1999/2000 wheat crop is about to begin.

Harvesting of the 1999 **paddy** crop is underway in Madagascar, the main rice producing country in the subregion. Growing conditions are reported to have been generally good. Infestations by the Malagasy Migratory Locusts were reported in different parts of the country but control measures implemented during the latter part of 1998 and the beginning of 1999 were instrumental in reducing their extent. The paddy harvest has also begun in Mozambique. As growing conditions have been favourable, output is expected to remain close to or even exceed last year's record of 192 000 tonnes.

## **CENTRAL AMERICA AND THE CARIBBEAN**

Harvesting of the 1999 **wheat** crop in Mexico is well advanced under generally dry weather in the main producing irrigated areas of the northwest. Output is forecast at about 3.4 million tonnes, slightly above the previous year's crop. The increase is mainly the result of slightly expanded plantings and improved yields in some areas.

Normal rains are benefiting planting of the 1999/00 first season **coarse grains** crops, which has just started in Central America. Assuming favourable weather conditions prevail, production of maize, the main coarse grain crop, is expected to recover in El Salvador, Guatemala and Nicaragua, after adverse weather in the preceding two years which severely affected crops. In Honduras, however, plantings are expected to be below average because of prevailing low producer prices. In Mexico, the important spring/summer maize crop area is tentatively forecast to be about average assuming normal rains resume. By contrast, the area planted to sorghum is expected to decline from 1998, reflecting a reduced demand from the animal feed industry, and the negative effect of a prolonged dry spell. In the Caribbean, in the Dominican Republic, normal rains are benefiting the development of the recently planted coarse grains crops and a recovery to an average maize output is expected. In Haiti, harvesting of the rainfed maize and mountain bean crops is due to start from late May and average outputs are anticipated. In Cuba, unusually dry weather this season has caused moisture deficits in the province of Camagüey and in extreme eastern provinces, as well as in the provinces of La Habana and Pinar del Rio, in the

west. Minor foodcrops, as well as citrus and fruits, continue to be affected in such locations.

## **SOUTH AMERICA**

Land is being prepared in the southern countries of the subregion for planting of the 1999/2000 **wheat** crop. In Argentina, sowings are expected to increase from last year's reduced level but will likely remain below the average of the past 5 years, reflecting continuing poor price prospects for wheat relative to some other crops. In Brazil, where sowing has already started in some areas, the outlook is better and the area planted is anticipated to increase from last year's average and reach an above-average level. This largely reflects a series of measures, recently adopted by the Government, in an effort to help improve domestic production and thus reduce the need for imports. In Uruguay and Chile, average to slightly above-average plantings are expected, following 1998/99 low outturns, particularly in the latter country, as a result of bad weather. In the Andean countries, in Bolivia, normal rains have benefited planting of the wheat winter crop, which is underway in the main producing eastern Department of Santa Cruz. An above-average output is anticipated provided favourable weather conditions persist. In Peru, generally dry weather has prevailed in the past few weeks and wheat output collected during January/March is estimated at about 100 000 tonnes which compares to 525 000 tonnes for the same period last year. The bulk of harvesting operations should take place during the May/July period and production for the year is nevertheless expected to be about average. In Ecuador, normal rains in the highlands, where the wheat is mostly grown, have benefited the developing crop and an average output is expected.

Harvesting of the 1999 **coarse grains** crops is well advanced in most of the southern countries. In Argentina, a significant decline in production is anticipated from the 1998 record mainly because of unattractive prices, but maize output should nevertheless be close to the average of the last 5 years. In Brazil, harvesting of the 1999 main season maize crop is complete and aggregate output (both crops) is provisionally estimated at an average 32.4 million tonnes, a recovery from last year's reduced crop. In Uruguay and Paraguay respectively, average to above-average maize outputs are provisionally estimated. In Chile, by contrast, the 1999 maize crop is estimated to have fallen to 635 000 tonnes, compared to last year's average crop of 940 000 tonnes, due to drought. In the Andean countries, in Bolivia, normal rains in recent weeks have benefited the developing maize and barley main season crops and average outputs are anticipated, up from 1998 drought-affected crops. In

Peru, the maize (white and yellow) harvest is underway and an above-average output is anticipated, although below the near-record outputs collected in the last two years. In Ecuador, heavy rains continue to fall along the coastal provinces with consequent adverse effect on the crops. Harvesting of the white maize (summer) crop has been completed while that of the yellow maize (winter) crop is underway. Despite damage incurred by the rains, output is expected to recover significantly from last year's severely reduced crops. In Colombia and Venezuela, normal to above-normal rains have benefited planting of the maize and sorghum crops. Early indications point out to average outputs.

Prospects are favourable for the 1999 **paddy** crop in the Latin American region. Growing conditions have been generally good and record outputs could be achieved in some countries after severely reduced crops in 1998 due to adverse weather. In Argentina, where most of the paddy crop has been harvested, the production forecast has been increased by 200 000 tonnes from the previous report to a record 1.5 million tonnes. The rise is attributed to a larger area and higher yields. Similarly in Brazil, output is forecast to recover to some 11.4 million tonnes, which would be a 34 percent jump from 1998, reflecting both sharply improved yields and a 16 percent rise in the area to 3.7 million hectares. Harvesting of the 1999 paddy crop is nearing conclusion in Uruguay, the other big producer in the region, and a record crop of 1.2 million tonnes is anticipated, 40 percent more than in the previous season. In Guyana, harvesting of the first crop is complete and planting of the second, and larger, crop will begin soon. Total 1999 output is expected to reach a record of 600 000 tonnes, due to higher area and yields. In Bolivia, where harvesting of the 1999 paddy crop is well advanced, production is anticipated to match last year's output of 300 000 tonnes.

## **NORTH AMERICA**

In the United States, aggregate (winter and spring) **wheat** production in 1999 is officially forecast at 61.1 million tonnes, 12 percent down from the previous year, mostly reflecting a significant reduction in winter wheat plantings and lower yields expected after last year's records (see tables A.10 and A.11). The estimate of winter wheat plantings remains unchanged at 17.6 million hectares, about 7 percent down from the previous year and the lowest level since 1972/73. However, favourable winter weather conditions have resulted in lower winter kill-out rates and the reduction in the harvested area is expected to be less significant. With regard to the spring wheat crop, plantings were

almost complete by mid-May and the area is forecast to increase by some 1 percent to 7.95 million hectares. In Canada, the official March seeding intentions report (see table A.12) points to a marginal reduction in the wheat area compared to the previous year. Planting got off to a slow start in early May due to cool wet weather, but assuming conditions improve soon and the planting intentions are realized, wheat output in 1999 is forecast at about 23.5 million tonnes.

With regard to **coarse grains**, maize planting in the United States got off to a slow start in late April due to wet weather. However, conditions improved in May and by the middle of the month, planting had progressed to about 75 percent complete, ahead of the 5-year average. Barring a major weather impediment to the final stages of planting, the final area sown to maize should be about 31.7 million hectares, 2.5 percent down from the previous year, as indicated in the USDA's 1999 Prospective Plantings Report (see table A.11). Assuming yields are on trend, the 1999 maize output is expected to decrease by some 3 percent (see table A.10). Aggregate 1999 coarse grains output in the United States is forecast at about 263 million tonnes. In Canada, early indications in the March seeding intentions report (see table A.12), point to smaller areas of the major coarse grain crops, as farmers are expected to switch land to other non-cereal crops. Although much still depends on the weather for the remainder of the planting season, aggregate coarse grains production in 1999 is tentatively forecast to fall to about 25 million tonnes, compared to nearly 27 million tonnes in 1998.

In the United States, planting of the 1999 **paddy** crop is nearing completion and a record output of about 9.4 million tonnes is anticipated, 11 percent up from the previous season. The forecast is based on USDA's March Prospective Plantings, which reports that farmers are expected to plant about 1.5 million hectares to rice, up by over 100 000 hectares from the previous season and the second highest on record. A survey of the actual planted area will be conducted in June.

## EUROPE

FAO's latest forecast puts aggregate 1999 **cereal** production in the EC at 202.5 million tonnes, about 4 percent down from last year but still just above the average of the past 5 years. The smaller crop expected reflects reduced areas due partly to adverse weather and partly to a 5 percent increase in the compulsory set-aside requirements. In addition, generally less favourable weather than last year during the winter and spring so far, is expected

to result in lower average yields throughout most of the community. **Wheat** output is forecast at 98.6 million tonnes, 4 percent down from 1998, while aggregate output of **coarse grains** is also forecast to fall by about 4 percent to 101.2 million tonnes. In the EC, the 1999 **paddy** season is underway. Current indications point to an area of 400 000 hectares and to an output of 2.7 million tonnes, almost unchanged from last year.

Throughout the eastern European countries, with few exceptions, 1999 cereal production is also expected to decline compared to last year. In Albania, cereal output in 1999 is tentatively forecast to remain similar to the previous year's level at about 600 000 tonnes, of which wheat would account for about 350 000 to 400 000 tonnes. In Bulgaria, 1999 wheat output is forecast to drop, by 18 percent, to 2.7 million tonnes due to smaller plantings and reduced fertilizer applications. In Croatia, the area sown to winter wheat was reduced sharply and output is forecast to fall by about 40 percent from 1998. In response, the spring grain area may be increased somewhat but it is likely that aggregate 1999 cereal output will be well down on the previous year's. In the Czech Republic, the overall cereal area for the 1999 harvest is expected to be down by about 8 percent compared to 1998. Assuming normal yields, aggregate cereal output is forecast to fall by about 5 percent to 6.4 million tonnes. In Hungary, this year's wheat output is forecast to fall to 3.2 million tonnes, about 35 percent down from the 1998 crop. Farmers' incentive to plant wheat last autumn was dampened after they experienced severe marketing problems with their 1998 crops, but adverse weather also had a large impact on the final area sown. Moreover, severe flooding in the early spring is reported to have wiped out or seriously damaged several thousand hectares of wheat. The final area for harvest in 1999 is expected to be about half of that in the previous year. In the Former Yugoslav Republic of Macedonia, current prospects point to little change in the 1999 cereal output. Aggregate cereal output is forecast at about 600 000 tonnes of which wheat would account for about 300 000 tonnes.

In Poland, a smaller cereal crop is in prospect. Although the winter grain area for the 1999 harvest is estimated to have remained similar to the previous year's, yields are expected to be lower as many farmers are facing financial problems which will reduce input use. Output of wheat is tentatively forecast at 8.7 million tonnes compared to the bumper 9.5 million tonnes in 1998. In Romania, another reduced wheat crop is expected in 1999. In view of the reduced area sown last August, even if yields improve considerably from the

1998 levels, wheat output is forecast at only 5 million tonnes, compared to 5.2 million tonnes in the previous year. The summer maize crop, however, is expected to recover from last year's low level to reach about 10.5 million tonnes. In the Slovak Republic, prospects for 1999 cereal production are uncertain. Winter wheat planting is reported to have been limited to about 250 000 hectares due to adverse weather last autumn. The target area was 400 000 hectares. Increased spring planting was planned to compensate for the poor winter crop area but the final outcome is not yet known. In Slovenia, the winter wheat area is estimated to be about 10 percent down from the previous year, but weather conditions have been optimal so far and good yields are expected. Assuming normal weather conditions for the rest of the season wheat output is expected to be similar to the 190 000 tonnes harvested last year. In the Federal Republic of Yugoslavia, apart from the severe reduction in cereal output expected in the Kosovo Province this year because of the impact of the ongoing humanitarian crisis, cereal production throughout the remainder of the country is also expected to be affected by the current crisis. Reported shortages of fuel and fertilizer and fears over security are likely to have a negative impact on this year's production.

Farther east in the region, in Belarus, Moldova, the Russian Federation and Ukraine, the early and mild spring has allowed spring grain plantings to start early and improved the condition of winter crops. However, the difficult economic situation in all these countries is expected to depress yield potential. In Belarus, the official forecast for the 1999 cereal harvest has been lowered to about 6 million tonnes (1998: 4.9 million tonnes) in view of the problems being experienced by farmers. FAO forecasts production of wheat at 900 000 million tonnes (1998: 800 000 million tonnes) and that of coarse grains at 4.4 million tonnes (1998: 3.7 million tonnes). In Moldova financial problems and limited marketing opportunities are expected to keep the 1999 harvest close to last year's level of 2.7 million tonnes, including 1.1 million tonnes of wheat. In the Russian Federation, FAO's early forecast of grain and pulse output remains at 65 million tonnes. At this level, output would be about 10 million tonnes more than last year's estimated output, reflecting good incentives for producers after last year's poor harvest and normal weather. However, the forecast output remains somewhat below the 5-year average reflecting the reduction in the area sown to winter grains (mainly wheat), substantial winterkill (1.7 million hectares), loss of yield potential in some areas (parts of the North Caucasus and Volga) and financial difficulties at all levels of the grain chain. Production of wheat is tentatively forecast to recover

somewhat to 33 million tonnes (1998: 30 million tonnes) while that of coarse grains could recover sharply to 30 million tonnes (1998: 22.5 million tonnes). These forecasts remain highly tentative as spring sowing is still in progress. In Ukraine, the early outlook for the 1999 cereals is good. Crops in the field are in good condition and the sowing of spring grains (except maize) is nearing completion. The extent of winterkill was less than last year (640 000 hectares in the public sector compared 842 000 hectares last year) but there is reported to be considerable weed infestations in crops. The aggregate output of grains and pulses is tentatively forecast to be 10 percent higher than last year's drought reduced crop and reach 32 million tonnes. Including 18 million tonnes of wheat (1998: 17 million tonnes) and 13 million tonnes of coarse grains (1998: 11.5 million tonnes).

## OCEANIA

In Australia, planting of the 1999 winter **wheat** and **coarse grain** crops is underway. Latest indications still point to a marginal increase in the wheat area this year. However, as of mid-May, planting was still in the early stages in some parts and being delayed by dry conditions. Subsoil moisture levels are reported to be generally adequate to support crops through the middle and late part of the season. However, good rains to moisten the topsoil are urgently needed throughout the country to allow the remainder of the planting to be carried out before the end of the optimum planting period (mid-June), and to favour early crop development, otherwise yield potential will be adversely affected. Assuming official area forecasts are realized and yields are about average, another good wheat crop is expected in 1999 at about 21.3 million tonnes, marginally above the previous year's level. The barley crop, which is normally planted a little later than wheat is expected to remain similar to last year's 5.4 million tonnes.

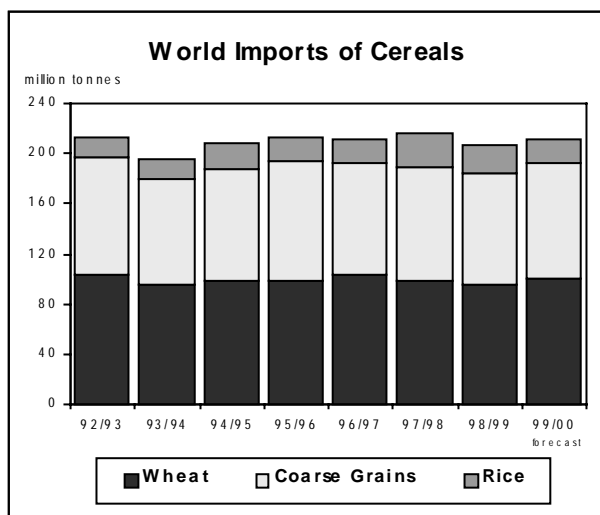
The 1999 **paddy** harvest is almost complete and reflecting very favourable growing conditions throughout the season, output is forecast to reach 1.35 million tonnes, up slightly from the previous season and very close to the record established in 1997.

## TRADE<sup>1/</sup>

### Early prospects for cereal trade in 1999/2000 points to a modest recovery

At 212 million tonnes, the first forecast of the global trade in **cereals** for 1999/2000 points to some 5 million tonnes increase over the reduced imports estimated for this season. The bulk of this increase

would result from larger wheat imports, whereas, trade in coarse grains is expected to increase by only a little. With regard to rice, although it is too early to make a forecast for the calendar year 2000, FAO tentatively assumes trade will decline further from the 1999 level because of improved production prospects for 1999/2000, particularly among those importing countries which were instrumental in pushing the volume of international rice trade to above-average levels in the past two years.



Based on current indications, international **wheat** trade in 1999/2000 (July/June) could rise to 99.5 million tonnes, up 5 million tonnes from this season's reduced imports and close to the volume imported in 1997/98. In part, some of the next season's anticipated recovery in wheat trade would result from this year's delays in food aid shipments which are expected to be carried forward into the next season. This would be the main factor in Europe, where a twofold increase in wheat imports into the Russian Federation is anticipated, from 1.5 million tonnes in 1998/99 to 3 million tonnes in 1999/2000. In other areas, wheat imports are forecast to rise because of expected lower production. This is mainly the case in Asia where several countries, namely China, the Islamic Republic of Iran and Pakistan would be affected. In Africa, aggregate imports are expected to remain close to this season, but Morocco is expected to increase its foreign wheat purchases because of a poor crop anticipated this year, while a more favourable wheat crop in Algeria is expected to lead to smaller imports by that country. Imports into

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

South America are seen to decline, mainly reflecting a likely decrease in purchases by Brazil, in anticipation of larger domestic output.

The anticipated rise in wheat import demand next season would mean higher export opportunities for the five major wheat exporters, but given the small size of the increase, the possibility for any single exporter to expand its market share would be limited. In addition, large export supplies in other countries could also intensify competition. Latest indications already point to ample supplies in India, part of which could eventually be exported abroad while Turkey, Kazakhstan, Hungary and the Ukraine are also likely to remain large exporters next season.

Preliminary indications suggest that global trade in **coarse grains** in 1999/2000 (July/June) would remain generally stagnant for the fourth consecutive year at around 92.5 million tonnes. At this level, world imports of coarse grains would only be some 1.7 million tonnes more than the estimated imports in 1998/99. Factors which have already contributed to slow demand in the past two years are likely to prevent any significant recovery in world trade in the next season. While the prospects for faster economic recovery in countries affected by the financial crisis, particularly in Asia, have improved in recent months, a return to a continuing rapid increase in feed demand, as was witnessed in the early 1990s, may be difficult to envisage for at least another year. In addition, large availability of low quality wheat, which in many countries could substitute for coarse grains in animal feeds, will also continue to constrain world import demand for major coarse grains, such as maize and barley.

Imports into Asia, the largest importing region, are currently put at 54 million tonnes, slightly above this year. This forecast assumes higher maize imports by the Republic of Korea due to a likely upturn in domestic feed demand; larger barley and maize imports in the Islamic Republic of Iran because of drought, and slightly higher maize imports by Indonesia and Malaysia, due mostly to some recovery in their poultry sectors. By contrast, imports by almost all other regions would remain close to this season's levels. The only exception may be Europe, where imports may increase somewhat, mostly because of a possible increase in rye and barley purchases by Poland.

With total world trade expected to rise only slightly, prospects for any significant increase in coarse grain exports by major exporters will be even more limited than in the case for wheat. In addition, it is likely that China will remain an important exporter of maize next season, while large sales of

## OVERVIEW OF WORLD CEREAL IMPORTS - FORECAST FOR 1999/2000

	Wheat		Coarse grains		Rice (milled)		Total	
	1998/99	1999/00	1998/99	1999/00	1999	2000	1998/99	1999/00
	( ..... million tonnes ..... )							
Asia	45.2	49.0	53.2	54.4	12.5		110.9	
Africa	22.6	22.4	11.1	11.6	4.1		37.8	
Central America	5.5	5.7	10.5	10.6	1.4		17.4	
South America	11.2	10.4	6.9	6.4	1.5		19.6	
North America	2.7	2.7	3.2	3.0	0.6		6.4	
Europe	7.0	8.9	5.9	6.5	1.4		14.3	
Oceania	0.4	0.4	0.1	0.1	0.3		0.8	
<b>WORLD</b>	<b>94.6</b>	<b>99.5</b>	<b>90.8</b>	<b>92.5</b>	<b>21.8</b>	<b>20.4</b> <sup>1/</sup>	<b>207.2</b>	<b>212.4</b>
Developing countries	74.1	77.0	59.2	59.8	18.4	17.0	151.8	153.8
Developed countries	20.5	22.5	31.6	32.7	3.4	3.5	55.4	58.6

SOURCE: FAO

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

mostly maize and barley from several other countries, such as the Russian Federation, Hungary, Romania and the Ukraine are also anticipated. However, barley exports from Turkey could decrease, mostly because of smaller domestic production, while maize sales from the Republic of South Africa will also be substantially reduced following two consecutive years of reduced production.

### Review of world cereal trade in 1998/99

The latest estimate of world **cereal** imports in the current 1998/99 season is around 207 million tonnes, down 9 million tonnes, or 4 percent, from the previous year, the smallest since 1994/95 and about 1 million tonnes lower than was anticipated in April. Smaller wheat and rice imports account for almost all the estimated contraction in global cereal trade in 1998/99 while imports of coarse grains, especially maize, have changed little compared to the previous year. The increase in cereal donations as food aid has prevented world trade from declining even more drastically this year, though this increase is likely to be lower than earlier anticipated, mostly because of delays in shipments from the United States and the EC to the Russian Federation.

As the 1998/99 (July/June) trade season for **wheat** draws to a close, the estimates for imports are getting firmer. World trade in wheat and wheat flour (in wheat equivalent) is now estimated to reach around 95 million tonnes, down over 4 million tonnes from already reduced imports in 1997/98 and 1 million tonnes lower than was reported April. The main

feature this season has been the rise in food aid component in total trade volume. Out of the estimated import volume of 95 million tonnes in 1998/99, some 6 million tonnes (or 6 percent of the total) would be in the form of food aid. This compares to around 3.8 million tonnes (4 percent) in the previous season, when total imports stood at 99 million tonnes. Thus, the drop in commercial wheat trade in 1998/99 would be around 7 million tonnes, which, by far, represents the most significant contraction since 1992/93.

The underlying factors contributing to smaller trade in 1998/99 are found mostly in **Asia**, where total imports are estimated at 45 million tonnes, down 3.5 million tonnes from the previous year. Mostly because of higher domestic production, several countries, such as China, the Islamic Republic of Iran, India and Pakistan, have cut their imports sharply in 1998/99. In Indonesia, a combination of financial constraints, large stocks of wheat flour and higher imports of rice have resulted in a significant decline in wheat imports this season. By contrast, the gradual economic recovery in the Republic of Korea and the low international wheat prices have led to a small increase in wheat purchases by this country. However, the largest rebound in imports is expected in Bangladesh, and that mainly in the form of food aid in response to food shortages caused by floods. At around 23 million tonnes, total imports into **Africa** in 1998/99 would be slightly less than in the previous year, due essentially to reductions in imports by Morocco and Tunisia where larger 1998 production has resulted in higher domestic availabilities. Imports by most other countries are estimated to remain unchanged from the previous year.

Reduced wheat imports by the Russian Federation combined with smaller purchases by the EC, following a record production, have resulted in a decline in total imports into **Europe** to an estimated 7 million tonnes, compared to 8.8 million tonnes in 1997/98. The most significant development in Europe this season concerns the Russian Federation where, following this month's downward revisions, imports could be as low as 1.5 million tonnes, almost 50 percent below the previous year despite the poor harvest. While the bulk of this year's imports would be in the form of food aid, the slow pace of deliveries so far from the major donors to the Russian Federation will result in a postponement of a large portion of shipments until the next season. Elsewhere, imports into **Latin America and the Caribbean** could reach 16.7 million tonnes, up 1.5 million tonnes from the previous year, mostly because of larger purchases by Brazil, owing mainly to lower domestic production.

Global trade in **coarse grains** in 1998/99 (July/June) is estimated at around 91 million tonnes, up slightly from last year and unchanged from the previous report. The coarse grain market in 1998/99 has proved rather eventless, the main feature being the continuing negative impact of poor economic growth performance in Asia weighing on feed utilization and, consequently, constraining import demand in several countries. Among the major coarse grains, only imports of barley and rye are seen to increase. Global barley trade is estimated to approach 16 million tonnes, up 1.5 million tonnes from the previous year, mostly because of larger purchases by several countries in Asia and North Africa. Imports of rye may reach 1.2 million tonnes, up 300 000 tonnes from last year, but smaller than was anticipated earlier because of delays in the EC food aid shipments to the Russian Federation. However, imports of sorghum would decline by about 300 000 tonnes to 7 million tonnes, mostly because of reduced purchases by Mexico, which had a good crop in 1998. Trade in maize, by far the largest traded coarse grain, is likely to remain unchanged at about 65 million tonnes.

This rather stagnant trade prospect facing the coarse grain markets at the global level is also highly representative of the situation at the regional levels. In **Asia**, imports in 1998/99 are currently estimated at around 53 million tonnes, down 1 million tonnes from last year's reduced volume, mostly because of smaller maize purchases by the Republic of Korea and Indonesia due to weaker feed demand. In **Africa**, imports are put at 11 million tonnes; an increase of 1 million tonnes over the previous year, mostly because of larger barley imports by several countries in North Africa due to drought-damaged domestic production. In **Europe**, imports by the EC and the Czech Republic are seen to rise marginally, mostly due lower output. Imports into **Latin America and the Caribbean** are

put at slightly over 17 million tonnes, up around 1.5 million tonnes from the previous year. The bulk of the increase from last year would be due to larger maize purchases by Brazil and Mexico, while in the aftermath of the hurricane *Mitch*, imports of several affected countries in Central America have also risen.

The current forecast for **rice** trade in 1999 continues to point to a weakening of import demand compared with last year, when international rice trade surged to an all-time high. Although FAO's forecast for global rice trade in 1999 has been increased by 200 000 tonnes from the previous report to 21.8 million tonnes, this level would still be some 5.7 million tonnes below the revised 1998 record. The anticipated contraction stems from an improved production performance in 1998 and/or the expectation of stepped-up production in 1999 in many of the major importing countries whose output in 1997 and/or 1998 was reduced by El Niño-related weather problems.

Most of the upward revision in 1999 rice trade forecast, since the last report, reflects a 400 000 tonnes increase in Bangladesh's anticipated imports to 1.7 million tonnes. Although output from the Boro crop could be a lot higher than originally thought, the country would still need to import a substantial amount to meet domestic requirements and prevent a drastic fall in stocks. In addition, import shipments by Indonesia were adjusted upwards by 200 000 tonnes to 2.7 million tonnes. The expected increase in the 1999 paddy output would need to be supplemented with imports to meet the local demand and maintain a reasonable level of stocks. On the other hand, purchases by China (Mainland), mostly high quality rice, were lowered by 200 000 tonnes from the last report to 400 000 tonnes, based on imports to date. Anticipated import volumes for Sri Lanka and Malaysia were reduced by a total of 200 000 tonnes following better production prospects. The 1999 expected import levels for the Philippines and Brazil in 1999, both of which were large rice importers last year, were left unchanged from the previous report at 1.2 million tonnes and 1 million tonnes, respectively.

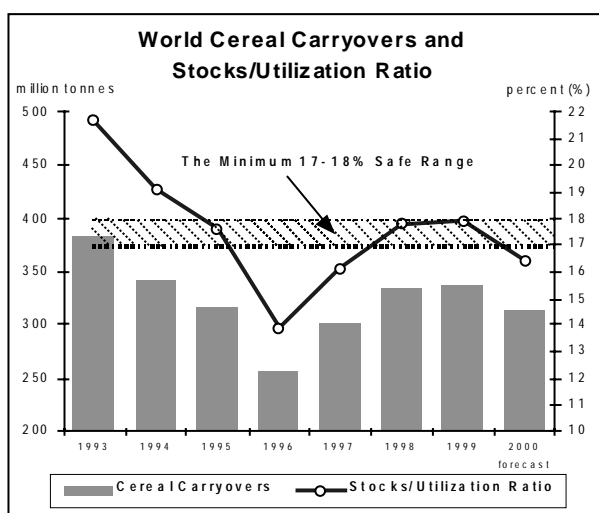
On the export side, the expected shipments by India were augmented by 200 000 tonnes from the previous report to 2.5 million tonnes in line with the upward adjustment to its 1998-99 production and anticipated larger rice deliveries to Bangladesh. Projected sales by China (Mainland), which consist mainly of lower grade rice, were also raised by 300 000 tonnes to about 1.4 million tonnes based on exports to date. During the first four months of the year, China exported a total of about 660 000 tonnes, most of which were destined to Indonesia and the Philippines. By contrast, Viet Nam's export

forecast has been revised downward by 300 000 tonnes based on its exports so far in the year, in the light of weak demand and falling international prices. In the United States, the market continues to be generally quiet and, the US Rice Producers Association and the US Rice Federation are urging the Government to increase its use of rice as food aid. Likewise, rice growers in Argentina are, reportedly, searching for alternative markets to absorb some of its exportable supplies, since Brazil, its traditional customer and Mercosur partner, is expected to import less following prospects for increased production. Expectations regarding export shipments from the other major exporters were unchanged from previously reported volumes. Thailand exported a total of 1.8 million tonnes of rice during the period January to April 1999, down by about 25 percent from the level for same period in 1998. During the first four months, Nigeria emerged as the biggest recipient of Thailand rice.

### CARRYOVER STOCKS

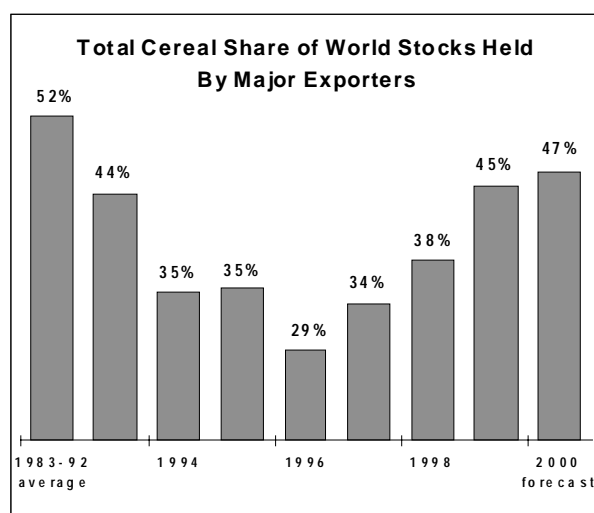
**After rising for three consecutive years, world cereal stocks expected to fall in 1999/2000**

Assuming current indications of a reduction in the world cereal crop in 1999 materialize, early indications for global cereal carryovers suggest a significant decline for the first time since 1996, despite the expected slow growth in utilization next season. Consequently, world cereal stocks at the end of countries' marketing seasons in 2000 are tentatively put at 315 million tonnes, as much as 23 million tonnes, or 7 percent, below their opening levels. Based on this, the stock-to-use ratio could



fall slightly below the 17 to 18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security and points to a tighter world supply/demand balance.

With regard to individual cereals, wheat stocks are likely to fall the most, to 122 million tonnes, down 16 million tonnes from the opening level. Global coarse grains stocks are projected to reach about 140 million tonnes, down 6 million tonnes from their opening levels while the decline in rice stocks is expected to be limited to about 1 million tonnes. The decline is forecast to be mostly concentrated in the stocks held by importing countries. The fall in total cereal stocks held by major exporters is expected to be small, considering the relatively good production outlook and the likelihood of continuing slow growth in their domestic utilization and export prospects. In fact, despite the anticipated draw down of stocks held by major exporters in view of the sharp decline in carryovers in importing countries, the overall global share of stocks held by the major exporters is expected to increase for the fourth consecutive year.



### Review of the 1998/99 season

World cereal stocks at the close of the individual countries' current 1998/99 marketing seasons are estimated at about 337 million tonnes, up 2 million tonnes from their relatively high opening level and some 7 million tonnes more than was reported in April. The estimate for ending stocks has been raised this month mostly due to upward revisions to production estimates for 1998 and slower growth in utilization. Compared to their opening levels, wheat and coarse grains stocks are currently estimated to increase further, while rice inventories are likely to decline. The bulk of this year's accumulation of cereal stocks is estimated for the major exporting countries where large production combined with generally lower export opportunities have resulted in a third straight year of stock build-up. At around 153 million tonnes, total cereal stocks in major exporting countries would represent 45 percent of the global share, which is similar to the levels during the late 1980s and points



to a continuous recovery since the sharp draw down in 1996.

World stocks of **wheat** for national crop years ending in 1999 are estimated to reach 138 million tonnes, slightly above their opening level despite a significant decline in the size of carryovers in several importing countries. Wheat stocks in China and in the Russian Federation are expected to be drawn down most drastically, by some 11 million tonnes in total, mainly because of smaller production. By contrast, combined stocks in the five major exporters, as a group, is estimated to increase for the third consecutive year to reach 56 million tonnes, up 16 million tonnes or 40 percent from their opening level. This is mostly attributed to a substantial rise in production, especially in the EC and the United States, while subdued world demand has also prevented any significant expansion in exports. In Canada, the main reason for the anticipated increase in stocks was a delay in export shipments caused by striking dockworkers in Vancouver. In the EC, despite a sizeable growth in domestic use and even a modest rise in exports, last year's record crop has triggered a further increase in intervention stocks, stretching storage capacity to its limits and causing space shortages in some countries.

#### WORLD CARRYOVER STOCKS OF CEREALS

	Crop year ending in:		
	1998	1999 estim.	2000 f'cast
	(. . . million tonnes . . .)		
Wheat	136.9	138.1	122.5
Coarse grains	142.9	145.9	139.5
Rice (milled)	55.2	53.2	52.5
<b>TOTAL</b>	<b>335.0</b>	<b>337.1</b>	<b>314.5</b>
of which:			
Main exporters	126.5	152.6	146.8
Others	208.5	184.5	167.8

SOURCE: FAO

Following near record levels of output in 1998, world carryover stocks of **coarse grains** for crop years ending in 1999 are estimated to increase to 146 million tonnes. This month's forecast is 3 million tonnes more than was reported in April, reflecting the latest official estimates for end-of-season stocks in the United States which point to higher carryovers than were anticipated earlier. Overall, this year's anticipated build-up in major exporting countries would more than offset the large

draw-down of stocks expected in importing countries, especially the Russian Federation.

Total carryover stocks among the major coarse grains exporting countries is estimated to increase for the third consecutive year, mostly because of large production and weak export demand. The biggest increase (12 million tonnes, or 32 percent) is anticipated in the United States, where the 1998 maize crop was second largest on record. This increase in maize production is not expected to be absorbed by larger domestic use and increased exports during the 1998/99 marketing season. In the EC, ending stocks are estimated to remain close to the previous year's high level, while barley and rye intervention stocks may rise further despite a decline in their production and higher exports. This is mostly due to lower domestic utilization, as ample supplies of low quality wheat have substituted for coarse grains in animal feed. Elsewhere, coarse grains stocks in China are estimated to replenish by around 4 million tonnes as a result of a bumper 1998 crop, reduced exports and slow growth in domestic feed utilization.

FAO's forecast of world **rice** stocks at the close of the marketing seasons ending in 1999 has been increased from the previous report by 2.9 million tonnes to 53.2 million tonnes. The increase is largely attributed to a rise in anticipated stock levels in India following the Government's upward revision of the 1998-99 output level. However, global stocks would still be about 2 million tonnes below the closing stocks for the marketing seasons that ended in 1998. Most of the year-to-year stock decline is accounted for by China, Japan, and Egypt. The anticipated decline in China's stocks is attributed to domestic supply problems associated with the floods that affected the country in 1998-99. In Japan it reflects the policy of limiting domestic production with the aims of reducing the country's rice stocks over time. In Egypt, the expected stock reduction reflects the Government's policy of reducing production by limiting rice area.

#### EXPORT PRICES

##### Large supplies and weak demand leads to lower cereal prices

In the **wheat** market, the dominant feature since the previous report has been the slow pace of exports, which continued to put pressure on international prices despite occasional price swings, mostly in response to weather news. By late May, the US wheat No. 2 (HRW, fob) was quoted at US\$111 per tonne, considerably below the corresponding period in the previous year. In Europe, despite some increase in trade activity in

recent weeks, primarily due to increased sales to North Africa, persistent weak international prices have continued to weigh on export prices from the EC and resulted in higher export refunds. In the Cereal Management Committee meeting on 20 May 1999, the European Commission granted a maximum refund of around US\$41 for exports of free-market wheat to non-EC countries, up over US\$8 per tonne since January; it also raised the maximum refund for the ACP countries (i.e. African, Caribbean and Pacific countries) to around US\$49 per tonne, up over US\$7 per tonne since January.

**LATEST CEREAL EXPORT PRICES \***

	1999		1998
	May	March	May
	(. . . . . US\$/tonne . . . . .)		
<b>United States</b>			
Wheat <u>1/</u>	111	119	128
Maize	91	101	103
Sorghum	88	95	100
<b>Argentina <u>2/</u></b>			
Wheat	120	113	126
Maize	95	92	104
<b>Thailand <u>2/</u></b>			
Rice white <u>3/</u>	258	254	330
Rice, broken <u>4/</u>	191	195	194

SOURCE: FAO, see Appendix Table A.9

\* Prices refer to the fourth week of the month, except for Argentina which refer to the third week.

1/ No. 2 Hard Winter (Ordinary Protein).

2/ Indicative traded prices.

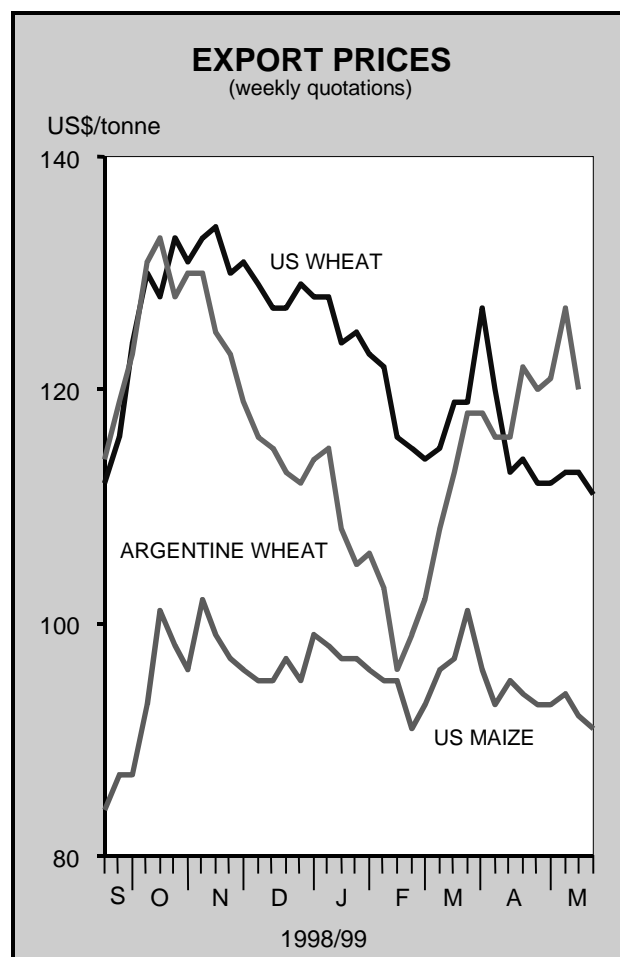
3/ 100% second grade, f.o.b. Bangkok.

4/ A1 super, f.o.b. Bangkok.

Weather news played dominant role in the US futures markets in recent months while stocks and good crop prospects this year also continued to put downward pressure on prices. By late May, the nearby July wheat futures contracts at the Chicago Board of Trade (CBOT) were quoted at US\$92 per tonne, almost US\$12 per tonne lower than in April and down US\$17 per tonne from to the corresponding period last year. The underlying supply and demand fundamentals provide little hope for any immediate recovery in wheat prices. Wheat futures for September and December deliveries have also been on a sliding path in recent months, which is in sharp contrast to the situation during the corresponding period last year when wheat futures were not only higher but also steady.

Regarding **coarse grains**, weak demand and generally favourable 1999 crop planting prospects have continued to put downward pressure on prices. By late May, the US maize export prices were

quoted at US\$91 per tonne, about US\$10 per tonne less than in March, and US\$12 per tonne lower than in the previous year. With initial production estimates in the United States pointing to another above-average crop in 1999 and a further increase in stocks, prices are likely to remain under downward pressure in the coming months. By late May, the nearby July maize futures contracts quoted at the CBOT remained steady at around US\$85 per tonne, down almost US\$10 per tonne from the corresponding period last year. Similarly, over the past few weeks the December futures have remained stable, at about US\$91 per tonne. The main reason for somewhat steady prices in the futures markets is uncertainty associated with weather in the next few months. Given the likelihood of a record soybean crop, maize prices could be under more pressure if normal weather prevails during the crucial growing season this summer in the northern hemisphere countries.



The downward pressure on international **rice** prices continued through April and the FAO Export Price Index for Rice (1982-84=100), which has been sliding since the beginning of the year, declined by 4 points from March to an average of 112 points in April, the lowest level since December 1994.

However, rice prices from most origins have been a bit resilient in May, sustained by the strengthening of the Thai baht against the United States' dollar and the recent presence of the Islamic Republic of Iran, traditionally the leading rice importer in the world, in the market for a purchase of about 300 000 tonnes of high quality rice. The expectation that Indonesia could soon resume its imports of rice, has also been supportive of prices, especially of lower grades. During May, the index averaged 113 points, up slightly from the previous month.

For the first time this year, the average monthly international rice prices from several origins registered a month-to-month increase in May. The price for Thai 100B reached US\$252 per tonne, up by US\$14 per tonne from a five-year low April average. However, export prices in the United States have continued to slide due to a combination of limited new import demand and expectations of a record crop in 1999. The price of the United States No. 2/4 percent broken rice averaged US\$334 per tonne in May, down by US\$19 per tonne from April. Although the price differential between the high quality Thai 100B and the comparable United States No. 2/4 percent broken rice has narrowed in comparison with earlier months, the gap would need to contract further in

order for the US rice to be competitive in the high quality markets outside Latin America and the Caribbean.

Prices of the lower quality rice grades from various origins also averaged higher in May. The price of Thai 35 percent was US\$203 per tonne in May, up by US\$9 per tonne from April. The price of fully broken rice (Thai A1 Super) was up by US\$1 per tonne from its April average to US\$185 per tonne in May. A similar rise in prices was observed in most of the other major exporting countries in Asia during the month of May. In Pakistan, the increase is partly attributable to reports that the available exportable supplies might not be as much as anticipated as exports to Afghanistan are reported to be much more than originally thought.

For the rest of the year, international rice prices are expected to remain subdued, relative to the levels observed last year, assuming normal growing conditions for the rest of 1999. However, given the thinness of the international rice market, any factor pointing towards reduced output in one of the major importing or exporting countries could reverse the whole picture.

## P U L S E S <sup>1/</sup>

Total world **production** of pulses in 1999 is expected to rise slightly, to a record 58.5 million tonnes, up about 1 million tonnes from 1998. This assumes adequate summer rainfall in Asia and North America, where plantings are expected to expand. Farmers in the United States were expected to increase pulse plantings significantly in 1999 because of very low prices for maize and soybeans. However, the final area may not be as large as anticipated because dry bean and pea prices also weakened during the planting period. Canadian farmers planted more beans, lentils, and chickpeas for the 1999 harvest, partly because of more favourable price prospects compared to most other crops. India is by far the world's leading producer of pulses. In India, if normal rainfall prevails, the 1999 harvest may surpass the good 1998 output of about 15.6 million tonnes. Production in Bangladesh is expected to recover sharply following flood damage in 1998. Elsewhere, pulse production in 1999 in most Mediterranean countries is forecast to be below the 1996-98 average and severe drought this year has reduced yields in the Near East, especially in Turkey and Syria.

### WORLD PULSES PRODUCTION

	1997	1998 estim.	1999 f'cast
	(. . . . . million tonnes . . . . .)		
Africa	7.3	7.5	7.6
Asia	26.6	27.5	27.6
Europe	10.2	9.9	10.0
Latin Am. & Car.	5.6	5.4	6.0
North America	4.0	4.8	5.0
Oceania	2.2	2.3	3
<b>WORLD</b>	<b>56.0</b>	<b>57.5</b>	<b>58.5</b>

**SOURCE:** FAO and trade sources.

World **imports** of pulses in 1999 are likely to rise slightly from the previous year to about 7.8 million tonnes. World imports of pulses for direct food consumption are expected to increase in 1999, but imports of feed beans are forecast to decline. During 1999, India is likely to remain the world's leading importer of pulses, with imports of over 740 000 tonnes. Rising disposable incomes and improved marketing systems and declining per capita production are spurring Indian import demand. Pulse imports by Bangladesh are also expected to remain high in 1999, after rising sharply in 1998 because of

<sup>1/</sup> Pulses include beans, peas, chickpeas, broad beans, pigeonpeas, vetches, cowpeas, lentils, lupins and other minor pulses.

flood damage to local crops and food supplies in storage. Pakistan normally imports over 150 000 tonnes of pulses annually, but purchases are forecast to increase in 1999. Lower prices are expected to contribute to increased imports of dry beans by some countries in North Africa, in addition to increased food aid shipments, especially to tropical Africa. In several other importing countries, such as Spain, Italy, Cuba, Albania, Iraq, Egypt, Algeria, and South Africa, imports of pulses are expected to rise in 1999 mostly due to lower prices.

#### WORLD PULSES IMPORTS

	1997	1998 estim.	1999 f'cast
	(. . . thousand tonnes . . .)		
Africa	770	780	820
Asia	2 490	2 470	2 700
Europe 1/	3 020	3 080	3 140
Latin Am. & Car.	480	470	440
North America	640	720	600
Oceania	100	100	100
<b>WORLD</b>	<b>7 500</b>	<b>7 620</b>	<b>7 800</b>

SOURCE: FAO and trade sources.

1/ Including trade between the fifteen EC member countries.

Turning to **exports**, Canada, the leading world exporter of pulses, is expected to increase its shipments in 1999 to a level near the peak of 1.5 million tonnes recorded in 1995. In recent years, Canada has expanded its markets in Africa, Asia and Latin America. Canada is also likely to be an important donor of beans and peas as food aid. France is usually the second leading world exporter of pulses, but most of its shipments, mostly peas, are destined to other EC countries. Outside the EC and besides Canada, the leading world exporters of pulses are Australia, Myanmar, China and the United States. Myanmar has enjoyed a boom in exports of pulses in 1998, exporting about 800 000 tonnes mostly to South Asia, and exports could increase further in 1999. After Myanmar, Australia has traditionally been the second major supplier of pulses to South Asia. Australian total pulse exports are also tentatively forecast to increase in 1999 to almost 1 million tonnes, from 830 000 in the previous year. Although China's bean exports to some Asia markets like Indonesia are expected to remain low in 1999, it's exports of kidney beans to Cuba may increase further and total exports could be above 1998. Dry bean exports from the United States increased by 38 percent in 1998 to about 483 000 tonnes. Most of the 1998 increase stemmed from larger sales to Mexico. However, a steep decline in exports to Mexico is

expected in 1999, mostly because of an improved domestic bean crop.

#### WORLD PULSES EXPORTS

	1997	1998 estim.	1999 f'cast
	(. . . thousand tonnes . . .)		
Argentina	311	285	260
Australia	796	830	990
Canada	1 305	1 395	1 500
China	594	670	700
France	846	800	800
Mexico	106	109	135
Myanmar	750	800	830
Turkey	490	500	470
United Kingdom	195	203	202
United States	539	650	580
Other exporters	1 568	1 378	1 333
<b>WORLD 1/</b>	<b>7 500</b>	<b>7 620</b>	<b>7 800</b>

SOURCE: FAO and trade sources

1/ Including trade between the fifteen EC member countries.

A mixed picture emerges for the global pulse **price** prospects for 1999. It should be noted that because substitution among the different types of pulses is limited, prices tend to vary substantially between various types of pulses, and could even move in different directions. In May 1999, prices for some types of beans in North America were at their lowest level since 1992, due mostly to a lack of expected purchases by Mexico. By May 1999, the average price for US pinto beans fell to US\$400 per tonne, a third below a year earlier. Similarly, US black bean prices also declined from the high of around US\$860 per tonne last year to US\$539 per tonne in May 1999. While slowness in sales of black beans to Brazil, mostly due to a weak currency, caused Argentine export prices to fall below US\$480 per tonne, a faster recovery in Brazil's economy and larger import demand from some other countries in Latin America could prove supportive to prices in the remainder of 1999. Prices for Michigan's navy pea beans were quoted at nearly US\$705 per tonne in May 1999, up substantially from US\$424 per tonne registered a year earlier. Export prices for these types of beans are expected to remain firm following large sales to Europe, which resulted in a significant reduction in US stocks. In the dry peas market, which is mostly a feed market, prices have continued to slide over the past two years, and large export availability, especially in Canada, is expected to keep prices below the average levels also in 1999. Recent recovery in lentil prices, particularly of Canadian

origin, is expected to accelerate further in the coming months because of reduced export supplies from the other major exporters, namely Syria and Turkey due to lower production. Similarly, export prices of

chickpeas are also likely to be firm in 1999 due to the drought in the Near East and, especially, the likely decline in Turkey's output, the world second largest exporter after Australia.

## SUGAR

The FAO outlook for the world sugar market in 1998/99 is for continued oversupply due to production expanding at a faster rate than demand. The supply surplus would add to already high stock levels and is expected to limit any recovery in prices. The situation is exacerbated by the weak economic outlook in several major importing countries, leaving little room for substantial recovery from current low levels at least in the near term.

World sugar prices continued their declining trend as the 1998/99 season (Oct-Sept) began. The average International Sugar Agreement (ISA) daily price declined by more than 35 percent during the first seven months of the 1998/99 season, averaging US cents 7.14 per lb over the period. Prices fell by 16 percent from an average of US cents 8.11 cents per lb in January 1999 to US cents 6.82 per lb in February 1999, then plunged to a 13-year low of US cents 4.78 per lb by the end of April 1999.

FAO's estimate of the world sugar production (raw value) in 1998/99 has been revised upward to 129.6 million tonnes. At this level, production in 1998/99 would be 6.5 percent up from the estimated output of 126.6 million tonnes in the 1997/98 season. Upward revisions were made to estimates for cane producing countries, mainly Brazil and India, which more than offset the downward adjustments in beet sugar production, particularly in the EC. Cane sugar production is estimated at 93 million tonnes, or 72 percent of the global output, while total production from beet is expected to decline further to 36.6 million tonnes. Sugar production in developing countries is estimated to expand by 5.4 million tonnes, from 82.2 million tonnes in 1997/98 to 87.6 million tonnes in 1998/99.

Output in Latin America is expected to grow by 4 percent to 38.7 million tonnes, with the bulk of the increase accounted for by a record output of 18.8 million tonnes in Brazil, almost 2 million tonnes up from the previous season. Lower utilization of cane in alcohol processing due to overstocking and less remunerative prices of alcohol underpinned the rise. In addition, favourable weather during the latter part of 1998 contributed to improved yields. The adverse effects of unusual weather in Central America and the Caribbean, particularly damages inflicted by Hurricane Mitch, curtailed expectations for higher production in several major producing countries, including Mexico and Guatemala where output is

foreseen at 5.0 million tonnes and 1.8 million tonnes, respectively. Cuban production is assessed at 3.3 million tonnes, marginally above the 50-year low of 3.2 million tonnes reported in 1997/98, due to persistent lack of agricultural inputs.

### WORLD PRODUCTION AND CONSUMPTION OF SUGAR

	Production		Consumption	
	1997/ 98	1998/ 99	1998	1999
	(. . million tonnes, raw value . .)			
<b>WORLD</b>	<b>126.6</b>	<b>129.6</b>	<b>124.1</b>	<b>125.6</b>
<b>Developing countries</b>	<b>82.2</b>	<b>87.6</b>	<b>79.1</b>	<b>80.3</b>
Latin America	37.2	38.7	22.5	23.0
Africa	4.4	4.5	6.4	6.6
Near East	5.3	5.4	9.4	9.6
Far East	34.9	38.7	40.6	41.1
Oceania	0.4	0.2	0.1	0.1
<b>Developed countries</b>	<b>44.4</b>	<b>42.1</b>	<b>45.0</b>	<b>45.3</b>
Europe of which: EC	23.8 (19.1)	21.9 (17.6)	19.6 (14.4)	19.7 (14.4)
North America	7.2	7.3	10.3	10.4
CIS	4.1	4.0	9.7	9.7
Oceania	5.9	5.3	1.2	1.2
Others	3.4	3.6	4.3	4.3

SOURCE: FAO

Sugar output for 1998/99 in the Far East is estimated to grow by about 10 percent to 38.7 million tonnes. In India, where production is forecast to reach 16.5 million tonnes representing about 40 percent of the regional total, better prices paid to growers led to a 5 percent expansion in harvested areas and lowered the volume of cane diverted to gur production. Improved yields and recovery rates also contributed to the increase. Previous estimates for Thailand's output have been revised to 4.9 million tonnes following the reports of adequate rains and better recovery rates. Higher sugarcane production due to an expansion in crop areas would account for

a 4 percent increase in China's sugar output, offsetting a slight decline in beet sugar production. Production in developed countries is estimated to reach 42.1 million tonnes. Among these countries, an 8 percent decline to 17.6 million tonnes is projected for the EC due to a reduction in planted areas and lower yields, and 10 percent decline to 5.3 million tonnes for Australia due to a reduction in planted areas and excessive rains.

World sugar consumption in 1999 is forecast to grow at a slower rate of 1.3 percent, compared to 2.2 percent in 1998, to reach 125.6 million tonnes, with developing countries accounting for about 64 percent of the total. The largest declines in growth rate would occur in the Far East, due to reduced purchasing power in several major markets as a result of their weak economies. Consumption in the region would grow by only 1.2 percent to an estimated 41.1 million tonnes in 1999, well below the 5-year average growth rate of 3.5 percent. Consumption in India, the world's largest sugar-consuming country, appears to be an exception, as ample availability at subsidized prices would result in a 2.5 percent rise to 16.4 million tonnes. Latin America is also expected to experience a slower growth rate of 2 percent. Consumption in the two largest markets in Latin America, Brazil and Mexico, is estimated at 9.3 and 4.4 million tonnes, respectively. Consumption in developing countries in Africa is expected to increase by about 200 000 tonnes to 6.6 million tonnes, mainly due to population growth and low retail prices maintained through government intervention in some countries. Disappearance in developed countries is expected to

remain at similar levels to 1998, with an increase of 0.7 percent, due to the stability of dietary habits. A growth of 1 percent to 10.4 million tonnes in North America is due mainly to increased consumption in the United States, currently assessed at 9.1 million tonnes.

World sugar trade in 1998/99 would continue to be characterized as an imbalance between export availabilities and import demand. In Brazil, competitive export prices following the devaluation of the Real and increased production would allow exports to reach 8 million tonnes, which would counterbalance lower exports from several major exporters, such as the EC, Mexico and Thailand. Exports from Australia, the third largest exporter, remain stable at about 4.2 million tonnes. On the importing side, weaker demand is expected from the Russian Federation, where demand is likely to decline from 4.5 million tonnes last year to 3.6 million tonnes this year, and the United States where imports are expected to be lowered following recent cancellation of the March tranche of imports under the Tariff Rate Quota. The resulting oversupply situation would lead to higher world stocks. Global stocks would increase by about 4 million tonnes approaching a level of 50 million tonnes and a stock-to-consumption ratio of 40 percent.

As early forecasts for the 1999/00 season do not indicate a significant variation in world production, prices will largely depend on general economic developments in major importing countries. Current world stock levels imply that prices would remain low unless demand is boosted significantly.

## FERTILIZERS

**Urea** prices weakened somewhat between March and April and remain between about 18 and 34 percent lower than a year earlier reflecting generally ample supplies for the current level of demand. Prices fell particularly among the countries of the former USSR. The Russian Federation imposed a 5 percent export duty on nitrogen fertilisers and some manufacturers ceased production. Urea prices in the Baltic Sea region are stable and producers are selling urea for June delivery. A recent shortage of product in the Black Sea region coincided with a period of low demand and prices hardly fluctuated. Black Sea producers have been supplying urea to Italy and Turkey. Near East suppliers committed their export availability to Australia, Argentina and Thailand, and smaller volumes to meet demand from nearby countries. India issued a tender for 25 000 tonnes of urea in anticipation of eventual government authorization to import possibly 100 000 tonnes. Viet Nam has entered the market although domestic demand is

slow, as is normal, at the beginning of the rice-planting season and stocks are high. Indonesian producers exported 24 percent less urea in March compared to 1998. Implementation of the decision to abolish subsidies will increase the domestic urea price and affect demand. Urea availability in the United States is higher than last year; end-March stocks were reported to be almost one-third more than those a year earlier. Increased domestic production and relatively high imports are satisfying, demand and prices are stable.

Prices for **ammonia** have decreased since earlier this year due to slacker demand and in April were about 20 percent less than a year earlier. However, availability may tighten when producers in the Black Sea region restore urea production and if demand from Asia continues. In addition, Mexico has suspended ammonia exports until mid-1999 due to a technical production problem. In April U.S. Gulf prices for **ammonium sulphate** fell by about US\$5

per tonne from March to about 66 percent below those of a year earlier. By contrast, however, ammonium sulphate prices from most other origins increased in April and were above the previous year's levels. Turkey and India are active in the market to arrange imports of substantial amounts of ammonium sulphate.

**Diammonium phosphate (DAP)** prices fell slightly from March to April and are about 5 percent lower than a year earlier, largely reflecting problems facing Indian importers. Indian contracts for DAP imports are a key influence for international DAP prices but a cut in import subsidies and the devaluation of the Rupee are hampering foreign purchases. Imports from the United States are currently on hold. As a result of the reduced imports and a cut back in domestic DAP production, severe DAP shortages are reported in the country. China imported 1.8 million tonnes of DAP in the first quarter of 1999 and stocks are reported to be high. A rush in domestic demand for the spring season in the United States from the eastern Corn Belt may reduce inventories, but demand is slow to pick up in the Southern Plains and the Midwest due to rain. In Europe the season for DAP is over. Morocco has export commitments to Pakistan and Ethiopia. Jordan producers have scheduled exports for

Malaysia and Ethiopia. Argentina and Brazil have entered the market for substantial amounts of DAP, but the restricted availability of credit hampers purchasing in Brazil.

Prices of **triple superphosphate (TSP)** from North Africa and US Gulf have remained stable over the past four weeks. Prices from both origins are about 4 to 5 percent lower than a year earlier. Iran imports about 60 000 tonnes from Tunisia. The French market for TSP is uncertain, domestic TSP prices declined during the year.

Average spot prices of **muriate of potash (MOP)** remained unchanged in April. Compared to April 1998, however, prices are about 15 percent higher in eastern Europe. In addition to the 1.6 million tonnes of imports secured earlier in the year, importers in China await the issuance of import quotas. In the United States, potash demand increased at the beginning of cotton planting. Low crop prices may affect potash demand. MOP consumption in India increased from 2.15 million tonnes in 1997/98 to 2.6 million tonnes in 1998/99. Imports have been suspended pending a decision on subsidies. Regular demand for potash in Brazil, Bangladesh, Malaysia, the Philippines, and Turkey may support present levels of potash prices.

**AVERAGE FERTILIZER SPOT PRICES** (bulk, f.o.b.)

	1999		1998	Change from last year <sup>1/</sup>
	March	April	April	
	( ..... US\$/tonne ..... )			( . percentage . )
<b>Urea</b>				
eastern Europe	73-75	63-66	97-99	- 34.3
Near East	92-94	90-93	106-119	- 18.2
<b>Ammonium Sulphate</b>				
eastern Europe	39-42	40-43	24-33	+ 48.2
U.S. Gulf	32-38	27-32	85-90	- 66.3
western Europe	51-54	51-54	40-45	+ 23.5
Far East	50-51	58-59	54-60	+ 1.9
<b>Diammonium Phosphate</b>				
Jordan	203-208	201-206	210-216	- 4.2
North Africa	199-203	195-198	208-215	- 7.1
U.S. Gulf	195-198	191-194	201-203	- 4.6
<b>Triple Superphosphate</b>				
North Africa	155-160	154-159	161-165	- 4.0
U.S. Gulf	162-167	162-167	173-175	- 5.2
<b>Muriate of Potash</b>				
eastern Europe	98-111	97-111	86-95	+ 15.0
Vancouver	116-130	118-131	115-127	+ 2.8
western Europe	129-137	127-135	126-136	+ 0.1

**SOURCE:** Compiled from Fertilizer Week and Fertilizer Market Bulletin.

<sup>1/</sup> From mid-point of given ranges.





A.1 a) - WORLD CEREAL PRODUCTION - Forecast for 1999 as of May 1999

	Wheat			Coarse Grains		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>265.7</b>	<b>254.9</b>	<b>253.0</b>	<b>198.4</b>	<b>222.4</b>	<b>216.7</b>
Bangladesh	1.5	1.8	1.9	0.1	0.1	0.1
China <sup>1/</sup>	123.3	110.0	105.0	119.6	141.7	137.2
India	69.3	65.9	72.8	30.9	31.4	32.5
Indonesia	-	-	-	8.8	10.1	8.7
Iran, Islamic Rep. of	10.2	11.9	9.0	3.8	3.8	3.2
Japan	0.6	0.6	0.5	0.2	0.2	0.2
Kazakhstan	9.0	5.5	7.5	3.1	1.5	1.8
Korea, D. P. R.	-	0.2	0.1	1.2	1.9	1.9
Korea, Rep. of	-	-	-	0.4	0.4	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	16.4	18.7	18.0	1.9	1.9	1.8
Philippines	-	-	-	4.3	3.8	4.0
Saudi Arabia	1.3	1.8	1.8	0.6	0.6	0.6
Thailand	-	-	-	4.1	5.2	5.0
Turkey	18.7	21.0	20.0	10.8	10.9	10.7
Viet Nam	-	-	-	1.3	1.2	1.3
<b>AFRICA</b>	<b>14.9</b>	<b>18.2</b>	<b>16.8</b>	<b>77.8</b>	<b>81.0</b>	<b>81.0</b>
<b>North Africa</b>	<b>10.0</b>	<b>14.0</b>	<b>12.8</b>	<b>9.1</b>	<b>10.7</b>	<b>10.7</b>
Egypt	5.8	6.1	6.3	6.7	7.0	7.1
Morocco	2.3	4.4	2.3	1.7	2.2	1.4
<b>Sub-Saharan Africa</b>	<b>5.0</b>	<b>4.2</b>	<b>4.0</b>	<b>68.8</b>	<b>70.2</b>	<b>70.3</b>
<b>Western Africa</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>29.3</b>	<b>32.8</b>	<b>30.2</b>
Nigeria	0.1	0.1	0.1	18.5	19.3	18.3
<b>Central Africa</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>2.7</b>	<b>2.5</b>
<b>Eastern Africa</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>19.9</b>	<b>20.0</b>	<b>22.6</b>
Ethiopia	1.1	1.1	1.5	8.4	6.1	9.8
Sudan	0.6	0.5	0.3	3.9	5.1	4.3
<b>Southern Africa</b>	<b>2.7</b>	<b>1.9</b>	<b>1.7</b>	<b>17.1</b>	<b>14.7</b>	<b>14.9</b>
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.3	1.5	1.3	9.6	8.1	6.8
Zimbabwe	0.3	0.3	0.3	2.4	1.6	1.7
<b>CENTRAL AMERICA</b>	<b>3.7</b>	<b>3.3</b>	<b>3.4</b>	<b>27.0</b>	<b>28.7</b>	<b>28.1</b>
Mexico	3.7	3.2	3.4	23.9	25.4	24.8
<b>SOUTH AMERICA</b>	<b>20.1</b>	<b>15.7</b>	<b>17.0</b>	<b>63.7</b>	<b>63.0</b>	<b>60.0</b>
Argentina	14.8	10.7	11.5	19.7	24.2	18.5
Brazil	2.4	2.2	3.0	35.6	30.6	33.5
Colombia	0.1	0.1	0.1	1.3	1.6	1.5
<b>NORTH AMERICA</b>	<b>91.8</b>	<b>93.8</b>	<b>84.6</b>	<b>285.9</b>	<b>298.5</b>	<b>287.5</b>
Canada	24.3	24.4	23.5	25.3	26.8	25.0
United States	67.5	69.4	61.1	260.6	271.8	262.6
<b>EUROPE</b>	<b>197.3</b>	<b>187.9</b>	<b>183.0</b>	<b>241.7</b>	<b>202.2</b>	<b>208.6</b>
Bulgaria	3.6	3.3	2.7	2.6	2.4	2.3
EC <sup>2/</sup>	95.1	102.7	98.6	110.6	105.7	101.2
Hungary	5.3	5.0	3.2	8.9	8.1	8.4
Poland	8.2	9.5	8.7	17.2	17.5	16.8
Romania	7.1	5.2	5.0	15.0	10.3	12.4
Russian Fed.	44.3	30.0	33.0	42.2	22.6	30.1
Ukraine	19.0	17.0	18.0	16.6	11.6	13.5
<b>OCEANIA</b>	<b>19.7</b>	<b>21.3</b>	<b>21.5</b>	<b>10.7</b>	<b>9.1</b>	<b>9.2</b>
Australia	19.4	21.1	21.3	10.0	8.4	8.5
<b>WORLD</b>	<b>613.2</b>	<b>595.1</b>	<b>579.4</b>	<b>905.3</b>	<b>904.8</b>	<b>891.1</b>
Developing countries	285.4	276.4	272.8	352.3	383.7	375.5
Developed countries	327.8	318.6	306.6	553.0	521.2	515.6

SOURCE: FAO

Note: Totals computed from unrounded data.

<sup>1/</sup> Including Taiwan Province.

<sup>2/</sup> Fifteen member countries.

Table A.1 b) - **WORLD CEREAL PRODUCTION - Forecast for 1999 as of May 1999**

	Rice (paddy)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>527.8</b>	<b>523.6</b>	<b>525.5</b>	<b>991.8</b>	<b>1000.9</b>	<b>995.3</b>
Bangladesh	28.3	28.0	28.7	29.8	29.8	30.6
China 2/	202.8	193.1	197.2	445.6	444.9	439.4
India	123.6	129.8	124.6	223.8	227.0	229.9
Indonesia	49.4	48.5	48.7	58.2	58.6	57.3
Iran, Islamic Rep. of	2.6	2.9	2.9	16.6	18.6	15.1
Japan	12.5	11.2	11.3	13.3	12.0	12.0
Kazakhstan	0.3	0.2	0.2	12.4	7.2	9.5
Korea, D. P. R.	1.7	2.1	2.1	2.9	4.2	4.1
Korea, Rep. of	7.5	7.0	6.9	7.9	7.4	7.3
Myanmar	16.7	17.8	17.5	17.2	18.4	18.0
Pakistan	6.5	7.1	7.0	24.8	27.7	26.8
Philippines	10.0	10.2	11.4	14.3	14.0	15.4
Saudi Arabia	-	-	-	1.9	2.4	2.4
Thailand	22.6	22.6	22.9	26.7	27.9	27.9
Turkey	0.3	0.3	0.3	29.7	32.3	31.0
Viet Nam	28.8	28.0	28.4	30.1	29.2	29.7
<b>AFRICA</b>	<b>16.9</b>	<b>15.6</b>	<b>16.1</b>	<b>109.7</b>	<b>114.8</b>	<b>113.9</b>
<b>North Africa</b>	<b>5.5</b>	<b>4.5</b>	<b>4.9</b>	<b>24.6</b>	<b>29.2</b>	<b>28.5</b>
Egypt	5.5	4.5	4.9	18.0	17.6	18.2
Morocco	-	-	0.1	4.1	6.6	3.8
<b>Sub-Saharan Africa</b>	<b>11.4</b>	<b>11.2</b>	<b>11.2</b>	<b>85.1</b>	<b>85.6</b>	<b>85.5</b>
<b>Western Africa</b>	<b>7.4</b>	<b>7.1</b>	<b>7.0</b>	<b>36.8</b>	<b>40.0</b>	<b>37.3</b>
Nigeria	3.8	3.4	3.4	22.3	22.8	21.7
<b>Central Africa</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>2.9</b>	<b>3.1</b>	<b>3.0</b>
<b>Eastern Africa</b>	<b>0.8</b>	<b>1.2</b>	<b>1.2</b>	<b>22.8</b>	<b>23.4</b>	<b>26.0</b>
Ethiopia	-	-	-	9.5	7.2	11.2
Sudan	-	-	-	4.5	5.7	4.6
<b>Southern Africa</b>	<b>2.8</b>	<b>2.5</b>	<b>2.6</b>	<b>22.6</b>	<b>19.1</b>	<b>19.2</b>
Madagascar	2.6	2.2	2.3	2.7	2.4	2.5
South Africa	-	-	-	11.9	9.7	8.1
Zimbabwe	-	-	-	2.7	1.9	2.0
<b>CENTRAL AMERICA</b>	<b>2.3</b>	<b>2.2</b>	<b>2.4</b>	<b>33.0</b>	<b>34.1</b>	<b>33.8</b>
Mexico	0.5	0.5	0.5	28.0	29.1	28.7
<b>SOUTH AMERICA</b>	<b>17.9</b>	<b>16.8</b>	<b>20.5</b>	<b>101.7</b>	<b>95.5</b>	<b>97.6</b>
Argentina	1.2	1.0	1.5	35.7	35.9	31.5
Brazil	9.5	8.5	11.4	47.6	41.3	47.9
Colombia	1.5	1.6	1.6	2.9	3.2	3.2
<b>NORTH AMERICA</b>	<b>8.3</b>	<b>8.5</b>	<b>9.4</b>	<b>386.0</b>	<b>400.9</b>	<b>381.5</b>
Canada	-	-	-	49.5	51.2	48.5
United States	8.3	8.5	9.4	336.5	349.7	333.1
<b>EUROPE</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>442.2</b>	<b>393.3</b>	<b>394.7</b>
Bulgaria	-	-	-	6.1	5.7	5.0
EC 3/	2.8	2.7	2.7	208.4	211.1	202.5
Hungary	-	-	-	14.2	13.1	11.6
Poland	-	-	-	25.4	27.0	25.5
Romania	-	-	-	22.1	15.4	17.4
Russian Fed.	0.3	0.4	0.4	86.8	53.0	63.4
Ukraine	0.1	0.1	0.1	35.7	28.7	31.6
<b>OCEANIA</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>31.9</b>	<b>31.8</b>	<b>32.1</b>
Australia	1.4	1.3	1.4	30.8	30.9	31.2
<b>WORLD</b>	<b>577.8</b>	<b>571.3</b>	<b>578.5</b>	<b>2 096.4</b>	<b>2 071.2</b>	<b>2 048.9</b>
Developing countries	551.6	546.2	552.5	1 189.4	1 206.3	1 200.8
Developed countries	26.2	25.1	26.0	906.9	864.9	848.1

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

	Wheat (July/June) <sup>1/</sup>			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>48.7</b>	<b>45.2</b>	<b>49.0</b>	<b>54.3</b>	<b>53.2</b>	<b>54.4</b>
Bangladesh	0.8	2.6	1.3	-	-	-
China <sup>2/</sup>	3.1	2.1	5.0	6.8	7.8	7.7
China, Hong Kong SAR	0.4	0.4	0.4	-	-	-
Georgia	0.6	0.6	0.6	-	-	-
India	2.3	1.1	0.1	0.2	0.2	0.2
Indonesia	4.0	2.6	2.8	1.3	0.2	0.5
Iran, Islamic Rep. of	4.0	3.5	5.0	1.7	1.5	1.8
Japan	6.0	6.1	6.1	21.0	20.8	20.8
Korea, Rep. of	3.9	4.3	4.4	8.1	7.4	7.9
Malaysia	1.1	1.2	1.3	2.3	2.2	2.3
Pakistan	4.3	2.9	3.5	-	-	-
Philippines	2.0	2.2	2.3	0.4	0.5	0.4
Saudi Arabia	-	-	-	6.0	6.2	6.4
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	1.0	1.0	-	0.1	0.1
Syria	0.2	0.1	0.2	0.5	0.5	0.5
Thailand	0.7	0.7	0.7	0.3	0.1	0.1
Uzbekistan	0.9	0.6	0.5	-	-	-
Yemen	2.5	2.4	2.5	0.2	0.2	0.2
<b>AFRICA</b>	<b>23.2</b>	<b>22.6</b>	<b>22.4</b>	<b>10.2</b>	<b>11.1</b>	<b>11.6</b>
<b>North Africa</b>	<b>16.6</b>	<b>15.7</b>	<b>16.0</b>	<b>5.9</b>	<b>6.9</b>	<b>6.6</b>
Algeria	4.6	4.3	3.7	1.2	1.1	0.8
Egypt	7.1	7.2	7.2	2.9	3.0	3.0
Morocco	2.4	2.0	2.7	0.7	1.5	1.5
Tunisia	1.2	0.9	1.0	0.5	0.6	0.6
<b>Sub-Saharan Africa</b> <sup>3/</sup>	<b>6.6</b>	<b>6.8</b>	<b>6.4</b>	<b>4.3</b>	<b>4.2</b>	<b>4.9</b>
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.3	0.6	0.2	-	0.1	-
Kenya	0.5	0.4	0.5	1.1	0.4	0.8
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.2
Sudan	0.5	0.4	0.4	-	-	-
<b>CENTRAL AMERICA</b>	<b>5.1</b>	<b>5.5</b>	<b>5.7</b>	<b>10.0</b>	<b>10.5</b>	<b>10.6</b>
Mexico	2.2	2.3	2.3	7.0	7.4	7.4
<b>SOUTH AMERICA</b>	<b>10.1</b>	<b>11.2</b>	<b>10.4</b>	<b>5.8</b>	<b>6.9</b>	<b>6.4</b>
Brazil	5.2	6.0	5.2	1.0	1.6	1.0
Colombia	1.0	1.1	1.1	1.7	1.6	1.6
Peru	1.3	1.2	1.2	1.0	1.1	1.1
Venezuela	1.2	1.3	1.3	1.2	1.2	1.2
<b>NORTH AMERICA</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>4.0</b>	<b>3.2</b>	<b>3.0</b>
<b>EUROPE</b>	<b>8.8</b>	<b>7.0</b>	<b>8.9</b>	<b>5.6</b>	<b>5.9</b>	<b>6.5</b>
EC <sup>4/</sup>	3.1	2.6	2.6	2.5	2.9	2.9
Russian Fed.	2.8	1.5	3.0	0.6	0.9	1.0
<b>OCEANIA</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>WORLD</b>	<b>99.0</b>	<b>94.6</b>	<b>99.5</b>	<b>90.0</b>	<b>90.8</b>	<b>92.5</b>
Developing countries	76.7	74.1	77.0	57.6	59.2	59.8
Developed countries	22.3	20.5	22.5	32.5	31.6	32.7

SOURCE: FAO

Note: Totals computed from unrounded data.

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

<sup>2/</sup> Including Taiwan Province.

<sup>3/</sup> Including the Republic of South Africa.

<sup>4/</sup> Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>17.5</b>	<b>12.5</b>		<b>120.6</b>	<b>110.9</b>	
Bangladesh	2.5	1.7		3.3	4.3	
China 2/	0.2	0.4		10.2	10.3	
China, Hong Kong SAR	0.3	0.3		0.8	0.8	
Georgia	-	-		0.6	0.6	
India	-	-		2.5	1.3	
Indonesia	6.0	2.7		11.3	5.5	
Iran, Islamic Rep. of	0.5	0.7		6.2	5.7	
Japan	0.6	0.7		27.6	27.6	
Korea, Rep. of	0.1	0.1		12.1	11.8	
Malaysia	0.6	0.7		4.0	4.1	
Pakistan	-	-		4.3	2.9	
Philippines	2.2	1.2		4.6	3.9	
Saudi Arabia	0.8	0.8		6.8	7.0	
Singapore	0.3	0.3		0.7	0.8	
Sri Lanka	0.1	0.1		1.1	1.1	
Syria	0.2	0.2		0.9	0.8	
Thailand	0.2	-		1.2	0.8	
Uzbekistan	-	-		0.9	0.6	
Yemen	0.2	0.2		2.8	2.7	
<b>AFRICA</b>	<b>4.2</b>	<b>4.1</b>		<b>37.6</b>	<b>37.8</b>	
<b>North Africa</b>	<b>0.2</b>	<b>0.2</b>		<b>22.7</b>	<b>22.8</b>	
Algeria	-	0.1		5.8	5.5	
Egypt	-	-		10.0	10.2	
Morocco	-	-		3.1	3.5	
Tunisia	-	-		1.8	1.5	
<b>Sub-Saharan Africa 3/</b>	<b>4.0</b>	<b>3.9</b>		<b>14.8</b>	<b>14.9</b>	
Cote d'Ivoire	0.5	0.5		0.8	0.8	
Ethiopia	-	-		0.3	0.6	
Kenya	0.1	0.1		1.7	0.9	
Madagascar	-	0.1		0.1	0.2	
Senegal	0.5	0.5		0.8	0.8	
Sudan	-	-		0.6	0.4	
<b>CENTRAL AMERICA</b>	<b>1.4</b>	<b>1.4</b>		<b>16.5</b>	<b>17.4</b>	
Mexico	0.3	0.3		9.4	10.0	
<b>SOUTH AMERICA</b>	<b>2.1</b>	<b>1.5</b>		<b>18.1</b>	<b>19.6</b>	
Brazil	1.5	1.0		7.7	8.6	
Colombia	0.2	0.2		2.9	2.9	
Peru	0.2	0.2		2.5	2.4	
Venezuela	-	-		2.4	2.5	
<b>NORTH AMERICA</b>	<b>0.6</b>	<b>0.6</b>		<b>7.2</b>	<b>6.4</b>	
<b>EUROPE</b>	<b>1.4</b>	<b>1.4</b>		<b>15.8</b>	<b>14.3</b>	
EC 4/	0.7	0.7		6.3	6.2	
Russian Fed.	0.3	0.3		3.7	2.6	
<b>OCEANIA</b>	<b>0.3</b>	<b>0.3</b>		<b>0.9</b>	<b>0.8</b>	
<b>WORLD</b>	<b>27.5</b>	<b>21.8</b>	<b>20.4 5/</b>	<b>216.6</b>	<b>207.2</b>	<b>212.4</b>
Developing countries	24.2	18.4	17.0	158.5	151.8	153.8
Developed countries	3.3	3.4	3.5	58.1	55.4	58.6

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Including the Republic of South Africa.

4/ Excluding trade between the fifteen EC member countries.

5/ Highly tentative.

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

	<b>Wheat (July/June) 1/</b>			<b>Coarse Grains (July/June)</b>		
	<b>1997/98</b>	<b>1998/99 estim.</b>	<b>1999/2000 f'cast</b>	<b>1997/98</b>	<b>1998/99 estim.</b>	<b>1999/2000 f'cast</b>
	( ..... million tonnes ..... )					
<b>ASIA</b>	<b>7.5</b>	<b>6.4</b>	<b>6.8</b>	<b>9.7</b>	<b>6.0</b>	<b>5.7</b>
China 2/	0.5	0.3	0.2	7.0	3.6	4.0
India	-	0.1	1.0	-	-	-
Indonesia	-	-	-	0.5	0.4	0.1
Japan	0.3	0.3	0.3	-	-	-
Kazakhstan	3.4	1.8	2.1	0.8	0.1	0.3
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.1	-	-	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	-	0.2	0.2
Turkey	1.5	2.8	2.4	1.0	1.3	0.8
Viet Nam	-	-	-	0.2	0.2	0.2
<b>AFRICA</b>	<b>0.4</b>	<b>0.4</b>	<b>0.1</b>	<b>2.9</b>	<b>2.3</b>	<b>1.5</b>
Egypt	-	-	-	-	-	-
South Africa	0.3	0.3	0.1	0.8	1.0	0.2
Sudan	-	-	-	0.1	0.3	0.4
Zimbabwe	-	-	-	0.3	0.1	0.1
<b>CENTRAL AMERICA</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>SOUTH AMERICA</b>	<b>9.4</b>	<b>7.2</b>	<b>7.1</b>	<b>13.7</b>	<b>13.0</b>	<b>11.9</b>
Argentina	9.2	7.0	7.0	13.1	12.5	11.5
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
<b>NORTH AMERICA</b>	<b>49.2</b>	<b>43.0</b>	<b>47.0</b>	<b>47.9</b>	<b>53.3</b>	<b>56.0</b>
Canada	21.1	14.0	16.0	3.5	3.5	3.0
United States	28.1	29.0	31.0	44.4	49.8	53.0
<b>EUROPE</b>	<b>20.0</b>	<b>22.0</b>	<b>21.8</b>	<b>10.7</b>	<b>13.4</b>	<b>13.8</b>
EC 3/	14.0	14.0	16.0	4.1	9.4	9.0
Hungary	1.2	1.2	1.2	2.1	1.5	1.5
Poland	0.1	0.5	0.1	0.1	0.1	0.1
Romania	0.9	0.5	0.5	1.2	0.6	0.9
Russian Fed.	1.0	1.2	0.5	1.6	0.2	1.0
Ukraine	1.6	3.2	3.2	1.0	1.2	1.2
<b>OCEANIA</b>	<b>15.3</b>	<b>15.5</b>	<b>16.5</b>	<b>2.9</b>	<b>3.5</b>	<b>3.5</b>
Australia	15.3	15.5	16.5	2.9	3.5	3.5
<b>WORLD</b>	<b>102.1</b>	<b>94.7</b>	<b>99.5</b>	<b>88.0</b>	<b>91.5</b>	<b>92.5</b>
Developing countries	13.4	11.7	11.6	24.8	20.1	18.6
Developed countries	88.6	83.0	88.0	63.1	71.3	73.9

**SOURCE:** FAO

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

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals <sup>1/</sup>		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes .....) )					
<b>ASIA</b>	<b>21.5</b>	<b>16.1</b>		<b>38.7</b>	<b>28.4</b>	
China <sup>2/</sup>	3.8	1.5		11.4	5.4	
India	4.5	2.5		4.5	2.6	
Indonesia	-	-		0.5	0.4	
Japan	0.8	0.5		1.1	0.8	
Kazakhstan	-	-		4.2	1.9	
Myanmar	0.1	0.1		0.2	0.2	
Pakistan	2.0	2.2		2.1	2.2	
Saudi Arabia	-	-		-	-	
Thailand	6.4	5.5		6.4	5.7	
Turkey	-	-		2.5	4.1	
Viet Nam	3.8	3.6		4.0	3.8	
<b>AFRICA</b>	<b>0.5</b>	<b>0.3</b>		<b>3.8</b>	<b>3.0</b>	
Egypt	0.4	0.3		0.4	0.3	
South Africa	-	-		1.1	1.3	
Sudan	-	-		0.1	0.3	
Zimbabwe	-	-		0.3	0.1	
<b>CENTRAL AMERICA</b>	<b>-</b>	<b>-</b>		<b>0.4</b>	<b>0.2</b>	
<b>SOUTH AMERICA</b>	<b>1.6</b>	<b>1.8</b>		<b>24.8</b>	<b>22.0</b>	
Argentina	0.6	0.6		22.8	20.1	
Suriname	0.1	0.1		0.1	0.1	
Uruguay	0.6	0.7		0.7	0.8	
<b>NORTH AMERICA</b>	<b>3.2</b>	<b>2.8</b>		<b>100.3</b>	<b>99.0</b>	
Canada	-	-		24.6	17.5	
United States	3.2	2.8		75.6	81.5	
<b>EUROPE</b>	<b>0.2</b>	<b>0.2</b>		<b>30.9</b>	<b>35.6</b>	
EC <sup>3/</sup>	0.2	0.2		18.3	23.6	
Hungary	-	-		3.3	2.7	
Poland	-	-		0.1	0.6	
Romania	-	-		2.1	1.1	
Russian Fed.	-	-		2.6	1.4	
Ukraine	-	-		2.6	4.4	
<b>OCEANIA</b>	<b>0.6</b>	<b>0.7</b>		<b>18.8</b>	<b>19.7</b>	
Australia	0.6	0.7		18.8	19.7	
<b>WORLD</b>	<b>27.5</b>	<b>21.8</b>	<b>20.4 <sup>4/</sup></b>	<b>217.6</b>	<b>208.0</b>	<b>212.5</b>
Developing countries	22.8	17.7	16.2	61.1	49.5	46.4
Developed countries	4.8	4.1	4.2	156.6	158.4	166.1

SOURCE: FAO

Note: Totals computed from unrounded data.

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

<sup>2/</sup> Including Taiwan Province.

<sup>3/</sup> Excluding trade between the fifteen EC member countries.

<sup>4/</sup> Highly Tentative.

Table A.4 - WHEAT, COARSE GRAINS AND RICE: Supplies and utilization in main exporting countries, National Crop Years

	Wheat <sup>1/</sup>			Coarse Grains <sup>2/</sup>			Rice (milled basis)		
	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast
	( ..... million tonnes ..... )								
	<b>UNITED STATES (June/May)</b>			<b>UNITED STATES</b>			<b>UNITED STATES (Aug./July)</b>		
Opening stocks	12.1	19.7	26.4	27.0	38.2	50.5	0.9	0.9	1.0
Production	67.5	69.4	61.1	260.6	271.8	262.6	6.0	6.1	6.8
Imports	2.6	2.7	2.6	2.7	2.6	2.6	0.3	0.3	0.3
<b>Total Supply</b>	<b>82.2</b>	<b>91.7</b>	<b>90.1</b>	<b>290.3</b>	<b>312.5</b>	<b>315.7</b>	<b>7.1</b>	<b>7.4</b>	<b>8.1</b>
Domestic use	34.2	36.8	35.1	206.9	210.2	211.0	3.5	3.6	3.7
Exports	28.3	28.6	31.3	45.2	51.7	52.5	2.8	2.8	2.7
Closing stocks	19.7	26.4	23.6	38.2	50.5	52.2	0.9	1.0	1.7
	<b>CANADA (August/July)</b>			<b>CANADA</b>			<b>THAILAND (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	9.0	6.0	8.5	4.9	4.4	4.9	1.1	0.9	
Production	24.3	24.4	23.5	25.3	26.8	25.0	15.0	15.0	
Imports	0.1	0.1	0.1	1.5	0.7	0.7	0.2	0.0	
<b>Total Supply</b>	<b>33.4</b>	<b>30.5</b>	<b>32.1</b>	<b>31.7</b>	<b>31.9</b>	<b>30.6</b>	<b>16.3</b>	<b>15.9</b>	
Domestic use	7.4	7.5	7.6	23.7	23.7	23.2	9.0	9.4	
Exports	20.0	14.5	16.0	3.6	3.3	3.0	6.4	5.5	
Closing stocks	6.0	8.5	8.5	4.4	4.9	4.4	0.9	1.0	
	<b>ARGENTINA (Dec./Nov.)</b>			<b>ARGENTINA</b>			<b>CHINA (Jan./Dec.) <sup>3/ 4/</sup></b>		
Opening stocks	1.0	0.4	0.4	0.1	0.3	0.7	12.3	14.4	
Production	14.8	10.7	11.5	19.7	24.2	18.5	139.0	132.4	
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	
<b>Total Supply</b>	<b>15.8</b>	<b>11.1</b>	<b>11.9</b>	<b>19.8</b>	<b>24.5</b>	<b>19.2</b>	<b>151.5</b>	<b>147.2</b>	
Domestic use	4.9	4.9	4.9	7.8	9.0	8.7	133.2	133.5	
Exports	10.5	5.8	6.5	11.7	14.9	9.9	3.8	1.5	
Closing stocks	0.4	0.4	0.5	0.3	0.7	0.6	14.4	12.2	
	<b>AUSTRALIA (Oct./Sept.)</b>			<b>AUSTRALIA</b>			<b>PAKISTAN (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	2.9	1.5	2.6	1.1	2.0	1.7	0.5	0.4	
Production	19.4	21.1	21.3	10.0	8.4	8.5	4.3	4.7	
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total Supply</b>	<b>22.3</b>	<b>22.6</b>	<b>23.9</b>	<b>11.1</b>	<b>10.5</b>	<b>10.2</b>	<b>4.8</b>	<b>5.1</b>	
Domestic use	5.1	5.1	5.4	5.7	5.5	5.5	2.4	2.5	
Exports	15.7	15.0	17.0	3.4	3.3	3.5	2.0	2.2	
Closing stocks	1.5	2.6	1.5	2.0	1.7	1.2	0.4	0.4	
	<b>EC (July/June) <sup>5/</sup></b>			<b>EC <sup>5/</sup></b>			<b>VIET NAM (Nov./Oct.) <sup>3/</sup></b>		
Opening stocks	11.0	12.3	18.0	15.8	23.2	22.7	1.7	1.9	
Production	95.1	102.7	98.6	110.6	105.7	101.2	18.7	18.2	
Imports	3.1	2.6	2.6	2.5	2.9	2.9	0.0	0.0	
<b>Total Supply</b>	<b>109.2</b>	<b>117.6</b>	<b>119.2</b>	<b>128.9</b>	<b>131.8</b>	<b>126.7</b>	<b>20.4</b>	<b>20.1</b>	
Domestic use	82.6	85.4	85.7	101.5	99.7	98.3	14.7	14.8	
Exports	14.3	14.2	16.2	4.1	9.4	9.0	3.8	3.6	
Closing stocks	12.3	18.0	17.3	23.2	22.7	19.5	1.9	1.8	
<b>TOTAL ABOVE</b>									
Opening stocks	36.0	39.9	55.8	48.9	68.1	80.4	16.3	18.5	
Production	221.1	228.3	216.0	426.2	436.9	415.7	183.0	176.5	
Imports	5.7	5.4	5.2	6.7	6.2	6.2	0.8	0.7	
<b>Total Supply</b>	<b>262.8</b>	<b>273.6</b>	<b>277.1</b>	<b>481.8</b>	<b>511.1</b>	<b>502.4</b>	<b>200.2</b>	<b>195.7</b>	
Domestic use	134.1	139.7	138.7	345.6	348.1	346.5	162.8	163.8	
Exports	88.8	78.1	87.0	68.1	82.6	77.9	18.8	15.6	
Closing stocks	39.9	55.8	51.4	68.1	80.4	77.9	18.5	16.3	

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

<sup>3/</sup> Rice trade data refers to the calendar year of the second year shown.

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

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

	Crop Years ending in:						
	1994	1995	1996	1997	1998	1999 estim.	2000 forecast
	( ..... million tonnes ..... )						
<b>TOTAL CEREALS</b>	<b>342.9</b>	<b>315.5</b>	<b>257.4</b>	<b>301.4</b>	<b>335.0</b>	<b>337.1</b>	<b>314.5</b>
held by:							
- main exporters 2/	119.5	110.7	74.3	101.2	126.5	152.6	146.8
- others	223.4	204.8	183.1	200.2	208.5	184.5	167.8
<b>BY GRAINS</b>							
<b>Wheat</b>	<b>145.3</b>	<b>116.4</b>	<b>103.1</b>	<b>114.0</b>	<b>136.9</b>	<b>138.1</b>	<b>122.5</b>
held by:							
- main exporters 2/	46.9	32.6	28.7	36.0	39.9	55.8	51.4
- others	98.5	83.8	74.4	78.0	96.9	82.2	71.0
<b>Coarse Grains</b>	<b>135.3</b>	<b>144.1</b>	<b>102.1</b>	<b>131.3</b>	<b>142.9</b>	<b>145.9</b>	<b>139.5</b>
held by:							
- main exporters 2/	53.5	63.7	31.3	48.9	68.1	80.4	77.9
- others	81.8	80.4	70.8	82.4	74.9	65.4	61.6
<b>Rice (milled basis)</b>	<b>62.2</b>	<b>55.0</b>	<b>52.1</b>	<b>56.1</b>	<b>55.2</b>	<b>53.2</b>	<b>52.5</b>
held by:							
- main exporters 2/	19.1	14.5	14.3	16.3	18.5	16.3	17.4
- others	43.1	40.5	37.9	39.7	36.7	36.8	35.1
<b>BY REGIONS</b>							
<b>Developed Countries</b>	<b>174.2</b>	<b>160.7</b>	<b>105.3</b>	<b>127.7</b>	<b>174.3</b>	<b>180.3</b>	<b>169.0</b>
<b>North America</b>	<b>59.9</b>	<b>69.3</b>	<b>35.2</b>	<b>53.9</b>	<b>69.2</b>	<b>91.4</b>	
Canada	16.2	9.2	9.8	14.0	10.5	13.5	
United States	43.7	60.2	25.5	39.9	58.7	77.9	
<b>Others</b>	<b>114.3</b>	<b>91.4</b>	<b>70.0</b>	<b>73.8</b>	<b>105.1</b>	<b>88.9</b>	
Australia	4.6	2.6	3.0	4.0	3.7	4.4	
EC 4/	36.0	25.1	22.2	27.0	35.7	40.8	
Japan	4.3	5.4	6.0	6.5	6.5	6.0	
Russian Fed.	25.2	15.9	7.2	6.5	20.6	5.7	
South Africa	2.3	3.2	1.3	1.9	3.4	1.9	
<b>Developing Countries</b>	<b>168.6</b>	<b>154.8</b>	<b>152.1</b>	<b>173.6</b>	<b>160.7</b>	<b>156.8</b>	<b>145.5</b>
<b>Asia</b>	<b>138.5</b>	<b>123.0</b>	<b>126.2</b>	<b>140.9</b>	<b>131.2</b>	<b>128.4</b>	
China 4/	56.4	48.2	53.3	63.7	56.3	53.4	
India 5/	19.0	24.1	18.4	10.7	19.5	19.0	
Indonesia	6.1	5.0	6.0	6.4	4.7	4.5	
Iran, Islamic Rep. of	5.2	5.4	4.7	5.9	4.8	4.7	
Korea, Rep. of	3.3	2.4	1.8	2.5	2.8	2.8	
Pakistan	4.1	3.2	3.3	3.7	3.9	4.2	
Philippines	2.1	2.0	2.6	2.8	2.9	2.6	
Syria	2.8	3.0	3.3	3.3	2.5	2.6	
Turkey	4.5	1.9	4.0	5.9	5.4	4.8	
<b>Africa</b>	<b>15.1</b>	<b>16.8</b>	<b>10.0</b>	<b>18.3</b>	<b>15.2</b>	<b>15.3</b>	
Algeria	2.3	2.7	1.5	2.0	1.1	1.1	
Egypt	2.1	1.3	1.6	2.1	2.5	2.6	
Morocco	0.2	2.9	0.6	3.8	2.0	2.9	
Tunisia	1.4	1.5	1.0	2.1	1.8	1.7	
<b>Central America</b>	<b>4.6</b>	<b>4.6</b>	<b>6.3</b>	<b>6.9</b>	<b>7.1</b>	<b>6.9</b>	
Mexico	2.9	2.8	5.0	5.7	6.1	6.0	
<b>South America</b>	<b>10.3</b>	<b>10.3</b>	<b>9.5</b>	<b>7.4</b>	<b>7.2</b>	<b>6.2</b>	
Argentina	1.1	0.7	0.8	1.3	0.9	1.1	
Brazil	5.2	5.8	5.0	2.5	2.7	1.6	
<b>WORLD STOCKS</b>	( ..... percentage ..... )						
<b>as % of consumption</b>	<b>19.0</b>	<b>17.6</b>	<b>13.9</b>	<b>16.1</b>	<b>17.8</b>	<b>17.9</b>	<b>16.4</b>

SOURCE: FAO

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

1/ Stock data are based on an aggregate of carryovers at the end of national crop years and should not be construed as representing world stock levels at a fixed point in time. 2/ For a list of main exporters of wheat, coarse grains and rice see table A.4. 3/ From 1996, includes 15 member countries. 4/ Including Taiwan Province. 5/ Government stocks only.



Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. <u>1/</u>	U.S. Soft Red Winter No.2 <u>2/</u>	Argentina Trigo Pan <u>3/</u>	U.S. No.2 Yellow <u>4/</u>	Argentina <u>3/</u>	U.S. No.2 Yellow <u>1/</u>	U.S. No.2 Yellow <u>4/</u>
	( ..... US\$/tonne ..... )						
<b>July/June</b>							
1994/95	157	145	136	104	110	103	221
1995/96	216	198	218	159	160	156	273
1996/97	181	158	157	135	133	125	299
1997/98	142	129	137	112	109	111	262
1998 - May	130	113	126	105	102	104	244
November	132	110	126	98	110	96	222
December	128	104	115	96	100	94	216
1999 - January	126	104	112	98	93	96	208
February	119	94	102	94	91	94	190
March	119	101	112	97	92	92	184
April	115	100	117	94	91	88	183
May <u>5/</u> I	112	98	121	93	97	89	183
II	113	102	127	94	104	91	178
III	113	96	120	92	95	89	177
IV	111	93	118	91	96	88	176

SOURCES: International Grain Council, USDA, and Reuters.

1/ F.o.b. U.S. Gulf ports. 2/ F.o.b. U.S. Atlantic ports. 3/ F.o.b. Argentine ports. 4/ Delivered U.S. Gulf ports.

5/ Weekly prices refer to Thursdays, except for U.S. No.2 Hard Winter Wheat which is based on Tuesday quotations.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai <u>1/</u> 100%	Thai broken	U.S. Long grain	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and meals
	B	<u>2/</u>	<u>3/</u>		High	Low			
<b>January/December</b>	( .... US\$/tonne ... )			( ... 1982-84=100 ... )			<b>Oct./Sept.</b>	( ... 1990-92=100 ... )	
1995	336	268	371	129	124	146	1988/89	102	118
1996	352	234	430	136	136	136	1989/90	93	97
1997	316	214	439	127	129	120	1990/91	97	100
1998	315	215	413	127	128	126	1991/92	103	104
1998 - May	331	197	424	128	130	123	1992/93	103	97
1999 - January	307	230	395	125	126	123	1993/94	127	93
Febtuary	281	209	377	120	121	116	1994/95	153	94
March	262	198	360	116	117	110	1995/96	140	128
April	238	184	356	112	113	106	1996/97 - Oct.-Mar.	135	134
May I	243	180	346	) 113	115	109	- Apr.-Sep.	133	132
II	248	182	335				1997/98 - Oct.-Mar.	150	130
III	258	187	330				- Apr.-Sep.	157	103
IV	258	191	324				1998/99 - Oct.-Mar.	140	90

SOURCES: FAO for indices. Rice prices: International rice brokers and trading companies. Vegetable oils prices: Ista Miele & Co. "Oil World Weekly".

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

1/ White rice, 100% second grade, f.o.b. Bangkok, indicative traded prices. 2/ A1 super, f.o.b. Bangkok, indicative traded prices 3/ U.S.No.2, 4% broken f.a.s.. 4/ Crude Dutch f.o.b. ex-mill. 5/ Indonesian origin f.f.a., c.i.f. north European ports. 6/ Edible/soap fats and oils.

Table A.8 - WHEAT AND MAIZE FUTURES PRICES <sup>1/</sup>

	July		September		December		March	
	this year	last year	this year	last year	this year	last year	this year	last year
(..... US\$/tonne .....) )								
<b>WHEAT</b>								
April 22	99	122	102	125	106	127	111	132
29	92	121	95	124	100	127	106	131
May 6	96	124	100	127	104	130	109	134
13	102	128	106	131	109	134	114	138
20	101	123	104	127	108	129	113	134
27	104	124	108	128	111	132	116	135
<b>MAIZE</b>								
April 22	87	109	89	111	92	111	95	112
29	84	107	86	110	89	110	93	110
May 6	85	108	88	111	91	111	94	112
13	88	111	91	113	93	113	96	114
20	88	107	91	110	93	111	96	111
27	90	107	93	108	95	108	98	111

SOURCE: Chicago Board of Trade

<sup>1/</sup> Prices refer to Thursday quotations.

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam <sup>1/</sup>	CIS Black Sea <sup>1/ 2/</sup>	Egypt (Alexandria) <sup>1/</sup>	Bangladesh <sup>1/</sup>	East Africa Sudan <sup>1</sup>	China <sup>1/</sup>	Japan <sup>1/</sup>
(..... US\$/tonne .....) )							
<b>July/June</b>							
1993/94	10.40	38.41	15.05	21.5	54.66	20.91	29.20
1994/95	15.25	30.46	18.74	23.75	39.65	22.29	32.46
1995/96	12.95	30.00	16.83	21.67	41.65	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	-	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	-	27.00	28.00
1998 - May	9.50	22.00	10.00	20.00	-	27.00	28.00
October	8.00	22.00	8.00	20.00	-	27.00	28.00
November	8.00	22.00	8.25	18.50	-	27.00	28.00
December	8.00	22.00	8.60	18.50	-	27.00	28.00
1999 - January	7.50	22.00	8.50	18.50	-	27.00	30.00
February	9.00	22.00	9.25	18.50	-	27.00	31.00
March	9.00	22.00	10.00	18.50	-	27.00	30.00
April	9.50	n.c.	10.00	18.50	-	27.00	30.00
May	10.50	40.97	12.00	18.50	-	27.00	30.00

SOURCE: International Grain Council

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

<sup>1/</sup> Size of vessels: Rotterdam over 50 000 tons; CIS 20-40 000 tons; Egypt over 30 000 tons; Bangladesh 20-40 000 tons; East Africa 15-25 000 tons; China 20-30 000 tons; Japan 15-24 999 tons.

<sup>2/</sup> Excludes CIS and U.S. flag vessels.

Table A.10 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FORECASTS FOR 1999

	1997	1998	1999 forecast	Change 1999 over 1998
	( . . . . . million tons . . . . . )			( . . . percentage . . . )
Wheat	68.8	69.4	61.1	- 12.0
of which: winter	(50.2)	(51.2)	(43.9)	- 14.3
Coarse grains	260.6	271.8	262.6	- 3.4
of which: maize	(233.9)	(247.9)	(239.9)	- 3.2
Rice (paddy)	8.3	8.5	9.4	10.6
Soybeans	73.2	75.0	78.4	4.5

SOURCE: USDA: World Agricultural and Supply Demand Estimates, 12 May 1999.

Table A.11 – UNITED STATES: PLANTED ACREAGE FOR 1999 CROPS

	1999 Planted acreage	Change 1999 over 1998		1999 Planted acreage	Change 1999 over 1998
	(. million ha. .)	(percentage)		(. million ha. .)	(percentage)
<b>Coarse grains</b>			<b>Other Crops</b>		
Maize	31.65	- 2.5	Wheat	25.51	-4.3
Sorghum	3.56	- 8.7	- winter	(17.56)	(-6.6)
Oats	1.91	- 3.5	- spring	(7.95)	(1.1)
Barley	2.13	-17.1	Rice	1.45	7.4
<b>TOTAL</b>	<b>39.25</b>	<b>- 4.0</b>	Soybean	29.58	1.6
			All cotton	5.64	3.9
			Sunflowerseed	1.60	11.1

SOURCE: USDA: Prospective Plantings, 31 June 1999.

Table A.12 - CANADA: MARCH INTENTIONS OF PRINCIPAL CROPS AREA FOR 1999

	Seeded area	Intended area	Change 1999 over 1998
	1998	1999	
	( . . . . . thousand hectares . . . . . )		( . . . percentage . . . )
Wheat	10 854	10 792	- 0.6
Oats	2 063	1 834	-11.0
Barley	4 629	4 472	- 3.4
Rye	228	179	-21.5
Maize	1 126	1 140	1.2
Linseed	878	1 105	25.8
Rapeseed	5 477	5 660	3.3

SOURCE: Statistics Canada, 23 April 1999.

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

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	25.05.99	5.8	6.8	10.1	11.4
Coffee (I.C.O. daily price)	US cents per lb	25.05.99	94.0	83.9	113.7	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	25.05.99	45.9	51.5	81.6	56.0
Tea (all tea, London, weekly)	US\$ per kg.	24.05.99	1.6	1.8	1.7	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	27.05.99	1 743 <u>1/</u> 1 335 <u>2/</u>	1 527 <u>1/</u> 1 283 <u>2/</u>	2 065 <u>1/</u> 1 576 <u>2/</u>	1 107
Rubber (RSS 1, spot London)	Pence per kg.	26.05.99	45.3	42.0	50.5	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	21.05.99	59.9	58.0	64.8	78.5
Wool (64's, London)	Pence per kg	21.05.99	308	305	349	466

**SOURCE:** FAO

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

### STATISTICAL NOTE:

Data are obtained from official and non-official 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 calendar year. Coarse grains refer to all other cereals except wheat and rice. Quantities are in metric tons unless otherwise stated.

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 former U.S.S.R.) 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.

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