

food outlook

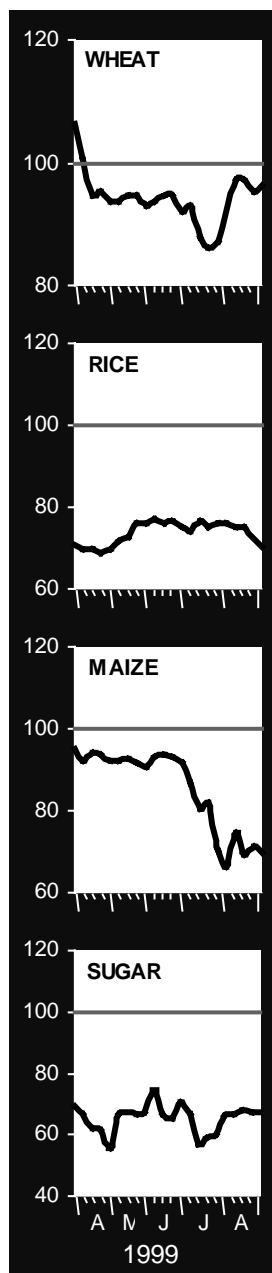
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highlights

EXPORT PRICES

(July 1998=100)



The outlook for 1999 cereal production has improved slightly since June, due mainly to better crop prospects in Asia and North America. World production, however, will not be sufficient to meet anticipated consumption requirements and global stocks will need to be drawn down.

Food emergencies persist throughout the world, mainly due to the effects of adverse weather, civil strife and chronic economic problems. Currently, 37 countries face food emergencies of varying degrees, with an increasing number of people requiring food assistance. Latest estimates put cereal food aid shipments in 1998/99 at 9.5 million tonnes, 3 million tonnes above last year and the highest level since 1993/94.

FAO's latest forecast for 1999 cereal production is 1 870 million tonnes, 0.7 percent below last year and 18 percent lower than the record output in 1997. Wheat production is put at 579 million tonnes, almost 3 percent down on last year, while coarse grain output is anticipated at around 899 million tonnes, some 7 million tonnes below last year's crop. Global rice production is forecast at a record 585 million tonnes (392 million tonnes milled), 2 percent higher than last year.

World trade in cereals in 1999/2000 is forecast to increase by 2 percent to 218 million tonnes, 5 million tonnes more than in the previous year. Global trade in wheat and coarse grains is expected to rise due mostly to higher demand in Asia. Trade in rice is expected to remain similar to last year, the second highest on record.

International cereal prices remain mostly below the previous year, but wheat prices firmed up slightly in recent months, supported by increased trade activity. By contrast, coarse grains and rice prices in international markets fell, mostly in response to good crop prospects and weaker international demand, respectively.

Prospects for trade and price recovery in the world meat market remain uncertain as the effects of the 1998 global financial crisis extend into 1999. Global production is forecast to increase 2 percent as feed prices remain low.

Record 1998/99 production of oilcrops is confirmed by latest estimates, exceeding the expected increase in demand. Stocks of oilcrop products are likely to increase and prices to fall.

World fish production recovered in 1999 due to high tuna and illex catches. With the phasing out of El Niño, the small pelagic fisheries in Chile and Peru are recovering. The prices of tuna and groundfish are anticipated to improve.



BASIC FACTS OF THE WORLD CEREAL SITUATION

,1,2,10,18,25,28,35,37,41,43, 49,* ,1,>	1995/96	1996/97	1997/98	1998/99	1999/2000 forecast	Change 1999/2000 over 1998/99
WORLD PRODUCTION ^{1/}	(..... million tonnes) (.....)					(. .percentage .)
Wheat	548	589	613	595	579	-2.7
Coarse grains	810	920	905	906	899	-0.7
Rice, milled	369	383	387	383	392	2.3
(paddy)	(550)	(571)	(578)	(572)	(585)	2.3
All cereals (including milled rice)	1 727	1 892	1 905	1 884	1 870	-0.7
Developing countries	958	1 025	1 006	1 026	1 033	0.7
Developed countries	770	867	899	858	837	-2.4
WORLD IMPORTS ^{2/}	(..... million tonnes) (.....)					(. .percentage .)
Wheat	99	102	100	98	101	3.1
Coarse grains	95	91	89	92	94	2.3
Rice (milled)	19	19	27	23	23	-0.3
All cereals	214	211	216	213	218	2.4
Developing countries	151	150	158	155	158	1.4
Developed countries	62	62	58	58	60	5.1
FOOD AID IN CEREALS ^{3/}	7.4	5.5	6.2	9.5		
WORLD UTILIZATION	(..... million tonnes) (.....)					(. .percentage .)
Wheat	563	577	589	588	594	0.9
Coarse grains	856	893	897	896	904	0.9
Rice (milled)	373	380	382	389	390	0.5
All cereals	1 791	1 851	1 868	1 873	1 888	0.8
Developing countries	1 078	1 107	1 111	1 128	1 148	1.8
Developed countries	713	744	757	745	740	-0.7
Per Caput Food Use	(..... kg/year) (.....)					(. .percentage .)
Developing countries	171	172	171	173	173	0.0
Developed countries	128	128	128	129	129	0.0
WORLD STOCKS ^{5/}	(..... million tonnes) (.....)					(. .percentage .)
Wheat	102	113	138	142	132	-7.5
Coarse grains	98	126	137	141	137	-3.1
Rice (milled)	52	56	55	53	54	2.9
All cereals	252	295	330	336	323	-4.0
Developing countries	150	172	162	164	163	-1.1
Developed countries	102	123	167	172	160	-6.7
Stocks as % of world cereal consumption	(..... percentage) (.....)					(. .percentage .)
	13.6	15.8	17.6	17.8	16.9	
EXPORT PRICES ^{3/}	(..... U.S.\$/tonne) (.....)					(. .percentage .)
Rice (Thai, 100%, 2nd grade) ^{1/}	336	352	316	315	263 ^{5/}	-18.6 ^{7/}
Wheat (U.S. No.2 Hard Winter)	216	181	142	120	110 ^{6/}	-4.6 ^{7/}
Maize (U.S. No.2 Yellow)	159	135	112	95	76 ^{6/}	-19.8 ^{7/}
OCEAN FREIGHT RATES ^{3/}	(..... U.S.\$/tonne) (.....)					(. .percentage .)
From U.S. Gulf to Egypt	16.8	12.8	11.7	9.3	11.6 ^{6/}	42.1 ^{7/}
LOW-INCOME FOOD- DEFICIT COUNTRIES ^{8/}	(..... million tonnes) (.....)					(. .percentage .)
Roots & tubers production ^{1/}	357	380	355	357	353	-1.1
Cereal production (milled rice) ^{1/}	744	803	784	799	815	2.0
Per caput production (kg.) ^{9/}	211	224	216	217	218	0.5
Cereal imports ^{2/}	78.9	69.1	77.7	70.0	71.0	1.3
of which: Food aid ^{3/}	6.4	4.6	5.5	6.8		
Proportion of cereal import covered by food aid	(..... percentage) (.....)					(. .percentage .)
	8.1	6.7	7.1	9.7		

SOURCE: FAO

Note: Totals and percentages computed from unrounded data.

^{1/} Data refer to the calendar year of the first year shown. ^{2/} July/June except for rice for which the data refer to the calendar year of the second year shown. ^{3/} July/June. ^{4/} Stock data are based on aggregate of national carryover levels at the end of national crop years. ^{5/} Average of quotations for January-August 1999. ^{6/} Average of quotations for July-August 1999. ^{7/} Change from corresponding period of previous year for which figures are not shown. ^{8/} Food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. 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. ^{9/} Includes rice on a mille basis.

CEREALS

SUPPLY/DEMAND ROUNDUP

The outlook for world cereal production has improved somewhat since the last report. FAO's current forecast of the world cereal crop in 1999 is 1 870 million tonnes, 12 million tonnes higher than forecast in June but 0.7 percent lower than in 1998. However, at this level output would still be below consumption requirements and cereal stocks accumulated over the past three seasons would have to be drawn down by 4 percent to 323 million tonnes. As a result, the ratio of global cereal stocks in 1999/2000 to trend utilization in the following year would fall to 16.9 percent, close to the 17-18 percent range which the FAO secretariat considers the minimum necessary to safeguard world food security. With most of the 1999 cereal harvest complete, the overall global situation is unlikely to change significantly for the year. However, the food situation in a number of Low-Income Food-Deficit Countries (LIFDC) continues to give cause for concern.

WORLD CEREAL PRODUCTION, SUPPLIES, TRADE AND STOCKS

	1997/98	1998/99 estim.	1999/00 f'cast
	(. million tonnes)		
Production ^{1/}	1 905	1 884	1 870
Wheat	613	595	579
Coarse grains	905	906	899
Rice (milled)	387	383	392
Supply ^{2/}	2 200	2 214	2 206
Utilization	1 868	1 873	1 888
Trade ^{3/}	216	213	218
Ending Stocks ^{4/}	330	336	323

SOURCE: FAO

^{1/} Data refer to calendar year of the first year shown. Rice in milled equivalent.

^{2/} Production plus opening stocks.

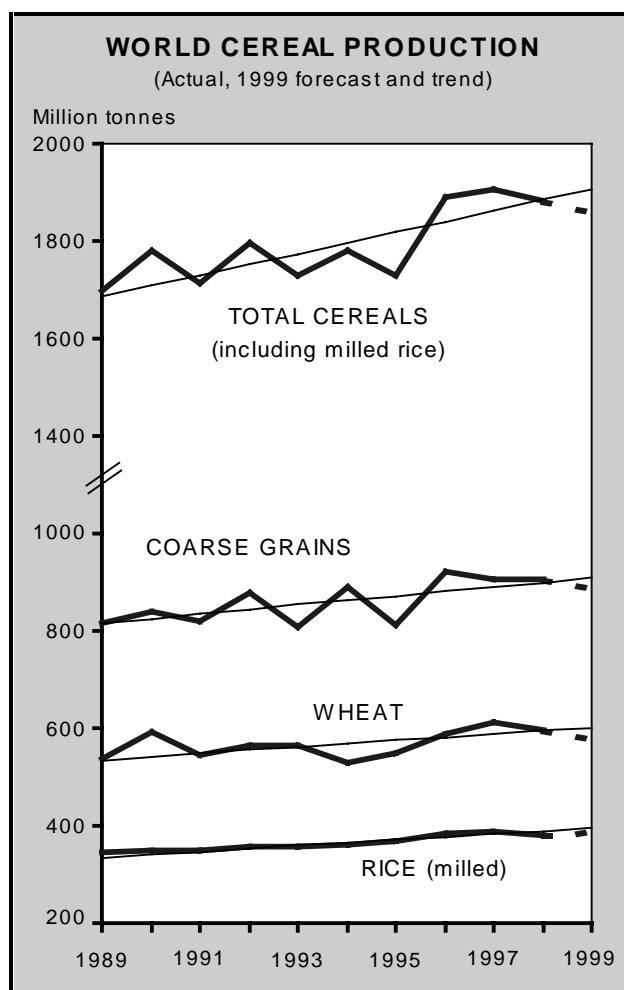
^{3/} July/June basis for wheat and coarse grains and calendar year for rice.

^{4/} May not equal the difference between supply and utilization due to differences in individual country marketing years.

FAO's forecast for 1999 wheat production remains virtually unchanged at 579 million tonnes, 2.7 percent lower than 1998. In Africa, wheat production has been revised down by 11 percent from the earlier forecast, while in Asia it is expected to increase by some 4.3 million tonnes, or about 2 percent. Output in North America has also been revised up by some 3 million tonnes, while in

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Europe it has been revised down by 7 million tonnes. Elsewhere in the northern hemisphere, wheat output in Central America remains largely unchanged from the previous year. In the southern hemisphere, the main 1999 wheat crop is growing under generally favourable conditions with a small increase in output anticipated. Another good crop is in prospect in Australia, pointing to a slight increase over last year. FAO's forecast for global coarse grains output in 1999 has been revised up by 8 million tonnes to 899 million tonnes, mainly due to larger than expected crops in Asia and North America. The 1999 coarse grains crop is forecast to remain virtually unchanged in Africa and Oceania. As regards rice, planting of paddy for the 1999 season has been completed in several northern hemisphere countries, while in the southern hemisphere and around the equatorial belt harvesting of the 1999 main paddy crop has been virtually completed under favourable conditions. Based on a favourable production outcome in the southern hemisphere so far, and indications of larger plantings among the main northern hemisphere producers, FAO now forecasts global rice output in 1999 at a record 585 million tonnes (or 392 million tonnes in milled basis), 2 percent higher than in 1998. However, this forecast remains tentative as much of the 1999 rice crop is at different stages of growth and still dependent on the performance of monsoon rains in Asia in the coming months.

FAO's forecast of world cereal imports in 1999/2000 has been revised up to 218 million tonnes, some 2 percent, or 5 million tonnes higher than in 1998/99. The increase in cereal trade this season is based on expectations of larger imports by the developed countries, especially by the Russian Federation. Total imports by the developed countries are forecast to expand by 5 percent to 60.5 million tonnes. Although aggregate cereal imports by developing countries are also expected to rise, the increase would be just over 1 percent to around 158 million tonnes. Imports by the Low-Income Food-Deficit Countries are forecast at 71 million tonnes, constituting around 33 percent of world trade. The forecast for global wheat imports in 1999/2000 has been raised to 101.5 million tonnes, 1.5 million tonnes higher than projected earlier and 3 million tonnes more than last year. This is mainly attributed to higher import demand in Asia. World imports of coarse grains are put at 94.5 million tonnes, some 2 million tonnes higher than last year. The expected rise in trade is seen mostly in maize, barley and sorghum. The forecast for international rice imports in 1999 has been revised up to 22.7 million tonnes, the second highest on record. Global rice trade next year is provisionally anticipated to remain around 22-23 million tonnes, similar to this year.

World cereal utilization in 1999/2000 is projected to be higher than forecast production and around 0.8

percent above last year. The rise in global utilization is slightly higher than was anticipated earlier, following an upward revision of consumption, particularly of rice and coarse grains. Overall, the growth in direct food consumption of cereals is expected to keep pace with population increase but the total volume of cereals used for animal feed is expected to decline for the second consecutive year. The bulk of this decrease, however, is anticipated to be in the developed countries, mainly due to a further contraction of the livestock sector in the Russian Federation. In contrast, given improved prospects for economic recovery in Asia, aggregate feed use is forecast to grow by at least 2 percent, indicating the first significant increase since the financial crisis.

International wheat prices have rallied somewhat since the last report. After declining to seasonally low levels during June and early July, the global wheat market was exceptionally volatile in early August, as prices were affected by weather-induced rallies in maize and soybean markets. By the end of August, U.S. wheat No. 2 (HRW, fob) was quoted at US\$115 per tonne, up US\$5 per tonne from the corresponding period in the previous year. Dry and hot conditions in late July/early August raised concerns for the maize crop in the United States. However, following an official report in August of a much larger than expected US crop, maize prices fell to US\$70 per tonne, some US\$14 per tonne below the corresponding period last year. International rice prices from most origins also weakened, as a result of new crop supplies in the market. The FAO Export Price Index for Rice (1982-84=100) averaged 114 points during July and August, down by 1 point from June.

Cereal utilization is forecast to exceed production and, hence, would require some drawdown of carryover stocks. The forecast for world cereal stocks by the close of the seasons ending in the year 2000 is put at 323 million tonnes, some 13 million tonnes, or 4 percent, below the reduced opening level. The contraction would be largely limited to wheat and barley, whereas rice inventories could increase. FAO is tentatively forecasting a 3 percent rise in global rice stocks, mostly in anticipation of record world production. At the current forecast level, the ratio of global cereal carryover in 1999/2000 to trend utilization in the following season would be 16.9 percent, approaching the 17 to 18 percent range which the FAO Secretariat considers the minimum necessary to safeguard world food security. Nevertheless, the moderate build-up of stocks in the major exporting countries in recent years, which represents an important buffer against any sudden global production shortfall, would keep their share at 45 percent of the global total, which is close to the previous year and significantly above the average share registered in recent years.

FOOD SUPPLY DIFFICULTIES PERSIST IN MANY DEVELOPING COUNTRIES

The number of countries facing food emergencies stands at 37 as of August 1999, the same as at the end of 1998, but with changes in their distribution by region.

In **Africa**, the food outlook has deteriorated in **eastern Africa**, mainly due to adverse weather. In Somalia, the current main "Gu" season has largely failed due to erratic and insufficient rains and pest outbreaks. It is estimated that 1.2 million people face serious food shortages in the 1999/2000 marketing year (August/July). In Ethiopia, food assistance is needed until at least the next harvest in November for about 5.3 million people, including 2 million affected by the failure of the 1999 first season (Belg) crop. In Uganda, a prolonged drought in the western parts has caused a near-total failure of crops and severely affected livestock. In Tanzania, serious localised crop failures are reported in several regions. In Kenya, significant crop output reductions are forecast in the Eastern, Central and Rift Valley Provinces due to drought, and worsening nutritional conditions are reported in pastoral and agro-pastoral areas. In Eritrea, despite a satisfactory harvest in 1998, the food situation is very tight for the displaced people from the areas of conflict with neighbouring Ethiopia and for deportees from the latter country. In the Sudan, despite an overall satisfactory food supply situation in the north, some 2.4 million people in the south still depend on emergency food assistance due to the long running civil conflict. In Burundi and Rwanda, inadequate rainfall affected the recently harvested 1999 B season crops, while food production in both countries continues to be disrupted by population displacement due to sporadic violence. In **western Africa**, the food outlook in Sierra Leone continues to be unfavourable due to persistent insecurity. In **central Africa**, persistent civil strife in the Democratic Republic of Congo continues to disrupt agricultural production, while in the Republic of Congo intensified fighting has displaced a large proportion of the capital's population. In **southern Africa**, the food outlook is very bleak in Angola, reflecting the escalation of the civil war since December last year. Large-scale population displacement in rural areas is reported, with farm families abandoning their farms and homes to take refuge in government-held towns and cities or in neighbouring countries. By August 1999, the number of newly displaced people was estimated at 1.6 million. Elsewhere in southern Africa, a tightening of the food supply situation is anticipated in Botswana, Lesotho, Namibia and Zimbabwe, following two consecutive below-average harvests.

In **Asia**, the Democratic Peoples Republic of Korea remains the main country affected by chronic food supply difficulties, which are due to a combination of natural disasters since 1995 and economic problems that have constrained the supply of essential agricultural inputs and commercial-food imports, resulting in a reliance on large scale international assistance. In Bangladesh food assistance is being provided to victims of floods in July last year. In several countries of the **Near East**, the worst drought in decades has severely reduced food production. In Afghanistan, a sharply reduced 1999 cereal crop due to low precipitation and an outbreak of pests has led to a record level of cereal import requirement for 1999/2000. In Iraq, the drought has damaged nearly half of the total cultivated area in 1999, while in Jordan the drought has resulted in the lowest recorded domestic cereal harvest, leaving some 180 000 small scale herders and landless rural households in need of emergency food assistance. Similarly, the drought has severely affected crops and pastures in Syria, leaving thousands of Bedouin herders in need of assistance.

In **Latin America**, food assistance is still being provided to Honduras, Nicaragua and Haiti, affected by natural hazards.

In the **Commonwealth of Independent States (CIS)**, the financial crisis in the Russian Federation in the fall of 1998 increased inflation and disrupted the economies of the countries in the region. In nearly all countries farmers' access to inputs has become even more difficult and the commercial import capacity has been reduced. While the overall food supply situation is not critical, the hardship experienced by the poor has been exacerbated.

In **Europe**, food assistance is being provided for needy people in the Balkans region, including Kosovar returnees and internally displaced persons, war-affected people in the Federal Republic of Yugoslavia, and refugees from the Bosnia and Croatian conflicts.

CURRENT PRODUCTION AND CROP PROSPECTS

POSITION BY REGION

ASIA

Harvesting of the 1999 **wheat** crop is complete in the main producing countries. The estimate for aggregate production in the region has been revised up by some 4 million tonnes from the 253 million tonnes estimated in June. Overall production is now put at 257 million tonnes, around 2 million tonnes up on 1998, though well down on 1997's bumper crop of 266 million tonnes. Notwithstanding a serious drought last winter which affected the crop in several parts, the estimate of wheat production in China has been revised up from 105 million tonnes in June to 112 million tonnes. At this level output would be around 2 million tonnes up on last year. The final estimate of wheat production in India is a record 73.5 million tonnes, 7.6 million tonnes above last year and over 4 million tonnes above the previous record in 1997. A record wheat crop of 1.9 million tonnes was also harvested in Bangladesh, around 5 percent higher than last year's crop. In Pakistan about 18 million tonnes were produced, some 700 000 tonnes lower than last year, but over a million tonne or 7 percent up on the five year average.

Severe drought conditions have resulted in well below normal wheat production in several countries of the Near East, including Iraq, Islamic Republic of Iran, Syria, Jordan and Turkey. Similarly, production was sharply reduced in Afghanistan due to low precipitation and an outbreak of pests. In Saudi Arabia, production is estimated at 1.5 million tonnes, about 17 percent below last year.

In Kazakhstan, the aggregate area sown to cereals (mainly wheat) declined to 11.3 million hectares, but growing conditions have been mostly satisfactory and the area to be harvested may not be much less than last year's. Providing growing conditions remain favourable until the completion of the harvest and timely supplies of fuel are available, indications are that the 1999 grain harvest could recover to about 9 million tonnes including 7 million tonnes of wheat.

Turkmenistan achieved a record grain harvest of 1.5 million tonnes (mainly wheat) in response to better incentives, increased use of imported high-grade seed and fertilizer on a smaller area (570 000 ha). In Uzbekistan, state farms have already harvested 3.1 million tonnes of wheat and barley. Given that households also have a higher wheat grain production target, (which in general they do meet) and maize and paddy harvests remain close

to last year's level, the 1999 harvest of cereals could remain close to last year's 4.3 million tonnes including about 3.6 million tonnes of wheat. Elsewhere in the region, however, the outlook is for lower cereal harvests. In Kyrgyzstan, the trend to diversify out of grains has continued and wheat production in 1999 is expected to be somewhat less than last year. Heavy rains have caused localized crop damage. In Tajikistan, the harvest is likely to be a poor 430 000 tonnes in response to a sharp reduction in the area sown and lower yields. In the Caucasus, the outlook is also for reduced cereal crops in 1999. In Armenia winter grain plantings are 5 percent less than last year and dry conditions adversely affected the wheat crop. In Azerbaijan, winter grain plantings were well below average and output of cereals, mainly wheat, could decline by up to 20 percent. In Georgia, the area sown to wheat declined by 14 percent and hot and dry conditions are currently stressing the major maize crop.

Prospects for 1999 **coarse grain** production in the region remain satisfactory, with an overall output of 226 million tonnes forecast compared to the 223 million tonnes last year. Aggregate production in China is projected at 147 million tonnes, up 5 million tonnes on last year. The increase is largely attributed to higher maize production which is forecast at around 130 million tonnes, the largest crop in three years, up 4 percent or 5 million tonnes on 1998. Prospects are also favourable in India, where monsoon rains have been satisfactory so far, and have encouraged some increase in the area planted to coarse grains. Maize production in Indonesia is forecast to be some 10 percent lower than last year as a result of a decline in area planted of around 400 000 hectares. The aggregate output of coarse grains in 1999 in the 8 CIS countries in Asia is expected to remain stable at around 3 million tonnes. Better yields in Kazakhstan could offset lower crops elsewhere, notably in the Caucasus and Tajikistan.

The outlook for Asia's 1999 **paddy** crop is very favourable, assuming no disastrous weather patterns for the rest of the season. The monsoon rains started on time, or even a bit early, which helped prevent planting delays and benefited crops in their early stages of development. Despite a few and isolated cases of flooding, no major damage has been reported to rice crops so far. Paddy output is forecast to expand by about 7 million tonnes from the previous season to a record of 531 million tonnes.

Harvesting of the single-rice (autumn) crop in China is underway while gathering of the double early-rice (summer) crop, the first and smallest of the three crops, is virtually complete. Although the official estimate is not yet available, the expectation is for lower output from the early-rice crop than last year. This is partly attributed to a 2 percent decline

WORLD CEREAL PRODUCTION - FORECAST FOR 1999

	Wheat		Coarse grains		Rice (paddy)		Total ^{1/}	
	1998	1999	1998	1999	1998	1999	1998	1999
	(..... million tonnes)							
Asia	255.1	257.3	222.6	225.5	524.4	530.6	1 002.1	1 013.4
Africa	18.2	16.3	81.2	81.0	15.9	17.5	115.3	114.8
Central America	3.3	3.4	28.6	28.3	2.2	2.3	34.1	34.0
South America	15.7	16.3	63.0	59.5	17.0	20.8	95.7	96.6
North America	93.8	88.0	298.5	292.8	8.5	9.7	400.9	390.5
Europe	188.0	176.9	202.5	202.6	3.1	3.1	393.6	381.6
Oceania	21.3	22.1	9.1	9.2	1.4	1.4	31.8	32.7
WORLD	595.4	579.3	905.6	899.0	572.4	585.4 ^{2/}	2 073.4	2 063.7
Developing countries	276.7	276.4	384.1	383.4	547.4	559.1	1 208.2	1 219.0
Developed countries	318.7	302.8	521.5	515.5	25.0	26.3	865.2	844.7

SOURCE: FAO

^{1/} Total cereal, including rice in paddy terms.

^{2/} Highly tentative.

in planted area in response to a change in the Government's grain procurement policy that led to the lowering of the state purchasing prices for inferior quality grains, among which is early rice. Planting of the double late-rice (winter) crop is in progress and some replanting may be necessary as heavy rains in June and July inflicted some damage to crops but not to the magnitude incurred last summer. In Viet Nam, harvesting of the winter-spring crop for the 1998-99 season is complete, while gathering of the summer-autumn rice crop is nearing completion in the south. Although there were a few reported cases of flooding in southern Viet Nam, the impact on crop yields was not significant. In the Philippines, harvesting of the main-season crop normally starts in September and, based on current reports, the floods in early August have not adversely impacted on rice crops. Assuming favourable conditions for the rest of the season, the expectation is for an increase of 10 percent in the 1999 paddy output to slightly more than 11 million tonnes.

Although Thailand received heavy rains during July and August, incidents of flooding have been described as isolated and the impact on rice crops has been minimal. The situation is, however, being closely monitored as the country is most vulnerable to flooding during August and September. Harvesting of the 1998-99 secondary season paddy crop is complete and a paddy output of over 4 million tonnes is estimated, which is much above earlier expectations as the crop benefited from unusual rainfall during March and April. Harvesting of the 1999-2000 main-season crop is expected to start in October and the Government forecasts production

of about 18.9 million tonnes of paddy, up 3 percent on last year. In Myanmar, harvesting of the main-season crop is expected to start in October and planting of the secondary crop in November. The 1999 paddy output is forecast at 17.5 million tonnes, close to last year's level. In Japan, rice crops are reported to be growing under generally favourable conditions and harvesting is set to begin in September. Area planted to rice was reported to be about 1.8 million hectares, unchanged from last year. In Cambodia, planting of the 1999-2000 wet season crop is almost complete; replanting was done in some areas as seedlings were destroyed by early rains. The Government anticipates an expansion in rice area and production. Reports from the Democratic People's Republic of Korea indicate that the 1999 paddy output could be reduced by a combination of drought at the beginning of the growing season in June and heavy rains in early August. Floods were also reported in some parts of the Republic of Korea during late July/early August after a period of drought over most of June. However, the impact of the floods on total output is not expected to be significant. The area planted to rice in 1999 was similar to the previous season at about 1.1 million hectares and, paddy output is forecast at 6.9 million tonnes.

In Bangladesh, some localised flood damage to rice crops is reported in a few districts. Harvesting of the 1999-2000 Aus crop is in progress but output could be lower than originally anticipated due to localized flooding, pest infestations and shortages of essential inputs. However, the overall impact on the country's paddy production should be minimal

since the Aus harvest accounts for only a small portion of total output. Planting of the Aman (main season) crop is nearing completion but seed distribution was reported to be inadequate. For the 1998-99 season, paddy output from the mostly irrigated Boro crop is now estimated at about 10 million tonnes, or 23 percent higher than the 1997-98 Boro crop, reflecting mainly an expansion in the area sown and greater use of hybrid seeds. This increase more than offset the flood-inflicted losses of last summer, resulting in an upward revision of the estimate for the country's 1998-99 paddy output by over 1 million tonnes to a record 29.5 million tonnes. In India, planting of the main season Kharif rice crop is complete in some parts of the country and nearing completion in others. In Punjab and West Bengal, there are reports of an area shift from cotton and jute to rice. In Madhya Pradesh, the transplanting of rice has been slow due to inadequate rain. Assuming normal growing conditions for the rest of the season, total paddy output in 1999 is tentatively forecast at 128 million tonnes, slightly above the previous year's level. In Pakistan, planting of the 1999 paddy crop has been completed. However, harvesting of the crop, which usually starts in October, could be delayed by at least one month, particularly in the lower Sindh area, where some crops had to be replanted due to flood damage. In the Islamic Republic of Iran, the 1999 rice crop has been hit by the worst drought in 30 years. Although the country did finally receive some rain towards the end of July, these caused some flooding, inflicting further damage to farmlands. The 1999 paddy output is provisionally forecast to fall by 18 percent from the previous season to 2.3 million tonnes. A number of measures are being implemented by the Government to help farmers deal with the losses incurred. They include new credit facilities to affected farmers, rescheduling of outstanding loans and a variety of aid and compensation packages.

In Indonesia, harvesting of the 1999 main-season rice crop is virtually complete and planting of the secondary crop is nearing completion. Paddy output is forecast at about 49.5 million tonnes, up 300 000 tonnes on 1998 reflecting a 2 percent increase in yields. In Malaysia, harvesting of the main-season crop is almost complete. The country's 1999 paddy production is expected to be close to last year's level of about 2 million tonnes. In Sri Lanka, harvesting of the Maha (main) paddy crop is complete but crop losses and quality deterioration due to heavy rains at harvest time are reported. Planting of the Yala crop is virtually complete. Overall, total paddy output is projected to increase slightly from the previous year to 2.7 million tonnes, although the Government had targeted a paddy output of over 3 million tonnes for 1999.

AFRICA

NORTHERN AFRICA: The subregion's 1999 **wheat** crop is estimated at about 13 million tonnes, some 9 percent below the level of 1998 but slightly above the 5-year average. In Algeria, production is estimated at 1.5 million tonnes, an increase of 50 percent on the previous year, but slightly below the 1996 record level. Output in Morocco is estimated at 2.1 million tonnes, which is less than half of the 1998 level, as a result of inadequate rainfall and reduced plantings. Production in Tunisia is estimated at 1.2 million tonnes, some 9 percent below last year's output. The mostly irrigated wheat crop in Egypt is estimated at 6.3 million tonnes, an increase about 4 percent.

The subregion's 1999 aggregate **coarse grains** crop is estimated to reach 11 millions tonnes, which is slightly above last year's level. Production is anticipated to remain stable in Egypt and Tunisia, while output is expected to increase by 50 percent in Algeria. In contrast, output is estimated to drop by 24 percent in Morocco as a result of drought.

In Egypt, planting of the 1999 **rice** crop is complete in both the northern and southern areas. Growing conditions are reported to be good and the availability of inputs sufficient. Indications are that rice area expanded by 30 percent to 675 000 hectares and that a 33 percent increase in paddy output to almost 6 million tonnes could be achieved.

WESTERN AFRICA: Crop prospects are good reflecting generally favourable growing conditions so far. Rains were regular, widespread and often above normal in July and August over most agricultural zones of the Sahel. Harvesting of coarse grains will start in late September/October. In the countries along the Gulf of Guinea, crop prospects are also favourable. Good rains in late July/early August, notably in Benin and Guinea, caused localised flooding. However, in Sierra Leone, where insecurity continues to disrupt agricultural activities, output may not change significantly from last year's reduced level despite favourable climatic conditions so far and the signing of a peace agreement in early July.

The 1999 **paddy** season is progressing well under generally favourable conditions, although insecurity continues to disrupt agricultural activities in Sierra Leone. In Nigeria, the largest producer in the region, the Government has re-introduced a 25 percent subsidy on fertilisers and this is expected to lead to increased use. The subsidy had been abolished as part of the Structural Adjustment Programme requirements.

CENTRAL AFRICA: In central Africa, coarse grains are currently growing under generally favourable conditions in Cameroon and Central African Republic. Intensified civil strife in the Republic of Congo has disrupted agricultural and marketing activities, pointing to another reduced harvest in 1999, while prospects in the Democratic Republic of Congo remain uncertain depending on developments in the security situation following the recent cease-fire agreement.

EASTERN AFRICA: The early outlook for the sub-region's 1999 **wheat** crop is mixed. In Sudan, where the crop was harvested earlier in the year, latest estimates indicate an output of 165 000 tonnes, 70 percent below both last year and the average for the last five years due to lower planted area, late sowing and high temperatures. In Kenya, prospects for the crop are unfavourable due to drought conditions during the season. In Ethiopia, rains in July and August have favoured establishment and development of the wheat crop.

Prospects for the 1999 **coarse grains** are generally unfavourable in several countries of the subregion, mainly due to drought and pests. By contrast, in Sudan, Ethiopia and Eritrea, where crops are at the developing stage, prospects have improved as a result of rains in July and August. In Somalia, despite some improvement on last year's sharply reduced harvest, the 1999 "Gu" output, is forecast to be 27 percent below the post-war (1993-98) average of about 185 000 tonnes. In Kenya, the maize crop being harvested and the output is forecast to be below average, while in Tanzania, latest coarse grains production forecasts indicate an output of 3.1 million tonnes, about 7 percent below the previous five year average. In Uganda, where harvesting of the 1999 first season coarse grain crop is well advanced, output is forecast to be below average due to drought in some major producing areas. In Burundi and Rwanda, inadequate rainfall affected the recently harvested 1999 B season coarse grain crops.

Paddy production in Eastern Africa is expected to fall from last year's level above average harvest mostly due to inadequate rain. Rice harvesting is complete in Tanzania, the major rice producing country in the region, and output for 1999 is provisionally estimated at about 800 000 tonnes, down by 20 percent from last year. In addition to erratic rains, reduced use of fertilisers contributed to lower yields.

SOUTHERN AFRICA: FAO's latest estimate of the sub-region's aggregate 1999 **coarse grain** crop indicates an output of 15.2 million tonnes, only slightly above last year's output. Despite a good start of the rainy season, production was affected by

excessive precipitation in the middle of the season and a subsequent prolonged dry spell. In South Africa, latest official estimates of the 1999 maize crop have been revised upwards to 7.5 million tonnes following favourable weather during the harvest. At this level, production is still 8 percent below the reduced crop of last year and 22 percent lower than the average of the past five years. In Angola, despite above average and well distributed rains, production of maize declined by 15 percent due to renewed civil conflict and massive population displacement. By contrast, in Malawi, a bumper coarse grain crop was gathered following abundant rains during the season. The maize output is estimated at 2.4 million tonnes, one-third higher than the normal level of last year. In Mozambique, coarse grain production increased for the fifth consecutive year to 1.5 million tonnes, reflecting a slight increase in plantings and higher yields. In Zambia, coarse grain production recovered from the poor crop of last year. Maize output is estimated at 1 million tonnes. In Swaziland, production of maize is provisionally estimated at 112 000 tonnes, 18 percent lower than the good level of 1998. A prolonged dry spell resulted in yield reductions. In Botswana, Lesotho, Namibia and Zimbabwe, coarse grain production remained below average due to dry spells and high temperatures.

Prospects for the 1999/2000 **wheat** crop, to be harvested in October/November, are uncertain. Dry weather at planting resulted in a decrease in the area planted and lowered yields. As a result the sub-region's aggregate wheat output could fall below the previous year's already reduced level.

Harvesting of the 1999 **paddy** crop is complete in the region. Output in Madagascar, which accounts for over 90 percent of the subregion's rice production, is estimated at about 2.6 million tonnes, up 8 percent on last year's. Although the onset of the season was delayed, rainfall during the season was abundant. In Mozambique, harvesting of the paddy crop is complete. 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, virtually the sole producer in the sub-region, has been completed and output is provisionally estimated at 3.4 million tonnes, slightly below-average. Higher production had been forecast earlier, but yields were affected by extreme dry weather in the northern states of the country. Water reservoirs in the large producing states of Sonora and Sinaloa were reported practically dry during the crop growing stage.

Harvesting of the 1999/2000 first season **coarse grains** is about to start in most Central American countries. A recovery in maize production from the 1998 hurricane "Mitch" affected crops is anticipated in El Salvador, Guatemala and Nicaragua, although in the latter country output is likely to be lower than expected as a consequence of poorly distributed rains and the incidence of plant diseases. In Honduras, maize production is forecast to be below average because of reduced plantings caused by unattractive prices. In Costa Rica, a near-average maize production is expected. In Mexico, the maize harvest of the spring/summer crop (planted in the fall/winter of 1998/99) from the large producing areas of the northwest, such as Sinaloa, was reduced because of below-average yields due to drought; however, the good results obtained in other important growing states, such as Oaxaca and Chiapas, have partly offset these losses. Planting of the main spring/summer crop for harvest from October has been completed and a slightly lower area than last year's is provisionally estimated. An aggregate 1999 maize output of some 18.1 million tonnes is forecast which is close to the average of the last five years. Harvesting of the 1999 sorghum crop is due to start from October and an above-average output, close to last year's, is anticipated. In the Caribbean, in the Dominican Republic, harvesting of the 1999/2000 first maize and sorghum crops has been completed, while land is being prepared for planting of the second season crop to start from September. Overall, the outlook is good and outputs, particularly that of maize, are expected to recover from last year's hurricane affected crops. In Haiti, harvesting of the 1999/2000 first season maize crop is about to be completed and an average output is anticipated. In Cuba, normal rains have resumed but considerable moisture deficits are still reported in several parts of the country where minor foodcrops and fruits have been adversely affected following months of drought.

SOUTH AMERICA

Planting of the 1999/2000 **wheat** is well advanced in most countries in the southern part. In Argentina, weather conditions have been generally favourable, with the exception of some areas where planting has been delayed because of excessive humidity. Increased plantings over last year's are anticipated, but the area planted would still be below average. In Brazil, planting has been completed and an output of about 2.3 million tonnes is forecast, close to last year's average. In Uruguay and Paraguay, planting is well underway and above-average outputs are expected, assuming favourable weather conditions continue. In the Andean countries, in Bolivia, planting of the 1999 winter wheat crop, mainly in the eastern Department of

Santa Cruz, has been completed and reduced plantings are reported. This is principally the result of delayed and irregularly distributed rains. In Peru, the bulk of the 1999 wheat harvest has been completed and about 51 000 tonnes have been collected during the period January/June which compares with 61 000 tonnes for the same period last year. Total output for the year is expected to be slightly below average. In Ecuador, harvesting of the main wheat crop, mostly grown in the highlands, has been virtually completed and an average output is anticipated.

Harvesting of the 1999 **coarse grains** crops is complete in most of the southern countries. In Argentina, maize output is provisionally estimated at 13.5 million tonnes compared to the 1998 record of 19.4 million tonnes. In Brazil, harvesting of the first (main) maize crop and planting of the second season crop ("safrinha") have been completed. An aggregate output of 32.4 million tonnes is forecast, compared to last year's production of 29.3 million tonnes. In Uruguay and Paraguay, average and above-average outputs respectively have been collected. In Chile, land is being prepared for planting of the 1999/2000 maize crop. In the Andean countries, in Bolivia, land is being prepared for planting of the 1999/2000 first season coarse grain and potato crops to start from late September. In Ecuador, harvesting of the 1999 winter (main) maize crop is almost complete while that of the summer crop is due to start from October. A combined output of some 600 000 tonnes for both crops, which is average, is anticipated. In Peru, the bulk of the 1999 maize crop (white and yellow) has been harvested and a decrease in production from 1998 record is expected, but output will still be slightly above average. In Colombia, harvesting of the first (main) maize crop is underway and a slightly below-average output is forecast, while in Venezuela, an average output of about one million tonnes of maize is provisionally estimated.

Harvesting of the 1999 **paddy** crop is complete in the region and output is estimated at a record 20.8 million tonnes, up 3.8 million tonnes on last year's crop which was affected by El Niño-related weather anomalies. In Argentina, the Government's initial production estimate has been raised by 200 000 tonnes to a record 1.7 million tonnes reflecting high yields of 5.8 tonnes per hectare. In Brazil, the region's largest rice producer, output is estimated at 11.4 million tonnes, 34 percent up from 1998 due to better yields and a 16 percent increase in the area planted to 3.7 million hectares. In Uruguay, paddy harvest is officially estimated at a record of 1.2 million tonnes, 40 percent higher than the previous season, a consequence of larger area planted and higher yields. By contrast, the Government in Bolivia has estimated paddy output at 210 000 tonnes, 30

percent lower than the previous season, following a contraction in the area planted.

NORTH AMERICA

In the United States, the winter **wheat** crop has been harvested and latest official estimates put output in 1999 at 46 million tonnes, 10 percent down from the 1998 crop. Although yields are estimated to be virtually unchanged, the area planted last autumn fell sharply. The spring wheat harvest was reported to be about 40 percent complete by late August. Latest forecast put the total spring crop at about 17 million tonnes, 7 percent down from 1998. Most of the reduction is due to lower durum wheat yields. Total wheat production in 1999 is thus currently forecast at 63 million tonnes, about 9 percent down from last year. In Canada, the wheat harvest is just getting underway under generally satisfactory conditions. The latest official forecast, based on end-July information, puts the total 1999 wheat output at 25 million tonnes, up about 1.5 million tonnes from earlier expectations and slightly above the 1998 crop. A significant decline in durum wheat production is expected to be more than offset by increased production of other spring wheat.

Prospects for the 1999 **maize** crop in the United States have deteriorated since early July due to unfavourable dry conditions and extreme high temperatures in some key-producing areas in the last two decades of July. The latest official forecast of the 1999 maize crop, based on 1 August crop conditions, is 243 million tonnes, about 2 percent down from the above-average crop in 1998. However, after continuing deterioration of crop conditions during August, it is likely that a significant downward revision will be made in the next report. In Canada, the 1999 coarse grain crop is expected to be similar to the previous year's at about 26 million tonnes.

In the United States, planting of the 1999 **paddy** crop is complete. Crops are reported to be in good condition and four of the six rice producing States are expecting record crops, assuming favourable growing conditions for the rest of the season. Overall, USDA is anticipating an all-time high output of 9.7 million tonnes, 14 percent up on last year.

EUROPE

FAO's latest forecast puts aggregate 1999 **cereal** production in the EC at 200 million tonnes, about 5 percent down from last year but still above the average of the past 5 years. The smaller crop expected reflects reduced areas due to a 5 percent increase in the compulsory set-aside requirements and adverse weather. Generally less favourable weather than last year during the winter and dry

conditions in the spring in southern parts is expected to result in lower average yields notably for wheat. **Wheat** output is forecast at 97.2 million tonnes, 5 percent down from 1998, while aggregate output of **coarse grains** is forecast to fall by about 6 percent to 100.1 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 2.6 million tonnes, virtually 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, an FAO/WFP Crop and Food Supply Assessment Mission in July forecast cereal output in 1999 to fall by 23 percent to 0.5 million tonnes (including 0.3 million tonnes of wheat) due to excessive rains in the autumn planting season and area diversion to more lucrative cash crops. In Bulgaria, 1999 wheat output is forecast to drop, by 20 percent, to 2.6 million tonnes due to smaller plantings and reduced fertilizer applications. In Croatia, the area sown to winter wheat was reduced sharply and, compared to 1998, output is forecast to halve to 500 000 tonnes. The area sown to spring grains also fell sharply and the aggregate 1999 cereal output will be only 2 million tonnes, two thirds of the previous year's. In the Czech Republic, better overall yields than last year are expected to more than offset the reduction of 9 percent in the area sown. Aggregate cereal output in 1999 is officially forecast to increase by 3 percent to 6.9 million tonnes. In Hungary, this year's wheat output is forecast to fall to 3.1 million tonnes, nearly 40 percent down from the 1998 crop. Farmers' incentives to plant wheat last autumn were dampened due to marketing problems and adverse weather and the area sown was sharply reduced. Moreover, this year's crop was affected by severe flooding and torrential rains. The final wheat area for harvest in 1999 fell 36 percent, to 765 000 hectares. By contrast, the area sown to coarse grains increased by 3 percent and output is expected to increase by 5 percent. In the Former Yugoslav Republic of Macedonia, an FAO/WFP Crop and Food Supply Assessment Mission found that growing conditions for the winter wheat crop have been satisfactory and output is forecast to increase by 4 percent to 378 000 tonnes. Adequate inputs for the spring grain crop were also available, and given normal weather, the aggregate cereal output is forecast at 0.8 million tonnes, remaining close to last year's level.

In Poland, the aggregate area sown to cereal crops declined by 3 percent but the impact of reduced use of inputs has been less than expected earlier and the aggregate harvest is forecast to be about 1 million tonnes, or 4 percent, less than last year's. Output of wheat is now tentatively forecast at

9.3 million tonnes compared to the bumper crop of 9.5 million tonnes in 1998. Output of coarse grains is tentatively forecast to decline by 5 percent to 16.8 million tonnes. In Romania, the 1999 wheat harvest reached only 4.7 million tonnes, compared to 5.2 million tonnes in the previous year. The reduction in the area sown last August was exacerbated by crop damage due to floods and torrential rains in the summer. In addition, farmers' financial difficulties constrained their use of inputs. By contrast, the summer maize crop is expected to recover to about 10.5 million tonnes from last year's low level. If achieved, this would bring the aggregate cereal harvest to 16.3 million tonnes, compared to 15.5 million tonnes in 1998. In the Slovak Republic, cereal production in 1999 is expected to be reduced. Winter wheat planting fell to about 270 000 hectares, well short of the target of 400 000 hectares, due to adverse weather and economic problems faced by the farmers. Spring grain plantings did not increase sufficiently to offset the reduction and the crop has been affected by dry conditions. In Slovenia, the winter wheat area is estimated to be 16 percent down from the previous year and adverse late season growing conditions have led to a 19 percent fall in production to 155 000 tonnes. Spring grain yields have been affected by poor weather in June and July and aggregate output is expected to be sharply less. 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 humanitarian crisis, the wheat harvest was reduced as a result of lower plantings and yields and untimely heavy rains during the harvest. The outlook for spring coarse grains remains uncertain: even if planting targets were achieved, yields are likely to be affected by the July floods, economic problems and civil disruption.

In the CIS countries west of the Ural mountains, the outlook for the 1999 cereal harvests is mixed. Growing conditions in many areas have been characterized by dry conditions during the autumn planting season, a mild winter followed by frosts in May and hot, dry conditions in June/July, followed by more favourable weather in July/August. Mixed, and in some areas unfavourable growing conditions have been exacerbated by severe economic problems and administrative controls, whose effect on the ongoing harvests are difficult to assess. Indications are that in Belarus, despite official exhortations to increase the area sown to cereals, the 1999 grain harvest could be somewhat less than last year's 4.8 million tonnes, falling well short of the revised official target of 6 million tonnes. Output of wheat is provisionally forecast to remain close to last year's level of 788 000 tonnes but the yield of spring coarse grains could be even lower than last year's. In Moldova, early indications are that the 1999 wheat harvest could fall by about 20

percent to below 800 000 tonnes; the aggregate cereal harvest is likely to be less than last year's 2.5 million tonnes, but the final result will depend on the outcome of the maize crop. In the Russian Federation, early harvest returns indicate that the damage by the May frosts has not been as far reaching as was expected earlier. But chronic fuel shortages are slowing the harvest. The outlook remains for an increase in the 1999 grain harvest, possibly to about 60 million tonnes, despite an 8 percent decrease in the area sown and unfavourable growing conditions notably in parts of the North Caucasus and the Volga Valley. The yields of winter grains are markedly better than last year's and could offset the 8 percent reduction in the winter grain area to be harvested (11.3 million ha). The spring grain area also fell by 8 percent and hot and dry conditions have sapped yield potential except in the Urals and Siberia where crop condition is mostly good, despite some severe but localized damage to crops by locusts. In the Ukraine, official harvest estimates continue to be lowered as the harvest progresses in part as maize yields were affected by the hot and dry weather in June and July and an increasing proportion of the maize area is being used as green fodder. However, in addition to the growing conditions outlined above, harvest returns are thought to be influenced by the need to barter grain for fuel and other inputs, the high prices for fuel during the peak of the harvest and increased efforts by the authorities to recover debts incurred in previous years. FAO's tentative forecast of the 1999 grain harvest is about 27 million tonnes, including some 14 million tonnes of wheat.

In the Baltics, where the hot and dry conditions have been less pronounced, especially in Lithuania, the outlook is for the 1999 wheat harvest to remain close to last year's level (1.6 million tonnes) and that of coarse grain to increase marginally. In the Federal Republic of Yugoslavia, (Serbia and Montenegro) the 1999 wheat harvest is officially put at 2.2 million tonnes, some 27 percent less than the output in 1998. Despite disruptions caused by the war and shortages of fuel and spare parts, the area sown to spring coarse grains is reported to have increased somewhat. In Croatia the 1999 wheat harvest has roughly halved and the coarse grain area sown is also sharply less reflecting mainly economic problems and excessive rains. In Bosnia Herzegovina the current outlook is for both wheat and coarse grain production to remain stable at about 200 000 tonnes and 900 000 tonnes respectively.

OCEANIA

In Australia, the outlook for the 1999 winter **wheat** and **coarse grains** crops is satisfactory so far. The area sown to wheat increased marginally this year to nearly 12 million hectares. Although dry

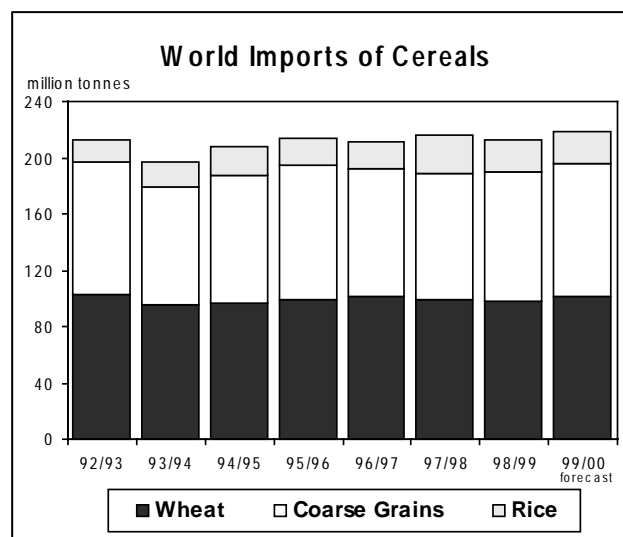
conditions initially delayed plantings, growing conditions improved subsequently and another good harvest, of nearly 21.85 million tonnes, 4 percent more than last year's, is expected provided the weather remains favourable until the harvest as of October. By contrast, the area sown to barley and oats declined by 9 and 6 percent respectively, pointing to somewhat lower harvests. Output of barley is currently expected to decline by 8 percent to 4.8 million tonnes. Indications are that output of oats could remain stable. The 1999 **paddy** harvest is almost complete and reflecting favourable growing conditions throughout the season, output is forecast to reach 1.35 million tonnes, up slightly from the previous season and close to the record established in 1997.

marketing season has also been revised upward by 5.7 million tonnes. This increase takes into account increased demand prospects. A large portion of the anticipated growth in imports would be in the developed countries where, mainly because of an expected increase in imports by the Russian

TRADE^{1/}

Increased demand prospects will give rise to higher world cereal trade in 1999/00

Higher world demand for nearly all types of major cereals is expected to boost **cereal** trade in 1999/2000 to 218 million tonnes, up 5 million tonnes, or over 2 percent, from the revised 1998/99 estimate. This month's trade forecasts for the 1998/99 and the current marketing season (1999/2000) have been raised significantly. Latest import estimates for 1998/99 point to nearly 6 million tonnes increase over the previous report, at least one million tonnes of which would represent additional wheat and rye food aid deliveries to the Russian Federation. The forecast for the current



^{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.

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	46.0	48.2	52.9	54.4	13.0		112.0	
Africa	22.0	22.5	11.5	12.1	4.6		38.1	
Central America	5.6	5.7	11.6	11.6	1.4		18.6	
South America	12.1	11.5	7.0	6.0	1.3		20.4	
North America	2.9	2.8	3.2	3.4	0.6		6.7	
Europe	8.9	9.9	6.1	6.8	1.4		16.4	
Oceania	0.4	0.5	0.1	0.1	0.3		0.8	
WORLD	98.0	101.0	92.3	94.5	22.7	22.6 ^{1/}	213.0	218.1
Developing countries	75.6	77.5	60.6	61.0	19.3	19.1	155.4	157.6
Developed countries	22.4	23.5	31.8	33.5	3.4	3.5	57.6	60.5

SOURCE: FAO

^{1/} Highly tentative.

Federation, total imports are forecast to expand by 5 percent to 60.5 million tonnes. Aggregate cereal imports by the developing countries are also expected to rise, but the increase would be just over 1 percent to around 158 million tonnes. Imports by the Low-Income Food-Deficit Countries (LIFDC) are forecast at 71 million tonnes, which, as in the previous year, would represent nearly 33 percent of the world total.

International trade in **wheat** and wheat flour (in grain equivalent) in 1999/2000 (July/June) is currently forecast to reach 101 million tonnes, 3 million tonnes higher than in the previous year and 1.5 million tonnes more than was reported previously. Larger imports by several countries in **Asia** would be responsible for most of this season's anticipated growth in world imports. Total imports into Asia are currently put at nearly 48 million tonnes, up 2 million tonnes on the previous year. The largest increase is expected in the Islamic Republic of Iran, where prolonged and severe drought has greatly reduced this year's production and, as a result, imports are forecast to reach at least 5.8 million tonnes, up 2.6 million tonnes or 80 percent, on last year and 800 000 tonnes more than was forecast earlier. Even at this level, however, imports would still be below the record 7 million tonnes imported in 1996/97. Following this month's upward revisions to production estimates in China, the forecast for its wheat imports has been lowered by over 2 million tonnes to 2.8 million tonnes, which would still represent an increase of about 1.2 million tonnes over the previous year. In Pakistan, the latest wheat production estimate is below the Government target and, as a result, imports are forecast to increase by about 800 000 tonnes over last season. With the country facing hard currency problems, however, the Government has recently decided to ban the private sector imports, which in the previous year were responsible for one-third of the total imports. Consequently, the bulk of this year's imports is expected to be secured through bilateral credit arrangements with major exporters. In the Philippines, with faster economic growth and higher demand from the milling sector, this year's imports are expected to rise by 200 000 tonnes and to reach 2.3 million tonnes.

By contrast, several other Asian countries are expected to reduce their imports this season. A record crop in India would result in at least a 600 000 tonnes cut in imports. In the Republic of Korea, where large quantities of low quality wheat are often imported for animal feeding, this year's imports are forecast to decline by 700 000 tonnes, given the relatively lower priced maize in international markets. Imports by Indonesia are also expected to decline, by about 500 000 tonnes, in part due to balance-of-payments constraints, while

large stocks of wheat flour, owned by BULOG, the state commodity regulator, are also expected to be released in the course of the season.

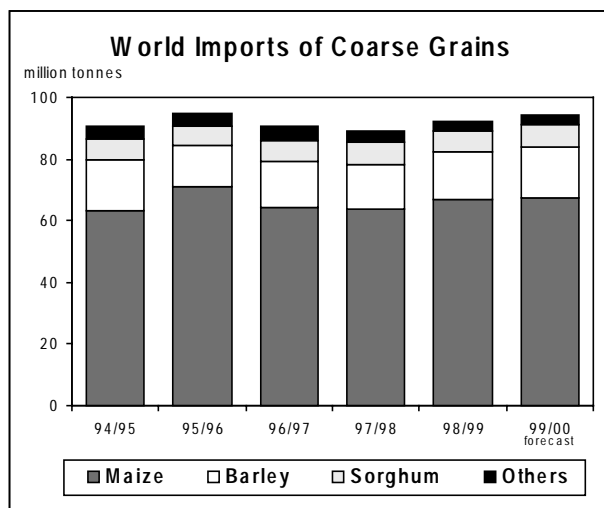
At 22.5 million tonnes, total imports into **Africa** are expected to increase slightly compared to the previous season. In Egypt, following a small reduction in imports last year, this year's purchases are expected to increase, by about 200 000 tonnes, in order to prevent per caput consumption from declining. In Morocco, the expected production shortfall caused by drought could result in at least 700 000 tonnes increase in imports. In the Republic of South Africa, imports are forecast to rise by at least 400 000 tonnes as this year's production is expected to fall further below last year's reduced volume, mostly because of lower plantings and unfavourable weather conditions. By contrast, a likely bumper crop expected in Algeria could result in a decrease in its imports by about one half million tonnes.

Total imports into **Europe** are forecast to approach 10 million tonnes, up 1 million tonnes from the previous year. Most of the anticipated increase would be on account of larger imports by the Russian Federation. Total wheat imports by the Russian Federation in 1998/99 reached 2 million tonnes, of which foreign donations from the United States and the EC accounted for roughly 1.3 million tonnes, out of a 2.7 million tonnes total pledged, thus, leaving the remaining 1.4 million tonnes to be delivered during the current marketing season. Given the prospects for yet another poor crop and heavily depleted stocks, this year's wheat imports by the Russian Federation are tentatively put at 3 million tonnes. However, the eventual imports may prove to be even higher if additional credit and/or food aid can be secured from major exporters. Elsewhere, imports into the **Latin American and Caribbean** region is forecast to exceed 17 million tonnes. While imports by Mexico are forecast to remain the same as in the previous year, imports by the region's largest importer, Brazil, could decline by about half a million tonnes from the previous year to 6.5 million tonnes, mostly because of high import cost following last year's devaluation of the *Real* and also higher Argentine prices, the principal wheat exporter to Brazil, as well as a slight decline in domestic consumption.

Turning to exports, larger sales are expected to originate from the major exporters as export supplies from several smaller exporting countries, such as Hungary, Romania, the Syrian Arab Republic and Turkey, are expected to be significantly reduced because of lower domestic production. Although the Government of India has authorised exports of some 2 million tonnes in anticipation of a record crop, the relatively high price

of Indian wheat could, in effect, prevent any large sales taking place this season. Consequently, aggregate exports by the five major exporters on a July/June basis are forecast to reach at least 91 million tonnes, up almost 10 million tonnes on the previous year. At this level, the major exporters' global share of trade would approach 90 percent, as compared to 83 percent in the previous season.

World trade in **coarse grains** in 1999/2000 (July/June) is currently put at 94.5 million tonnes, up 2 million tonnes on the previous forecast and last year's revised import estimate. At the aggregate levels, the forecast increase in imports by the developed countries to 33.5 million tonnes would count for the bulk of this year's anticipated expansion in world trade, while total imports by the developing countries are forecast to remain at last year's volume of around 61 million tonnes. Among the individual types of coarse grain, this year's expected rise in imports is seen mostly in maize, barley and sorghum. World trade in maize is currently put at 67.4 million tonnes, some 700 000 tonnes above the previous year and the highest since 1995/96. World barley imports are forecast to expand by about 700 000 tonnes to 16.3 million tonnes, which would be the highest volume since 1994/95. Sorghum imports are put at 7.3 million tonnes, close to the volume registered in 1997/98 and 600 000 tonnes above the previous year. Among the other coarse grains, a small reduction is expected in rye imports while oats and millet imports are unlikely to vary much from the previous year.



In **Asia**, this year's imports of coarse grains are forecast at over 54 million tonnes, up 1.5 million tonnes on the previous year. The most significant increase is expected in the Republic of Korea, where larger maize imports are expected to compensate for a likely decline in wheat purchases. The forecast decline in production in the Islamic

Republic of Iran and Syrian Arab Republic could also result in higher imports of barley and maize. In **Africa**, total imports are forecast to increase by about 600 000 tonnes from the previous year to 12 million tonnes. Larger maize imports by the Republic of South Africa and also several countries in eastern Africa, following this year's poor harvests, would offset a likely decline in barley imports by Algeria, due to good prospects for production there. In **Europe**, a likely increase in coarse grains imports by Poland, Romania, Slovenia and the Russian Federation are expected to more than offset the possible decline in purchases by mostly the EC, so that total imports into Europe would rise by about 700 000 tonnes over the previous year to 6.8 million tonnes. Among the **Latin American and Caribbean** countries, total coarse grain purchases by Mexico, the region's largest importer, are expected to remain close to last year's estimated volume of 8.6 million tonnes. However, this year's likely decrease in domestic production is expected to favour larger sorghum imports at the expense of reduced maize purchases. Among the other countries, higher maize production in Brazil is expected to result in a decline of around 600 000 tonnes in imports compared to the previous year.

Aggregate exports from the five major exporting countries are expected to be sufficient to meet the expected growth in demand this season. Higher shipments are forecast particularly from Argentina, Canada and the United States, while exports from the EC and Australia are likely to decline slightly. Among the smaller exporters, maize exports from the Republic of South Africa are forecast to be reduced significantly following a reduction in domestic supply. Similarly, barley exports from Turkey are expected to fall well below last year's volume. By contrast, good crop prospects in China are expected to boost maize exports from that country, especially in view of strong demand from its neighbouring countries.

The forecast for global **rice** trade in 1999 has been adjusted upwards from the last report by 900 000 tonnes to about 22.7 million tonnes, which, if realised, would be the second highest on record. The upward revision reflects large purchases and/or purchase commitments by some of the major importing countries. Indonesia's rice imports are currently forecast at 3.5 million tonnes, up 800 000 tonnes from the previous report, as both public and private companies have been actively making purchases from the international market in recent months. The expected increase in the 1999 paddy output would need to be supplemented with enough imports to meet the local demand and maintain a reasonable level of stocks. Imports by Nigeria were also adjusted upwards by 350 000 tonnes to 650 000 tonnes based on imports to date. During the first half of the year, the country imported a total of 276 000

tonnes from Thailand alone. Expected rice imports by the Islamic Republic of Iran were increased by 100 000 tonnes from the previous report to 800 000 tonnes as production prospects remain poor. Purchases by Sri Lanka, Oman, Cote d'Ivoire and Colombia were raised by 200 000 tonnes overall. By contrast, expected imports by Brazil were reduced by 200 000 tonnes to 800 000 tonnes, based on its good harvest. Similarly, anticipated imports by Bangladesh have been reduced by 200 000 tonnes from the previous report to 1.5 million tonnes, following reports of a 27 percent higher output in the Boro crop, compared to last year. Shipments to China (Mainland), mostly of high quality rice from Thailand, were halved to 200 000 tonnes based on imports to date showing only 87 000 tonnes shipped during the first seven months of the year. The 1999 expected import level for the Philippines, one of the large rice buyers last year, was left unchanged from the previous report at 1.2 million tonnes, or 55 percent of the level imported in 1998.

On the export side, the forecast for rice shipments out of China (Mainland) was raised by 400 000 tonnes from the previous report to about 1.8 million tonnes due to exports to date. Statistics from the Customs office show that the country has already shipped 1.3 million tonnes from January to July. In Viet Nam, anticipated rice exports were adjusted upwards by 400 000 tonnes to a record 4 million tonnes due to increased shipments in recent months to Indonesia and other countries in the Middle East and West Africa. Indications are that exports during the first eight months of the year totalled close to 3.3 million tonnes, which would be slightly ahead of last year. Exports from Myanmar, Australia and Argentina were increased by a combined 200 000 tonnes. However, the forecast for Pakistan's rice exports was reduced by 100 000 tonnes to 2.1 million tonnes. Expectations regarding shipments from Thailand, the world's leading rice exporter, were unchanged from the previously reported volume of 5.5 million tonnes, which would be almost one million tonnes below last year's record as many of its customers are expected to import less compared to the previous year due to higher production. During the first six months of the year the country shipped out about 2.9 million tonnes of rice compared to 3.3 million tonnes over the same period in 1998. The forecast for rice exports by India remains unchanged at 2.5 million tonnes despite a Government decision to exempt all export-oriented rice mills from levy obligations. Previously, the millers had to contribute a certain percentage of non-Basmati milled rice to the Public Distribution System and the feeling is that the new decision could help make their rice more competitive on the international market.

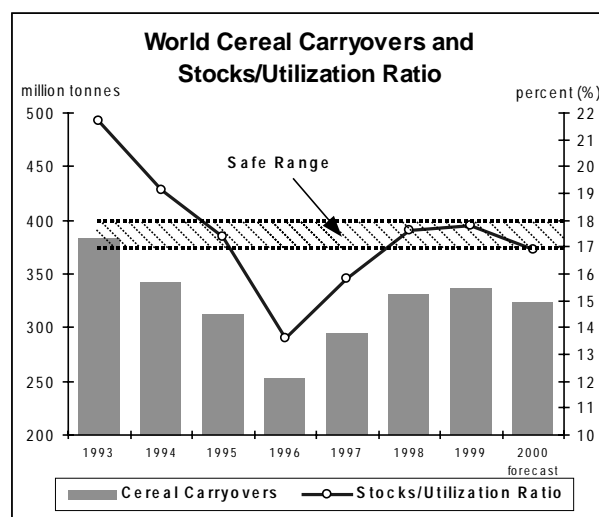
For the year **2000**, global rice trade is provisionally forecast to remain of the order of 22

million to 23 million tonnes, about the same as this year's anticipated level. Indonesia is again projected to be the largest world rice importer, while Thailand is expected to retain its leading role among exporters.

CARRYOVER STOCKS

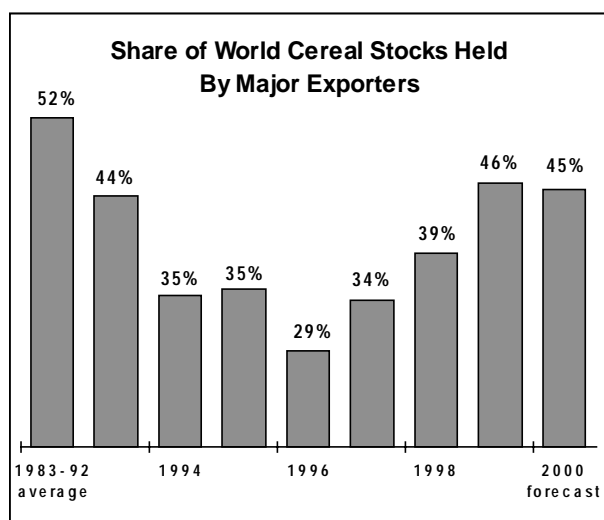
Global cereal stocks to contract in 1999/2000

Although a contraction in world cereal stocks is likely, the reduction would be largely limited to wheat and barley stocks and is likely to be significantly less than was anticipated earlier, following improved production prospects in several regions. The forecast for world **cereal** stocks by the close of the seasons ending in 2000 has been raised to 323 million tonnes, up 8 million tonnes from the previous report, but still 13 million tonnes, or 4 percent, below their opening level. At the current forecast level, the ratio of global cereal carryovers to trend utilization in 2000/2001 would be 16.9 percent, pointing to a small improvement from the last report and approaching closer to the 17 to 18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security. The moderate build-up of stocks in the major exporting countries in recent years, which represent an important buffer against any global production shortfall, is also expected to represent at least 45 percent of the global total, which is close to the previous year and significantly above the average level registered in more recent years.



A sharp decline in **wheat** stocks is the primary reason for most of the anticipated contraction in world cereal stocks. World stocks of wheat for national crop years ending in 2000 are currently put at nearly 132 million tonnes, down 11 million tonnes, or 8 percent, below opening levels. However, this forecast would be some 9 million tonnes more than was anticipated earlier given the

improved production outlook in several major producing countries. Most of this year's anticipated decline in wheat stocks is expected to occur in Asia and Europe. In Asia, the overall balance points to a reduction of about 4 million tonnes in wheat stocks. The drought-reduced production in several countries, including the Islamic Republic of Iran, Syria and Turkey, is expected to result in a large draw down of their inventories, while a forecast decline of 8 million tonnes in China's production could also lead to a large decrease in its ending stocks.



Wheat stocks in Europe are forecast to decrease by about 5 million tonnes compared to opening levels. In the Russian Federation, following last year's drastic decline in production and the likelihood of yet another poor crop this year, wheat inventories are forecast to be fall to the lows of around 3 million tonnes, one million tonne smaller than last year. A likely decline in production in Bulgaria and Hungary is also expected to result in smaller stocks, despite the possibility of curtailed exports. In the EC, lower production combined with higher export prospects is expected to result in a draw down of 2.5 million tonnes in ending stocks. However, wheat stocks are still relatively large and could prove to be a financial burden, particularly as far as the intervention storage costs are concerned, if the world price continues to stay below the EC intervention price. Among other regions, smaller ending stocks are expected in Africa, especially in Morocco and South Africa, mostly on account of reduced output. By contrast, most countries in the Latin American and Caribbean region are expected to end their respective marketing seasons without any major variation in their carryover stocks.

Global stocks of **coarse grains** for crop years ending in 2000 are forecast to reach 137 million tonnes, down 4 million tonnes from their high opening levels and 3 million tonnes lower than was

reported in June. Among the individual coarse grains, a forecast reduction in global barley and rye stocks could offset an expected rise in world maize inventories. The expected depletion of global barley stocks, by about 6 million tonnes, to nearly 24 million tonnes, would be mostly on account of smaller stocks in the EC, Morocco, Turkey and the Russian Federation. In the EC, two years of consecutive decline in production and a rebound in barley and rye shipments are expected to result in a 7 million tonnes, or 33 percent, reduction in total coarse grains stocks, which would include a significant draw down of also the intervention stocks. While the drought would be mostly responsible for a likely decrease in barley stocks in Morocco and Turkey, poor crop prospects in the Russian Federation could also bring that country's ending coarse grains stocks to a low of less than 1 million tonnes, of which barley is estimated to count for only a half of that total. By contrast, global maize carryovers are expected to rise by about 5 million tonnes, from their already high opening levels to roughly 94 million tonnes, representing about two-thirds of the world total coarse grain reserve. Most of the build-up is expected in the United States while a recovery in Brazil's production could also result in higher ending stocks there.

WORLD CARRYOVER STOCKS OF CEREALS

	Crop year ending in:		
	1998	1999 estim.	2000 f'cast
	(. . . million tonnes . . .)		
Wheat	137.6	142.5	131.8
Coarse grains	137.4	140.9	136.6
Rice (milled)	54.9	52.9	54.5
TOTAL	329.8	336.4	322.9
of which:			
Main exporters	128.6	153.9	145.8
Others	201.2	182.5	177.1

SOURCE: FAO

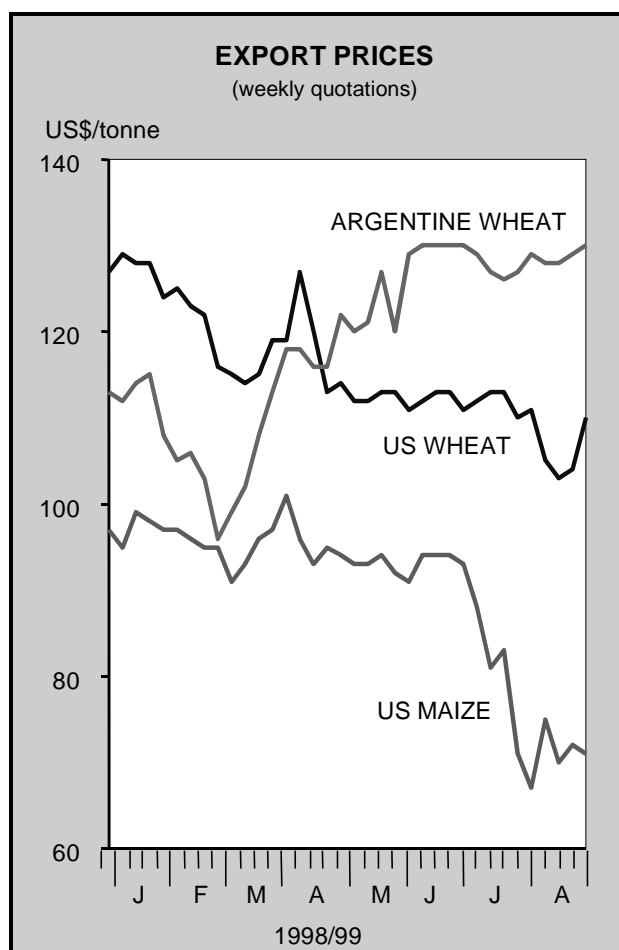
FAO is tentatively forecasting a 3 percent increase in global **rice** stocks at the end of the marketing seasons in the year **2000** to 54.5 million tonnes. The rise is mostly attributed to the expected record world production. Large increases are anticipated in the United States, India and Brazil. Rice stocks for the marketing seasons ending in **1999** are almost unchanged from the previous report. However, global stocks would still be about 2 million tonnes below their opening levels. Most of the decline in stocks for the marketing seasons ending in 1999 is accounted for by Japan and China (Mainland). Japan's policy of limiting domestic production aims at reducing the country's stocks

over time. The anticipated decline in China's stocks is attributed to domestic supply problems associated with the floods that affected the country in 1998-99. Smaller carry-over inventories in China are not expected to lift international prices as the reduction is being outweighed by a 17 percent anticipated contraction in global import demand, together with ample exportable supplies from many of the other major exporters.

EXPORT PRICES

Cereal prices mostly below the corresponding period in the previous year

The fear of reduced maize crop prospects in the United States gave way to sharp increases in prices, but overall the upside remained limited. In the **maize** market, the dry and hot spell during the late July through early August raised concerns over the crop conditions in the United States and resulted in a sudden rise in prices. However, with the subsequent release of an official report in August denoting a much larger than expected US crop forecast, maize prices fell to lower levels, and by the end of month, the U.S. maize export price were quoted at US\$70 per tonne, down US\$21 per tonne from May and US\$14 per tonne below the corresponding period last year. Similarly, in the CBOT futures market, maize prices rallied in early August, but by the end of the month the December futures stood at US\$85 per tonne, down US\$6 per tonne from May, though US\$3 per tonne more than the corresponding period last year. Given this season's likely resumption of large maize exports



from China and with crop prospects for both soybean and maize remaining favourable, any further strengthening of prices would largely depend on import demand, which based on the current forecast, is unlikely to expand significantly.

LATEST CEREAL EXPORT PRICES *

	1999		1998
	Aug.	May	Aug.
	(. US\$/tonne)		
United States			
Wheat ^{1/}	115	111	110
Maize	70	91	84
Sorghum	77	88	86
Argentina ^{2/}			
Wheat	130	126	112
Maize	94	96	99
Thailand ^{2/}			
Rice white ^{3/}	239	258	332
Rice, broken ^{4/}	194	191	234

SOURCE: FAO, see Appendix Table A.9

* Prices refer to the fourth week of the month.

^{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.

After declining to seasonally low levels during June and early July, the global **wheat** market has witnessed an exceptionally volatile period since May 1999, as prices were affected by weather-induced rallies in maize and soybean markets. Other factors, which lent support to wheat prices, included increased buying interest during this period, announcement of new food aid initiatives by the United States and the resumption of wheat shipments as food aid from the EC and the United States to the Russian Federation. By the end of August, the U.S. wheat No. 2 (HRW, fob) was quoted at US\$115 per tonne, slightly above the corresponding period in the previous year. By late August, prices in the wheat futures market also strengthened. The December wheat futures contracts for soft red winter at the Chicago Board of Trade (CBOT) were quoted at US\$104 per tonne, representing a recovery of about US\$8 per tonne since May and pointing to an increase of about the same amount over the corresponding period last year.

In the EC, strong pace of wheat sales to the Islamic Republic of Iran, which unconfirmed reports put at 1 million tonnes, has also provided support to prices. The latest (August 26) French soft wheat export prices for September shipments stood at around US\$90 per tonne, net of the US\$31.50 per tonne refund. While in recent months a weak euro (against the US dollar) has helped to close the gap between EC and the world prices, the continued use of export refunds (subsidies) would still be necessary to make European wheat more competitive this year. While ample availabilities in the other major exporting countries are likely to add to competition for market shares, this year may also see increased export efforts from the EC. Indeed, 1999/2000 being the last season before the start of the implementation of Agenda 2000 and also the last year before the end of the six-year transition period agreed under the WTO negotiations, permitting the quotas of subsidized grain exports not used in previous years to be "rolled over" to the following year, i.e. 2000/2001. Against this background and in view of only a modest rise in world import demand as forecast by FAO, any large gains in wheat prices in coming months seem unlikely.

International **rice** prices from most origins eased somewhat during the months of August and July from their strong levels in May and June. The FAO Export Price Index for Rice (1982-84=100) averaged 114 points during July and August down by 1 point from June. By comparison, the index was

112 points in April, the lowest average since December 1994. The recent weakening of rice prices is partially the result of the arrival of new crop supplies on the market in some countries amidst weaker international import demand, compared to last year.

The price for Thai 100B averaged US\$249 per tonne in August, down from US\$257 per tonne in July but still above the US\$238 per tonne reached in April. Prices of the lower quality grades from various origins were also lower in August. For instance, the price of Thai 35 percent broken averaged about US\$215 per tonne in August compared to US\$220 per tonne in July, while over the same period, the price of fully broken rice (Thai A1 Super) fell from US\$209 to US\$204 per tonne.

In the United States, monthly average export prices have continued to slide due to a combination of limited new import demand and expectations of a record crop in 1999 that will contribute to higher carryover stocks. The price of the United States No. 2/4 percent broken rice averaged US\$319 per tonne in August, down by US\$4 per tonne from July. As a result the price differential between the high quality Thai 100B and the comparable United States No. 2/4 percent broken rice has narrowed considerably to US\$67 per tonne in August from a high of US\$118 in April. However, the price 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.



E-MAIL INFORMATION EXCHANGE SERVICE FOR THE RICE, PULSES AND OILCROPS SECTORS

The Basic Foodstuffs Service of the Commodities and Trade Division has established new e-mail based networks for the exchange of information on developments in the global rice, pulses and oilcrops markets. These exchange services are named, **Rice Market Network, Pulses Market Network and Oilcrops Market Network** respectively.

To subscribe to any of these networks (which are free-of-charge), leave the subject blank and send **one** of the corresponding following messages to: **mailserv@mailserv.fao.org**

Subscribe Rice-market-L
Subscribe Pulses-L
Subscribe Oilcrops-L

The primary purpose of these services is to provide a forum for the discussion of issues relevant to the national and international markets for those commodities. Registered users are invited to supply articles, publications and statistical reports on the rice, pulses and oilcrops sectors in their own countries/regions while they are also encouraged to post questions and answers on topics of interest related to those commodities. Since global coverage is an essential feature of this service, users can send their messages in English, French or Spanish. In summary, the objectives of this new FAO service are:

- a. The exchange of information on rice, pulses and oilcrops markets between list members via the FAO mail server;
- b. The circulation of FAO's reports dealing with current developments in the world rice, pulses and oilcrops markets.

Begin your participation in these exchange systems by forwarding some information on the rice, pulses and oilcrops sectors to which you have access and which you consider of interest to others. **After subscribing** to the respective networks, you can address your contributions to:

Rice-Market-L@mailserv.fao.org for rice, Pulses-L@mailserv.fao.org for pulses and Oilcrops-L@mailserv.fao.org for oilcrops.

FOOD AID^{1/}

Cereal food aid shipments expanded significantly in 1998/99

Latest estimates for 1998/99 (1 July through 30 June) put cereal food aid shipments, under the programme, project and emergency categories at nearly 9.5 million tonnes, up more than 3 million tonnes, or 52 percent, from the revised estimate for 1997/98 and the highest since 1993/94 (Table

A.10). Shipments from the United States more than doubled to 5.6 million tonnes while those from the EC also rose, by over 30 percent, to 2.4 million tonnes. Among the other countries, larger donations were also registered for Japan, whereas, those from Australia and Canada declined slightly. The increase in cereal food aid shipments is accounted for mostly by wheat, rice and rye.

On the recipient side, the bulk of the increase in food aid shipments went to the Russian Federation, in the form of cereals, which rose from only 42 000 tonnes in 1997/98 to around 2 million tonnes in 1998/99. Shipments to Bangladesh also

^{1/} More detailed statistics on cereal and non-cereal food aid shipments are available on the internet as part of the FAO World Wide Web at the following URL address: <http://www.fao.org> under *Statistical Database* and then *All Databases*.

FOOD AID SHIPMENTS - CEREALS (July/June)

	1994/95	1995/96	1996/97	1997/98	1998/99 f'cast
	(..... thousand tonnes)				
WORLD	9 443	7 397	5 518	6 227	9 492
LIFDC	7 910	6 400	4 604	5 480	6 764
Africa	3 593	2 526	2 045	2 282	2 237
Sub-Saharan	3 348	2 305	1 885	2 173	2 201
Others	246	221	190	109	36
Asia	4 067	3 911	2 459	3 129	4 264
East Asia and SE Asia	308	877	683	1 000	1 596
South Asia	1 600	1 210	905	1 142	1 960
Others	2 160	1 824	871	986	708
Latin America and the Caribbean	1 146	602	607	549	672
Others	637	358	407	267	2 318

SOURCE: 1994/95 - 1997/98, WFP; 1998/99 forecast, FAO

Note: Totals computed from unrounded data.

rose substantially, by more than 1 million tonnes to roughly 1.6 million tonnes. Cereal food aid to Indonesia exceeded 700 000 tonnes, compared to only 9 000 tonnes in the previous year. Larger shipments were also registered to the hurricane-ravaged countries of Central America, especially Honduras, Guatemala and Nicaragua. In Africa, cereal food aid to most countries fell; the exceptions were mainly Eritrea, Guinea Bissau, Sierra Leone,

Sudan and Zimbabwe. In Asia, beside Bangladesh and Indonesia, mentioned earlier, larger food aid shipments were also registered to Mongolia and Nepal, while cereal donations to many other countries fell drastically, including to the Democratic Republic of Korea, one of the largest food aid recipients in recent years. Similarly smaller shipments were registered to Armenia, Sri Lanka, Azerbaijan, Georgia, Kyrgyzstan and Tajikistan.

FOOD AID SHIPMENTS - NONCEREALS

	1994	1995	1996	1997	1998 estim.
	(..... thousand tonnes)				
WORLD	1 671	1 261	987	904	871
LIFDC	986	688	637	615	666
Africa	606	455	392	320	299
Asia	378	234	255	275	328
Latin America and the Caribbean	141	152	148	172	205
Others	546	420	193	137	39

SOURCE: WFP

Note: Totals computed from unrounded data.

Shipments of non-cereal food aid in 1998 fell for the fifth consecutive year

Food aid shipments of non-cereals contracted for the fifth consecutive year and registered a low of around 871 000 tonnes in 1998, down 4 percent from their already reduced volume in 1997 (January-December)^{2/}. Most of the reduction was due to smaller shipments of sugar, butter oil, fish and meat products as well as dried fruits. By contrast, shipments of pulses, which currently represent nearly 50 percent of the total non-cereal donations, showed an increase of about 5 percent over the previous year to 435 000 tonnes. Food aid of vegetable oil, another major non-cereal category, also increased by about 11 percent to 318 000 tonnes. On a regional basis, the bulk of the decline occurred in Africa and Europe while higher shipments were registered to Asia as well as to Latin America and the Caribbean.

New Food Aid Convention has come into effect

In June 1999 major donors approved the new Food Aid Convention (FAC) and confirmed their intention to implement it for an initial period of three years starting in July 1999. The new convention calls for a more flexible approach to food aid by expanding the list of eligible commodities and the method of contributions. The commodity list has been expanded to include edible oils, root crops (cassava, potatoes, etc.), skimmed milk powder, seeds for eligible crops, sugar, products which are part of the traditional diet of vulnerable groups or a component of supplementary feeding programmes,

^{2/} While cereal shipments are monitored on a July/June basis, shipments of non-cereals are monitored on a calendar year basis and the year 1999 is not yet complete.

and micro-nutrients and fortified food products. These food items, in aggregate, will be limited to no more than 20 percent of any donor's commitment, with individual commodities limited to 3-7 percent of the total donation, excluding transportation and other operating expenses. Overall, the total volume of commitments under the 1999 Convention is 4.895 million tonnes, in wheat equivalent, compared to 5.35 million tonnes under the 1995 Convention. The difference is accounted for by the pledge by the EC to provide 130 million ecus in cash, or about 588 000 tonnes of wheat, which includes transportation costs. At current prices and transportation costs, the food aid volume commitment under the new Convention is roughly equivalent to the previous one.

Contributions to IEFER and PRROs rose in 1998

As of August 1999, cereal contributions to the WFP administrated International Emergency Food Reserve (IEFR) registered more than a two-fold gain, approaching 2 million tonnes (Table A.11). The increase in non-cereal contributions of about 40 000 tonnes to 206 000 tonnes was less significant. Pledges to the 1999 IEFER have exceeded 1 million tonnes for cereals and 170 000 tonnes for non-cereals, which are in line with the pace of pledges for the corresponding period in 1998. Contributions to the 1998 Protracted Relief and Refugee Operations (PRROs), also directed by the WFP, amounted to about 539 000 tonnes for cereals and 101 000 tonnes for other food commodities, almost the same as in 1997. However, by August 1999, some 203 000 tonnes of cereals and 100 000 tonnes of non-cereals have already been pledged under the 1999 PRROs, thus increasing the possibility that contributions in 1999 may exceed those in 1998.

MEAT AND MEAT PRODUCTS

Uncertain trade prospects and hesitant price recovery appear to characterise the global meat market in 1999. The international meat price index recovered recently, supported by indications of a gradual contraction in pork output and the beginning of a cyclical decline in beef output by many of the major exporting countries. Despite this total meat production in 1999 is projected to move up by 2 percent to 222.9 million tonnes, supported in part by favourable producer returns as feed grain prices remain low.

The 1999 meat outlook continues the trend of stronger output gains for the developing countries than for the developed countries. Slowing from the

annual 6 percent gains witnessed since 1990, meat production in the developing countries in 1999 is still projected up 3 percent to 118.8 million tonnes, moving its share of global meat output from 34 percent in 1980 to a projected 53 percent in 1999. Surging Chinese production, particularly of poultry and pork, has accounted for nearly 70 percent of the growth in output over the period. While 1999 per capita meat consumption figures for developed versus developing countries continue to show a large disparity, the gap is gradually narrowing. Meat availability in developing countries, forecast at 25.8 kg per caput in 1999 compared to 14 kg in the 1980-1982 period, is up an estimated half kg from last year. Per caput availability in the developed

countries is estimated to average nearly 78 kg in 1999, up slightly from last year.

continued high export subsidies from the EC, and the Russian Federation food aid package which includes 150 000 tonnes pig meat.

WORLD MEAT PRODUCTION 1/

	1997	1998	1999 estim.
	(. . . . million tonnes)		
WORLD TOTAL	213.0	218.0	222.9
Poultry meat	59.7	60.6	63.0
Pig meat	80.9	84.6	86.6
Bovine meat	57.5	57.7	58.0
Sheep meat and goat meat	10.9	11.1	11.3
Other meat	4.0	4.0	4.0
DEVELOPING COUNTRIES	112.1	115.0	118.8
Poultry meat	29.8	30.3	31.9
Pig meat	45.6	47.3	48.6
Bovine meat	26.8	27.2	27.9
Sheep meat and goat meat	7.6	7.8	8.0
Other meat	2.4	2.4	2.4
DEVELOPED COUNTRIES	100.9	103.0	104.1
Poultry meat	29.9	30.4	31.2
Pig meat	35.3	37.3	38.0
Bovine meat	30.7	30.5	30.1
Sheep meat and goat meat	3.3	3.3	3.3
Other meat	1.6	1.6	1.6

SOURCE: FAO

Note: Total computed from unrounded data.

1/ In 1998, following the disclosure of the results of a recent national agricultural census, China's official estimates of meat production in 1996 and 1997 have been revised downward. FAO statistics have been adjusted accordingly.

The aftermath of economic difficulties in major meat markets, which in 1998 shattered more than a decade long uninterrupted growth in global meat trade, is projected to extend into 1999 with trade being forecast to stagnate around 14.7 million tonnes. Export opportunities, particularly for red meat, in 1999 are strongly linked to exporter programs and policies. Unlike in 1998, when economic turmoil in the Republic of Korea and the Russian Federation prompted a nearly 4-percent decline in bovine meat shipments, the decline in overall meat trade in 1999 is expected to be led by poultry meat with sluggish Russian demand depressing global poultry meat deliveries by 4 percent. By contrast, bovine meat trade is likely to recover in 1999, sustained by improved economic conditions in the Republic of Korea and the inclusion of bovine meat in the United States and EC food aid packages to the Russian Federation. Global trade in pig meat is also expected to increase, supported by

Bovine meat output up marginally while trade recovers slightly

Despite the continued contraction of the beef industry in the Russian Federation and Eastern Europe and cyclical downturn in major exporting countries, global bovine meat output in 1999 is expected to increase slightly to almost 58 million tonnes. In the United States, output is expected to rise slightly as an anticipated reduction in slaughtering will likely be offset by increasing carcass weights. Reduced slaughter in Australia is expected to depress output, while EC production will likely continue its steady decline because of lingering effects of BSE slaughter schemes and low prices of other meats. Drought-induced slaughter is expected to slow in New Zealand; however, higher carcass weights are expected to boost overall output in 1999. The recent foot-and-mouth disease outbreak in eastern China, combined with sluggish consumer demand, is expected to dampen overall production gains in Asia to less than 2 percent in 1999.

Supported by the inclusion of 270 000 tonnes (product weight) of bovine meat in the package of food aid to the Russian Federation, global bovine meat trade in 1999 is projected to recover from the 4 percent contraction witnessed in 1998. Despite food aid shipments and a continued contraction in livestock numbers, overall Russian bovine meat imports are set to continue their double-digit decline in 1999. By contrast, economic recovery and a strengthening of the currency in the Republic of Korea is contributing to a surge in meat imports, allowing exporters to fill delayed Korean import tenders from 1998 as well as those for 1999. Similarly, demand is strengthening in the Philippines, Malaysia and Indonesia, prompting increased shipments of low-priced Indian bovine meat, as well as a recovery in feeder cattle imports from Australia. Stronger imports are also expected from the United States where herd rebuilding is contributing to stronger prices for manufacturing grade beef. Purchases by Brazil are expected to decline as the currency devaluation there is prompting an increase in slaughtering and discouraging imports. The devaluation should, on the other hand, stimulate Brazilian exports, upsetting the normal pattern of regional trade in beef, with especially adverse effects on shipments from Argentina and Uruguay. While United States deliveries are expected to be boosted by increased sales to Mexico and Asia, exports from Australia and New Zealand are likely to be constrained by supply availability. Limited demand from Russia for commercial shipments of bovine meat, combined

with lower EC export refunds, are likely to curtail any gains in EC exports in 1999.

Sheep and goat meat output increases, trade down

Supported by continued growth in Asia, global production of sheep and goat meat in 1999 is expected to rise 1 percent to 11.3 million tonnes. Despite economic uncertainties, output in China, the largest world producer, is expected to rise by 3 percent to 2.3 million tonnes. Increases are also forecast to be recorded in Bangladesh, Pakistan and India. Despite wool prices hitting new lows during the year, sheep slaughter in Australia is falling; however, large lamb kills in Australia, aided by increased carcass weights, are supporting an increase in overall output. Meanwhile, in New Zealand, a prolonged drought combined with diversification of land from sheep production into other agricultural activities should keep output on a downward trend. An expansion in the United Kingdom breeding stock in 1998 is expected to prompt a slight increase in EC output in 1999. The sheep meat sector in the United States is expected to continue its steady pace of decline. Output in South Africa and in most producing countries in South America, with the exception of Brazil, will continue to be pressured downward by increasing demand for land for cattle production.

Global sheep and goat meat trade is projected to fall by 2 percent to 676 300 tonnes in 1999. Slightly lower import demand from the world's largest importer, the EC, is expected in 1999 as domestic output increases. World import growth will be further curtailed by smaller purchases by the United States, following the country's unilateral decision to impose tariffs on lamb from Australia and New Zealand, putting downward pressure on lamb prices. That measure is likely to contribute to a fall in Australian shipments in 1999, while lower exports of New Zealand sheep and goat will also reflect reduced supply availabilities.

Pig meat supplies continue to be abundant, trade remains strong

Low pigmeat prices during 1998 and early 1999 were expected to gradually translate into smaller breeding herds and lower farrowings in Europe and the United States. Declining feed prices, however, have been a key factor in delaying the industry contraction. Above average crop prospects in the United States are likely to keep feed prices under downward pressure, implying that pig meat output declines are unlikely to materialise until late in the year. Constrained growth in the United States, the EC and China - together accounting for nearly three-quarter of global output -

is projected to dampen the nearly 5 percent global expansion recorded in 1998 to a more modest 2 percent in 1999, with total pigmeat output forecast at 86.6 million tonnes.

WORLD MEAT EXPORTS ^{1/}

	1997	1998	1999 estim.
	(. . . thousand tonnes . . .)		
WORLD	14 744	14 731	14 717
Poultry meat	5 914	5 909	5 702
Pig meat	2 707	2 880	2 939
Bovine meat	5 166	4 967	5 108
Sheep meat and goat meat	676	688	676
Other meat	281	287	292

SOURCE: FAO

Note: Total computed from unrounded data.

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

Despite a forecast cut-back in production later in 1999, international trade in pig meat is forecast to rise by nearly 2 percent to 2.9 million tonnes in 1999 mostly due to higher demand in Asia. Strong growth in Asian import demand in 1999, supported by stepped up deliveries to the Republic of Korea and strong Japanese demand for frozen pork, is expected to offset lower Russian imports and constrained import demand by many Central European countries which raised tariffs on low-priced, subsidised EC pigmeat. Despite the use of high export subsidies by the EC to move products to the Russian Federation in the first part of 1999, as well as continued movement of food aid shipments, pigmeat imports by the Russian Federation are expected to register a double-digit decline.

Propelled by the strong pace of shipments in the first half of the year, EC pig meat exports in 1999 are projected to rise substantially while those by the United States are expected to rise more modestly. The EC's decision to roll-over unused subsidy allocations for pig meat (agreed under the WTO negotiations) played a key role in maintaining a strong export pace in early 1999. This pace, however, is likely to be compromised by rising prices and the Commission's recent decision to lower export restitution levels to the Russian Federation. Disease concerns in both the Republic of Korea and China are likely to lower exports in 1999, while increased investment in Canadian hog processing industry and favourable exchange rate conditions will likely maintain Canadian export growth at double-digit levels.

Favourable margins prompt poultry meat output gains despite gloomy trade outlook

Buoyed by low feed grain prices, global poultry meat output in 1999 is expected to jump almost 4 percent to 63 million tonnes. Despite low leg-quarter prices, output in the United States is expected to rebound in 1999 as the occurrence of Leukosis, a disease inducing higher bird mortality, wanes and feed prices continue their decline. Economic uncertainties in China are likely to constrain overall meat consumption, dampening prices and slowing poultry meat output growth to a relatively modest level of 3 percent. However, consumer concerns regarding recent disease outbreaks affecting red meat could encourage a shift in consumer demand towards poultry meat, inducing an even larger production outcome than is currently foreseen. Meanwhile rebounding production is expected in the Republic of Korea, Indonesia, Malaysia, and the Philippines. Low pork prices in the EC, combined with declining export subsidy ceilings for poultry meat, are forecast to constrain EC output gains below the long term average of 3 percent. Meanwhile, output is anticipated to increase in Brazil and Thailand as currency adjustments in Brazil and improved

economic stability in Thailand induce stronger demand for poultry meat.

Strong poultry meat sales during the months prior to the August 1998 financial crisis in the Russian Federation allowed global trade in 1998 to remain close to the 5.9 million tonnes shipped in 1997. However, the progressive contraction in imports by the Russian Federation is likely to result in a 4-percent drop in global poultry meat trade in 1999. Despite lower world prices, uncertain economic growth prospects are likely to slow product movement into China, Japan, and South Africa. The strong pace of shipments to the Islamic Republic of Iran, which skyrocketed in 1998, is expected to continue into 1999 while stronger output gains in Saudi Arabia and Mexico due to increased production capacity are likely to constrain import demand in 1999. Poor demand prospects in the Russian Federation are dampening export opportunities for US shippers, while the improved competitiveness of Brazilian exports in 1999 might well erode those of Thailand to the EC and Japan. Meanwhile, EC poultry meat will be under pressure to compete against Brazilian whole birds in the Middle East, an import market which is expected to remain stable in the context of rising domestic production.

INTERNATIONAL MEAT PRICES

	FAO index of international meat prices	Average international meat prices				
		Chicken <u>1/</u>	Pork <u>2/</u>	Beef <u>3/</u>	Mutton <u>4/</u>	Lamb <u>5/</u>
	(. . 1990-92=100 . .)	(. US\$/tonne)				
1994	103	921	2 659	2 384	...	2 975
1995	90	922	2 470	1 947	...	2 621
1996	88	978	2 733	1 741	1 119	3 296
1997	88	843	2 724	1 880	1 072	3 393
1998	79	760	2 121	1 754	901	2 750
1999	80 <u>6/</u>	588 <u>6/</u>	2 046 <u>6/</u>	1 815 <u>9/</u>	816 <u>7/</u>	2 551 <u>8/</u>

SOURCE: FAO

1/ Chicken parts, United States export unit value. 2/ Frozen pork, United States export unit value. 3/ Manufacture cow beef, Australia, cif prices to the United States. 4/ Frozen mutton carcass, Australia, fob prices. 5/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 6/ January-May. 7/ January-April. 8/ January-June. 9/ January-July.

Considerable price uncertainty expected in the short-term outlook

International prices for most meats appear to be strengthening in 1999; however, delays in the expected production cutbacks in both the pigmeat and cattle sectors might limit the scope for a price recovery. Production prospects in many of the beef exporting countries continue to be revised upward despite expectations for herd rebuilding.

Expectations of lower pork output has been mitigated by continued low grain prices and the on-going expansion of the large, vertically coordinated operations in the United States.

Currently, world prices for bovine meat are strengthening as cattle liquidation in many exporting countries slows, such as in the United States where it is propelling imported grinding beef prices to their highest level since 1995. Recent falls in Australian

and New Zealand cow kills are likely to lend support to higher prices. Selective buying of lower-quality beef cuts by the Japanese, however, is dampening corresponding gains for US beef exports. Per unit export prices of US product to Japan over the first 5 months of 1999 registered a 5 percent decline.

The collapse in the skin market is still weighing on prices for lamb and sheep. International prices, however, may rise in upcoming months due to the declining volume of supplies from New Zealand. Higher producer prices for hog in both Europe and the United States, are only gradually reflected in slightly higher international pigmeat prices. Per unit export prices for US pigmeat plummeted nearly 20 percent in 1998 due to ample supplies and subdued import demand, and only since April/May 1999 have been edging up. International poultry prices, as reflected by May per unit export value of US chicken cuts, are still 21

percent lower than last year as the Russian Federation stays on the sidelines of the global poultry market.

In 1999 exporter programmes and policies, more so than price considerations, are likely to play a critical role in dictating the direction of international meat trade. Considerable support to the trade outlook is provided by the granting of food aid to the Russian Federation which includes the delivery of 270 000 tonnes of beef and 200 000 tonnes of pigmeat from the United States and EC, as well as the shipments of 50 000 tonnes of United States poultry meat under the "Food for Peace" program. Delayed tenders for beef in the United States, questions about pricing of imported EC beef in the Russian market and the only recent reopening of tenders for pork shipments from the EC in response to the dioxin food scare

OILSEEDS, OILS AND OILMEALS^{1/}

Prices for oils and fats as well as cakes and meals under strong downward pressure

Prices for **oils and fats** have come under strong downward pressure since the beginning of

1999 and are not likely to recover during the remainder of this year. For the trimester May-July 1999, the FAO price index for oils and fats fell to 110 points, compared to 160 points during the same period last year. Main factors contributing to this

INTERNATIONAL PRICES OF OILSEED-BASED PRODUCTS

	FAO indices of international market prices		Average international market prices			
	Edible/soap fats and oils	Oilcakes and meals	Soybean	Soybean oil	Palm oil	Soybean cake
October/September	(. . . 1990-92=100 . . .)		(. US\$/tonne)			
1993/94	128	93	259	582	452	202
1994/95	154	94	247	641	645	184
1995/96	140	128	303	574	544	257
1996/97 - Oct.-March	136	134	301	527	560	282
- April-Sept.	134	132	295	546	530	275
1997/98 - Oct.-March	151	130	277	638	605	238
- April-Sept.	159	103	236	631	678	155
1998/99 - Oct.-March	142	90	219	547	620	152
- April-July	114	72	196	419	425	139

SOURCE: FAO

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

development include: abundant harvests of high oil-yielding crops in 1998/99 (Oct./Sept.); the increase in the oil stocks-to-utilization ratio anticipated for this season; and the prospect of a full recovery in palm oil production and export availability during the remainder of this season and during 1999/2000. Prices for **oilcakes and meals** also deteriorated during this season. The FAO price index for cakes and meals averaged 83 points during the first ten months of the current season (October 1998 to July 1999), as opposed to a comparable 120 points in 1997/98, a decline of over 30 percent. At 71 points (in May-July 1999), the price index reached its lowest level since 1985. The main reasons leading to this development include: the recent large harvests of (high meal-yielding) soybean crops in South America; continued competition from relatively low-priced feed grains; and the sharp rise in oilmeal stocks expected for this season, together with the anticipation of above average stocks-to-utilization ratios for meals. A further decline in the oilmeal price index in the coming months appears unlikely, considering that global production of grains is anticipated to fall in 1999, along with a reduction of the cereal stocks during the 1999/2000 season.

WORLD PRODUCTION OF THE SEVEN MAJOR OILSEEDS

	1996/97	1997/98	1998/99 estim.
	(. million tonnes)		
Soybeans	133.4	159.7	159.7
Cottonseed	38.4	40.1	35.7
Groundnuts	30.0	30.2	32.9
Sunflowerseed	29.9	29.9	32.5
Rapeseed	32.2	34.4	38.5
Palm kernels	5.4	5.2	5.5
Copra	5.4	5.0	4.8
Total	274.7	304.5	309.5

SOURCE: FAO

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

Record production and supplies of oilcrops and related products confirmed for 1998/99

Global **production of the seven major oilcrops** in 1998/99 is estimated at almost 310 million tonnes, a new record after the 305 million tonnes reached in 1997/98. The rise in output is mainly on account of increases in the production of sunflowerseed (mainly in Argentina and the United

States), groundnut (China and India) and rapeseed (EC, Canada and Australia), which more than offset reduced production in cotton seed (United States and some Asian countries) and copra. Global soybean output is estimated to remain unchanged compared to 1997/98, with reduced - but still above average - crops in South America being offset by a record crop, for the second consecutive year, in the United States.

The crop production estimates translate into a record global **production of oils and fats** of around 109 million tonnes in 1998/99, compared to 104 million tonnes in the previous season. The expansion in total output is mainly on account of increases in two high oil-yielding crops, sunflower and rapeseed, together with a recovery in palm oil production in calendar year 1999. Similar to previous years, soft oils^{1/} are estimated to account for 53 percent of global output of edible/soap oils and fats, palm oil for 17 percent, lauric oils for 5 percent and marine oils, animal and other fats for the rest. As a consequence of the rise in overall output, global **supplies of edible/soap oils and fats** in 1998/99 are expected to be 3 percent higher than in 1997/98, despite a lower stock level at the beginning of the 1998/99 season. World **production of cakes and meals** is estimated to increase to nearly 76 million tonnes^{2/}, rising a further 3 percent from the bumper level recorded in the previous season. The increase in output will mainly be on account of the record rapeseed crop and a recovery in fishmeal production, while world production of soyameal is estimated to remain unchanged. Global **supplies of cakes and meals** in 1998/99 are expected to be about 4 percent above the previous season's level, supported by the recovery in the volume of stocks at the beginning of the season.

Global utilization of oilcrop-based products expanding during 1998/99, albeit at a slower pace

Global utilization of **oils and fats** is forecast to continue to expand in 1998/99, albeit at a reduced rate compared to the preceding season, reaching 107 million tonnes. Relatively high prices compared to the first half of the 1990s and the economic crisis that has affected several countries since 1997, explain the relatively modest increase in global demand. With respect to the composition of global consumption, the share of rape and sunflowerseed oil is forecast to increase this

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

2/ Throughout this note, figures referring to oilcakes and meals are expressed in protein equivalent.

season, while the share of soyaoil, though still the highest in absolute terms, is expected to fall slightly. Stimulated by the sharp decline in prices for oilcakes and meals from early 1998 onward, global utilization of **cakes and meals** is expected to continue expanding in 1998/99, reaching 74 million tonnes. The United States, faced with abundant supplies and less favourable export prospects, is expected to account for over half of the increase in global consumption, with utilization reaching a record level of 14.6 million tonnes (in protein equivalent). Largely driven by the very attractive prices offered by South American meal exporters and low prices on the domestic market, demand for oilcakes and meals in the EC is anticipated to expand to a record level (18.5 million tonnes), as feedmillers are lifting the content of oilmeals in feed rations to above average levels. By contrast, in Asia, where high consumption growth rates were recorded in recent years, utilization is anticipated to grow only marginally, as the markets are still recovering from the effects of economic crisis which has slowed down the expansion in the consumption of meat as a more income sensitive good.

Stocks of oils and fats as well as cakes and meals to reach new records

Based on the supply and demand estimates for the 1998/99 season, global stocks of **oils and fats** at the end of the season are expected to recover from last season's level and reach a new record, as the level of total utilization is expected to remain below that of production. Particularly in the United States and Malaysia, stock levels are anticipated to exceed the average of recent years. By the end of the season, the stocks-to-utilization ratio is also expected to increase, thus contributing to strong downward pressure on international prices for oils and fats. With 1998/99 production of cakes and meals forecast to exceed utilization by almost 1.5 million tonnes, global stocks of **cakes and meals** are estimated to increase further, probably reaching a new record by the end of the season. The anticipated 20 percent rise from last season's (above average) level mainly reflects a sharp increase (plus 115 percent) in soybean stocks in the United States. The global stocks-to-utilization ratio for cakes and meals is expected to rise above the average of recent years, thus contributing to the significant decline in international prices for oilcakes and meals observed since the beginning of this year.

Reduced growth of trade in oilcrops and related products in 1998/99

In 1998/99, world trade in oilseeds and products is expected to grow at a reduced rate

compared to the two previous seasons. Despite the fall in prices for major oils, total trade in **oils and fats** (including the oil content of oilseeds traded) is forecast at 45 million tonnes, up only 1 percent from last season, because of the predominant influence of weak demand at the global level. The pattern of imports is likely to remain unchanged, with most of the expansion originating in Asia. In India, imports are anticipated to rise by as much as 50 percent. Factors contributing to this surge include government efforts to gradually liberalize the import market and reductions in import tariffs. China, which is anticipated to further expand its imports, is likely to satisfy a relatively large portion of its requirements through the importation of high oil-yielding seeds (in particular rapeseed), while reducing purchases of oils and fats. In all other regions, import volumes are expected to remain about unchanged. On the export side, the volume of total shipments from the two main export markets, Asia and North America, is anticipated to stagnate or fall slightly. While exports of palm oil are likely to resume expansion as the main producing countries are recovering from last season's unprecedented production decline, coconut oil production and exports are expected to recover only later this year. In China, a net importer, combined shipments of oilseeds and oils are likely to fall further. In the United States, export sales of oils and fats (including oil contained in exported oilseeds) are anticipated to decline by over 8 percent in 1998/99 compared to the previous season, mainly a result of increased competition from South American exporters.

World trade in **cakes and meals** (including the meal contained in oilseeds traded) is expected to rise by about 2 percent to 37 million tonnes in 1998/99, mainly on account of higher rapeseed meal and fishmeal shipments, while trade in soybean cake is expected to fall short of last season's record level. Purchases by the world's two main import markets for cakes and meals, Asia and the EC, are anticipated to continue expanding this season, mainly stimulated by low international prices and because countries in Asia are gradually recovering from the effects of the economic crisis experienced during 1997/98. In China, a relatively large part of this season's meal import requirements is likely to be covered through the importation of seeds, again reflecting government efforts to support the local crushing industry. On the export side, meal shipments from South America (including meal contained in exported oilseeds) are expected to further expand, due to abundant supplies and because of Brazil's export advantage following its currency devaluation earlier this season. Increased competition from South American exporters is also responsible for the anticipated 17 percent drop in total cake and meal shipments from the United States.

Further planting increases in 1999/2000 possibly leading to record production for third consecutive year

Total area devoted to oilseeds is likely to expand further in 1999/2000, mainly in soybeans and rapeseed. In the northern hemisphere, plantings for the new season are estimated to have exceeded last season's level, despite the current situation of ample supplies and depressed prices for the majority of oilcrops and their products. Main factors behind this development include that planting decisions for some crops were taken at a time when prices were still relatively high, the rise in the EC's compulsory set-aside rate, which stimulated oilseed production for industrial uses, and the increased attractiveness of government payments under farm income protection schemes in the United States and EC. Considering the support payments available for the various crops and price expectations for oilseeds during 1999/2000, producers seem to expect relatively high returns from oilcrops relative

to competing crops during the next season. By contrast, in the southern hemisphere, where oilseeds will be planted later this year, the area sown to oilseeds is anticipated to remain unchanged or fall slightly, as producers are likely to respond to continually low market prices and less favourable economic conditions. Based on the expectation of an overall increase in next season's plantings, global oilseed output could - provided weather conditions are favourable - expand by another 3-4 percent, setting a new record for the third consecutive year. Strong production increases are also expected for palm and lauric oils, following the sector's full recovery from adverse weather conditions in preceding years. Global demand for and trade in oils and fats could also grow considerably next season, as ample supplies and further increases in stocks could push prices further down. By contrast, the oilcakes and meal sector is likely to be affected by the anticipated slow-down in global livestock production, which may affect major importers like China and the EC.

FISH AND FISHERIES PRODUCTS

Groundfish supply was very limited in the first half of 1999. In Namibia the hake quotas have been increased from 165 000 tonnes in 1998 to 195 000 tonnes in 1999, while the quotas for hake in South Africa are set at the same level as last year (151 000 tonnes). However, this increase will not fill the gap expected from South America, caused by the closure of hake fisheries in Argentina, Chile and Uruguay and their slow recovery in Peru.

A further reduction in Alaska pollock catches is forecast for 1999 on the wave of the constant decline (with the exceptions of 1995 and 1996) experienced since the peak of 6.8 million tonnes in 1986. The main fishing season for Alaska pollock in the Sea of Okhotsk ended in early May 1999. Having a quota of 860 000 tonnes, fishermen in the Far East of Russia caught 850 000 tonnes, 200 000 tonnes less than the previous year. In the United States, Alaska pollock TAC (Total Allowable Catch) for 1999 is of 992 000 tonnes, representing a decrease of 118 000 tonnes compared to 1998. Alaska pollock prices are currently rather stable, but are expected to move upward later this year.

The increase in hoki exports to Europe last year was mainly a result of the increasing shortage of pollock. Sales rose by 250 percent, to US\$ 47 million, according to trade figures reported in New Zealand.

Catches for **cod** have decreased by more than 25 percent from the late 1980s to the present. Supply of cod from Canada is expected to recover

slowly in the next few years. Canadian cod catches used to be one of the highest in the world until the Canadian cod stocks collapsed in the early 1990s. Cod fishing along the east coast of Newfoundland resumed on 8 July 1999, after seven years of closure, with the adoption of a very small commercial fishery quota (6 000 tonnes). Furthermore the Fisheries Resource Conservation Council in Canada has experienced an increase in inshore cod catches reaching 45 000 tonnes (end of May 1999), representing an increase of about 50 percent compared to the previous year. There are signs of a seriously reduced cod stock in the Barents Sea. Not since 1990 have the stocks of Northeast Atlantic cod been so low. For the next few years a considerable lower TAC for Atlantic cod in the Barents Sea is expected. On the other hand, cod catches in the Icelandic EEZ (Exclusive Economic Zone) are increasing and prospects for the future seem positive. The short supply of cod in Europe has increased the importance of Pacific cod as raw material for European buyers. Asian markets for cod are relatively weak compared to the European and United States ones. Cod prices have been particularly high on the EC and North American markets since the beginning of 1998. This was due to poor catches and strong demand, particularly from the fillet and block markets.

In the last five years catches of **haddock** have been rather stable at about 320 000-350 000 tonnes per year. Forecasts for 1999 are for a slight decline from the 1998 catches. In the Barent Sea the TAC has been cut by 52 000 tonnes to 78 000

tonnes for 1999 and in the North Sea the quota was cut by 26 500 tonnes to 88 500 tonnes for 1999. In addition, the TAC in the Icelandic EEZ has been cut by 10 000 tonnes to 35 000 tonnes. On the other hand, Canadian scientists have reported an increase in haddock on Georges Bank, with the current year class about twice the average size reported in 1978. Coupled with conservation restrictions, this opens the way to a haddock quota of between 20 000 tonnes and 30 000 tonnes within the next few years. Haddock prices are currently rather stable on the US and European markets and this trend is likely to continue.

The main features on the **shrimp** market world-wide have stayed the same for more than two years now. The Japanese market was hit by the economic crisis, and demand for shrimp went down, with some short term changes during festivities. The United States market showed a buoyant demand and the strong dollar attracted additional supply. The traditional trend which sees Asian shrimp going mainly to Japan has changed, and more and more shrimp from Asia is exported to the United States. The European market is also relatively strong. Prices are expected to decline in the coming months, as buoyant supply from Asian shrimp farms will become available.

In April 1999, cultured shrimp products in Central and South American countries were hit by the white spot disease. South and South East Asia reported a strong cultured shrimp production in the second quarter of the year, with Indian production significantly high.

Demand for shrimp in the United States was strong in the opening months of the year, and prices have strengthened in recent months. Thailand expanded its top position as supplier of shrimp to the United States market. The country sells, above all, peeled shrimp, a product form which accounts for 44 percent of Thai exports to the United States.

Demand for shrimp in Europe has been good in 1999, and Asian products redirected increasingly to Europe rather than to the Japanese market. In view of the good supply expected for the coming years, prices are also expected to decline in Europe.

Demand is expected to stay strong on the United States market, a continuation of last year's trend. Prices are forecast to decrease, as strong demand will be coupled with increasing supplies, from both the domestic production and from imports. South East Asian countries, with Thailand and Indonesia as front runners, will increase their shipments. The Japanese market stays bleak.

Tuna catches are well ahead compared to 1998 in practically all major fishing areas and

particularly catches in the Eastern Pacific continued the positive trend experienced in 1998. This may lead to further reduction of prices, which had started to decline in mid-1998. Demand for sashimi tuna has improved in Japan, though sales are still not back to normal. Canned tuna is also selling well in the two main markets (USA and EC). For the first time in years, Japan imported less fresh tuna in 1999. The biggest declines were experienced in fresh bigeye imports, but also yellowfin lost ground. Indonesia continues to be the main supplier of fresh tuna (mainly yellowfin) to the Japanese market.

In the first quarter of the year, the United States imported some 60 000 tonnes of canned tuna, a 36 percent increase over the same period of 1998. Thailand continues to be the main exporter of canned tuna to the United States market, with 34 700 tonnes in the January-March 1999 period, representing a 48 percent expansion over the 1998 result. Better availability of raw material to Thai canneries and the economic interest of the main US brand marks in the Thai tuna industry were the main reasons for this recovery. The Philippines remained on the second position. The use of tuna loins by Italian canners continues to expand. Loins as raw material now account for about 60 percent of total Italian canned tuna production. Ecuador and Colombia are benefiting from their special duty-free status as Andean pact countries and are increasing their shipments to the EC.

Yellowfin prices on the European market have been declining, as strong arrivals from the Eastern Pacific have been keeping the market well supplied. Mexico has developed into an important supplier of whole tuna to the Italian canneries. In May 1999, prices of whole yellowfin from Mexico reached a low of US\$1 300 per tonne, which compares to US\$1 800 per tonne a year ago. Tuna loin prices are less subject to fluctuation, as producing companies have generally exclusive contracts with buyers or directly with owners of foreign companies. In May 1999, tuna loins on the Italian market were quoted at US\$3 920 per tonne, almost US\$1 000 per tonne less than the May 1998 price.

The European and African markets appear dull. Canners are not selling as some distributors in Europe have built up large inventories since last year. Some traders have also accumulated can product during the last quarter of 1998, when raw fish prices in Thailand declined. Tuna prices have started to fall. However, in Bangkok, this is a seasonal phenomenon. Thai canners are covered until June and this will result in a further price decrease on European and African markets. Good skipjack catches are reported from all major areas, which may contribute to a further decline in prices.

Cephalopod fisheries has been good in recent months. As forecast, *Illex* catches and supplies on the world market were strong in the second quarter of the year. Octopus catches in the Eastern Central Atlantic have been good in the beginning of 1999, leading to higher exports directed to Japan, and lower prices on the world market. This trend is expected to reverse.

Illex catches in the South West Atlantic were plentiful in the first months of the year. In the first three months of the year, the catch off the Falkland/Malvinas Islands reached almost 100 000 tonnes, which is more than in the whole of 1998, and four times the corresponding 1998 figure. On the other hand, *Loligo* catches in the Falkland/Malvinas area were rather disappointing with 13 600 tonnes landed in the first quarter of the year, 50 percent less than last year.

Japanese squid catches were 368 000 tonnes in 1998, down 41 percent from 1997 landings. 1998 catches of *Todarodes pacificus*, the Japanese

domestic squid resource, totalled 173 000 tonnes, down from 366 000 tonnes in 1997. There are indications that the 1997 record catch of *Illex* from the Southwest Atlantic will be overtaken in 1999. The Japanese cuttlefish market stayed relatively stable. In the first three months of 1999, Japan imported some 11 500 tonnes of cuttlefish, 10 percent more than in the same period of 1998. The increase came from higher imports from Eastern Central Atlantic countries, with Morocco reporting the biggest increase in shipments.

It is anticipated that *Illex* prices will collapse in the medium term. The buying interest in Spain, where price levels have remained relatively high, is not expected to absorb the huge quantities of *Illex* caught in the South West Atlantic. Once the inventories build up in Spain, the *Illex* price will start to decline, which could lead to a strong downward spiral of squid prices on the world market. A similar situation has already occurred several times over the past years.

FERTILIZERS

Urea spot prices in international markets remained stable over recent months, and are between 11 and 25 percent lower than one year ago. Urea supplies in the Russian Federation are tight due to production disruption and fuel shortage that cause delivery delays. Heavy flooding in the Philippines has impeded seasonal demand for urea. The government of Pakistan is exploring the feasibility of reducing urea imports by imposing import duties to reduce the price differential between urea and phosphate fertilizers in an effort to foster more efficient fertilizer application. Additional urea imports of approximately 125 000 tonnes in India will meet seasonal demand and compensate for lower domestic ammonia production. In Indonesia export licences have been issued for the third quarter for up to 180 000 tonnes. Domestic stocks in Viet Nam are adequate and imports from CIS countries will arrive in September. Imports in many Latin American countries are high. Imports in Mexico, however, are low in anticipation of an anti-dumping decision on CIS urea imports. Credit restrictions in Brazil continue to impede urea imports after the devaluation of the Real in 1998. Urea demand in the United States remains low until the autumn planting season. Anti-dumping measures on urea imports from CIS countries are expected in August. Many plants are running at 50 percent capacity and urea prices are not likely increase in the short term.

Ammonia prices increased world wide due to a shortage of the product in the Ukraine and North and Latin America. Algerian production capacity is

temporarily lower for technical reasons. India will increase ammonia imports from various sources to meet demand resulting from an expansion in urea production. Demand from Asia, the Middle East and the United States is strong.

International spot market prices for **ammonium sulphate** in the U.S. Gulf are considerably lower than in 1998. Prices are about 23 percent higher in eastern and western Europe compared to one year ago. Prices in the last few months have been stable.

Diammonium phosphate (DAP) prices fell slightly in July and were on average about 10 percent lower than in mid-1998. The downward trend in international spot prices may continue until China enters the market in the fourth quarter. High inventories are delaying issuance of import quotas. Pakistan estimates its seasonal Rabi planting requirements at 600 000 tonnes which will largely be met from carryover stocks and domestic production, with any shortfall to be covered by imports. Near East and North African suppliers have scheduled exports to Brazil, China, Malaysia and the Philippines. There are concerns in India over possible oversupply as demand declined due to weak rains in parts. Russian and Mexican suppliers are at present fully committed to export DAP to New Zealand, India and some Latin American countries. The DAP market in the United States is calm, inventory levels are high and the demand in the autumn is weak.

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

	1999		1998	Change from last year ^{1/} (. percentage .)
	June	July	July	
	(..... US\$/tonne)			
Urea				
eastern Europe	63-64	63-65	84-87	- 25.1
Near East	93-96	91-93	97-111	- 11.5
Ammonium Sulphate				
eastern Europe	41-44	41-43	30-38	+ 23.5
U.S. Gulf	27-32	27-32	59-63	- 51.6
western Europe	51-54	51-54	40-45	+ 23.5
Far East	62-62	65-66	68-73	- 7.1
Diammonium Phosphate				
Jordan	196-200	195-198	214-220	- 9.4
North Africa	185-192	179-187	210-216	- 14.1
U.S. Gulf	184-187	181-184	208-210	- 12.7
Triple Superphosphate				
North Africa	145-151	142-145	162-165	- 12.2
U.S. Gulf	159-163	152-155	175-176	- 12.5
Muriate of Potash				
eastern Europe	98-111	97-113	89-102	+ 9.9
Vancouver	118-131	118-131	115-127	+ 2.9
western Europe	129-137	127-135	126-136	+ 0.0

SOURCE: Compiled from Fertilizer Week and Fertilizer Market Bulletin.

^{1/} From mid-point of given ranges.

Prices for **triple superphosphate (TSP)** fell by 12 percent compared to 1998. Morocco exports a large volume of TSP to the Islamic Republic of Iran. Prices for North African TSP are unlikely to increase in view of reduced demand in Brazil. France and Italy are expected to enter the market in August/September. In the USA, exports were down by 2 percent compared to 1998 due to decreased demand from Latin America.

Muriate of potash (MOP) prices in eastern Europe and North America are higher than one year ago, but in western Europe spot prices are at the same level. Potash producers continue with mine shutdowns to maintain supply/demand balance. Import quotas in China are around 4.2 million tonnes for the second half of 1999. Demand in Brazil, Europe and USA is weak. The Philippines, Indonesia, and Sri Lanka will enter the market to meet seasonal import requirements.

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

,1,2,3*,1,>	Wheat			Coarse Grains		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	(..... million tonnes)					
ASIA	265.7	255.1	257.3	198.4	222.6	225.5
Bangladesh	1.5	1.8	1.9	0.1	0.1	0.1
China ^{1/}	123.3	110.0	112.0	119.6	141.7	147.2
India	69.3	65.9	73.5	30.9	31.4	32.5
Indonesia	-	-	-	8.8	10.1	9.1
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	7.0	3.1	1.5	1.8
Korea, D. P. R.	-	0.2	0.2	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	1.5	0.6	0.6	0.7
Thailand	-	-	-	4.1	5.2	5.0
Turkey	18.7	21.0	18.0	10.8	10.9	9.7
Viet Nam	-	-	-	1.3	1.2	1.3
AFRICA	14.9	18.2	16.3	77.8	81.2	81.0
North Africa	10.0	14.0	12.7	9.1	10.7	10.9
Egypt	5.8	6.1	6.3	6.7	7.0	7.0
Morocco	2.3	4.4	2.1	1.7	2.2	1.7
Sub-Saharan Africa	5.0	4.2	3.7	68.8	70.5	70.1
Western Africa	0.1	0.1	0.1	29.3	32.8	30.2
Nigeria	0.1	0.1	0.1	18.5	19.3	18.3
Central Africa	-	-	-	2.4	2.7	2.5
Eastern Africa	2.2	2.2	1.9	19.9	20.2	22.1
Ethiopia	1.1	1.1	1.5	8.4	6.1	9.5
Sudan	0.6	0.5	0.2	3.9	5.1	4.7
Southern Africa	2.7	1.9	1.7	17.1	14.8	15.2
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.3	1.5	1.3	9.6	8.1	7.5
Zimbabwe	0.3	0.3	0.3	2.4	1.6	1.7
CENTRAL AMERICA	3.7	3.3	3.4	27.0	28.6	28.3
Mexico	3.7	3.2	3.4	23.9	25.4	24.8
SOUTH AMERICA	20.1	15.7	16.3	63.7	63.0	59.5
Argentina	14.8	10.7	11.5	19.7	24.2	17.8
Brazil	2.4	2.2	2.3	35.6	30.6	33.6
Colombia	0.1	0.1	0.1	1.3	1.6	1.5
NORTH AMERICA	91.8	93.8	88.0	285.9	298.5	292.8
Canada	24.3	24.4	25.0	25.3	26.8	26.0
United States	67.5	69.4	63.0	260.6	271.8	266.8
EUROPE	197.3	188.0	175.9	241.7	202.5	202.6
Bulgaria	3.6	3.3	2.6	2.6	2.4	2.2
EC ^{2/}	95.1	102.8	97.2	110.6	105.9	100.1
Hungary	5.3	5.0	3.1	8.9	8.1	8.4
Poland	8.2	9.5	9.3	17.2	17.6	16.8
Romania	7.1	5.2	4.7	15.0	10.3	11.6
Russian Fed.	44.3	30.0	31.0	42.2	22.6	27.6
Ukraine	19.0	17.0	14.5	16.6	11.6	11.4
OCEANIA	19.7	21.3	22.1	10.7	9.1	9.2
Australia	19.4	21.1	21.9	10.0	8.5	8.6
WORLD	613.2	595.4	579.3	905.3	905.6	899.0
Developing countries	285.5	276.7	276.4	352.4	384.1	383.4
Developed countries	327.8	318.7	302.8	553.0	521.5	515.5

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Including Taiwan Province.

^{2/} Fifteen member countries.

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

,1,2,3,*1,>	Rice (paddy)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	(..... million tonnes)					
ASIA	527.5	524.4	530.6	991.6	1002.1	1013.4
Bangladesh	28.3	29.5	30.8	29.8	31.4	32.7
China 2/	202.8	193.1	197.2	445.6	444.9	456.4
India	123.6	127.2	127.6	223.8	224.5	233.7
Indonesia	49.4	49.2	49.5	58.2	59.3	58.7
Iran, Islamic Rep. of	2.4	2.8	2.3	16.4	18.4	14.5
Japan	12.5	11.2	11.3	13.3	12.0	12.0
Kazakhstan	0.3	0.2	0.2	12.4	7.2	9.0
Korea, D. P. R.	1.7	2.1	1.9	2.9	4.2	4.0
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	11.1	14.3	14.1	15.1
Saudi Arabia	-	-	-	1.9	2.4	2.2
Thailand	22.6	22.6	22.9	26.7	27.9	27.9
Turkey	0.3	0.3	0.3	29.7	32.3	28.0
Viet Nam	28.9	29.1	29.0	30.2	30.3	30.3
AFRICA	16.9	15.9	17.5	109.6	115.3	114.8
North Africa	5.5	4.5	6.0	24.6	29.2	29.6
Egypt	5.5	4.5	5.9	18.0	17.6	19.3
Morocco	-	-	-	4.1	6.6	3.8
Sub-Saharan Africa	11.4	11.4	11.5	85.1	86.0	85.3
Western Africa	7.4	7.1	7.1	36.8	39.9	37.4
Nigeria	3.8	3.4	3.4	22.3	22.8	21.7
Central Africa	0.4	0.4	0.4	2.9	3.1	3.0
Eastern Africa	0.8	1.2	1.0	22.8	23.5	25.0
Ethiopia	-	-	-	9.5	7.2	10.9
Sudan	-	-	-	4.5	5.7	4.9
Southern Africa	2.8	2.7	2.9	22.6	19.5	19.9
Madagascar	2.6	2.4	2.6	2.7	2.6	2.8
South Africa	-	-	-	11.9	9.7	8.8
Zimbabwe	-	-	-	2.7	1.9	2.0
CENTRAL AMERICA	2.3	2.2	2.3	33.1	34.1	34.0
Mexico	0.5	0.5	0.5	28.0	29.1	28.6
SOUTH AMERICA	18.1	17.0	20.8	102.0	95.7	96.6
Argentina	1.2	1.0	1.7	35.7	36.0	31.0
Brazil	9.5	8.5	11.4	47.6	41.3	47.3
Colombia	1.8	1.8	1.8	3.1	3.4	3.4
NORTH AMERICA	8.3	8.5	9.7	386.0	400.9	390.5
Canada	-	-	-	49.5	51.2	51.0
United States	8.3	8.5	9.7	336.5	349.7	339.5
EUROPE	3.2	3.1	3.1	442.3	393.6	381.6
Bulgaria	-	-	-	6.1	5.7	4.9
EC 3/	2.8	2.6	2.6	208.4	211.3	199.9
Hungary	-	-	-	14.2	13.1	11.5
Poland	-	-	-	25.4	27.1	26.1
Romania	-	-	-	22.1	15.4	16.3
Russian Fed.	0.3	0.4	0.4	86.8	53.0	58.9
Ukraine	0.1	0.1	0.1	35.7	28.7	25.9
OCEANIA	1.4	1.4	1.4	31.9	31.8	32.7
Australia	1.4	1.3	1.4	30.8	30.9	31.8
WORLD	577.8	572.4	585.4	2096.4	2073.4	2063.7
Developing countries	551.6	547.4	559.1	1189.5	1208.2	1219.0
Developed countries	26.2	25.0	26.3	906.9	865.2	844.7

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**

,1,2,3*,1,>	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	48.8	46.0	48.2	54.2	52.9	54.4
Bangladesh	0.8	2.3	1.2	-	-	-
China 2/	3.1	1.6	2.8	6.8	7.7	7.6
China, Hong Kong SAR	0.4	0.4	0.4	-	-	-
Georgia	0.6	0.5	0.6	-	-	-
India	2.3	1.4	0.8	0.2	0.2	0.2
Indonesia	4.0	3.3	2.8	1.3	0.1	0.2
Iran, Islamic Rep. of	4.0	3.2	5.8	1.7	1.5	2.1
Japan	6.0	6.0	6.1	21.0	20.8	21.1
Korea, Rep. of	3.9	4.6	3.9	8.0	7.6	8.3
Malaysia	1.1	1.2	1.3	2.3	2.2	2.3
Pakistan	4.3	3.0	3.8	-	-	-
Philippines	2.0	2.1	2.3	0.4	0.3	0.4
Saudi Arabia	-	-	-	6.0	6.0	6.0
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	0.9	1.0	-	0.1	0.1
Syria	0.2	0.1	0.1	0.5	0.5	0.5
Thailand	0.7	0.7	0.7	0.3	0.1	0.1
Uzbekistan	0.9	0.5	0.4	-	-	-
Yemen	2.5	2.4	2.5	0.2	0.2	0.2
AFRICA	23.5	22.0	22.5	10.3	11.5	12.1
North Africa	17.0	15.4	15.9	5.9	7.8	7.1
Algeria	4.6	4.3	3.7	1.1	1.5	1.0
Egypt	7.1	6.8	7.0	2.9	3.5	3.2
Morocco	2.8	2.1	2.8	0.9	1.5	1.6
Tunisia	1.2	0.9	1.0	0.5	0.6	0.6
Sub-Saharan Africa 3/	6.4	6.5	6.6	4.3	3.7	5.0
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.3	0.6	0.6	-	0.1	-
Kenya	0.5	0.3	0.3	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	0.5	0.4	-	-	-
CENTRAL AMERICA	4.7	5.6	5.7	9.5	11.6	11.6
Mexico	2.2	2.4	2.4	7.0	8.6	8.5
SOUTH AMERICA	9.8	12.1	11.5	5.8	7.0	6.0
Brazil	5.6	7.0	6.5	1.2	1.5	0.9
Colombia	0.9	1.1	1.1	1.5	1.5	1.6
Peru	1.1	1.2	1.2	0.9	1.1	1.1
Venezuela	1.2	1.3	1.3	1.0	1.3	1.3
NORTH AMERICA	2.5	2.9	2.8	4.1	3.2	3.4
EUROPE	9.8	8.9	9.9	5.1	6.1	6.8
EC 4/	3.7	3.5	3.5	2.4	3.5	2.9
Russian Fed.	3.0	2.0	3.0	0.8	0.7	1.6
OCEANIA	0.4	0.4	0.5	0.1	0.1	0.1
WORLD	99.6	98.0	101.0	89.0	92.3	94.5
Developing countries	76.4	75.6	77.5	57.2	60.6	61.0
Developed countries	23.2	22.4	23.5	31.8	31.8	33.5

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Including the Republic of South Africa.

4/ Excluding trade between the fifteen EC member countries.

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

,1,2,3,*1,>	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	17.0	13.0		120.0	112.0	
Bangladesh	2.5	1.5		3.3	3.8	
China ^{2/}	0.2	0.2		10.2	9.5	
China, Hong Kong SAR	0.3	0.3		0.8	0.8	
Georgia	-	-		0.6	0.5	
India	-	-		2.5	1.6	
Indonesia	6.0	3.5		11.3	6.9	
Iran, Islamic Rep. of	0.5	0.8		6.2	5.5	
Japan	0.5	0.7		27.4	27.5	
Korea, Rep. of	0.1	0.1		12.0	12.3	
Malaysia	0.6	0.7		4.0	4.1	
Pakistan	-	-		4.3	3.0	
Philippines	2.1	1.2		4.5	3.6	
Saudi Arabia	0.8	0.8		6.8	6.8	
Singapore	0.3	0.3		0.7	0.8	
Sri Lanka	0.2	0.1		1.1	1.1	
Syria	0.2	0.2		0.9	0.8	
Thailand	-	-		1.0	0.8	
Uzbekistan	-	-		0.9	0.5	
Yemen	0.2	0.2		2.8	2.7	
AFRICA	4.4	4.6		38.1	38.1	
North Africa	0.2	0.2		23.1	23.4	
Algeria	-	0.1		5.7	5.9	
Egypt	-	-		10.0	10.3	
Morocco	-	-		3.7	3.6	
Tunisia	-	-		1.8	1.5	
Sub-Saharan Africa ^{3/}	4.2	4.3		14.9	14.6	
Cote d'Ivoire	0.5	0.6		0.8	0.8	
Ethiopia	-	-		0.3	0.6	
Kenya	0.1	0.1		1.7	0.8	
Madagascar	-	0.1		0.1	0.1	
Senegal	0.5	0.5		0.8	0.8	
Sudan	-	-		0.6	0.5	
CENTRAL AMERICA	1.4	1.4		15.6	18.6	
Mexico	0.3	0.3		9.4	11.3	
SOUTH AMERICA	2.2	1.3		17.8	20.4	
Brazil	1.5	0.8		8.2	9.3	
Colombia	0.3	0.3		2.7	2.8	
Peru	0.2	0.2		2.3	2.5	
Venezuela	-	-		2.3	2.6	
NORTH AMERICA	0.6	0.6		7.2	6.7	
EUROPE	1.5	1.4		16.4	16.4	
EC ^{4/}	0.7	0.7		6.7	7.6	
Russian Fed.	0.3	0.3		4.0	2.9	
OCEANIA	0.3	0.3		0.8	0.8	
WORLD	27.3	22.7	22.6 ^{5/}	215.9	213.0	218.1
Developing countries	24.1	19.3	19.1	157.7	155.4	157.6
Developed countries	3.2	3.4	3.5	58.2	57.6	60.5

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**

,1,2,3,*1,>	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	7.7	7.4	5.4	9.6	5.9	5.9
China 2/	0.5	0.3	0.2	7.0	3.4	4.2
India	-	0.1	0.5	-	-	-
Indonesia	-	-	-	0.5	0.4	0.2
Japan	0.3	0.3	0.3	-	-	-
Kazakhstan	3.4	2.0	2.0	0.8	0.3	0.5
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.1	0.6	0.6	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	-	0.2	0.2
Turkey	1.3	2.8	1.0	0.9	1.3	0.6
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.2	0.1	3.5	2.3	1.7
Egypt	-	-	-	-	-	-
South Africa	0.2	0.1	0.1	1.3	1.0	0.2
Sudan	-	-	-	0.1	0.3	0.4
Zimbabwe	-	-	-	0.3	0.1	-
CENTRAL AMERICA	0.3	0.2	0.2	0.1	0.1	0.1
SOUTH AMERICA	9.0	8.5	8.1	13.7	11.3	11.7
Argentina	8.9	8.3	8.0	13.1	10.8	11.3
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	49.2	42.9	49.5	47.9	55.3	56.9
Canada	21.1	13.9	17.5	3.5	2.5	2.9
United States	28.1	29.0	32.0	44.4	52.8	54.0
EUROPE	18.8	24.0	20.6	10.9	15.4	14.5
EC 3/	12.9	14.2	16.5	4.0	10.5	10.0
Hungary	1.6	1.5	0.8	2.4	2.0	2.0
Poland	-	0.5	0.1	0.1	0.1	0.1
Romania	0.9	0.5	0.3	1.2	0.5	0.8
Russian Fed.	1.0	1.4	0.2	1.5	0.2	-
Ukraine	1.6	4.4	2.0	1.0	1.4	1.1
OCEANIA	15.3	15.8	17.0	3.0	4.5	3.6
Australia	15.2	15.8	17.0	3.0	4.5	3.6
WORLD	100.6	99.0	101.0	88.6	94.8	94.5
Developing countries	13.3	13.8	11.4	24.7	18.3	18.7
Developed countries	87.3	85.2	89.6	63.9	76.5	75.8

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**

,1,2,3,*1,>	Rice (milled)			Total Cereals ^{1/}		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	21.4	16.8		38.7	30.2	
China ^{2/}	3.8	1.9		11.3	5.5	
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	2.3	
Myanmar	0.1	0.2		0.2	0.3	
Pakistan	2.0	2.1		2.1	2.7	
Saudi Arabia	-	-		-	-	
Thailand	6.4	5.5		6.4	5.7	
Turkey	-	-		2.2	4.1	
Viet Nam	3.8	4.0		4.0	4.2	
AFRICA	0.4	0.3		4.1	2.8	
Egypt	0.3	0.3		0.3	0.3	
South Africa	-	-		1.5	1.0	
Sudan	-	-		0.1	0.3	
Zimbabwe	-	-		0.3	0.1	
CENTRAL AMERICA	-	-		0.4	0.3	
SOUTH AMERICA	1.6	1.9		24.3	21.6	
Argentina	0.6	0.7		22.6	19.8	
Suriname	0.1	0.1		0.1	0.1	
Uruguay	0.6	0.7		0.7	0.8	
NORTH AMERICA	3.2	2.8		100.3	101.0	
Canada	-	-		24.6	16.4	
United States	3.2	2.8		75.6	84.5	
EUROPE	0.2	0.2		30.0	39.6	
EC ^{3/}	0.2	0.2		17.1	24.9	
Hungary	-	-		4.0	3.5	
Poland	-	-		0.1	0.6	
Romania	-	-		2.1	1.0	
Russian Fed.	-	-		2.5	1.5	
Ukraine	-	-		2.6	5.8	
OCEANIA	0.6	0.7		18.8	21.0	
Australia	0.6	0.7		18.7	21.0	
WORLD	27.4	22.7	22.6 ^{4/}	216.6	216.5	218.0
Developing countries	22.6	18.5	18.2	60.6	50.6	48.2
Developed countries	4.8	4.2	4.4	156.0	165.9	169.8

SOURCE: FAO

Note: Totals computed from unrounded data.

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

^{2/} Including Taiwan Province.

^{3/} Excluding trade between the fifteen EC member countries.

^{4/} Highly Tentative.

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

,1,2,3,4,12,20,28,36,44, *,1,>	Wheat <u>1/</u>			Coarse Grains <u>2/</u>			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)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	12.1	19.7	25.7	27.0	38.2	52.0	0.9	0.9	1.0
Production	67.5	69.4	63.0	260.6	271.7	266.8	6.0	6.1	7.0
Imports	2.6	2.8	2.9	2.7	2.8	2.6	0.3	0.3	0.3
Total Supply	82.2	91.9	91.6	290.3	312.7	321.4	7.1	7.4	8.4
Domestic use	34.2	37.8	35.9	206.9	208.2	210.5	3.5	3.6	3.7
Exports	28.3	28.4	31.3	45.2	52.5	55.0	2.8	2.8	2.8
Closing stocks	19.7	25.7	24.4	38.2	52.0	55.8	0.9	1.0	1.9
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) <u>3/</u>		
Opening stocks	9.0	6.1	8.5	4.9	4.4	4.9	1.1	0.8	1.0
Production	24.3	24.4	25.0	25.3	26.8	26.0	15.0	15.0	15.2
Imports	0.1	0.1	0.1	1.5	0.7	0.7	0.0	0.0	0.0
Total Supply	33.4	30.6	33.6	31.7	31.9	31.7	16.0	15.7	16.1
Domestic use	7.3	7.6	7.6	23.7	23.9	23.8	8.9	9.3	9.3
Exports	20.0	14.5	17.0	3.6	3.0	3.0	6.4	5.5	5.7
Closing stocks	6.1	8.5	9.0	4.4	4.9	4.9	0.8	1.0	1.2
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) <u>3/ 4/</u>		
Opening stocks	1.2	0.7	0.4	0.1	0.4	1.9	12.3	14.5	12.3
Production	14.8	10.7	11.5	19.7	24.2	17.8	139.0	132.4	135.2
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3
Total Supply	16.0	11.4	11.9	19.8	24.6	19.8	151.5	147.0	147.7
Domestic use	4.9	4.7	4.8	7.6	9.1	8.9	133.2	132.9	133.4
Exports	10.4	6.3	7.0	11.7	13.6	10.4	3.8	1.9	2.0
Closing stocks	0.7	0.4	0.1	0.4	1.9	0.5	14.5	12.3	12.3
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) <u>3/</u>		
Opening stocks	2.9	1.5	1.5	1.1	2.1	1.4	0.4	0.4	0.5
Production	19.4	21.1	21.9	10.0	8.5	8.6	4.3	4.7	4.7
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	22.3	22.6	23.3	11.1	10.6	10.0	4.7	5.1	5.1
Domestic use	5.1	5.1	5.0	5.6	5.4	5.8	2.4	2.5	2.6
Exports	15.7	16.1	16.8	3.4	3.8	3.7	2.0	2.1	2.0
Closing stocks	1.5	1.5	1.5	2.1	1.4	0.5	0.4	0.5	0.5
	EC (July/June) <u>5/</u>			EC <u>5/</u>			VIET NAM (Nov./Oct.) <u>3/</u>		
Opening stocks	11.0	14.0	19.8	15.8	23.2	21.1	1.7	1.9	1.9
Production	95.1	102.8	97.2	110.6	105.9	100.1	18.8	18.9	18.9
Imports	3.7	3.5	3.5	2.4	3.5	2.9	0.0	0.0	0.0
Total Supply	109.8	120.3	120.5	128.8	132.6	124.1	20.5	20.8	20.8
Domestic use	82.6	86.0	86.5	101.6	101.0	100.0	14.8	14.9	15.1
Exports	13.2	14.5	16.7	4.0	10.5	10.0	3.8	4.0	3.9
Closing stocks	14.0	19.8	17.3	23.2	21.1	14.1	1.9	1.9	1.9
TOTAL ABOVE									
Opening stocks	36.2	42.0	55.9	48.8	68.2	81.4	16.3	18.4	16.6
Production	221.1	228.4	218.6	426.2	437.1	419.3	183.0	177.2	180.9
Imports	6.3	6.4	6.4	6.6	7.1	6.2	0.5	0.5	0.6
Total Supply	263.6	276.8	280.9	481.6	512.4	506.9	199.9	196.1	198.1
Domestic use	134.1	141.1	139.8	345.3	347.6	349.1	162.8	163.3	164.0
Exports	87.6	79.8	88.8	68.0	83.4	82.1	18.7	16.2	16.3
Closing stocks	42.0	55.9	52.3	68.2	81.4	75.8	18.4	16.6	17.8

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

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

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

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

,1,2,3,5,8,10,14,18,21,53,*,1,>	Crop Years ending in:						
	1994	1995	1996	1997	1998	1999 estim.	2000 forecast
	(..... million tonnes))						
TOTAL CEREALS	342.9	312.0	252.3	294.8	329.8	336.4	322.9
held by:							
- main exporters 2/	119.5	110.7	74.3	101.3	128.6	153.9	145.8
- others	223.4	201.3	178.0	193.5	201.2	182.5	177.1
BY GRAINS							
Wheat	145.3	115.5	101.8	112.6	137.6	142.5	131.8
held by:							
- main exporters 2/	46.9	32.6	28.7	36.2	42.0	55.9	52.3
- others	98.5	82.9	73.1	76.4	95.6	86.6	79.5
Coarse Grains	135.3	141.5	98.5	126.4	137.4	140.9	136.6
held by:							
- main exporters 2/	53.5	63.7	31.3	48.8	68.2	81.4	75.8
- others	81.8	77.8	67.1	77.6	69.1	59.6	60.8
Rice (milled basis)	62.2	55.0	52.0	55.8	54.9	52.9	54.5
held by:							
- main exporters 2/	19.1	14.5	14.3	16.3	18.4	16.6	17.8
- others	43.1	40.5	37.7	39.5	36.5	36.3	36.7
BY REGIONS							
Developed Countries	174.2	158.7	102.0	123.1	167.4	172.0	160.4
North America	59.9	69.3	35.2	53.9	69.2	92.2	96.1
Canada	16.2	9.2	9.8	14.0	10.5	13.5	14.0
United States	43.7	60.2	25.5	39.9	58.7	78.8	82.1
Others	114.3	89.4	66.8	69.2	98.2	79.7	64.3
Australia	4.6	2.6	3.0	4.0	3.7	3.0	2.1
EC 4/	36.0	25.0	22.2	27.0	37.4	41.1	31.6
Japan	4.3	5.5	6.1	6.7	6.7	5.9	5.7
Russian Fed.	25.2	15.9	7.2	6.5	18.0	5.7	3.9
South Africa	2.3	3.2	1.3	1.7	3.4	1.7	1.3
Developing Countries	168.6	153.3	150.2	171.8	162.4	164.4	162.5
Asia	138.5	122.2	125.3	139.7	133.3	134.3	134.0
China 4/	56.4	48.2	53.3	63.7	56.4	53.4	54.0
India 5/	19.0	24.1	18.4	10.7	19.0	21.0	21.5
Indonesia	6.1	5.0	6.0	6.4	4.7	4.8	3.9
Iran, Islamic Rep. of	5.2	5.4	4.6	5.9	4.8	4.8	4.2
Korea, Rep. of	3.3	2.4	1.8	2.5	2.8	3.0	3.4
Pakistan	4.1	3.2	3.3	3.6	4.1	4.2	3.8
Philippines	2.1	1.2	1.9	2.0	2.0	1.8	1.9
Syria	2.8	3.0	3.3	3.2	2.2	2.1	1.0
Turkey	4.5	1.9	4.0	5.9	5.9	5.7	3.6
Africa	15.1	16.8	10.1	18.5	15.2	16.2	15.3
Algeria	2.3	2.7	1.5	2.0	1.0	1.5	2.0
Egypt	2.1	1.3	1.6	2.2	2.6	2.7	2.8
Morocco	0.2	2.9	0.6	3.8	2.0	2.9	1.6
Tunisia	1.4	1.5	1.0	2.1	1.8	1.7	1.7
Central America	4.6	4.6	6.3	6.9	7.0	7.2	7.0
Mexico	2.9	2.8	5.0	5.7	6.1	6.3	6.0
South America	10.3	9.5	8.5	6.5	6.7	6.7	6.2
Argentina	1.1	0.7	0.8	1.5	1.3	2.4	0.8
Brazil	5.2	5.8	5.0	2.5	2.7	1.6	3.2
WORLD STOCKS	(..... percentage))						
as % of consumption	19.0	17.4	13.6	15.8	17.6	17.8	16.9

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

,1,2,3,4*,1,>	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 2/	Argentina Trigo Pan 3/	U.S. No.2 Yellow 4/	Argentina 3/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 4/
	(..... US\$/tonne						
July/June							
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
1998/99	120	100	118	95	98	92	203
1998 - August	112	93	118	88	99	91	213
1999 - 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	112	97	121	93	98	89	179
June	112	94	129	94	98	91.0	180
July	105	92	127	80	94	79.0	163
August 5/ I	116	82	128	75	97	81.0	166
II	116	112	..	70	100	76	155
III	114	115	129	72	98	75	165
IV	115	95	130	70	94	77	163

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

,1,2,3,4,5*,1,8,>	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 1/ 100%	Thai broken	U.S. Long grain	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and meals
	B	2/	3/		High	Low			
January/December	(.... US\$/tonne ...)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
1995	336	268	371	129	124	146	1989/90	93	97
1996	352	234	430	136	136	136	1990/91	97	100
1997	316	214	439	127	129	120	1991/92	103	104
1998	315	215	413	127	128	126	1992/93	103	97
1998 - August	314	230	392	132	132	133	1993/94	128	93
1999 - April	238	184	356	112	114	106	1994/95	154	94
May	252	185	334	113	115	109	1995/96	140	128
June	259	201	332	115	115	114	1996/97 - Oct.-Mar.	136	134
July	257	209	323	114	114	115	- Apr.-Sep.	134	132
August I	255	210	308) 114	114	114	1997/98 - Oct.-Mar.	151	130
II	256	210	319				- Apr.-Sep.	159	103
III	246	203	330				1998/99 - Oct.-Mar.	142	90
IV	239	194	330				- Apr.-July	114	72

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 ^{1/}

,1,2,3,4,11,* ,1,>	September		December		March		May	
	this year	last year	this year	last year	this year	last year	this year	last year
WHEAT	(..... US\$/tonne))							
July 22	93	98	99	104	104	109	107	112
29	97	93	103	98	108	104	111	107
August 5	102	91	108	97	113	102	116	106
12	97	95	103	101	108	107	111	110
19	100	95	106	101	111	106	115	109
26	98	90	104	96	109	102	113	106
MAIZE	(..... US\$/tonne))							
July 22	81	90	85	91	89	95	91	98
29	80	89	84	89	88	93	91	96
August 5	88	83	93	87	97	91	98	94
12	83	82	88	86	92	91	94	93
19	84	83	89	87	93	91	95	94
26	80	78	85	82	89	87	91	90

SOURCE: Chicago Board of Trade

^{1/} Prices refer to Thursday quotations.

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

,1,2,3,4,* ,1,>	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam ^{1/}	CIS Black Sea ^{1/ 2/}	Egypt (Alexandria) ^{1/}	Bangladesh ^{1/}	East Africa Sudan ¹	China ^{1/}	Japan ^{1/}
July/June	(..... US\$/tonne))						
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	18.1.0	11.70	20.17	-	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	-	27.00	29.17
1998 - August	8.00	22.00	8.00	20.00	-	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	22.00	18.50	-	27.00	30.00
April	9.50	n.q.	10.00	18.50	-	27.00	30.00
May	14.75	40.97	12.00	18.50	-	27.00	30.00
June	14.75	40.97	11.00	18.50	-	27.00	30.00
July	14.75	40.97	11.00	18.50	-	27.00	30.00
August	14.75	40.97	12.10	18.50	-	27.00	31.00

SOURCE: International Grain Council

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

^{1/} Size of vessels: Rotterdam over 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.

^{2/} Excludes CIS and U.S. flag vessels.

Table A.10 - SHIPMENTS OF FOOD AID IN CEREALS, July/June

,1,2,3,8,33,37,43,*1,> Donors	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99 1/ estim.
	(..... thousand tons, grain equivalent 2/)					
Australia	225	258	181	169	296	245
Canada	712	602	436	373	383	221
China	4	0	1	171	122	61
EC 3/	3 140	3 410	2 488	1 992	1 851	2 424
of which:						
Community	2 022	2 488	1 731	1 091	904	1 035
National Action	1 118	921	757	901	947	1 389
Austria	9	15	13	12	9	0
Belgium	47	32	25	46	31	52
Denmark	39	67	25	73	62	70
Finland	22	9	2	4	1	5
France	197	166	188	207	208	372
Germany	243	242	202	211	225	380
Greece	0	10	25	25	15	4
Ireland	0	8	5	6	10	2
Italy	179	68	86	84	74	126
Luxemburg	1	1	2	2	8	4
Netherlands	157	163	90	86	89	63
Spain	15	8	4	0	3	34
Sweden	89	110	76	42	72	108
United Kingdom	241	156	105	103	141	170
India	0	0	8	5	11	20
Japan	385	398	821	287	315	661
Norway	56	34	14	32	45	57
Switzerland	58	54	35	43	45	32
United States	8 134	4 321	3 037	2 206	2 798	5 616
WFP purchases	1	0	0	17	11	3
Others donors	172	232	285	223	350	152
Total shipments	13 007	9 443	7 397	5 518	6 227	9 492
of which:						
Wheat	7 740	6 589	4 847	3 531	4 108	6 864
Rice	977	733	1 135	644	692	1 090
Coarse grains	4 290	2 121	1 414	1 342	1 427	1 538
of which to:						
Africa	3 696	3 593	2 526	2 045	2 282	2 237
Asia	3 926	4 067	3 911	2 459	3 129	4 264
Latin America	1 583	1 146	602	607	549	672
Others	3 802	637	358	407	267	2 318
to LIFDC 4/	7 817	7 910	6 400	4 604	5 480	6 764
of which:						
Sub-Saharan Africa	3 271	3 348	2 305	1 855	2 173	2 201
Channelled multilaterally	3 287	2 846	2 316	2 303	2 216	2 839
As percent of Total shipments	25	30	31	42	36	32

SOURCE: Compiled from data provided by donors and the World Food Programme.

1/ Estimated partly on the basis of minimum commitments under the Food Aid Convention of 1995, budgetary allocations and other sources.

2/ To express cereal food aid in grain equivalent, wheat, rice and coarse grains are counted on a one to one basis; for grain products, appropriate conversion factors are used to determine the grain equivalent.

3/ Up to 1994/95, twelve member countries; from 1995/96, 15 member countries (including Austria, Finland and Sweden).

4/ Low-income food-deficit countries: for definition see footnote 9/ to table on "Basic facts of the world cereal situation".

Table A.11 - INTERNATIONAL EMERGENCY FOOD RESERVE (IEFR) and PROTRACTED REFUGEE OPERATIONS (PRO) in 1998 and 1999- Contributions as of August 1999

,1,2,3,4,27,*;1,> Commodity/Donor	IEFR		PRROs	
	Channelled through WFP ^{1/}		1998	1999
	1998	1999		
	(..... tonnes)			
Total Cereals ^{2/}	199 0751.0	105 9897.0	538 603	203 724
Australia	63 947	48 342	21 671	4 232
Austria	-	-	500	1 339
Belgium	10 652	3 478	9 635	-
Canada	18 480	50 018	-	-
Denmark	6 189	11 925	-	1 000
EC	247 901	40 081	61 300	-
Finland	1 366	1 329	-	-
France	35 799	7 410	5 100	17 555
Germany	47 792	15 669	19 134	17 820
Ireland	1 765	2 962	-	-
Italy	2 581	3 091	-	3 200
Japan	145 583	5 311	47 498	15 899
Korea Rep. of	40 000	-	-	-
Netherlands	13 633	21 215	16 940	11 072
Norway	4 868	2 516	-	-
Spain	2 252	-	-	522
Sweden	18 965	9 063	13 218	5 250
Switzerland	14 826	13 341	10 466	6 717
United Kingdom	171 770	13 929	10 854	-
United States	1 137 424	804 480	320 732	119 095
Other donors	4 958	5 737	1 555	23
Total non cereals	206 071	170 024	100 794	100 194
Australia	2 835	2 500	40	222
Austria	1 626	-	-	-
Belgium	497	-	-	-
Canada	12 826	8 212	1 200	1 946
Denmark	4 918	3 696	6 166	2 402
EC	27 004	14 671	12 375	-
Finland	1 052	1 377	126	275
Germany	7 540	903	-	-
Ireland	1 215	744	717	-
Italy	150	164	-	780
Japan	11 611	5 537	3 967	2 669
Korea Rep. of	94	-	-	-
Netherlands	11 361	11 780	11 152	14 031
New Zealand	200	82	-	-
Norway	3 590	1 792	170	2 272
Sweden	2 496	2 818	2 670	3 585
Switzerland	2 300	887	3 105	4 043
United Kingdom	11 948	2 529	684	-
United States	100 307	110 892	58 422	67 861
Other donors	2 501	1 440	-	108

SOURCE: WFP

^{1/} Excluding bilateral contributions.

^{2/} Includes wheat, coarse grains and rice.

Table A.12 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FORECASTS FOR 1999

	1997	1998	1999	Change 1999 over 1998
	(. million tons)			(. . . percentage . . .)
Wheat	67.5	69.4	63.0	- 9.2
of which: winter	(50.2)	(51.2)	(46.0)	- 10.2
Coarse grains	260.6	271.8	266.8	- 1.8
of which: maize	(233.9)	(247.9)	(242.9)	- 2.0
Rice (paddy)	8.3	8.5	9.7	14.1
Soybeans	73.2	75.0	78.1	4.1

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

Table A.13 – 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)
Coarse grains			Other Crops		
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
TOTAL	39.25	- 4.0	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.14 - CANADA: MARCH INTENTIONS OF PRINCIPAL CROPS AREA FOR 1999

	Seeded 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.15- **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	27.08.99	5.7	5.4	7.8	11.4
Coffee (I.C.O. daily price)	US cents per lb	27.08.99	75.9	80.3	100.6	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	27.08.99	48.1	52.3	77.2	56.0
Tea (all tea, London, weekly)	US\$ per kg.	30.08.99	1.7	1.7	1.7	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	27.08.99	1 360 ^{1/} 1 085 ^{2/}	1 395 ^{1/} 1 110 ^{2/}	1 679 ^{1/} 1 206 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	25.08.99	40.3	41.0	45.5	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	27.08.99	50.5	53.5	67.6	78.5
Wool (64's, London)	Pence per kg	27.08.99	284	306	300	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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