

food outlook

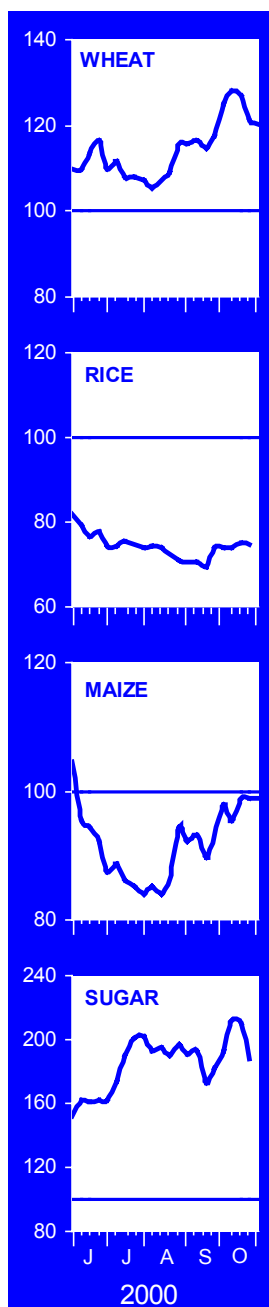
No. 5

Rome, November 2000

highlights

EXPORT PRICES

(July 1999=100)



The outlook for 2000 cereal output has deteriorated somewhat since August due to persisting drought in several important producing countries. The latest forecasts put world production well below anticipated utilization in 2000/01 and point to a significant decline in stocks.

FAO's latest forecast for cereal production in 2000 is 1 848 million tonnes, down 1.7 percent from last year. Output of wheat is forecast at 582 million tonnes, down by 1.4 percent from the previous year while that of coarse grains, at 870 million tonnes, would be 1.5 percent smaller. The forecast for the global rice crop in 2000 is now put at 397 million tonnes (milled basis), 2.3 percent less than last year's record.

The number of people facing serious food shortages has increased, despite a decline in the number of countries affected. (See box on page 4.)

World cereal trade in 2000/01 is now forecast to reach 238 million tonnes, 1 percent above the previous year's volume, reflecting stronger demand for coarse grains and rice in several countries. Wheat imports are expected to remain virtually unchanged from the previous year.

International cereal prices made some small gains since August, mostly reflecting strong import demand amid indications of lower production and prospects for a larger draw down of stocks. For wheat, the increase in higher quality categories was most pronounced.

Global cassava production and consumption are forecast to rise by 2 percent in 2000. Despite growing imports by non-EC countries, global trade in cassava products is anticipated to stagnate, reflecting a depressed demand in the EC. At the same time world prices have fallen to record low levels.

International prices for most dairy products are well above last year's levels and strong prices are expected to be maintained well into 2001. Although global milk output is expected to rise by 2 percent in 2000, surpluses in the major exporters are limited and import demand is strong.

Global sugar production is forecast to decline in 2000/01, and will be overtaken by consumption for the first time in 7 years. International sugar prices have recovered sharply since falling to fourteen-year lows in February this year, supported by increased demand in the recovering economies of the Far East and the Russian Federation amid prospects of tighter supplies.



BASIC FACTS OF THE WORLD CEREAL SITUATION

	1996/97	1997/98	1998/99	1999/2000	2000/01 forecast	Change 2000/01 over 1999/2000
WORLD PRODUCTION ^{1/}	(..... million tonnes) (percentage)					
Wheat	589	613	598	590	582	-1.4
Coarse grains	920	905	911	883	870	-1.5
Rice, milled (paddy)	383 (572)	387 (579)	390 (583)	406 (608)	397 (593)	-2.3 -2.5
All cereals (incl. milled rice)	1 892	1 906	1 898	1 880	1 848	-1.7
Developing countries	1 025	1 005	1 039	1 034	993	-4.0
Developed countries	867	901	860	846	856	1.2
WORLD IMPORTS ^{2/}	(..... million tonnes) (percentage)					
Wheat	103	101	100	109	109	0.1
Coarse grains	91	89	94	103	104	1.3
Rice (milled)	19	28	25	23	24	4.8
All cereals	212	218	219	235	238	1.1
Developing countries	150	160	160	170	171	0.7
Developed countries	62	59	59	66	67	2.1
FOOD AID IN CEREALS ^{3/}	5.6	6.2	11.0	10.2	10.0	-2.2
WORLD UTILIZATION	(..... million tonnes) (percentage)					
Wheat	575	591	590	597	600	0.4
Coarse grains	893	893	896	898	892	-0.6
Rice (milled)	381	383	391	403	403	0.2
All cereals	1 849	1 866	1 878	1 898	1 895	-0.1
Developing countries	1 107	1 110	1 137	1 153	1 149	-0.3
Developed countries	742	756	741	745	746	0.2
Per Caput Food Use	(..... kg/year) (percentage)					
Developing countries	172	172	173	173	173	-0.1
Developed countries	130	130	130	130	131	0.5
WORLD STOCKS ^{4/}	(..... million tonnes) (percentage)					
Wheat	114	137	143	139	121	-13.2
Coarse grains	128	143	154	139	112	-19.2
Rice (milled)	56	55	57	62	55	-10.9
All cereals	298	335	354	340	288	-15.2
Developing countries	176	167	179	179	141	-21.0
Developed countries	122	168	175	161	147	-8.8
Stocks as % of world cereal consumption	16.0	17.9	18.6	17.9	14.8	
EXPORT PRICES ^{5/}	(..... US\$/tonne) (percentage)					
Rice (Thai, 100%, 2nd grade) ^{1/}	352	316	315	253	211 ^{6/}	-17.6 ^{7/}
Wheat (U.S. No.2 Hard Winter)	181	142	120	112	121 ^{8/}	7.1 ^{7/}
Maize (U.S. No.2 Yellow)	135	112	95	91	79 ^{8/}	-11.2 ^{7/}
OCEAN FREIGHT RATES ^{5/}	(..... US\$/tonne ..%) (percentage)					
From U.S. Gulf to Egypt	12.8	11.7	9.3	13.7	16.2 ^{8/}	21.8 ^{7/}
LOW-INCOME FOOD- DEFICIT COUNTRIES ^{9/}	(..... million tonnes ..%) (percentage)					
Roots & tubers production ^{1/}	377	360	385	386	387	0.3
Cereal production (milled rice) ^{1/}	790	774	799	804	759	-5.5
Per caput production (kg.) ^{10/}	224	216	219	217	203	-6.6
Cereal imports ^{2/}	67.5	76.7	69.9	71.6	73.6	2.8
of which: Food aid	4.5	5.3	7.9	6.8	7.7	13.6
Proportion of cereal import covered by food aid	6.6	6.9	11.3	9.5	10.5	

SOURCE: FAO

Note: Totals and percentages computed from unrounded data.

^{1/} Data refer to the calendar year of the first year shown. ^{2/} July/June except for rice for which the data refer to the calendar year of the second year shown. ^{3/} July/June shipments. ^{4/} Stock data are based on aggregate of national carryover levels at the end of national crop years. ^{5/} July/June. ^{6/} Average of quotations for January-October 2000. ^{7/} Change from corresponding period of previous year for which figures are not shown. ^{8/} Average of quotations for July-October 2000. ^{9/} 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.\$ 1 460 in 1998), which in accordance with the guidelines and criteria agreed to by the CFA should be given priority in the allocations of food aid. ^{10/} Includes rice on a milled basis.

Cereals

Supply/Demand Roundup

As more of the 2000 cereal harvests are drawing to a close, it has become clear that drought in several important producing countries has had a greater impact than anticipated earlier. FAO's latest forecast points to a reduction in world cereal production in 2000 to 1 848 million tonnes (including rice in milled equivalent), which would be 33 million tonnes below the forecast in September, and 32 million tonnes, or 1.7 percent, below the estimate for 1999. At this level, cereal output would be well below the anticipated utilization in 2000/01 and, as a result, stocks will have to be drawn down significantly. Moreover, with continuing strong cereal import demand around the world, a somewhat tighter market is likely in the course of the current season. In this context, the size of plantings for the 2001 cereal crops will play an important role in determining price developments in the cereal market in the coming months.

FAO's forecast for world wheat **production** in 2000 has been lowered by a further 5 million tonnes since the last report to 582 million tonnes. The latest revision is largely the result of significant reductions in the forecasts for the southern hemisphere crops still to be harvested in Brazil and Australia, because of a deterioration in weather conditions, as well as several small adjustments to estimates of crops already gathered in the northern hemisphere. These downward revisions more than offset a significant increase in the estimate for the Russian Federation. At the current forecast level, world wheat output in 2000 would be 1.4 percent down from 1999, a decline for the second consecutive year, but would remain about the average

World Cereal Production, Supplies, Trade and Stocks

	1998/99	1999/2000 estimate	2000/01 forecast
(. million tonnes)			
Production 1/	1 898	1 880	1 848
Wheat	598	590	582
Coarse grains	911	883	870
Rice (milled)	390	406	397
Supply 2/	2 234	2 233	2 188
Utilization	1 878	1 898	1 895
Trade 3/	219	235	238
Ending Stocks 4/	354	340	288

Source: FAO

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

2/ Production plus opening stocks.

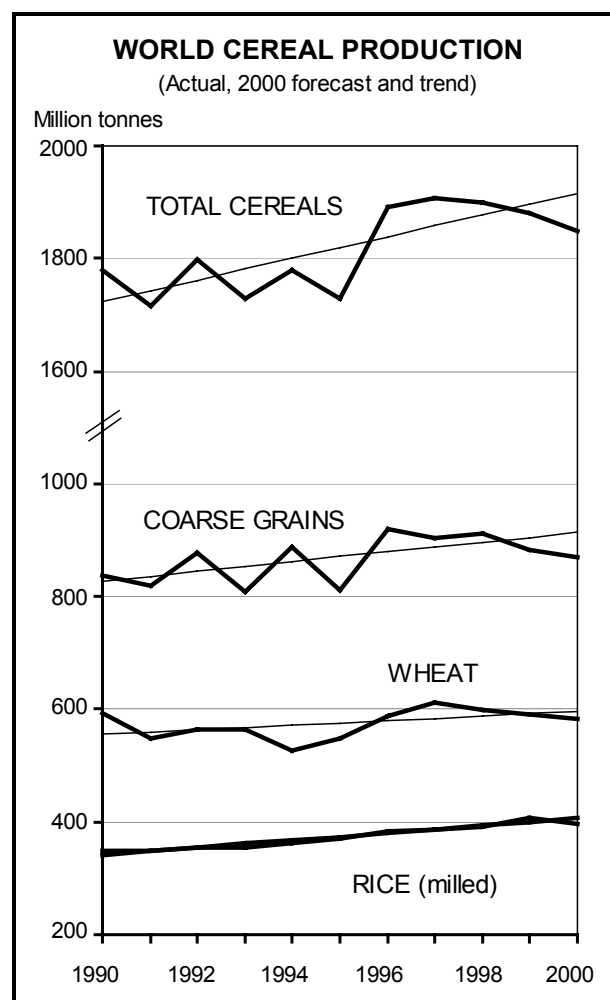
3/ July/June basis for wheat and coarse grains and calendar year for rice.

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

Contents

Table: Basic Facts of the World	
Cereal Situation	2
Cereals	
- Supply/Demand Roundup	3
Box: Food Shortages	5
- Current Production and Crop Prospects	6
- Trade	12
- Carryover Stocks	16
- Export Prices	17
Food Aid	19
Cassava	21
Milk and Milk Products	25
Sugar	27
Fertilizers	29
Statistical Appendix	32-45

of the past five years. Output has increased this year only in Europe and Central America and these gains were more than offset by significant declines in all other regions. Planting of the winter wheat crops for harvest in 2001 is already well underway in the major northern hemisphere producers but weather conditions



are far from ideal in many parts and overall prospects are still uncertain. In the United States, planting pace and crop establishment in the main winter wheat plains is well behind normal due to adverse dry conditions. In Europe, planting in most of the EC countries is somewhat hampered by wet conditions, while in the Iberian Peninsula, and also throughout the bulk of the eastern European countries, dry weather is also the main constraint on planting.

FAO's forecast for the 2000 world coarse grain output has been revised downward substantially by 27 million tonnes since the last report, to 870 million tonnes, mostly as a result of weather-related downward adjustments for Asia, North America, South America and Europe. Persisting drought in southern and central parts of the United States, and throughout most of eastern Europe has been particularly hard on the maize crop; yields have shrunk well below normal in many parts and in some cases whole crops have been wiped out. At the forecast level, global output of coarse grains in 2000 would be 1.5 percent below the 1999 crop, a decline for the second consecutive year, and would fall slightly below the average of the past five years.

Harvesting of the 2000 paddy crop is proceeding in the northern hemisphere countries. Paddy production has been affected by heavy rains and flooding in parts of Asia, particularly in China (Mainland), India, Bangladesh, Nepal, Cambodia, Thailand, Viet Nam and Laos. In the Southern Hemisphere and around the equatorial belt, the 2000 paddy season has generally been concluded and, in some countries, planting of the 2001 crop has already begun. Forecasts for the 2000 global paddy output have been lowered by 1.4 million tonnes from the last report, to 593 million tonnes. At that level, production would be almost 15 million tonnes or about 2.5 percent below the revised estimate for 1999. Most of the contraction can be attributed to the low prices that farmers have received over the last two seasons, which have encouraged them to diversify towards other crops. In some instances, that shift has been supported by government policies aimed at cutting the size of rice inventories. Weather and flood problems contribute only to a minor extent to the contraction in output.

FAO's forecast of world cereal **trade** in 2000/01 (July/June) has been raised by 6 million tonnes, to 238 million tonnes, reflecting stronger demand in several countries, mostly because many cereal crops have turned out smaller than anticipated earlier but also reflecting continuing low international cereal prices. At the forecast level, the volume of cereal imports would be some 2.5 million tonnes, or 1 percent, above the previous year's already record high level. Most of the increase compared to 1999 is accounted for by coarse grains and rice. The forecast of global wheat imports has been revised upward by 2 million tonnes to 109.5 million tonnes, which is virtually unchanged from the previous year. However, imports of wheat by the developing countries as a group, are likely to reach 83 million tonnes, almost 1 million tonnes up from last

year's record. Global coarse grain imports in 2000/01 are now forecast at 104.5 million tonnes, 3 million tonnes up from the September forecast and about 1.5 million tonnes above the previous year's volume. Developing countries' imports of coarse grains are expected to remain close to their 1999/2000 level at about 68 million tonnes. World trade in rice in 2001 is tentatively forecast at about 24 million tonnes, up 1.1 million tonnes or 5 percent from the revised forecast for 2000, which is now put at 22.9 million tonnes.

The FAO forecast for world cereal **utilization** in 2000/01 has been lowered by about 5 million tonnes from the previous report to 1 895 million tonnes. This would be marginally lower than in the previous year and also below the trend by some 1 percent. Total cereal use for direct human consumption is forecast to rise by about 1 percent. The most significant increases are anticipated among the developing countries in Asia. However, considering that the forecast rise in consumption would be close to the overall growth in world population, the global per caput food consumption level is expected to remain virtually unchanged. By contrast, the animal feed utilization of cereals in 2000/01 is currently forecast to decline by slightly more than 1 percent from the previous season. The decline would be most pronounced in countries worst affected by drought this year, especially in central and eastern Europe and in the Near East. In China, feed use is expected to remain at last season's level despite a sharp decline in domestic production. Among the other major feed markets, the record maize crop in the United States is expected to give rise to higher feed use in that country while strong feed demand in the EC and this year's exceptionally large supplies of low quality wheat would also result in higher feed use among this group of European countries.

World cereal **stocks** by the close of the seasons ending in 2001 are now forecast at 288 million tonnes, down 52 million tonnes from their opening level. This significant reduction comes mostly because of lower world cereal production. As a result, the ratio of world stocks to the expected utilization in 2000/01 could fall to around 15 percent. However, despite the prospect of smaller stocks, the price response in international cereal markets has, so far, been limited mostly because major exporters continue to have large exportable supplies, and some countries are currently disposing of their excess stocks.

International cereal **prices** made some small gains by October, compared to their August levels. For wheat, the increase in higher quality categories was most pronounced with the US wheat No. 2 (HRW, fob) averaging US\$131 per tonne in October, up US\$16 per tonne from August and US\$20 per tonne more than a year earlier. Strong import demand has provided most of the support for higher wheat prices in view of a decline in world output and prospects for lower stocks. International maize prices also benefited from strong import demand, amid lower global production and

Number of People Facing Serious Food Shortage Increases Despite a Drop in Number of Affected Countries ^{1/}

Between October 1999 and October 2000, the number of people facing serious food shortages increased from 52 to 62 million, the largest increase (45%) being in sub-Saharan Africa, mainly in the Horn.

In **eastern Africa**, prospects for the 2000 crops are poor due to continuing drought and population displacements. More than 20 million people already face severe food shortages, which are likely to persist well into 2001. In Kenya, 3.3 million people are now estimated to be in need of food assistance. In Eritrea, the food supply situation of more than 1.5 million war-displaced people gives cause for serious concern. The mass displacement of farmers from the agriculturally well endowed regions of Gash Barka and Debub, which account for more than 70 percent of the country's cereal production, has jeopardised this year's food production. In Ethiopia, the overall food supply situation remains highly precarious. With the failure of the secondary "Belg" season crop, the number of people in need of assistance has increased to more than 10 million. In the eastern and southern parts, large numbers of people whose livestock and livelihoods have perished due to drought, depend solely on food assistance. In Somalia, despite improved food production prospects in parts, serious food shortages are reported in several southern and northern areas due to drought. High malnutrition rates are also reported. In Sudan, 2.4 million people in the south and in pockets in the provinces of Kordofan, Darfur, Red Sea and Kessela in the north depend on food assistance due to crop losses and population displacement by civil strife. In Tanzania, several regions are facing acute food shortages due to drought during the 1999/2000 cropping seasons. In Uganda, while the overall food supply situation is satisfactory, food difficulties persist in the north-east, mainly due to last season's poor harvest. Food assistance continues to be needed for nearly 112 000 people in Bundibugyo District, in the west, displaced by civil unrest. In **western Africa**, food shortages persist in Sierra Leone, where a resurgence of rebel activity in May/June disrupted agricultural production at the critical planting period, while in Liberia, production remains constrained by the effects of past civil strife. In Guinea, rebel attacks from Sierra Leone are affecting agriculture and marketing activities. In Cote d'Ivoire, civil disturbances erupted in October and the situation is being closely monitored. Food supply difficulties may emerge in Niger, Chad and in parts of Burkina Faso, following reduced harvests. In **central Africa**, large numbers of people displaced by war in the Democratic Republic of Congo are in urgent need of food assistance but insecurity hampers access to the affected areas. In Burundi, emergency food aid is needed for the internally displaced, drought-affected and other vulnerable people estimated at 700 000. However, insecurity continues to hamper food distribution. In Rwanda, food difficulties are being experienced in eastern and southern parts of the country following three consecutive years of dry weather. In **southern Africa**, emergency food aid is being provided to some 1.9 million displaced people in Angola as a result of the persistent civil conflict. In Mozambique, food-for-work is still being provided to 172 000 flood-affected people. Relief assistance is also being provided in Madagascar to the people affected by drought in the south and to those affected by three successive cyclones in northern parts.

In several **Asian** countries, the effects of recent floods which killed and displaced thousands of people and destroyed crops, continue to be felt. In the worst affected countries, India, Bangladesh, Cambodia, Viet Nam, Laos and Thailand, some areas still remain under water, following the worst flooding in decades. As the normal period of tropical storms and typhoons (November) in South East Asia approaches, concerns are mounting that the food and health situation could deteriorate. The United Nations has issued a number of emergency appeals to assist the worst affected people. In DPR Korea, the food situation remains precarious due to a combination of drought this year and the cumulative effect of problems in agriculture and the economy. The country will continue to depend heavily on food assistance over the next year. The food supply situation also remains extremely tight for thousands of nomadic families in Mongolia, which experienced its worst winter in 30 years. Many **CIS** countries have been affected by drought this year. Large numbers of affected people in Armenia, Georgia and Tajikistan need emergency assistance. In northern Uzbekistan, vulnerable populations in Karakalpakstan have suffered heavy crop losses due to drought and need relief.

In **Latin America**, food assistance is still being provided in Honduras and Nicaragua, as a result of the severe effects of natural disasters in recent years (El Niño, Hurricane "Mitch"). Food aid is also being distributed in Belize because of Hurricane "Keith" in late September, which also affected Honduras and Nicaragua. In Haiti, food aid is needed due to chronic economic problems.

In **Europe**, food assistance continues to be necessary for vulnerable populations in the Balkans, especially in the Federal Republic of Yugoslavia (Serbia and Montenegro), where serious shortages of fuel and high inflation (27 percent in October), are resulting in hardship. In the Russian Federation, displaced populations and host families in Ingushetia as well as returnees to Chechnya, require assistance to survive.

^{1/} Countries facing exceptional food emergencies are underlined. Since the last issue of Food Outlook, four countries (Cuba, El Salvador, Guatemala and Venezuela) have ceased to receive emergency food assistance.

reduced stocks, especially in the major exporting countries and in China. In October, the price of US No. 2 maize (fob) averaged US\$92 per tonne, which was up US\$16 per tonne from August and US\$8 per tonne up from last year. The FAO Export Price Index for Rice (1982-84=100) made a slight recovery in October, rising by 1 point to 95 points, mostly on the strength of increased prices for high quality rice. However, at this level, the Index remains close to the lowest level in the past 10 years.

Current Production and Crop Prospects

Position by Region

- **Asia**

Harvesting of the 2000 **wheat** crop is complete in main producing countries and overall performance has been mixed, with aggregate production in the region put at 252 million tonnes, about average, but 3 percent down on 1999. The decline is largely attributed to a fall in production in China. The latest forecast of the region's **coarse grain** production is now put at 190 million tonnes, about 8 million tonnes less than expected in the September report and 28 million tonnes or 13 percent lower than the 1999 crop. This is again largely attributed to a significant decline in China. The region's paddy production in 2000 is currently forecast at 540.4 million tonnes, about 1 million tonnes down from the last report and 12.7 million tonnes below the revised figure for 1999. Since mid-September, severe floods have affected a number of important rice producing countries but their impact on the season output is estimated to be relatively small. In many cases, paddy fields had already been harvested. In others, the production shortfall will be compensated by increases in the successive crops.

Far East: In China, the latest official estimate of the 2000 **wheat** crop remains at 101 million tonnes. At this level, production would be some 10 percent lower than the average for the last five years and 13 million tonnes or 11 percent lower than 1999. Normal to above-normal rainfall in the latter part of October, boosted soil moisture for winter wheat planting and emergence across main growing areas in the north. In contrast to China, India and Pakistan both had record wheat harvests in 2000 of some 74 and 22 million tonnes respectively, up around 4 million tonnes each on the previous year. **Coarse grain** production in China in 2000 is now put at 115 million tonnes compared to 141 million tonnes last year. Due to adverse drought and to some extent falling area, maize production is expected to fall to its lowest level in 6 years to around 103 million tonnes, some 15 percent below average and 25 million tonnes lower than 1999.

In China (Mainland), harvesting of the single-**rice** crop is near completion in most parts and the late-double crop harvest has started in the south. The Government's latest estimate for this year's early rice crop is 37.7 million tonnes, which would be over 3

million tonnes less than last year. In addition, in light of the damage caused by drought and typhoons in southern China, its forecast of the late-rice crop, originally put at 45.4 million tonnes, has been lowered by some 800 000 tonnes to 44.6 million tonnes. China's overall 2000 paddy output is currently put at 188.5 million tonnes, down 10 million tonnes or 5 percent from 1999. In October, Viet Nam was hit by the worst floods in 40 years, which damaged about 100 000 hectares of paddy fields and wiped out earlier expectations for a moderate production increase. Paddy output for the season is now forecast to remain close to the 1999 revised level of 32.6 million tonnes, on the assumption of a good winter-spring crop. In Thailand, harvesting of the 2000 main crop is underway. Current assessment of the impact of the floods in August and early September on that crop suggests only a marginal decline from the 19 million tonnes achieved last year. In Myanmar, harvesting of the main-season crop is about to be completed and seeding of the secondary crop is scheduled to start in November. The country's paddy output is forecast at 20 million tonnes this year, 200 000 tonnes above the 19.8 million tonnes officially estimated output in 1999. The expansion is the result of increased plantings under government policy to reclaim wet and fallow lands for rice cultivation. Harvesting in Japan is about to be concluded. Faced with the prospect of a bumper crop and large inventories, the Government adopted in October a range of measures to reduce surpluses. The package includes a cut in plantings, starting in fiscal year 2001, an increase in the utilization of rice for feed and additional allocations of rice for food aid to foreign countries. In Cambodia, flood waters have receded but drought continues to cause damage in some rice producing areas. With the arrival of the dry season, expected soon, rice production in these areas might further deteriorate, so the outcome of the 2000 rice season remains highly uncertain. In Laos, production this year is officially forecast to rise by almost 10 percent to 2.2 million tonnes, despite the destruction of some 45 000 hectares of paddy because of floods in the central and southern parts of the country. The Democratic Republic of Korea has been suffering from severe weather-related disasters since early summer, which, according to Government's estimates have caused a loss of 1.4 million tonnes of grains, including 360 000 tonnes of rice. In Bangladesh, the harvest of the early Aus crop has been completed and planting of the Aman (monsoon) crop is to start soon. About 35 000 hectares of paddy and other crops were reportedly damaged by floods in several districts in the North West. Nonetheless, production for the 2000 season is forecast at 34 million tonnes, only slightly down from last year. However, this is still a tentative forecast since the bulk of the 2000 production depends on the performance of the Aman crop and, above all, of the irrigated Boro crop, which will be harvested in 2001. In India, paddy production has been hit by drought in a number of western and southern states early this year and by severe floods during the monsoon. As a result, the 2000 production has been revised downwards to 130 million tonnes from the anticipated 134 million tonnes, 2.7 million tonnes less

than last season. In Pakistan, harvesting is progressing. Reports indicate that because of a reduction in plantings and a fall in yield, the 2000 paddy output could drop to 7 million tonnes, 200 000 tonnes less than earlier anticipated.

In Indonesia, planting of the 2001 main-season **paddy** crop has started while harvest of the 2000 second paddy crop is still in progress. Overall, paddy production is forecast to reach 52 million tonnes this season, 2 million tonnes more than previously forecast, as a long wet season and minor incidences of pests and diseases have contributed to boost yields. By contrast, in Sri Lanka, paddy output for the 2000 season is expected to fall to 2.6 million tonnes, down 300 000 tonnes from last year, due to unfavourable growing conditions for the main Maha crop.

Near East: In the Near East countries in Asia, two consecutive years of severe drought and inadequate availability of essential agricultural inputs continue to affect crop and livestock production in many parts. **Wheat** production was sharply reduced in Iraq, Afghanistan and Jordan. However, some recovery was observed in Turkey and Syria. In Saudi Arabia, wheat production in 2000 is estimated at 1.5 million tonnes, similar to last year. In the Islamic Republic of Iran, production is likely to be less than or similar to the 8.6 million tonnes produced in 1999.

CIS in Asia: In the eight CIS countries in Asia, rainfed crops have been affected by a mild winter with below normal snowfall and unusually hot and dry conditions this summer, particularly in the southern and western parts. However, irrigated (winter) wheat crops have fared somewhat better in Uzbekistan and Turkmenistan and rainfed crops in the major producing regions of northern Kazakhstan have benefited from adequate soil moisture levels but the harvest is below last year's bumper 14 million tonnes. The aggregate cereal output has fallen by 4 million tonnes to 20 million tonnes, including 16 million tonnes of wheat (1999:19 million tonnes).

In many countries, and particularly Armenia, Georgia and Tajikistan, the drought has exacerbated chronic economic problems, including structural shortages of improved seed, adequate working capital for other yield enhancing inputs, and the decay of the irrigation system. Consequently, the 2000 cereal harvests in these countries are sharply less and all three countries have requested the international donor community for assistance with the supply of wheat seed. In Tajikistan the 2000 cereal harvest has roughly halved to only 239 000 tonnes (1999: 448 000 tonnes), and food aid needs have risen sharply. In Georgia an FAO/WFP mission has estimated the 2000 cereal harvest at only 329 000 tonnes, including only 83 000 tonnes of wheat. This is only 42 percent of estimated output in 1999. In Armenia, an FAO/WFP mission in August assessed that hot dry weather as of June had reduced the 2000 cereal harvest by 27 percent to 216 000 tonnes. In all the affected countries, potato, vegetable and fodder crop output is also affected, putting further pressure on

the available food supplies, and stressing livestock production.

In Azerbaijan the bulk of cereals are sown in the winter. Indications are that spring planted crops; maize as well as cotton, fruit, vegetable, etc suffered from hot dry weather and shortages of irrigation water but that the winter wheat crop was satisfactory. While spring crop losses are officially put at about 25 percent, the aggregate cereal harvest is officially reported to be higher than last year. Other crops, including fodder, have been more seriously affected. In Kyrgyzstan, contrary to earlier reports, indications are that the 2000 cereal crop could be off target and possibly somewhat less than last year's 1.6 million tonnes, reflecting crop damage in southern parts. In Uzbekistan, the 2000 grain (and cotton) harvests has been affected by inadequate irrigation water exacerbated by man-made problems including poor water management, unsuitable cropping patterns and poor irrigation efficiency. An FAO/WFP mission, which visited the country in October, found that winter cereals suffered less from the water shortages along the Amu Darya River in the summer than, for example cotton, but rainfed cereals were affected by below normal precipitation this year. Aggregate wheat production in 2000 is reported to be 3.4 million tonnes, with 3.1 million tonnes from the public sector and 300 000 tonnes from the household plots. However, rice and spring coarse grains have been affected, notably in the downstream areas, and in particular in Karakalpakstan, and the 2000 grain harvest is likely to remain below 4 million tonnes, at least 10 percent less than last year. By contrast, in Turkmenistan the 2000 cereal production exceeded the production target in response to the effect of land privatization on yields, despite a difficult year weather-wise. The 2000 wheat harvest is officially put at about 1.6 million tonnes of wheat (1999: 1.4 million tonnes) and that of coarse grains at nearly 80 million tonnes while rice production also rose. In Kazakhstan, the harvest is virtually over and the 2000 crop is forecast by FAO to be over 11 million tonnes.

- **Africa**

Northern Africa: The 2000 **wheat** crop in the subregion is estimated at about 9.6 million tonnes, some 15 percent less than last year's level and below the 5-year average. With the exception of Egypt where wheat is largely irrigated, continued dry conditions during the growing season resulted in sharply reduced output in all countries in the subregion. In Algeria and Morocco, production was much below average and some 37 percent below the 1999 level. In Tunisia, output is down 43 percent and below average. By contrast, the wheat crop in Egypt is estimated at about 6.7 million tonnes, some 5 percent over last year's above average harvest.

The subregion's 2000 **coarse grains** crop is estimated at 8.7 million tonnes, down 12 percent on the 1999 level. Reflecting the impact of unfavourable weather conditions, output decreased substantially in Algeria,

World Cereal Production - Forecast for 2000

	Wheat		Coarse grains		Rice (paddy)		Total	
	1999	2000	1999	2000	1999	2000	1999	2000
	(..... million tonnes)							
Asia	260.1	251.2	218.1	190.0	553.1	540.4	1 031.2	981.6
Africa	14.9	13.5	76.1	79.1	17.7	17.5	108.7	110.1
Central America	3.1	3.4	28.7	28.7	2.3	2.4	34.1	34.5
South America	19.7	18.6	58.6	61.7	21.1	20.1	99.5	100.4
North America	89.5	86.7	290.5	305.6	9.3	8.7	389.3	401.0
Europe	178.3	188.2	202.4	194.8	3.2	3.1	383.9	386.2
Oceania	24.3	20.3	8.9	9.9	1.4	1.1	34.6	31.2
WORLD	589.8	581.8	883.4	869.7	608.2	593.4	2 081.4	2 044.9
					(406) ^{1/}	(397) ^{1/}	(1 880) ^{2/}	(1 848) ^{2/}
Developing countries	276.6	268.4	369.3	345.2	582.1	568.1	1 228.0	1 181.8
Developed countries	313.2	313.3	514.1	524.4	26.1	25.3	853.4	863.1

Source: FAO

^{1/} Rice in milled terms. ^{2/} Including rice in milled terms.

Morocco and Tunisia, while it increased by about 3 percent in Egypt.

In Egypt, harvesting of the 2000 **rice** crop is underway. Forecast for the 2000 paddy production has been lowered by 300 000 tonnes from the previous report, to 5.9 million tonnes, only slightly above last year. Prices to producers have also fallen in the country and concern over large carry-over stocks is growing, as supplies from the new crop start reaching the market.

Western Africa: Harvesting of **coarse grains** is now underway. In the Sahel, a series of joint FAO/CILSS Crop Assessment Missions in October estimated 2000 cereal production. Below average harvests are foreseen in Burkina Faso and Chad. Above average to record crops are anticipated in Cape Verde, Senegal, The Gambia and Guinea Bissau while output remains average in Mali, Mauritania and Niger. The aggregate output of cereals is estimated at 9.5 million tonnes, which is 16 percent below the 1999 record level but only 2 percent lower than last five years average. In the coastal countries along the Gulf of Guinea, growing conditions have been generally favourable and output of the main maize crop which is currently being harvested is expected to be normal to above-normal. Production should improve in Liberia except in the Lofa county where insecurity persists. By contrast, production will decrease in Sierra Leone following civil disturbances which resumed in May at the critical planting period. The country will continue to rely heavily on humanitarian assistance to meet its consumption needs.

Most countries in the subregion are harvesting or about to harvest their main **paddy** crops. Prospects are generally favourable, reflecting favourable climatic conditions and timely rainfall over the season. Production estimates are unchanged since the report,

except for the Côte d'Ivoire, whose output in 2000 has been raised by 200 000 tonnes to 1.1 million, slightly above last year.

Central Africa: Harvesting of **coarse grains** is underway in Cameroon and Central African Republic and prospects are favourable. In the Republic of Congo, crop production should increase following improved security situation. In the Democratic Republic of Congo, all economic and agricultural activities continue to be disrupted by civil war.

Eastern Africa: Prospects for the 2000 **wheat** crop are uncertain in Ethiopia reflecting delayed rains in some major producing areas. However, extended and beneficial rains through October helped some recovery. In Kenya, where the harvest is underway, output is expected to be well below average due to continued drought. In Sudan, an output of about 214 000 tonnes, 54 percent below the average for the last five years, was harvested earlier in the year due to lower planted area.

Preliminary forecasts point to below average **coarse grains** output in the subregion in 2000 mainly because of drought and civil conflict. In Eritrea, prospects for the 2000 crops are extremely poor due to mass displacement that followed the border war with neighbouring Ethiopia. Farmers were displaced from the agriculturally important regions of Gash Barka and Debub, accounting for more than 70 percent of the country's cereal production. Continued drought, in parts, has also affected crop production. In Ethiopia, the secondary "Belg" season crops have failed due to drought and the outlook for the main season "Meher", for harvest from December, is uncertain following the late start of rains, which delayed land preparation and planting of the long-cycle crops. In Kenya, official estimates put the 2000 long-rains maize crop at 1.4

million tonnes, 36 percent lower than the long-rains average of 2.2 million tonnes. In Somalia, a good "Gu" season crop is in prospect due to widespread rains in the growing season and improved security conditions that encouraged farming. Preliminary estimates put the Gu 2000 cereal production at 212 000 tonnes, about 65 percent up from 1999 and 21 percent above the post-war average. In the Sudan, delayed and erratic rains stressed developing coarse grains in major producing areas. In Tanzania, following drought during both the "short-rains" and "long-rains" seasons, the 2000 aggregate coarse grains output is estimated to be about 17 percent lower than last year at 2.7 million tonnes. In Uganda, the recently harvested main season coarse grain crops were affected by prolonged drought in some areas and the aggregate output is estimated to be below last year's crop. The outlook for the secondary season crops for harvest from December has improved mainly due to well-distributed rainfall from September.

The 2000 **paddy** production in Eastern Africa is forecast to rise by 3 percent from last season to 920 000 tonnes, reflecting an increase in average yields. The outlook for production in Tanzania, the main producing country in the subregion, remains unchanged at 700 000 tonnes, similar to last year. However, a recent assessment of cereal production suggests an outturn well below normal, which may imply a smaller 2000 paddy output than currently anticipated.

Southern Africa: The subregion's aggregate **coarse grains** output is estimated at 19.1 million tonnes, about one-quarter above 1999's average crop. This year's bumper crop mostly reflects abundant rains during the growing season which were generally favourable for crop development, in spite of severe floods and crop losses in parts. Outputs increased substantially in South Africa, Zimbabwe, Zambia, Namibia and Botswana. In Malawi, production of coarse grains remained at the same record level of last year. However, lower harvests were obtained in Mozambique, affected by serious crop losses to floods in southern parts, in Madagascar, affected by drought in the south and cyclones in the north and in Angola, affected by civil strife. In Swaziland and Lesotho, early dry weather followed by excessive rains resulted in reduced crops.

Harvesting of the 2000 **wheat** crop has started in the subregion. Latest forecast indicates a below average output close to 2.1 million tonnes. Output in South Africa, which accounts for over 80 percent of the aggregate production, is expected to be higher than the reduced level of last year reflecting abundant irrigation water supplies but still below the average of the past five years. In Zimbabwe, production is anticipated to decline following a sharp decrease in the area planted in response to civil disturbances in agricultural areas and the Government's current land distribution programme.

The 2000 **rice** season in the subregion has been one of the poorest in the decade, as the two major producers, Madagascar and Mozambique, were severely stricken by drought, tropical storms and cyclones in the first half of the year. Planting of the 2001 main paddy crop is scheduled to start in October in Madagascar, in the Haut Plateau, and in November in Mozambique. However, it is not yet well known to which extent the damage made to agricultural infrastructure will jeopardize the next paddy season in the two countries.

- **Central America and the Caribbean**

Planting of the 2000/2001 irrigated **wheat** crop has just started in the main producing areas of the northwest of Mexico, virtually the sole wheat producer in the subregion. It is reported that water reservoir levels are adequate following beneficial tail-end rains from tropical storms in the last few weeks. Preliminary forecasts indicate that the area planted should increase from the previous year's level, which was slightly below average due to prolonged dry weather at planting.

Harvesting of the 2000/2001 first season **coarse grain** and bean crops has been virtually completed while planting of the second season crop has just started in some parts, following earlier disruptions caused by tropical storms and principally by Hurricane "Keith". Damage to cereals, and other food crops, as well as to housing and infrastructure is reported in various countries. In Belize, the most affected country, thousands of people have been displaced from their homes as a consequence of flooding and the food security situation of some farming groups is being threatened. In El Salvador, Honduras and Nicaragua, important localized losses of maize, the main cereal crop, are also reported. Aggregate coarse grain production in these countries is expected to decline to below-average levels. Cereal crops in Guatemala, mainly in the south, have also been affected, but overall production is anticipated to remain at average levels. In Mexico, the developing maize crops in the large producing central and southern belts were not affected by the recent storm rains and slightly above-average outputs are forecast. The remains of the various storm rains have benefited the sorghum crops in the northeastern areas and average outputs are expected. In the Caribbean, below-average cereal and bean outputs, as well as other minor foodcrops, are anticipated in Haiti, as a result of a prolonged period of extremely dry weather at planting, while in the Dominican Republic and Cuba, average cereal outputs are forecast.

- **South America**

Planting of the 2000/2001 **wheat** crop has been completed in the southern part of the subregion. In Argentina, the main producing country, harvesting is about to start. Recent light to moderate rains in some of the largest producing areas have benefited the developing crops and early forecasts point to above-

average outputs. In Brazil, where harvesting is underway, the outlook is poor as a result of the extremely bad weather, which affected the crops at planting, and throughout their development. Recent heavy rains have worsened the situation and a considerably below-average wheat outturn is expected. Below-average outputs are also anticipated in Chile and Uruguay as a consequence of adverse weather at planting. In the Andean countries, in Bolivia, harvesting of the 1900/2000 second season (winter) wheat crop has been virtually completed and a low output has been collected due to the heavy rains and flooding at planting. In Peru, the bulk of the wheat harvest has been completed and output is estimated to be above-average, while in Colombia an average output is provisionally estimated.

Harvesting of the 2000/2001 **coarse grain** crops, mainly maize, is underway in the southern countries. In Argentina, planting has been delayed due to heavy rains in some of the main producing areas. By mid-October, some 25 percent of intended plantings had been sown which compares to 33 percent by the same time a year earlier. In Brazil, the recent moderate to heavy rains have benefited planting of the 2000/2001 first season (main) maize crop, particularly in the large producing areas of the south, and an improvement in production is forecast with respect to the previous year's first season weather-affected crops. In Chile, planting of the maize crop continues, and a recovery from last year's also seriously weather-affected crop is expected. In the Andean countries, in Bolivia, fieldwork in the highlands, in preparation of planting of the 2000/2001 first season coarse grain and potato crops, has initiated, while in the valleys some early planting is reported. In Ecuador, harvesting of the 1999/2000 second season maize crop, mostly white, is underway. Aggregate maize production (white and yellow) is provisionally forecast to be slightly above average. In Peru, harvesting of the 2000 white maize crop is virtually complete while that of yellow maize is well advanced. A bumper crop is provisionally estimated. In Colombia, harvesting of the 2000/2001 first season maize crop has been completed while planting of the second season crop is underway. Prospects are good and an average aggregate output (both seasons) is forecast. In Venezuela, harvesting of the maize and sorghum crops is about to be completed and below-average outputs have been collected.

The 2000 **rice season** has been concluded in most of the subregion, with overall paddy output estimated to have fallen to 20.1 million tonnes, about one million tonnes less than last year. Planting of the 2001 paddy crop has started in a number of countries. In Argentina, rice cultivation may decline again this year, as many farmers are reported to face difficulties to pay their debts back in light of the very low prices received during the 2000 season.

- **North America**

In the United States, the October USDA crop report put the 2000 aggregate **wheat** (winter and spring) output

about 61 million tonnes, 2.6 percent down from 1999 and 5 percent below the average of the past five years. As of 22 October, planting of the winter wheat crop for harvest in 2001 was reported to be lagging some 10 percent behind the previous year's pace and the five-year average. The delay is mostly a result of adverse dry soil conditions in the central and southern regions, which account for the bulk of the county's hard winter wheat production. More moisture is needed soon to facilitate the remainder of the planting and for germination. If plants are not strongly established before the onset of dormancy then the crop could be more susceptible to winter kill. In Canada, by mid-October, the wheat harvest was reported to be virtually complete. The duration of the harvest has been somewhat longer than normal this year due to wet weather across the major growing areas during most of September. Aggregate wheat production in 2000 is now officially forecast at nearly 26 million tonnes, 4 percent lower than last year and just below the five-year average.

The outlook for the United States 2000 coarse grain crop has deteriorated somewhat since the last report in September due largely to drought-related losses in some central and southern regions. The USDA's October forecast put aggregate **coarse grain** production at 280 million tonnes, about 8 million tonnes below the forecast in September but still almost 17 million tonnes, or 6.3 percent, above last year's output. Of the total, maize is expected to account for about 259 million tonnes, compared to 240 million tonnes in 1999. By 22 October it was reported that, 78 percent of the maize crop had been harvested, ahead of last year's harvesting pace and the five-year average. In Canada, the latest forecast of aggregate coarse grain production in 2000 has been revised downward since the last report to some 25 million tonnes, almost 6 percent down from last year and 5 percent below the five-year average.

In the United States, **rice** harvesting is still proceeding in California but is almost over in the southern states. Since the last report, the forecast of output in 2000 has been adjusted downward to 8.7 million tonnes, 7 percent less than the revised 1999 output. Latest information indicates that the area under rice has declined by 12 percent from 1.4 million hectares in 1999.

- **Europe**

FAO's latest forecast puts aggregate 2000 **cereal** production in the EC at almost 216 million tonnes, 6 percent up from last year and 6 percent above the average of the past five years. The increase results from the combined effect of an overall larger cereal area and higher average yields for this year's crop. Wheat output is now estimated at about 105 million tonnes, slightly down from that reported in September but still some 7 percent up on last year. The forecast for aggregate coarse grain production has been

adjusted upward slightly since the last report to some 108 million tonnes, which would be about 5 percent above the 1999 output. Output of barley is seen to increase 6 percent to almost 52 million tonnes and that of oats by 12 percent to 6.7 million tonnes. The maize crop is forecast to reach almost 38.5 million tonnes, 3 percent up from 1999.

Prospects for the winter grain crops already in the ground or now being planted throughout the Community are uncertain. Planting operations have generally been hampered in late September and October by widespread rainfall. In particular, Italy's major cereal producing region in the north of the country has been severely hit by torrential rains and flooding, which will jeopardize this year's autumn planting. The exception to the overall wet pattern throughout the Community is the Iberian Peninsula, where more rainfall is needed to favour planting of the winter wheat and barley crops.

The **paddy** crop harvest has been completed in Spain, where production is estimated to have fallen by 10 percent compared to last year. In Italy, flood problems affected the northern producing regions in mid-October, when about 15 percent of the crop were still to be harvested. Earlier forecasts for this country had already pointed to a poor quality crop, following an abnormally cool July. Overall output for the EC is currently forecast to decline by 105 000 tonnes from 2.6 million tonnes in 1999. However, this does not yet take into consideration the recent losses incurred in Italy.

Elsewhere in Europe, by contrast to the situation in the EC, persisting dry conditions are hampering autumn grain planting. Soil moisture levels are reported to be well down on last year throughout most eastern European countries, and in many cases just at the bare minimum for cereal germination. Significant rainfall is needed in late October and early November otherwise final areas planted could be less than intended and crop stands are likely to be in poor condition at dormancy making them more susceptible to winter perils.

In Bulgaria, this year's wheat and barley crops are estimated close to last year's levels at 3.1 million tonnes and about 700 000 tonnes respectively. However, the summer maize crop was devastated by drought and latest reports put maize output at about 800 000 tonnes, compared to an average level of about 1.5 million tonnes in the past five years. Some rainfall in southeastern parts of the country in early October was welcome for autumn grain planting after previously dry conditions. Early indications suggest that Bulgarian farmers may try to plant more winter wheat this year but the final outcome will depend on weather conditions in late October and early November. In the Czech Republic, cereal output this year is estimated to be down by about 7 percent on 1999 at about 6.5 million tonnes. The bulk of the country's cereal crop is accounted for by wheat and barley, which were relatively less affected by drought conditions earlier in the year than other crops.

In Hungary, the 2000 cereal output is now estimated at about 10 million tonnes, compared to over 11 million tonnes last year and an average of about 12 million tonnes over the past five years. A sharp recovery in wheat production, by about 40 percent, to 3.7 million tonnes, was more than offset by smaller barley and maize crops. In Poland, cereal output has fallen sharply in 2000 to about 22 million tonnes, the lowest level since 1994, and about 15 percent below the average of the past five years. Outputs of wheat and all the main small coarse grain crops were affected by a combination of spring drought and damaging heavy rains during the main harvesting period. However, the maize crop benefited from the heavy summer rains and is estimated to have reached a bumper level of 900 000 tonnes, more than double the average of the past five years.

In Romania, latest official estimates put the 2000 wheat output at about 4.3 million tonnes, 9 percent down from 1999 and about 20 percent below the average of the past five years. Moreover, the quality of the crop is reported to be considerably poorer than normal reflecting the severe drought throughout the spring and summer. The maize crop has been hit harder by the drought, and much harder than earlier expected after dry conditions continued practically throughout the whole of the growing period. It is reported that in many areas crops have been completely wiped out and as of mid-October, it was expected that, at best, the crop may reach about 4 million tonnes, compared to the five-year average of over 10 million tonnes. This estimate may have to be revised down in the coming weeks pending the completion of the harvest. As of late October, it was reported that winter wheat planting for next year's crop had been completed on about 1.3 million hectares of the 1.8 million hectares expected total.

In the Federal Republic of Yugoslavia, (Serbia and Montenegro), flooding and water logging followed by persistent hot and dry not only maize yields but also those of sugar beet, soya and fodder crops. Unremunerative producer prices for wheat at the time of planting, and critical shortages of fuel and fertilizer for winter crops reduced plantings and yields. An FAO mission, which visited the country in July, estimated the 2000 grain harvest at around 5 million tonnes compared to 8.6 million tonnes in 1999. The wheat harvest was estimated at between 1.7-1.8 million tonnes. Maize yields are officially reported to be 40 percent less than last year.

In the Baltics, the 2000 cereal output could recover to about 3.7 million tonnes (1999: 3.3) million tonnes, with wheat output remaining stable at around 1.3 million tonnes and coarse grain production recovering by almost one fifth to 2.3 million tonnes.

In the CIS countries west of the Ural Mountains (Belarus, Moldova, the Russian Federation and Ukraine), the aggregate 2000 cereal output is somewhat higher than last year's low level, mainly due to better harvests in Belarus and the Russian

Federation. By contrast, harvests in Moldova and the Ukraine are estimated to be less than last year's low levels mainly because of drought. Current estimates put the aggregate cereal harvest in 2000 in Belarus, Moldova, the Russian Federation and Ukraine at nearly 99 million tonnes, compared to 91 million tonnes last year. Aggregate wheat production has risen to 53 million tonnes, with better harvests in the Russian Federation offsetting a poor harvest in Ukraine. Aggregate output of coarse grains this year, at 45 million tonnes; is estimated to be 5 million tonnes higher than last year. Output of paddy rice has remained stable at about 500 000 tonnes.

In the Russian Federation, aggregate cereal output is tentatively forecast by FAO to increase by nearly 20 percent to nearly 70 million tonnes, and to include 40 million tonnes (1999: 34 million tonnes) of wheat and 30 million tonnes (1999: 25 million tonnes) of coarse grains. In line with the higher yields being gathered this year, FAO's production estimate is higher than the official forecasts which indicate a harvest of 65 million tonnes. In Belarus, indications are that 2000 output of cereals recovered at least to 4.3 million tonnes from the poor 3.4 million tonnes in 1999, in response to better weather. By contrast, in Ukraine, aggregate cereal output is forecast by FAO to have fallen by 3 million tonnes to 23 million tonnes; wheat production is down while that of coarse grains remained stable. In Moldova, dry conditions during the autumn kept the winter wheat harvest close to last year's poor level, while dry weather also during most of the spring and summer caused spring crop yields to be sharply reduced compared to the previous year. The aggregate cereal harvest is forecast not to exceed 1.8 million tonnes compared to 2.1 million tonnes in 1999.

Planting of winter cereals, (mainly wheat and rye) for harvest next year is well underway. In the Russian Federation the winter crop planting target is 14.6 million hectares (1999/2000 14.2 million hectares) including 11.9 million hectares to cereals. In Ukraine, official plans call for the area sown to winter crops to increase to 8.4 million hectares and to include 7.1 million hectares of wheat, as well as 0.8 and 0.5 million hectares of rye and barley respectively. By 30 September some 6.3 million hectares had been sown to winter crops including 5.2 million hectares to wheat. Conditions at sowing and the availability of inputs were better than last year, but the latter remain far from optimal.

- **Oceania**

In Australia, prospects for this year's **wheat** and small **coarse grains** crops have deteriorated following persisting hot and dry weather in the last two months. The harvest is already underway in some parts and early reports indicate that, as a result of the drought, grain size and quality is below earlier expectations and below normal. The most recent official forecast dates from early September when ABARE forecast 2000 wheat output at 22.2 million tonnes. However, since that forecast was issued, crops in the north and west

have been hit by hot and dry weather, which has adversely affected yields. FAO now forecast wheat output in 2000 at 20 million tonnes, which would be 17 percent down from 1999 and below the average of the past five years. However, despite the drought, production of barley, the main coarse grain crop, could still increase somewhat from last year following a sharp expansion in the area planted.

Preparation for the 2001 **paddy** season have started. According to ABARE, paddy output next season could reach 1.4 million tonnes, substantially above the 1.1 million tonnes harvested this season. This increase would rely on a 19 percent expansion in plantings, to 159 000 hectares, and on a 7 percent increase in yields, to 8.8 tonnes per hectare. The outcome, however, will depend on the availability of irrigation water in New South Wales, where production is concentrated.

Trade^{1/}

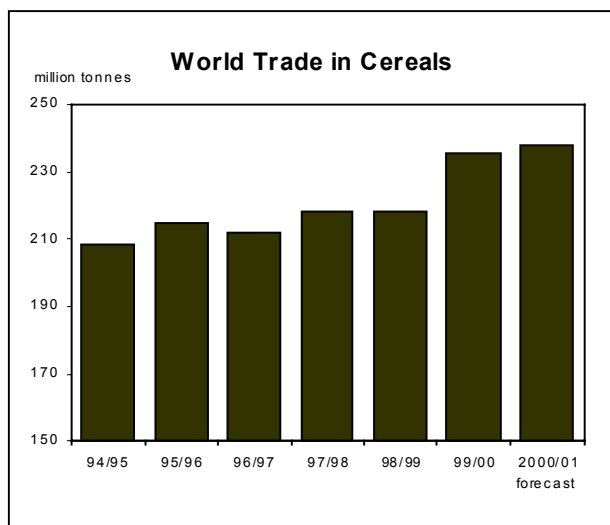
Record cereal trade forecast in 2000/01

The forecast for world **cereal** trade in 2000/01 has been raised again this month to 238 million tonnes, 6 million tonnes more than was reported in September, reflecting higher import demand in several countries, mostly because of reduced production prospects for grains as well as continued low level of international cereal prices. At the current forecast levels, world trade in cereals in 2000/01 would be some 2.5 million tonnes, or 1 percent, above the previous year's already record high volume. The expected increase from last year is mostly on account of higher demand for coarse grains and rice. The sudden sharp expansion in world cereal imports during last season, now forecast to be followed by an increase also this season, would put world trade in cereals at some 25 million tonnes, or 11 percent, above the average in the 1990s. This sudden expansion in world trade is also in sharp contrast to the more steady situation observed during the second half of the 1990s when world trade was rather static and well under 220 million tonnes.

Aggregate cereal imports by the developing countries in 2000/01 are forecast at a record 171 million tonnes, up 1 million tonnes from last season's already high level. Based on this forecast, and taking into account the current prospects for slightly higher cereal prices and freight rates during the course of the 2000/01 season, the cereal import bill of the developing countries is expected to rise to US\$24 billion, almost US\$2.4 billion, or 11 percent, above the previous year. Total imports by

^{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. Trade in rice is reported on a calendar year basis for the first year shown.

the Low-Income Food-Deficit Countries (LIFDCs) in 2000/01 is put at 74 million tonnes, around 2 million tonnes more than last year. At this level, the overall cereal import expenses for the LIFDCs, as a group, is forecast at US\$10 billion, up US\$1 billion, or 15 percent, from 1999/2000.



International trade in **wheat** and wheat flour (in grain equivalent) in 2000/01 (July/June) is now forecast at 109.5 million tonnes, nearly unchanged from 1999/2000 but 2 million tonnes more than was reported in September. Reduced production estimates in several countries is the reason for this month's upward revision. For the developing countries, as a group, imports are likely to exceed last year's record by almost 1 million tonnes and reach 83 million tonnes. At this level, the wheat import cost for the developing countries is estimated at around US\$12.5 billion, up US\$2 billion from the previous year and accounting for one-half of their total cereal import bills. For the LIFDCs, wheat imports are put at around 40 million tonnes, down slightly from the previous season. In value terms, this season's wheat imports by the LIFDCs could reach around US\$6 billion, up US\$1 billion from 1999/2000 due largely to higher average prices.

In **Asia**, aggregate wheat imports in 2000/01 are currently forecast at 50.4 million tonnes. This month's higher import forecasts for Uzbekistan brings total imports into Asia closer to the volume registered in 1999/2000. The forecast for imports by Uzbekistan has been raised by 600 000 tonnes to 800 000 tonnes, up slightly from the previous year following a decline in production. The drought-reduced production in several Asian countries, including Armenia, Afghanistan, Islamic Republic of Iran, Iraq and Tajikistan, would mean much higher import requirements for those countries. Among them, the largest wheat importer is expected to be the Islamic Republic of Iran as imports by that country could approach 7 million tonnes, nearly the same as in the previous year when a severe drought also affected domestic production. In addition, China (mainland) is likely to return to the international wheat market this year as a bigger purchaser of wheat,

importing at least 3.6 million tonnes, 2.5 million tonnes more than in the previous season, due to a decline in production combined with growing demand for high quality wheat.

In **Africa**, the forecast for wheat imports has been raised slightly this month to just over 25 million tonnes, up 1.3 million tonnes, or 5 percent, from the previous year. The drought affecting several countries in North Africa is expected to boost imports by several countries, especially Algeria and Morocco. Imports by Egypt, the region's largest wheat importer, are forecast to reach 6.8 million tonnes, exceeding last year's reduced volume by 800 000 tonnes, despite an increase in its domestic harvest. The rise in imports by Egypt is mostly due to strong import demand for high quality wheat from the United States. In contrast to North Africa, aggregate wheat imports by countries in sub-Saharan Africa are expected to be smaller than in the previous season, declining by about 1 million tonnes. However, most of the reduction in the overall imports would be in Ethiopia mainly because of a likely decline in food aid shipments to that country after last year's surge.

In **Europe**, the forecast for total imports indicates a reduction from last season, mostly because of sharply reduced import requirements in the Russian Federation. Higher production and the expected decrease in food aid shipments to the Russian Federation could result in a drop of over 50 percent in imports by that country to 2.5 million tonnes. This decline is likely to be more than offset by the increase in imports in several other countries, including Bulgaria, Poland, Slovakia and Ukraine, due to reduced production.

The forecast for imports into the **Latin American and Caribbean** region has been raised this month to above 19 million tonnes, up 1 million tonnes from the previous report and 500 000 tonnes more than in 1999/2000. However, this month's upward adjustment in Brazil accounts for all of the increase. Strong domestic demand from the Brazilian milling industry and the recently announced removal of import restrictions on soft red winter and hard red spring wheat from the United States (starting in November) could boost imports to that country to even higher levels.

Turning to wheat exports, shipments from Canada and the United States are again likely to register an increase. Because of the continuing high value of the US dollar, the forecast for exports from the EC has also been raised to above previous year's levels. The combination of weaker value of the Euro against the US dollar and stronger world prices provide better opportunities to increase exports without resorting to subsidies. This is of particular importance because, starting this season, rollover of 'unused subsidy quota' is no longer allowed under the Uruguay Round Agreement on subsidized exports. As for other major exporters, Argentina and Australia are expected to export slightly less this season because of somewhat reduced supplies. Among smaller exporting countries,

Overview of World Cereal Imports - Forecast for 2000/01

	Wheat		Coarse grains		Rice (milled)		Total	
	1999/2000	2000/01	1999/2000	2000/01	2000	2001	1999/2000	2000/01
	(..... million tonnes)							
Asia	50.8	50.4	58.0	57.3	11.7	12.7	120.5	120.4
Africa	23.9	25.2	13.2	14.2	5.7	5.8	42.9	45.1
Central America	6.0	5.9	12.9	12.1	1.5	1.5	20.4	19.5
South America	12.6	13.2	7.1	6.9	1.1	1.1	20.9	21.2
North America	2.6	2.6	3.3	4.3	0.6	0.7	6.5	7.5
Europe	13.0	11.8	8.5	9.6	1.8	1.8	23.3	23.2
Oceania	0.5	0.5	0.1	0.1	0.4	0.4	0.9	1.0
WORLD	109.4	109.5	103.1	104.5	22.9	24.0 ^{1/}	235.4	237.9
Developing Countries	82.5	83.2	68.4	67.9	18.9	19.9	169.8	171.0
Developed Countries	26.9	26.3	34.7	36.6	4.0	4.1	65.6	67.0

Source: FAO ^{1/} Highly tentative.

sales from Turkey are likely to recover from last year's reduced level. Also Pakistan and India are expected to be able to export at least some of their large surpluses into the world market. By contrast, export prospects remain weak for several European countries because of the drought, which severely reduced their exportable supplies, particularly in Ukraine, Poland and Romania. Exports from the Ukraine alone are forecast to fall by almost 3 million tonnes compared to the previous season.

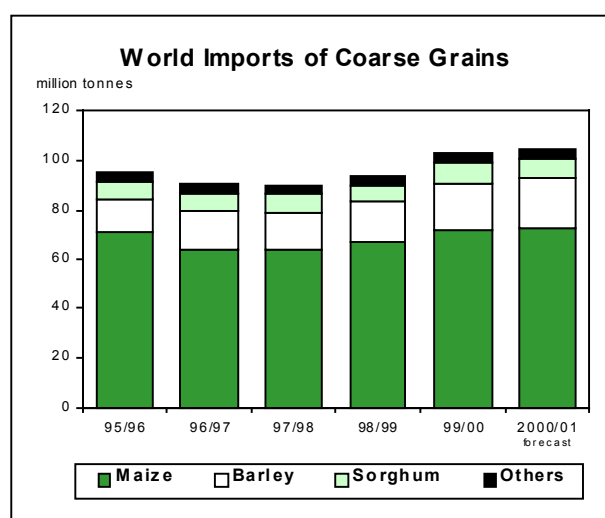
The forecast for world trade in **coarse grains** in 2000/01 (July/June) has been raised by 3 million tonnes to 104.5 million tonnes. The increase from the previous report is mostly on account of larger import requirements in several countries in Europe. Following this month's revisions, total coarse grain trade could exceed the previous year's volume by about 1.5 million tonnes, representing a growth rate of about 1.4 percent. Global maize trade, the largest traded coarse grain, is put at around 73 million tonnes, up 1 million tonnes from last year. For barley, imports are expected to reach 20 million tonnes, up 1 million tonnes from the previous season. However, imports of sorghum are forecast to decline slightly, to around 7 million tonnes.

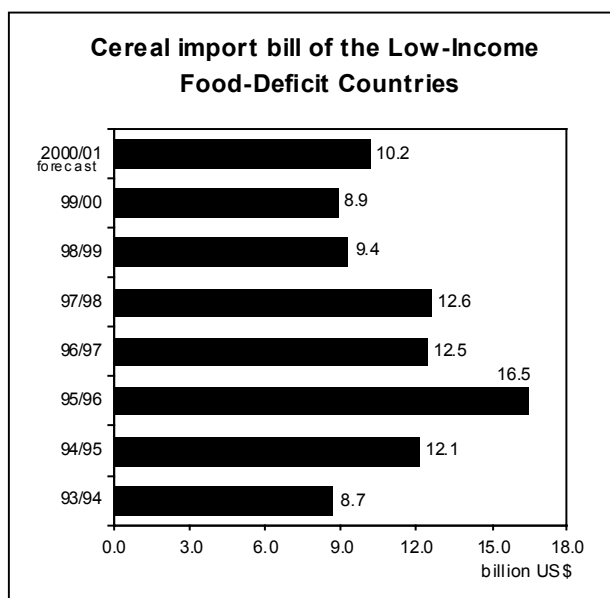
In **Asia**, total imports of coarse grains in 2000/01 are put at roughly 57 million tonnes, some 700 000 tonnes below the previous year, mostly because of a likely decrease in imports (mostly barley) by the Syrian Arab Republic, due to higher domestic production. In fact, imports by most countries in Asia are forecast to remain close or increase slightly from last year because of the continuing strong demand from the animal feed sectors, especially in the Far East, and production shortfalls in several countries.

Coarse grain imports by the developing countries are currently put at 68 million tonnes, similar to last year. The cost of imports for the developing countries could reach

US\$8 billion, almost unchanged from the previous year. Imports by the LIFDCs are put at 21 million tonnes, up 1.5 million tonnes from the previous year. At this level, the import bill for the LIFDCs, as a group, is expected to rise slightly to US\$2.4 billion, some US\$200 million more than in the previous year.

The forecast for imports into **Africa** has been reduced slightly this month to just over 14 million tonnes, still some 1 million tonnes more than in the previous year. The increase over the previous season is most pronounced in Egypt because of strong demand, and in Morocco because of drought reduced output. By contrast, total imports by countries in the sub-Saharan region are expected to remain at about last year's levels, as higher imports by Ethiopia and Kenya, reflecting reduced production, would be largely offset by reduced imports in the Republic of South Africa (normally a leading regional exporter), Zambia and Zimbabwe because of higher domestic maize production.





In the **Latin American and Caribbean** countries, total coarse grain imports in 2000/01 are put at 19 million tonnes, down 1 million tonnes from 1999/2000. This forecast decline, however, would be mostly on account of a likely decrease in purchases by Brazil and Mexico, the region's two largest importers. In Brazil, the reported increase in planting may result in higher production and, hence, slightly smaller imports this season. In Mexico, favourable production prospects for maize and sorghum could lead to a decline of about 800 000 tonnes in imports.

By contrast, the 2000/01 forecast for imports into **Europe** is now raised to 9.6 million tonnes, up nearly 1 million tonnes from the previous year and nearly 2 million tonnes more than reported in September. The main reason for this year's increase, and also this month's upward revision, is poor crop prospects in several central and eastern European countries. In Poland, a fall in this year's output is expected to result in at least 1.3 million tonnes of imports, up some 500 000 from the previous year. In Romania, this year's sharp decline in coarse grains production could boost imports sharply compared to normal levels. In the Russian Federation, however, imports could decline significantly because of a likely increase in domestic production.

In the export market, larger shipments are likely from nearly all major origins. Exports of coarse grains (mostly maize) from the United States, the world's largest exporter, are expected to climb to 60 million tonnes in 2000/01 (July/June), up more than 3 million tonnes from the previous year. Larger barley sales from the EC would also result in an overall increase of about 1 million tonnes in its shipments of coarse grains (mostly barley) this season. Argentina and Canada are also likely to benefit from stronger world demand, increasing their exports by more than 2 million tonnes and 1 million tonnes, respectively. Larger crops in the Republic of South Africa could boost exports from that country after last year's poor crop. Among the other

exporters, maize shipments from China are expected to remain high, although not as high as in the previous season considering the expected sharp decline in production. In Europe, this year's exportable supplies will be more limited in Hungary and no exports are expected from Poland and Romania because of smaller harvests.

The forecast for global **rice** trade in **2000** has been raised, since the last report, by 500 000 tonnes to 22.9 million tonnes, as trade activities have picked up noticeably since the floods that hit some major exporting countries have started to recede. At the forecast level, this year's rice trade volume would be 2.2 million tonnes smaller than in 1999 and 4.6 million less than the 1998 all time high.

The latest revision of global imports in 2000 mainly reflects expectations for some 150 000 tonnes additional deliveries to the People's Democratic Republic of Korea, following the announcement of increased food aid to the country, and an upward adjustment of purchases by Nigeria and Côte d'Ivoire, by 110 000 tonnes and 100 000 tonnes, respectively. Import forecasts have also been augmented, by 100 000 tonnes for the Philippines, following the announcement of additional purchases by the National Food Agency, and by a combined 100 000 tonnes for South Africa, Guinea, Ghana, Guinea-Bissau, Bahrain and Yemen. By contrast, the forecast of imports by Saudi Arabia has been lowered by 100 000 tonnes based on reported shipments to date. Forecasts of 2000 rice imports by other major players on the market are unchanged from the last report. They remain at 2.2 million tonnes for Indonesia, a level substantially lower than the 3.8 million tonnes imported in 1999, at 1.1 million tonnes for the Islamic Republic of Iran, up from 1 million tonnes last year, and at 700 000 tonnes for Brazil, down from 1 million tonnes. Purchases by Bangladesh are still forecast to tumble, from 1.8 million tonnes in 1999 to only 500 000 tonnes this year, following two years of bumper crops.

Most of the adjustment in the world rice export estimate for 2000 is on account of a 500 000 tonnes increase in forecast sales by China (Mainland), to 3.5 million tonnes. Despite the contraction in production, domestic prices have continued to fall, allowing the country to increase its share in a shrinking international rice market. In addition, the export forecast for Japan has been raised by 200 000 tonnes to 600 000 tonnes in 2000, since the country is considering stepping up external food aid as one of the policy options to cut surpluses. By contrast, rice sales by the United States have been reduced by 100 000 tonnes from the previous forecast to about 2.8 million tonnes, reflecting a continued poor demand from its traditional customers in Latin American and the Caribbean. Estimates of exports for the year by Thailand and Vietnam are unchanged at 6.0 million tonnes and 3.8 million tonnes, respectively.

In **2001**, world trade in rice is tentatively forecast to reach about 24 million tonnes, up 1.1 million tonnes or

5 percent higher than the current forecast for 2000. The increase would be mainly on account of larger purchases by Indonesia and Bangladesh. In addition, imports by the Islamic Republic of Iran are expected to rise, to make up for the drought-related losses, while those by China (Mainland), might double to 400 000 tonnes. Forecasts for the Democratic Republic of Korea also point to some increase in imports, to offset the current production shortfalls, much of which might take the form of food aid.

All of the foreseen increase in exports in 2001 is expected to be met by Asian suppliers, especially Thailand and Viet Nam. Sales by Myanmar could also rebound next year. China (Mainland) is forecast to raise its exports further in 2001, again by drawing from rice inventories. Such a behaviour is an indication of the Government's on-going efforts to reduce the large costs associated with their holding. The stock-drawdown might also reflect concerns over the implications the forthcoming accession to WTO might have on the country's rice balance. By contrast, in South America, both Argentina and Uruguay are expected to reduce exports in 2001, a consequence of depressed regional demand. Little change in sales by the United States and Australia is currently anticipated.

The volume of rice imported on commercial terms by the developing and LIFD countries is forecast to fall by 8 percent and 15 percent respectively in calendar year 2000. This contraction combined with the very weak prices over the year should lower substantially the overall import bills for the two country groupings. In the case of the developing countries, the value of commercial rice imports is estimated to fall by 27 percent to US\$3.2 billion in 2000, the lowest level in five years. For the LIFD countries, it is estimated to reach US\$1.9 billion, 31 percent less than in 1999. Expectations for 2001 suggest a 7 percent and an 8 percent rise in the rice import bills of the developing countries and LIFD countries respectively, based on current forecasts of increased rice purchases and of a slight strengthening in world prices next year.

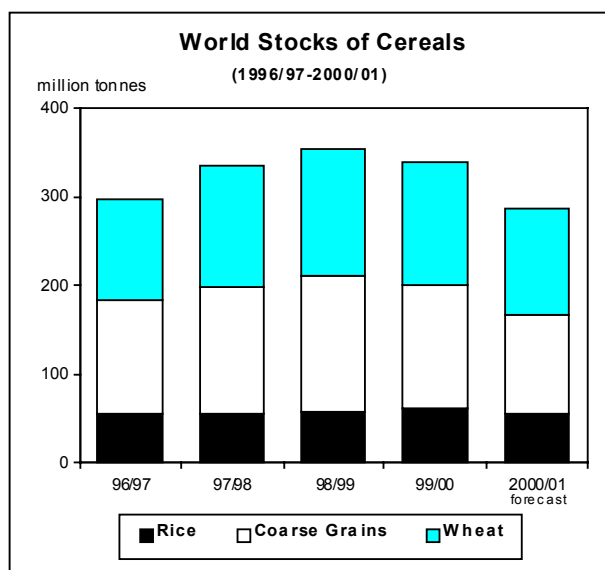
Carryover Stocks

Falling stocks as production declines

World **cereal** stocks by the close of the seasons ending in 2001 are now forecast at 288 million tonnes, down 52 million tonnes, or 15 percent from their opening level. This significant reduction comes mostly as a result of lower world cereal production. As a result, the ratio of world stocks to the expected utilization in 2000/01 could fall to around 15 percent.

The biggest declines in cereal stocks are expected in countries where production is forecast to fall most, namely China and the United States. Total ending cereal stocks in major exporting countries are now put at 130 million tonnes, which is 16 million tonnes below their opening levels. Although total cereal inventories in major exporting countries are forecast to decline, because of even larger drawdowns in other countries,

the share of global stocks held by major exporters is forecast to rise slightly from the previous year to around 45 percent. However, the ratio of the volume of cereal stocks held by the major exporters to the total disappearance (their domestic cereal consumption plus exports) in 2000/01 is likely to decline from the previous year. For coarse grains, despite the expected increase in production in the major exporting countries, high world import demand and domestic use could result in a decline in the stocks-to-use ratio from 18 percent in 1999/2000 to 16 percent in 2000/01. The ratio for wheat is also likely to decline, from around 22 percent to 18 percent due to strong international demand. For rice, a sharp fall is expected, from 11 percent in 1999/2000 to 8 percent in 2000/01, largely because of a likely decline in rice production in China.



In some countries, recent policy changes have brought about reductions in domestic grain inventories, largely driven by changing global trading environment and the need to reduce the ever-growing financial burden associated with managing such large stocks. This calls for a closer look at a change in the level of stocks held particularly by the major producing countries. FAO will review the stock levels for such countries and refine its estimates, as necessary, in the future reports.

World stocks of **wheat** for crop years ending in 2001 now put at 121 million tonnes, some 18 million tonnes, or 13 percent, below the previous year's level. Among the world's five major wheat exporters, the overall declines in the United States and Canada are expected to more than offset the anticipated rise in stocks held in the EC. However, the largest decline is in China, where wheat stocks are forecast to fall by at least 10 million tonnes, mostly because of smaller domestic production. Sharp drops in stock levels are also anticipated in a number of other drought-stricken countries, including Afghanistan, the Islamic Republic of Iran, Iraq, Jordan and Morocco. By contrast, wheat inventories are likely to expand in Pakistan and India

because of bumper crops, and also in the Russian Federation because of improved harvests this year.

World Carryover Stocks of Cereals

	Crop year ending in:		
	1999	2000 estimate	2001 forecast
	(. . . million tonnes . . .)		
Wheat	143.0	139.1	120.7
Coarse grains	153.9	138.8	112.2
Rice (milled)	56.8	61.8	55.1
TOTAL	353.6	339.7	287.9
of which:			
Main exporters	154.4	146.6	130.4
Others	199.2	193.1	157.5

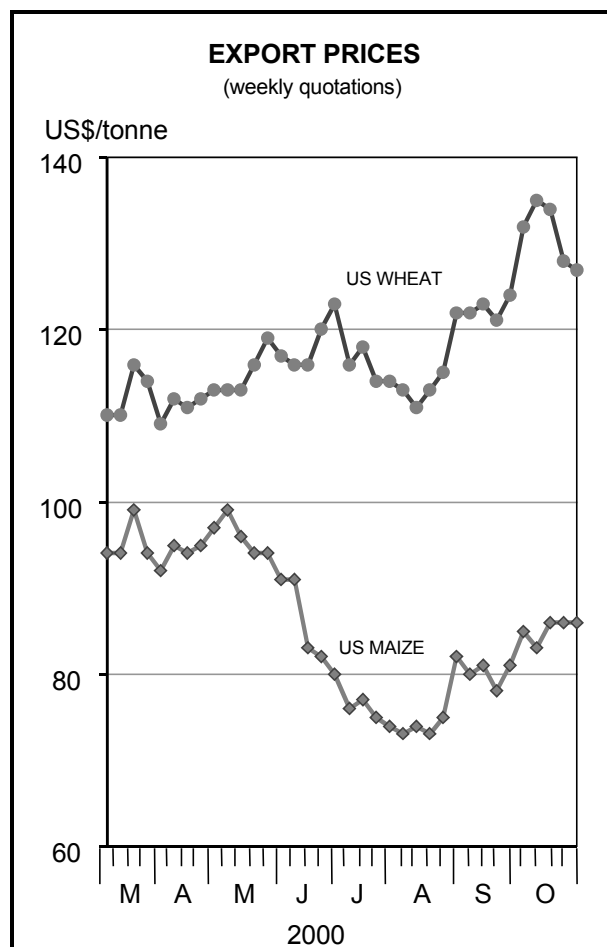
Source: FAO

Global **coarse grain** inventories for crop years ending in 2001 are now put at 112 million tonnes, down 27 million tonnes, or 19 percent, from the previous year. As for wheat, the bulk of the decline is accounted for by China, where stocks are now forecast to fall by about 17 million tonnes, following a sharp drop in production. In the United States, the ending stocks are forecast at around 50 million tonnes, up slightly from last year but significantly (around 17 million tonnes) below the previous forecast in September as the estimate for this year's coarse grain production has been reduced further and the forecast for exports has been raised. Smaller stocks are also anticipated in several eastern and central European countries due to drought-reduced production.

World **rice** inventories at the end of the 2000/01 marketing season are now forecast at 55.1 million tonnes, about 7 million tonnes less than their opening level. As for the other cereals, China (mainland) is expected to account for most of the stock drawdown, as the Government is striving to lessen the financial burden associated with holding stocks ahead of the country's accession to WTO. Carry-over stocks are also expected to fall in India where free or low-priced domestic distribution of rice has been promoted to release storage space following bumper wheat harvests. The stock drawdown might also reflect rising concern over the potential implications that the forthcoming tariffication might have on the country's cereal balances. Japan is also expected to cut holdings by promoting rice utilization in feeds and food aid transactions. Among the others exporters, stocks are anticipated to fall somewhat in Pakistan, Thailand, the United States and Argentina. By contrast, they might remain unchanged in Viet Nam or even increase in Myanmar. In general, the tendency to reduce inventories is expected to prevail in all regions, since utilization is anticipated to outpace production.

Export Prices

International **wheat** prices have risen since August. The increase in higher quality categories has been most pronounced with US wheat No. 2 (HRW, fob) averaging US\$131 per tonne in October, up US\$16 per tonne from August and also US\$20 per tonne more than in the corresponding period in 1999. Strong import demand has provided most of the support for higher wheat prices in view of a decline in world output and prospects for lower stocks, which has proved supportive to prices also in the futures market. While by late October, the March 2001 wheat futures for soft red winter at the Chicago Board of Trade (CBOT) was quoted at close to last year's level of around US\$100 per tonne, wheat futures showed some strength in October, rising above last year's values for the first time since the start of the season. Although indications for wheat prices over the next month or two continue to favour higher levels, the worst of the price slump from the exporters perspective may not be over as supplies of new crops from Australia and Argentina entering the market could renew the downward pressure on prices. However, because of reduced stocks, the size of planting for next season will play even more important role in determining which direction prices will take next season.



International **maize** prices have also strengthened since August, reflecting strong import demand, amid lower global production and reduced stocks, especially

in the major exporting countries and in China. In October, the price of US No. 2 maize (fob) averaged US\$92 per tonne, which was up US\$16 per tonne from August and US\$8 per tonne above the corresponding period last year. The continuing large exportable supplies are the main reason for the more subdued rise in maize prices since last year.

to a year ago. The recent recovery in US prices was mainly supported by the call of new tenders to meet food aid commitments.

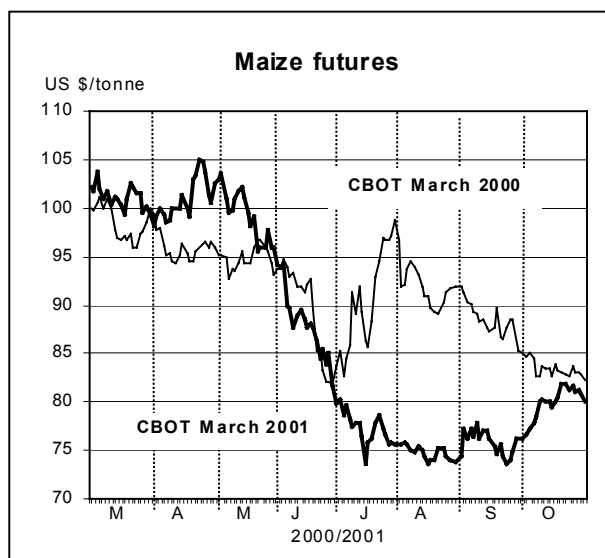
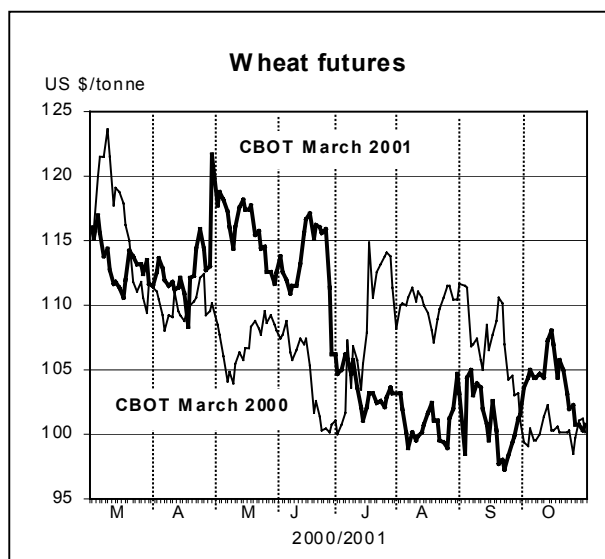
Cereal Export Prices *

	2000		1999
	Oct.	Aug.	Oct.
	(. US\$/tonne)		
United States			
Wheat ^{1/}	131	115	111
Maize	85	76	95
Sorghum	92	76	84
Argentina ^{2/}			
Wheat	123	111	112
Maize	76	74	90
Thailand ^{2/}			
Rice white ^{3/}	191	189	220
Rice, broken ^{4/}	136	143	170

Source: FAO, see Appendix Table A.6

- * Prices refer to the monthly average.
- ^{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.

In the futures market, maize prices have remained below last year's values although the gap has narrowed considerably in recent weeks. However, the future price direction remains uncertain. On one hand, any immediate downside could be ruled out because of continuing strong import demand. Also, smaller exportable supplies in China and Hungary may prove supportive to prices. On the other hand, however, this year's expected record crop in the United States, the world's largest producer and exporter of maize, combined with abundant feed quality wheat in international markets, which could be imported as a substitute for maize, leads us to reiterate the earlier expectation that, although maize prices this season may rise slightly, they are, nonetheless, likely to remain relatively weak.



The FAO Export Price Index for **Rice** (1982-84=100) rose by 1 point in October to an average of 95 points after falling since the beginning of the year. However, it remains close to the lowest level in ten years. The recent slight recovery reflects some limited strengthening of prices for high quality rice, while lower quality grades remain under downward pressure.

By contrast, the price of the lower quality fully broken rice (Thai A1 Super) dropped to US\$136 per tonne in October, after remaining stable at about US\$142-143 per tonne between July and September. This latest slide, drove down prices in October to the lowest level in 13 years, which has led major exporters to consider taking steps to prevent prices from deteriorating further. In that connection, Thailand and Vietnam signed, in September, an agreement to jointly market low grade rice in an attempt to prevent each from undercutting the other's prices in international transactions. China (Mainland) is considering joining the initiative.

Between August and October, the price of high quality Thai 100% B rice increased by US\$2 per tonne to US\$191 per tonne in response to the announcement of new sale contracts. Prices of high quality US No. 2/4 percent broken rice also recovered, and averaged US\$291 per tonne in October, up US\$31 per tonne from August, but still US\$19 per tonne down compared

International rice prices are expected to remain weak in the coming months. Additional downward pressure on prices might even be exerted by the arrival of new crop supplies on the market.

Food Aid^{1/}

Total cereal food aid shipments in 2000/01 to remain unchanged from the previous year

Preliminary indications suggest that cereal food aid shipments in **2000/01** could reach 10 million tonnes, close to last year's estimated volume. Shipments to the Russian Federation are forecast to decrease sharply, following this year's improved harvest in that country. However, food aid needs are expected to be larger: mostly in Africa, but also in the Democratic People's Republic of Korea and the southern countries of the CIS.

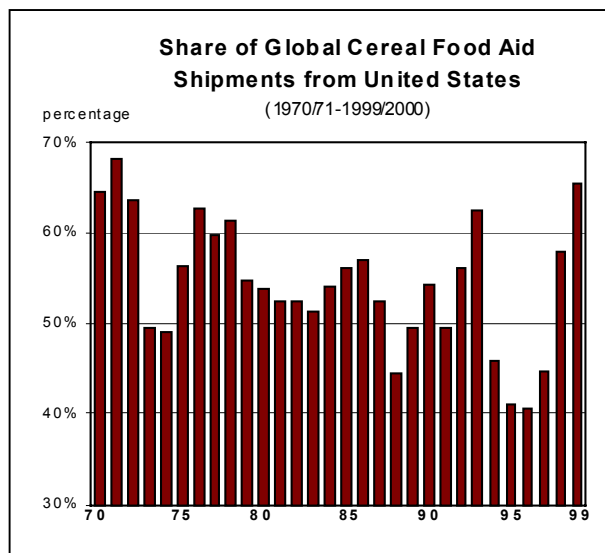
According to the latest information supplied by the World Food Programme (WFP), total cereal shipments in **1999/2000** (1 July through 30 June) under programme, project and emergency food aid amounted to 10.2 million tonnes, down 800 000 tonnes from the previous year, despite larger shipments to the Russian Federation (table A.10). Among the individual cereals, only shipments of coarse grains (mostly maize) registered an increase, rising by over 200 000 tonnes; those of rice fell by 700 000 tonnes and those of wheat declined by nearly 400 000 tonnes.

Cereal shipments from the United States rose to 6.7 million tonnes in 1999/2000, accounting for nearly 65 percent of the world total, up from 58 percent in 1998/99, largely on account of higher shipments to the Russian Federation. This level of shipments from the United States is comparable only to two periods in the past: the early 1970s and 1993/94. Out of the total of 6.7 million tonnes, wheat accounted for nearly 4.3 million tonnes, down 300 000 tonnes from 1998/99. The decline in wheat shipments was more than offset by the rise in coarse grains (mostly maize), which increased from 900 000 tonnes in 1998/99 to 1.3 million tonnes in 1999/2000. By contrast, cereal donations from Japan, mostly rice, declined sharply while those from the EC also fell. Shipments from most other origins remained close to 1998/99 levels.

On the recipient side, shipments to the Russian Federation in 1999/2000 soared to 2.4 million tonnes, which was close to the record shipped in 1993/94 and was up nearly 500 000 tonnes from the previous season's already high level. Larger shipments of coarse grains accounted for most of this increase. Overall, 830 000 tonnes of coarse grains were sent to the Russian Federation, up 300 000 tonnes from 1998/99. At over 1.5 million tonnes, the volume of wheat shipments as food aid to the Russian Federation in 1999/2000 was up by 65 000 tonnes from the previous season.

Excluding the Russian Federation, total food aid shipments to the rest of the world in 1999/2000 registered a decline of about 1.3 million tonnes, or 14 percent to 7.7 million tonnes. Nevertheless, even at

this reduced level, food aid by major donors exceeded the "minimum commitments" agreed under the 1999 Food Aid Convention (FAC) by at least 2.8 million tonnes. It should be noted that the 1999 FAC sets the minimum "guaranteed annual tonnage" at around 4.9 million tonnes (in wheat equivalent). Also, the Russian Federation is not among the eligible food aid recipients under Article VII of the Convention^{2/}.



Total cereal shipments as food aid to the Low-Income Food-Deficit Countries (LIFDCs) in 1999/2000 fell to around 7 million tonnes, down 1.1 million tonnes from 1998/99. Most of the decline was in Asia, while shipments to Africa rose slightly. In Asia, Bangladesh was the largest recipient (964 000 tonnes) followed by the Democratic People's Republic of Korea (733 000 tonnes) and Indonesia (438 000 tonnes). Nevertheless, total shipments to these three major food aid recipient countries registered a drop of about 1.4 million tonnes, or 39 percent, compared to 1998/99. By contrast, in Africa, shipments to Ethiopia in 1999/2000 doubled from the previous year to 1.2 million tonnes. After Ethiopia, Rwanda (179 000 tonnes) and Kenya (120 000 tonnes) ranked the second and the third largest food aid destinations in Africa. Among the LIFDCs in Latin America and the Caribbean, cereal shipments to Cuba, Haiti and Honduras increased slightly. Most of the increase was in the form of wheat, while rice and maize shipments declined. Among the LIFDCs in Europe, smaller shipments were made to Albania and Bosnia-Herzegovina but shipments to former Yugoslav Republic of Macedonia increased from 6 000 tonnes in 1998/99 to 92 000 tonnes in 1999/2000.

^{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*.

^{2/} More detailed information on the 1999 FAC can be found in the September 1999 issue of Food Outlook.

Cereals - Food Aid Shipments by destination- (July/June)

	1995/96	1996/97	1997/98	1998/99	1999/2000 estim.
	(..... thousand tonnes)				
WORLD	7 397	5 605	6 241	11 034	10 228
LIFDC	6 264	4 487	5 267	7 908	6 779
Africa	2 526	2 061	2 281	2 583	2 647
Sub-Saharan	2 305	1 871	2 172	2 532	2 555
Others	221	190	109	50	92
Asia	3 911	2 526	3 132	5 158	3 827
East Asia and SE Asia	877	685	1 015	2 381	1 427
South Asia	1 210	906	1 127	2 017	1 568
Others	1 824	934	989	760	832
Latin America and the Caribbean	602	611	553	974	739
Others	358	407	275	2 320	3 015

Source: WFP**Note:** Totals computed from unrounded data.**Shipments of non-cereal food aid in 1999 rose to their highest volume since 1994**

According to WFP, total shipments of non-cereals as food aid reached 1.6 million tonnes in 1999 (January-December)^{1/}, this was up 700 000 tonnes, or 80 percent, from the previous year and the highest in 5 years. However, as in the case for cereals, most of this increase was due to higher shipments to the Russian Federation. Total shipments of non-cereals to the Russian Federation soared from only 400 tonnes in 1998 to a record 800 000 tonnes in 1999, most of

which included pulses (595 000 tonnes, mainly from the United States) and meat (159 000 tonnes, mainly from the EC). Total shipments to the LIFDCs rose slightly to 635 000 tonnes. Smaller shipments were recorded for several countries, such as Indonesia (down 33 000 tonnes), Kenya (down 13 000 tonnes), Sierra Leone and Democratic People's Republic of Korea (down 9 000 tonnes in each country) and Uganda (down 8 000 tonnes). These declines were largely offset by bigger shipments to many other LIFDCs, including Uzbekistan, the Philippines, Nicaragua, Honduras, Liberia and Eritrea.

Non Cereals - Food Aid Shipments by Destination

	1995	1996	1997	1998	1999 estim.
	(..... thousand tonnes)				
WORLD	1 261	987	895	915	1 627
LIFDC	670	615	580	627	635
Africa	455	392	313	302	296
Asia	234	255	275	341	313
Latin America and the Caribbean	152	148	170	232	152
Others	420	193	136	39	866

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

Among the non-cereal food categories, shipments of nearly all commodities, except for edible fats and vegetable oils, rose in 1999 as compared to 1998. Shipments of pulses surged to 1 million tonnes, 133 percent more than in 1998. At this level, food aid in pulses represented 62 percent of the overall total food

aid of non-cereals in 1999 and also accounted for almost 13 percent of world trade of pulses in that year.

^{1/} While cereal shipments are reported on a July/June basis, shipments of non-cereals are reported on a calendar year basis.

Nearly 85 percent of shipments of pulses in 1999 originated in the United States. The near triple expansion in shipments from the United States more than offset the declines from most other origins, including Australia, Canada and the EC. Another major

non-cereal food category is meat and meat products, the shipments of which showed a dramatic increase, from only 4000 tonnes in 1998 to 163 000 tonnes in 1999. The increase was mostly due to a rise in shipments from the EC.

Non Cereals - Food Aid Shipments by type

	1995	1996	1997	1998	1999 estim.	Change from 1998
(..... thousand tonnes)						
Butter oil	1.8	1.1	0.4	0.2	0.2	-
Dry fruit	1.9	6.7	2.6	0.2	1.1	0.9
Edible fats	3.5	9.0	4.3	6.9	1.0	-5.8
Fish & products	19.0	15.9	14.5	10.2	15.9	5.7
Meat & products	6.6	8.0	8.6	4.2	162.6	158.4
Milk	54.6	25.9	17.3	24.9	50.5	25.6
Other dairy products	13.0	4.0	0.9	0.2	1.4	1.2
Pulses	729.5	508.2	405.5	433.8	1 010.7	577.0
Sugar	83.1	49.3	49.2	26.7	31.2	4.5
Vegetable oils	315.5	285.4	286.3	355.0	300.1	-54.9
Other foods	32.3	73.4	105.1	52.6	52.0	-0.6
Total	1 260.8	987.1	894.8	914.7	1 626.8	712.1

Source: WFP

Note: Totals computed from unrounded data.

Contributions to IEFR and PRROs

Cereal contributions to the WFP administrated International Emergency Food Reserve (IEFR) for 1999 reached 1.7 million tonnes, down 200 000 tonnes from 1998. For non-cereals, total contributions reached 315 000 tonnes, up more than 100 000 tonnes from 1998 (Table A. 11). As of October 2000, pledges to the 2000 IEFR have exceeded 580 000 tonnes for cereals and nearly 100 000 tonnes for non-cereals. To-date, these pledges are slightly below the pace observed for

the corresponding period in 1999. Contributions to the 1999 Protracted Relief and Refugee Operations (PRROs), also directed by the WFP, amounted to about 468 000 tonnes for cereals, down 70 000 tonnes from 1998. For other food commodities, the 1999 contributions exceeded 200 000 tonnes, twice as much as in 1998. By October 2000, already some 1.2 million tonnes of cereals and nearly 170 000 tonnes of non-cereals have been pledged under the 2000 PRROs. Higher cereal contributions so far in 2000 mostly reflect a tripling in contributions from the United States.

Cassava

Cassava Production Up In 2000

Global cassava production in 2000 is forecast to rise further to 175 million tonnes, by nearly 2 percent compared to 1999 reflecting increases in Africa, Latin America and the Caribbean. Little change is currently foreseen in Asia. The estimate of world cassava output in 1999 has been revised upward since the last report in April 2000 and now stands at 172 million tonnes of fresh roots, 6 percent above 1998.

In Africa, cassava production is forecast to reach 93 million tonnes this year, 1 percent more than in 1999. This modest increase reflects larger outputs expected in Nigeria, Angola, and Malawi that should more than offset reduced production in a number of other countries. In Nigeria, cassava output is estimated to increase to about 34 million tonnes, up from 32.7 million tonnes in 1999, sustained by government

policies directed to expand food availability. In Malawi, the cassava sector has also benefited from a number of programmes that have been launched to promote the cultivation of drought-tolerant crops. By contrast, poor cassava crops are expected in Madagascar, Mozambique, the Democratic Republic of Congo, the Republic of Congo, Burundi, Sierra Leone, Uganda and Zimbabwe, where population displacements and civil strife have disrupted agricultural activities. In addition, a prolonged drought seriously affected cassava crops in Burundi and Madagascar, while severe floods are estimated to have caused a 15 percent drop in production in Mozambique.

In Latin America and the Caribbean, cassava output is forecast at 30.9 million tonnes, 1.5 million tonnes higher than in 1999. In Brazil, the region's largest producer, cassava output is currently forecast to rise by 6 percent to 22.2 million tonnes, lifted by relatively

large crops in the centre-south and north-east states. However, despite the increase, production will still be 15 percent below the record of 25.6 million tonnes achieved in 1996. Substantial growth in production (10 percent) is also anticipated in Colombia. In this country, producers have been responding positively to the incentives provided by the Government, which, in collaboration with the International Centre for Tropical Agriculture (CIAT) and the private sector, has started implementing the Strategy Plan "PROAGRO". This Plan, which aims at identifying development opportunities for different crops, has set as one of its objective the promotion of cassava as a basic ingredient in poultry and pig feed compounds in substitution for imported feedstuffs. Increases in cassava production are also expected in the Dominican Republic, El Salvador and Peru. Little change is anticipated in the rest of the region.

have risen in Andhra Pradesh and Tamil Nadu, the two major producing states, following generally favourable weather, but to have fallen in Kerala, where farmers have been shifting to more profitable crops. In the Philippines, cassava output is forecast to be only slightly above the 1999 level, notwithstanding the emphasis placed by the Government on the development of the crop. Cassava is one of the priority commodities covered by the High-Value Commercial Crops Programme. In Viet Nam, cassava production is forecast to rise by 5 percent in 2000, reflecting the wider use of high yielding cassava strains, which are now estimated to account for one quarter of cultivated area. Cambodia reported a substantial increase in cassava output. Little change is forecast elsewhere in the region.

Cassava Utilization Rises in 2000

World Cassava Production ^{1/}

	1998	1999	2000 prelim.
	(. million tonnes)		
WORLD	162.7	172.1	174.9
Africa	90.2	91.7	92.7
Congo Dem. Rep.	17.1	16.0	16.0
Ghana	7.2	7.8	7.8
Madagascar	2.4	2.5	2.3
Mozambique	5.6	5.4	4.6
Nigeria	32.7	32.7	33.9
Tanzania	6.1	7.2	7.2
Uganda	3.2	3.0	3.0
Asia	44.9	50.9	51.1
China	3.4	3.6	3.6
India	6.1	6.1	6.2
Indonesia	14.7	16.5	16.5
Philippines	1.7	1.8	1.8
Thailand	16.4	20.3	20.2
Viet Nam	1.8	1.8	1.8
Latin America and Caribbean	27.3	29.4	30.9
Brazil	19.7	20.9	22.2
Colombia	1.6	1.8	1.9
Paraguay	3.3	3.5	3.5

Source: FAO

^{1/} In fresh roots.

In Asia, overall cassava production in 2000 is forecast to remain at about 51 million tonnes. Thailand and Indonesia, the two major producers in the region, have reported no change from the previous year. In Thailand, domestic prices have been extremely weak since last year, which has induced the Government to intervene through the granting of interest-free loans on purchase and storage of cassava pellets and flour. In the rest of the region, some increase is anticipated for India, the Philippines, Viet Nam and Cambodia. In India, cassava area and production are estimated to

Global food utilization of cassava in 2000 is forecast to reach 100 million tonnes, in fresh root equivalent, 2 percent up from 1999. Of the total, 63 million tonnes is expected to be consumed in Africa, in the form of fresh roots and processed products (gari, fufufu, attiéké, kokonte, kondowole, etc.). World utilization of Cassava as feed is forecast to remain close to the previous year's level at 32 million tonnes, most of which is concentrated in Latin America and the Caribbean and in the developed countries, mainly the EC. In Africa, reduced production in those countries affected by civil strife and unfavourable climatic conditions will lead to a decline in food consumption. The contraction will mainly affect the rural population, which relies to a larger extent on the crop for subsistence. However, consumption is likely to fall also in the urban areas of several countries where sharp rises in retail prices for cassava products have been reported. In Ghana, for instance, retail prices of cassava and gari were respectively 15 and 20 percent higher than last year. In Nigeria, the price increases for those products were respectively 4 and 21 percent. In Latin America and the Caribbean, the expansion in production in 2000 should help sustain increased cassava use as food and feed, especially in Brazil and Colombia. In a number of countries, industrial utilization of cassava is also reportedly growing, confirming the changing role of cassava from subsistence to a market-oriented crop. In Asia, cassava utilization is estimated to have stagnated, reflecting little change in production and trade compared with last year. In particular, consumption in Indonesia (mainly food) and in Thailand (mainly industrial utilization) is expected to remain similar to last year. By contrast, cassava utilization is forecast to rise in the Republic of Korea, the Philippines, Japan, Israel and Turkey, following increased imports. It is noteworthy that novel cassava-based products are gaining popularity in the region as new processing technologies have been developed to turn the root into flour, starch and alcohol. Even treated cassava waste has been found to be suitable for animal feed, while leaves are increasingly being used in raising silkworms, in aquaculture and in mushroom nurseries.

Slight Decline in Cassava Trade anticipated

World trade in cassava products in 2000 is tentatively forecast at 5.7 million tonnes (14.5 million tonnes in fresh root equivalent), slightly below the revised estimate for 1999. Of the total, 4.7 million tonnes are anticipated to be traded in the form of chips and pellets and about 1.0 million tonnes in the form of starch and flour for food and industrial uses.

World Trade in Cassava ^{1/}

	1998	1999	2000 prelim.
	(. million tonnes)		
World Exports	4.4	5.8	5.7
Thailand	4.0	5.3	5.2
Indonesia	0.2	0.3	0.3
Others	0.2	0.2	0.2
World Imports	4.4	5.8	5.7
EC ^{2/}	2.9	4.3	4.0
China ^{3/}	0.5	0.7	0.5
Japan	0.3	0.3	0.3
Korea. Rep. of	0.4	0.1	0.1
Others	0.3	0.4	0.8

Source: FAO

^{1/} In product weight of chips and pellets, including starch and flour.

^{2/} Excluding trade between EC members

^{3/} Including Taiwan Province.

Imports by the EC in 2000 are forecast to fall by 300 000 tonnes, 7 percent down from 1999 due to a fall in domestic grain prices, higher freight rates and a weak Euro/US\$ exchange rate, which have contributed to making tapioca (cassava) products less competitive in the Community. By contrast, imports of cassava chips and pellets by non-EC countries are forecast to increase by 20 percent, as traditional importers that were absent from the market in 1999 returned to the tapioca pellet market this year. For instance, in the first nine months of 2000, Israel, Turkey and Japan bought

respectively 25 000 tonnes, 156 000 tonnes and 20 000 tonnes of cassava pellets, compared to none in 1999. Likewise, imports of starch by Indonesia, China, Hong Kong, Malaysia, the Philippines and Singapore are forecast to soar by about 50 percent compared with 1999.

Between January and September this year, Thailand shipped 3 million tonnes of chips and pellets and over 700 000 tonnes of starch. About 2.8 million tonnes of chips and pellets went to the EC, mainly to the Netherlands (69 percent), Belgium, Germany, Italy, Portugal (6 percent) and Spain (22 percent). Sales of cassava products from Indonesia are expected to be stagnant at 340 000 tonnes, while those from China are estimated to decline to 10 000 tonnes reflecting high domestic requirements.

World Cassava Prices Remain Under Downward Pressure in 2000

International cassava prices have continued to fall during most of 2000, since abundant supplies have coincided with a weak demand in the EC. In the first nine months of the year, the EC import price for cassava pellets averaged US\$87 per tonne, or 15 percent less than the corresponding period in 1999 and the lowest level for the last ten years. Quotations of barley in the EC in the first nine months of the year averaged US\$141, or 2 percent less than the corresponding period in 1999. By contrast, soybean meal prices, rose substantially to US\$183 (c.i.f. Rotterdam) or 25 percent above the same period in 1999. As a result, the price of the cassava-soybean mixture has become slightly more competitive relative to barley than in 1999, which has sustained cassava usage in the Community this year, but not sufficiently to prevent imports from falling. As for pellets, international prices of cassava starch and flour, which are traded mainly within Asia, followed a downward trend for most of the year, falling to an average of US\$150 in September 2000, some 7 percent less than the corresponding month last year.

Prices of Cassava, Soybean meal and Barley in the EC

	Cassava pellets ^{1/}	Soybean meal ^{2/}	Cassava soybean meal mixture ^{3/}	Barley ^{4/}	Barley/cassava mixture
	(. US\$/tonne)				(. ratio . . .)
1991	178	197	186	222	1.19
1992	183	204	187	235	1.26
1993	137	208	151	197	1.30
1994	144	192	154	182	1.18
1995	177	197	181	209	1.15
1996	152	268	175	194	1.11
1997	108	276	142	161	1.13
1998	107	170	120	145	1.21
1999	102	152	112	143	1.28
2000 ^{5/}	87	183	106	142	1.34

Source: FAO, Oil World and Agra-Europe.

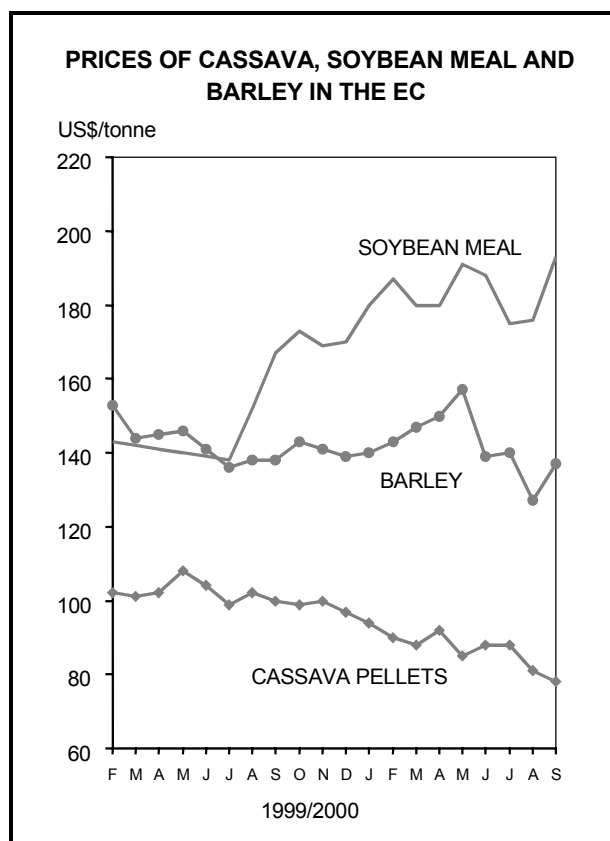
^{1/} F.o.b. Rotterdam (barge or rail) including 6% levy. ^{2/} Argentina 45/46 % proteins) c.i.f. Rotterdam up to September 1999. From October 1999 Argentina (44/45% proteins) c.i.f. Rotterdam. ^{3/} Consisting of 80% of cassava pellets and 20% of soybean meal. ^{4/} Selling price of barley in Spain. ^{5/} January-September average.

Cassava Production, Trade and Price Outlook for 2001 Still Uncertain

Prospects for global cassava production in 2001 are still subject to a large degree of uncertainty. In Africa, production could increase, stimulated by rising demand, especially in Nigeria. In Latin America and the Caribbean, much will depend on the outcome in Brazil, which is highly dependent on weather developments. Production may however increase in Asia, lifted mainly by gains in the Philippines, India and Viet Nam.

Results from a recent survey point to only a slight contraction in production in Thailand next season, despite the extremely low prices received by producers this year.

Preliminary prospects for cassava trade in 2001 point to a possible contraction, reflecting a likely fall in imports by the EC. Indeed, cassava pellets in that market might face greater competition from feed wheat next year, given the poor quality of the recent harvest. In addition, EC intervention prices for grains will be cut by another 7.5 percent by July 2001, as part of the second phase of Agenda 2000 policy reform, which might put cassava pellet prices under further downward pressure.



Cassava and Cassava Products Prices in Thailand

	Tapioca flour/ starch Super H. G., Fob Bangkok	Domestic market prices	
		Roots	Hard pellets
(..... US\$/tonne			
1988	166	47	136
1995	358	65	127
1996	289	49	113
1997	244	34	72
1998	276	44	75
1999	172	26	66
2000 - Jan.-March	160	23	57
Apr.-June	164	21	55
July-Sept.	156	22	47

Source: Thai Tapioca Trade Association, Market Review.

Global Cassava Development Strategy

In April 2000, an international cassava Forum was convened by FAO in its headquarters in Rome, under the sponsorship of various organizations, especially IFAD. The Forum was attended by participants from 22 countries, both from the public and private sector, including farmers' organizations, non-governmental organizations, international research institutes and their networks.

The purpose of the meeting was to endorse a Global Cassava Development Strategy (GCDS)^{1/}, which had been developed between 1996 and 1999 in the course of regional consultations and progress review meetings, and to draw a plan of action for its implementation.

The GCDS consists in a systematic approach to identify opportunities and constraints at each stage of the cassava development cycle from production to consumption. It is also considered as a tool to develop a framework for technical co-operation in research and technology transfer at the international level, that would reflect regional and national priorities for future debates on global cassava issues. The Strategy presents a vision that cassava will spur rural industrial development and raise income for producers, processors and traders while contributing to food security, income generation and poverty alleviation. The essence of the GCDS is "to use a demand driven approach to promote and develop cassava-based industries with a coalition of groups and individuals interested in developing the cassava industry".

Participants^{2/} in the Validation Forum adopted the implementation plan, which draws on the principles outlined in the strategy documents and takes into consideration the priorities established at the various consultations meetings. In addition, it was agreed that FAO had to play a key role in the implementation of the strategy. In the first place, FAO will publish the report of the Validation Forum and will be responsible for the maintenance, updating and enhancement of the GCDS Web site. This is already accessible through the FAO's Web page at < www.globalcassavastrategy.net>. The site is linked to other sites of possible interest to the cassava sector. Contributions are expected from all stakeholders in providing information and useful links.

1/ The Global Development Cassava Strategy was developed between 1996 and 2000, at the initiative of the International Fund for Agricultural Development (IFAD) and with the support of FAO, the World Bank, the International Institute of Tropical Agriculture (IITA), the International Centre for Tropical Agriculture (CIAT), The United Kingdom National Research Institute (NRI), the International Cooperation Centre on Agrarian Research for Development (CIRAD), the Canadian International Development Research Centre (IDRC), Swiss Development Cooperation (SDC), the German Agency for Technical Cooperation (GTZ) and the Common Fund for Commodities (CFC).

2/ Other organizations represented at the Validation Forum were: the International Plant Genetic Resources Institute (IPGRI), The Asian Cassava Research Advisory Committee (ACRAC), the Central and West Africa Root Crops Research Network (CEWARR-NET), Consorcio Latinoamericano y del Caribe de Apoyo a la Investigacion y Desarrollo de la Yuka (CLAYUCA), the Eastern Africa Rootcrop Research Network (EARRNET), the international Society for Tropical Root Crops-Africa Branch (ISTRAC-AB), the African Development Bank (ADB) and the International Foundation for Science (IFS).

Milk and Milk Products

Price Trends

International prices for milk powder rose sharply during the middle of the year. For example, skimmed milk powder (SMP) rose from US\$1 600 per tonne in April to US\$2 100 per tonne in September: over the same period, whole milk powder (WMP) prices increased from US\$1 650 per tonne to US\$1 975 per tonne. Casein prices also increased substantially. Following on from this upward trend, cheese prices also rose, although to a lesser degree. The main factors behind this were strong demand in importing countries and limited supplies in exporting countries. Taking the case of skimmed milk powder, Oceania began the 2000/01 dairy year with low levels of stocks, as a result of strong export sales. Also, the other major exporter of milk powder, the EC, had exhausted its intervention stocks of SMP by the end of the European summer. In contrast, publicly funded stocks of SMP grew in the

United States; however, high domestic support prices, and limitations of the use of export subsidies under the WTO Uruguay Round, prevented substantial volumes being exported. While the price of butter did not increase markedly during 2000, indications are that import demand strengthened during the second part of the year and some exporters report higher than average orders for this product.

Small Rise in Milk Production Expected

Global milk output is expected to rise by 2 percent during 2000, with production increasing in most countries. Following a good start to the 2000/01 dairy year, milk production in New Zealand was affected by cold, wet weather in many parts of the country during September and October, which are peak production months. Consequently, output growth during the current dairy year may be below the 4 percent

Indicative Dairy Export Prices ^{1/}

	1999	2000		
	Oct.	Aug.	Sept.	Oct.
	(. . . . US\$/tonne, f.o.b.)			
Butter	1 225	1 225	1 275	1 325
Skimmed milk powder	1 325	2 025	2 100	2 150
Whole milk powder	1 425	1 975	1 975	2 050
Cheddar cheese	1 700	1 825	1 875	1 925
Acid casein	4 000	4 900	4 950	4 950

^{1/} Mid-point of price ranges reported by the New Zealand Dairy Board.

expected earlier. In the case of Australia, production is running at about 4 percent ahead of that for the same period in 1999. In the light of the above, milk output for New Zealand is forecast at 13.1 million tonnes, while that of Australia at 11.3 million tonnes. As both countries have mature domestic markets, any increase in milk output will be largely destined for the production of dairy products for export. In both countries, the devaluation of their national currencies against the US dollar has meant that the increase in international prices, which are quoted in US dollars, have magnified local currency payments to farmers. Consequently, especially in New Zealand, dairying has become a very attractive option and a number of farms are converting from other activities. The growth in milk production in New Zealand, especially in the South Island where many farm conversions are taking place, has necessitated investment in expanding processing capacity.

Milk Production

	1998	1999	2000 estim.
	(. . . . million tonnes)		
WORLD	558	565	575
EC	125	125	125
India	75	77	79
United States	71	73	75
Russian Fed.	33	32	31
Pakistan	22	23	24
Brazil	21	22	22
Ukraine	14	13	12
Poland	13	12	12
New Zealand	11	13	13
Australia	10	11	11
Turkey	10	10	10

Source: FAO

In the United States, despite a reduction in the price of milk, favourable feed and weather conditions, increased yields per cow and herd expansion have resulted in milk production continuing to increase. In 2000, milk production is expected to rise by 3 percent. After many years of decline, the US herd size increased in both 1999 and 2000. Herd expansion has

been concentrated in the western States – Arizona, California, Idaho and New Mexico – which are characterized by large, low-cost farms. Milk production in the United States has grown as much in 1999 and 2000 combined, as it did in the previous seven years. Further expansion is predicted for 2001 as a result of a favourable feed/milk price ratio and continued herd expansion, which could persist until at least mid-2001. The surge in milk output has led to a build up of commercial and government funded stocks of dairy products and has resulted in lower domestic prices for cheese and butter.

In eastern Europe, dry conditions during the summer are expected to result in lower milk output for 2000 in a number of countries, including: Lithuania, Poland, Slovakia and Yugoslavia. Additionally, in some countries in the region, for example Poland and Slovakia, the introduction of more stringent milk quality standards have resulted in reduced deliveries of milk to dairies. For some countries in this region, anticipated access into the EC during the coming years may act as an incentive for farmers to increase output, with the aim of gaining entitlement to production quotas, once membership to the EC is achieved. Production in a number of other developed countries (the EC, Canada, Japan, Switzerland) is subject to policies which restrict output and, consequently, changes little from year to year. In the two largest producing countries of the CIS, the Russian Federation and the Ukraine, a continued decline in output is projected for 2000, as milk production is unprofitable in many holdings. Additionally, a shortage of feed-grain during the coming winter is expected to impact negatively on production. However, for the Russian Federation, although the size of the herd continues to decline, yield per cow appears to be stabilizing, perhaps indicating that the continuous fall in milk production which has taken place since 1990 could be bottoming out.

In developing countries, growth in milk output is expected to continue in Asia and Latin America. India's milk production during the 2000/2001 (April/March) marketing year could rise to an estimated 79 million tonnes: because milk production is concentrated in small units with only 10 percent of national milk production passing through the formal milk processing sector, exact figures for India's milk output are not available. Production growth in India is increasing through improved yields per animal rather than through growth in animal numbers. Also, in China, where a moderate growth in total milk output is expected, milk production growth has focused on improved yields rather than expansion of the dairy herd since the start of the 1990's. In Latin America, milk production is expected to increase in most countries in the region. For the Cono-Sur countries (Argentina, Chile and Uruguay), the fortunes of milk producers are increasingly linked to the international market, as their domestic markets are not growing sufficiently to absorb increased output. As in many other parts of the world, the more competitive environment within which farmers in the Cono-Sur must operate is leading to smaller,

less efficient producers leaving the industry. For example, in Argentina, the number of farmers supplying milk to dairies in July 2000 was 9 percent less than the same month in 1999. As a consequence of this process, the amount of milk processed by Argentine dairies also fell - by 8 percent during the first seven months of 2000. This would imply that milk output in Argentina for 2000 would be about 9.3 million tonnes, as opposed to just over 10 million tonnes in 1999.

Elsewhere in Latin America, production is expected to rise in Brazil, Colombia, Costa Rica and Mexico. In these countries, rising domestic demand is the principle motor behind growth in milk output. In the case of Brazil, higher farm gate prices have acted as an incentive for increased production.

Import demand strong

Production of milk in excess of domestic requirements in the major exporting countries grew at a slower rate than that of international demand during 2000. Consequently, supplies of some dairy products to the world market, especially skimmed milk powder, were in

short supply. Purchases of milk powder by most countries in South East Asia increased during 2000, as economic growth in this region sustained import demand. Additionally, for the oil producing countries in the Middle East and North Africa, and Venezuela, increased revenue, stemming from higher oil prices, led to growth in import demand for a number of dairy products. Elsewhere, Brazilian imports were expected to be maintained. On the other hand, import demand by the Russian Federation for butter and cheese remained depressed, as, following the devaluation of the Rouble in mid-1998, the price of imported dairy products has risen substantially in national currency terms.

Price Outlook

Assuming normal weather conditions in the southern hemisphere; limited export supplies in many exporting countries and sustained import demand from a number of importing countries are expected to lead to continued high prices for most dairy products during the remainder of 2000 and the first-half of 2001. During this period, SMP, WMP and Casein prices are expected to remain at or near October 2000 levels, while butter and cheese prices could rise further.

Sugar

World sugar consumption in 2000/01 is forecast by FAO to exceed global sugar production for the first time in 7 years. However, this development is not a consequence of an acceleration in consumption growth, but rather of a decline in production. Preliminary forecasts indicate a reduction in world sugar output of 4.5 percent, which should contribute to a continued strengthening in prices. International Sugar Agreement (ISA) average daily prices, which reached fourteen-year lows in February 2000, have recovered by nearly 80 percent to an average of US cents 10.03 per pound in September 2000.

FAO's forecast for world sugar production in 2000/01 is 129.6 million tonnes (raw value), 6.2 million tonnes less than in 1999/2000 with the reduction shared almost equally between the developed and the developing country groups.

Sugar output, in the developed countries in 2000/01, is forecast at 41 million tonnes, which would be 3.1 million tonnes, or 7 percent less than in 1999/2000. The increase forecast for South Africa would be insufficient to offset major declines in the EC (-1.7 million tonnes), Australia (-781 000 tonnes), the United States (-538 000 tonnes), and the CIS (-210 000 tonnes). Adverse weather, accounted for most of the declines in these countries and in Australia, a high incidence of disease also affected the crop. On the contrary, in South Africa, an expansion in crop area and favourable weather conditions should lead to an expected record output of 2.7 million tonnes in 2000/01.

Sugar production in the developing countries is also expected to decline by more than 3 million tonnes, or 3 percent, in 2000/01 to 88.6 million tonnes, almost entirely due to a sharp reduction forecast for Brazil. Sugar output in Latin America and the Caribbean is forecast at 36.4 million tonnes for 2000/01, down 9 percent from 1999/2000 levels. Production in Brazil is expected to decline by 3.8 million tonnes, or 10 percent in 2000/01 to reach 16 million tonnes. Apart from the decline in output caused by adverse weather, higher oil prices are expected to encourage greater utilization of cane for alcohol production, and therefore significantly reduce sugar export availability in that country. Output in Cuba is expected to increase by 200 000 tonnes to 4.2 million tonnes, in part due to a continuation of the programme to improve milling efficiency, while in Mexico output is expected to remain steady at 5 million tonnes, as marketing difficulties continue to plague the industry. Production levels have increased rapidly over the last 5 years in anticipation of significant exports to the United States under NAFTA. However, the expected growth in demand did not materialize leaving Mexico with a significant supply surplus.

Sugar production in Africa is forecast to increase by 100 000 tonnes to reach 4.8 million tonnes in 2000/01, mostly accounted for by the 120 000 tonnes recovery in output in Mauritius. Sugar production in the Near East is expected to remain steady at 5.2 million tonnes in 2000/01. In Turkey, despite a reduction in crop area, high yields maintained production at 2.2 million tonnes. Output in Egypt is expected to reach 1.3 million tonnes in 2000/01, similar to sugar production in 1999/2000.

Sugar production in the Far East in 2000/01 is forecast at 41.7 million tonnes, 1 percent more than in 1999/2000, almost entirely accounted for by an increase in India, where a second consecutive year of record production is forecast. Output in India is expected to reach 20 million tonnes in 2000/01, despite reports of record domestic stocks reaching 10 million tonnes at the beginning of 2000, prompting the industry to step up export marketing efforts. However, financial and logistical constraints may limit export volumes to an estimated 1 million tonnes. Production in China is forecast at 8.4 million tonnes, slightly more than in 1999/2000 when frosts reduced yields and overall output. Sugar stocks have declined considerably over the past two years, and reports of increased import demand from China supported upward movements in world sugar prices earlier in 2000.

World Production and Consumption of Sugar

	Production		Consumption	
	1999/ 2000	2000/ 2001	2000	2001
	(. . million tonnes, raw value . .)			
WORLD	135.8	129.6	128.6	130.8
Developing Countries	91.7	88.6	82.8	84.8
Latin America & Caribbean	40.1	36.4	23.5	23.8
Africa	4.7	4.8	6.9	7.0
Near East	5.2	5.2	10.0	10.3
Far East	41.2	41.7	42.2	43.6
Oceania	0.5	0.5	0.1	0.1
Developed Countries	44.2	41.0	45.9	46.1
Europe	23.1	21.3	19.7	19.8
of which: EC	(19.1)	(17.4)	(14.4)	(14.4)
North America	8.3	7.8	10.6	10.6
CIS	3.9	3.7	10.0	10.1
Oceania	5.5	4.7	1.2	1.2
Others	3.4	3.6	4.3	4.3

Source: FAO

FAO estimates indicate that world sugar consumption should increase by 2.2 million tonnes in 2000/01, from 128.6 in 1999/2000 to 130.8 million tonnes,

representing a global growth rate of almost 2 percent. The developing countries would account for most of the growth in consumption, reflecting economic recoveries in the Far East.

Consumption in the developed countries is expected to remain relatively stable with an estimated growth rate of less than 1 percent, from 45.9 million tonnes in 2000 to an expected 46.1 million tonnes in 2001. The CIS would account for most of the growth offsetting slight declines in non-EC countries of Europe. Consumption in the CIS is expected to reach 10.1 million tonnes, while in the EC and North America consumption is expected to remain unchanged at 14.4 million tonnes and 10.6 million tonnes, respectively.

Among the developing countries consumption is estimated to increase by more than 2 percent to 84.8 million tonnes in 2001. The most rapid growth would occur in the Far East as countries continue to recover from the economic crisis affecting the region from mid-1997. Aggregate consumption in the Far East in 2001 is forecast at 43.6 million tonnes, up by more than 3 percent from 2000. Most notable recoveries in consumption are expected in Malaysia and the Republic of Korea. India is expected to remain the world's largest sugar consuming country, with forecast consumption for 2001 at 17.9 million tonnes. Sugar consumption in Pakistan is expected to increase slightly in 2001 to 3.35 million tonnes, with lower than anticipated production most likely resulting in increased imports.

Sugar consumption in the Near East is forecast to grow by nearly 3 percent in 2001 as total disappearance should reach 10.3 million tonnes, while growth rates for countries in Latin America and the Caribbean, as well as Africa are expected to be slightly higher than 1 percent. Consumption in 2001 is estimated at 23.8 million tonnes in Latin America and the Caribbean, and 7 million tonnes for Africa.

Continued economic recovery in key consuming countries in the Far East and the Russian Federation should lead to an increase in global sugar consumption, reduced stock levels, and continued recovery in world sugar prices for most of 2000/01. However, it is important to note that reduced supplies are largely due to adverse weather conditions particularly in Brazil, the EC and Australia, rather than rationalization policies adopted by producing countries, or other structural changes in the world sugar market.

Fertilizers

Urea spot prices in international markets declined in August and September, but recovered somewhat in October due to a short-term tightness in availability. Average October prices were between 50 and 70 percent higher than a year ago, with most of the variation in current prices accounted for by the differing freight charges according to origin. Price developments in the urea market have been relatively calm pending the outcome of a major Indian tender for 100 000 tonnes, in particular producers in the Arab Gulf are awaiting the results of this tender.

Urea supply from the Russian Federation is somewhat tight with production units operating at an estimated 70 percent of capacity. Immediate availability will be lower from November onwards due to the seasonal closure of the river transport system. Urea prices from the Baltic Sea region are among the most weak in the current market and face competition from Arab Gulf suppliers and possibly China. Prices may rise when demand for urea in the Mediterranean region increases and puts pressure on international markets in general.

Heavy rains and flooding in Vietnam delayed this country's normal urea applications leading to slow off-take and high inventory levels. In addition, the local currency has fallen against the US dollar making imports expensive. However, domestic demand for urea is expected to strengthen in November/early December. Domestic urea production in Pakistan will be adequate to meet demand for the next Kharif

season and no imports are envisaged at this stage. Indonesian urea export availability might be higher during the fourth quarter since prices strengthen as seasonal buying interest from other Asian markets increases. Demand for urea in Turkey is low due to lack of rains in the past months: imports have been only some 30 000 tonnes. Indications are that China is likely to become a permanent urea exporting country. However, in the near term, its exports may somewhat decrease from their previous pace to augment stocks to meet domestic demand in the next planting season. In Latin America, many countries are importing large quantities of Urea, mainly from the Baltic and the Black Sea regions. Urea demand from farmers in the United States is modest this autumn compared to last year.

Ammonia prices increased worldwide over the past two months due to tight availability from all the main sources. India is set to increase ammonia imports from various sources to meet demand to expand urea production. Demand from Asia, the Middle East, North Africa, West Europe and the United States is strong. Ammonia imports in Mexico and the United States may increase due to the high cost of gas for domestic production.

International spot market prices for **ammonium sulphate** in the U.S. Gulf are considerably higher than in 1999. Ammonium sulphate prices in eastern and western Europe, however, are about the same level as a year ago. Prices in the last few months have been stable.

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

	2000		1999	Change from last year ^{1/}
	September	October	October	
	(. US\$/tonne)			(. percentage .)
Urea				
eastern Europe	105-109	113-116	66-67	+ 72.2
Near East	128-130	133-139	87-91	+ 52.8
Ammonium Sulphate				
eastern Europe	42-45	41-44	42-45	- 2.3
Far East	61-64	63-66	65-66	- 1.5
U.S. Gulf	47-51	48-52	35-37	+ 38.9
western Europe	55-60	55-60	55-60	0
Diammonium Phosphate				
Jordan	175-182	176-182	165-174	+ 5.6
North Africa	179-185	178-184	168-176	+ 5.2
U.S. Gulf	166-168	160-163	152-154	+ 5.6
Triple Superphosphate				
North Africa	131-135	130-135	136-139	- 3.6
U.S. Gulf	138-142	136-141	140-145	- 2.8
Muriate of Potash				
eastern Europe	92-111	92-111	98-112	- 3.3
Vancouver	117-131	117-131	118-131	- 0.6
western Europe	115-122	115-122	129-137	- 10.9

Source: Compiled from Fertilizer Week and Fertilizer Market Bulletin.

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

Due to a heavier demand from Pakistan and temporary lower disappearance from the United States **diammonium phosphate** (DAP) prices increased from August to October in Jordan and North Africa. DAP prices fell in the U.S. Gulf and were, on average, about 5 percent higher than a year ago. The market in China remains weak, stock levels are high and the bulk of the winter grain planting has ended. Pakistan is purchasing large quantities and the government has decided not to levy any duty on imported DAP. In India, DAP inventories are increasing due to lack-luster demand as low domestic wheat prices are turning farmers away from wheat production. Suppliers in the Russian Federation and Lithuania have scheduled exports to western Europe and Ethiopia. Bangladesh arranged DAP imports from Australia. The planting season in Latin America is over. The domestic market for DAP in the United States has been relatively quiet as the main winter wheat planting season has been hampered by

dry conditions. Recent rains could lead to a pick-up in the market. The United States export market remains stable as well except for lower deliveries to China.

Prices for **triple superphosphate** (TSP) in October are down by 2 to 3 percent compared to 1999. North Africa exports TSP to the Islamic Republic of Iran.

Muriate of potash (MOP) prices in October are about 3 to 10 percent lower worldwide than a year ago, and remained stable in the last few months. Potash producers continue to hold the market steady by matching production in line with demand. Jordan is supplying China with 400 000 tonnes, up 22.8 percent compared to 1999. Demand in Europe, Latin America and the United States is weak. India, Malaysia, Pakistan and New Zealand are scheduled to import MOP in this quarter.

APPENDIX TABLES

Table A.1	-	WORLD CEREAL PRODUCTION
Table A.2	-	WORLD IMPORTS OF CEREALS
Table A.3	-	WORLD EXPORTS OF CEREALS
Table A.4	-	WHEAT, COARSE GRAINS AND RICE: SUPPLY/DEMAND - MAIN EXPORTING COUNTRIES
Table A.5	-	WORLD STOCKS
Table A.6	-	EXPORT PRICES OF CEREALS AND SOYBEANS
Table A.7	-	WORLD PRICES AND PRICE INDICES FOR RICE AND OILCROP PRODUCTS
Table A.8	-	WHEAT, MAIZE AND SOYBEAN FUTURES PRICES
Table A.9	-	OCEAN FREIGHT RATES FOR WHEAT
Table A.10	-	SHIPMENTS OF FOOD AID IN CEREALS
Table A.11	-	INTERNATIONAL EMERGENCY FOOD RESERVE
Table A.12	-	UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2000
Table A.13	-	CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2000
Table A.14	-	AUSTRALIA: CEREALS – PRODUCTION FOR 2000
Table A.15	-	SELECTED INTERNATIONAL COMMODITY PRICES

A.1 a) - WORLD CEREAL PRODUCTION - Forecast for 2000 as of October 2000

	Wheat			Coarse Grains		
	1998	1999 estim.	2000 f'cast	1998	1999 estim.	2000 f'cast
	(..... million tonnes)					
ASIA	254.8	260.1	251.2	228.8	218.1	190.0
Bangladesh	1.8	1.9	1.8	0.1	0.1	0.1
China ^{1/}	109.7	113.9	100.9	147.4	141.2	114.6
India	66.3	70.8	74.2	31.7	30.4	30.2
Indonesia	-	-	-	10.1	9.2	9.2
Iran, Islamic Rep. of	12.0	8.7	8.0	4.3	2.8	2.6
Japan	0.6	0.6	0.6	0.2	0.2	0.2
Kazakhstan	5.5	11.2	8.5	1.5	2.8	1.9
Korea, D. P. R.	0.1	0.1	0.1	1.8	1.3	0.7
Korea, Rep. of	-	-	-	0.3	0.4	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	18.7	18.0	22.0	1.9	1.8	1.9
Philippines	-	-	-	3.8	4.6	4.5
Saudi Arabia	1.8	1.5	1.5	0.6	0.7	0.6
Thailand	-	-	-	5.2	4.6	4.7
Turkey	21.0	18.0	19.0	10.9	9.7	10.2
Viet Nam	-	-	-	1.6	1.8	1.8
AFRICA	18.7	14.9	13.5	79.5	76.1	79.1
North Africa	14.3	11.3	9.6	10.8	9.9	8.7
Egypt	6.1	6.3	6.6	7.4	7.2	7.4
Morocco	4.4	2.2	1.4	2.2	1.7	0.6
Sub-Saharan Africa	4.5	3.7	3.9	68.7	66.2	70.4
Western Africa	0.1	0.1	0.1	30.9	30.5	30.5
Nigeria	0.1	0.1	0.1	17.3	16.5	17.7
Central Africa	-	-	-	2.7	2.7	2.7
Eastern Africa	2.2	1.5	1.7	20.0	17.7	18.1
Ethiopia	1.1	1.1	1.2	6.1	6.6	6.5
Sudan	0.5	0.2	0.2	5.0	2.9	4.7
Southern Africa	2.2	2.0	2.1	15.1	15.3	19.1
Madagascar	-	-	-	0.2	0.2	0.1
South Africa	1.8	1.6	1.8	8.3	7.5	10.6
Zimbabwe	0.3	0.3	0.2	1.6	1.7	2.2
CENTRAL AMERICA	3.3	3.1	3.4	28.7	28.7	28.7
Mexico	3.2	3.1	3.4	25.4	25.2	25.4
SOUTH AMERICA	16.5	19.7	18.6	62.8	58.6	61.7
Argentina	11.5	15.1	14.5	24.2	17.5	20.6
Brazil	2.2	2.4	1.9	30.6	33.3	33.1
Colombia	0.1	0.1	0.1	1.6	1.5	1.5
NORTH AMERICA	93.4	89.5	86.7	298.7	290.5	305.6
Canada	24.1	26.9	25.7	26.8	26.7	25.2
United States	69.3	62.6	60.9	271.9	263.8	280.4
EUROPE	188.7	178.3	188.2	202.6	202.4	194.8
Bulgaria	3.3	3.1	3.1	2.4	2.5	1.6
EC ^{2/}	103.7	97.5	104.6	106.8	103.2	108.5
Hungary	4.9	2.6	3.7	8.1	8.7	6.4
Poland	9.5	9.1	8.2	17.6	16.7	13.8
Romania	5.2	4.7	4.3	10.3	12.4	5.4
Russian Fed.	30.0	34.0	40.0	22.2	24.6	29.6
Ukraine	17.0	15.0	12.0	11.4	11.3	11.3
OCEANIA	22.3	24.3	20.3	9.8	8.9	9.9
Australia	22.1	24.1	20.0	9.2	8.3	9.2
WORLD	597.7	589.8	581.8	910.8	883.4	869.7
Developing countries	277.8	276.6	268.4	388.3	369.3	345.2
Developed countries	319.9	313.2	313.3	522.5	514.1	524.4

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 2000 as of October 2000

	Rice (paddy)			Total Cereals ^{1/}		
	1998	1999 estim.	2000 f'cast	1998	1999 estim.	2000 f'cast
	(..... million tonnes)					
ASIA	535.1	553.1	540.4	1 018.7	1 031.2	981.6
Bangladesh	29.9	34.2	34.1	31.7	36.2	36.0
China ^{2/}	200.6	200.5	190.5	457.7	455.6	406.0
India	129.1	132.5	129.9	227.1	233.7	234.3
Indonesia	49.2	50.9	52.0	59.3	60.1	61.2
Iran, Islamic Rep. of	2.8	2.3	2.4	19.0	13.8	13.0
Japan	11.2	11.5	11.8	11.9	12.3	12.5
Kazakhstan	0.2	0.2	0.2	7.2	14.2	10.6
Korea, D. P. R.	2.1	2.3	2.0	3.9	3.7	2.8
Korea, Rep. of	7.0	7.2	7.0	7.3	7.6	7.4
Myanmar	17.1	19.8	20.0	17.7	20.4	20.6
Pakistan	7.0	7.7	7.0	27.6	27.5	30.9
Philippines	10.3	12.0	12.2	14.1	16.6	16.7
Saudi Arabia	-	-	-	2.4	2.2	2.1
Thailand	22.8	23.5	23.3	28.0	28.0	28.0
Turkey	0.3	0.3	0.3	32.2	28.0	29.5
Viet Nam	30.9	32.6	32.6	32.5	34.4	34.4
AFRICA	16.1	17.7	17.5	114.3	108.7	110.1
North Africa	4.5	5.9	5.9	29.6	27.0	24.2
Egypt	4.5	5.8	5.9	17.9	19.4	19.9
Morocco	-	-	-	6.6	3.9	2.0
Sub-Saharan Africa	11.6	11.9	11.6	84.7	81.7	85.8
Western Africa	7.2	7.7	7.8	38.1	38.2	38.4
Nigeria	3.3	3.4	3.4	20.7	20.0	21.2
Central Africa	0.4	0.4	0.4	3.2	3.1	3.1
Eastern Africa	1.2	0.9	0.9	23.4	20.2	20.7
Ethiopia	-	-	-	7.2	7.7	7.7
Sudan	-	-	-	5.5	3.1	4.9
Southern Africa	2.7	2.9	2.4	20.0	20.2	23.6
Madagascar	2.4	2.6	2.2	2.6	2.8	2.3
South Africa	-	-	-	10.1	9.0	12.4
Zimbabwe	-	-	-	1.9	2.0	2.4
CENTRAL AMERICA	2.2	2.3	2.4	34.2	34.1	34.5
Mexico	0.4	0.4	0.5	29.1	28.7	29.2
SOUTH AMERICA	16.8	21.1	20.1	96.1	99.5	100.4
Argentina	1.0	1.7	0.9	36.7	34.3	36.0
Brazil	8.5	11.6	11.5	41.3	47.3	46.6
Colombia	1.8	1.8	1.8	3.4	3.4	3.4
NORTH AMERICA	8.4	9.3	8.7	400.4	389.3	401.0
Canada	-	-	-	50.9	53.6	50.9
United States	8.4	9.3	8.7	349.6	335.7	350.1
EUROPE	3.2	3.2	3.1	394.4	383.9	386.2
Bulgaria	-	-	-	5.7	5.6	4.7
EC ^{3/}	2.6	2.7	2.6	213.0	203.4	215.7
Hungary	-	-	-	13.0	11.3	10.1
Poland	-	-	-	27.2	25.7	22.0
Romania	-	-	-	15.4	17.0	9.7
Russian Fed.	0.4	0.4	0.5	52.6	59.0	70.0
Ukraine	0.1	0.1	0.1	28.5	26.3	23.4
OCEANIA	1.4	1.4	1.1	33.5	34.6	31.2
Australia	1.3	1.4	1.1	32.6	33.7	30.3
WORLD	583.0	608.2	593.4	2 091.6	2 081.4	2 044.9
Developing countries	558.3	582.1	568.1	1 224.5	1 228.0	1 181.8
Developed countries	24.7	26.1	25.3	867.1	853.4	863.1

SOURCE: FAO

Note: Totals computed from unrounded data.

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

Table A.2 a) - WORLD IMPORTS OF CEREALS

	Wheat (July/June) ^{1/}			Coarse Grains (July/June)		
	1998/99	1999/2000 estim.	2000/01 fcast	1998/99	1999/2000 estim.	2000/01 fcast
	(..... million tonnes)					
ASIA	46.5	50.8	50.4	52.8	58.0	57.3
Bangladesh	2.4	1.7	1.4	-	-	-
China	1.5	2.0	4.7	6.8	8.0	8.0
Taiwan Province	1.0	1.1	1.1	4.5	5.4	5.2
China, Hong Kong SAR	0.4	0.4	0.5	-	-	-
Georgia	0.6	0.6	0.6	-	-	0.1
India	1.5	1.6	0.1	0.2	0.4	0.2
Indonesia	3.1	3.5	3.7	0.4	0.8	0.7
Iran, Islamic Rep. of	2.8	7.0	6.8	1.5	2.1	2.5
Japan	5.8	5.8	6.0	21.0	20.6	20.6
Korea, Rep. of	4.9	3.7	3.6	7.3	8.9	8.7
Malaysia	1.2	1.3	1.3	2.4	2.4	2.4
Pakistan	2.9	2.0	0.2	-	-	0.1
Philippines	2.2	2.8	2.6	0.2	0.5	0.3
Saudi Arabia	-	0.1	0.1	6.0	6.0	6.1
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	1.0	1.0	0.9	0.1	0.1	0.1
Syria	0.1	0.1	0.1	0.5	1.5	0.5
Thailand	0.8	0.8	0.8	0.1	0.3	0.3
Uzbekistan	0.5	0.6	0.8	-	-	-
Yemen	2.0	2.3	2.3	0.2	0.2	0.2
AFRICA	24.4	23.9	25.2	11.9	13.2	14.2
North Africa	16.5	15.4	17.5	8.5	8.6	9.5
Algeria	4.3	4.5	5.2	1.8	1.7	1.7
Egypt	7.4	6.0	6.8	3.6	3.8	4.2
Morocco	2.7	2.8	3.2	1.8	1.6	2.1
Tunisia	0.8	0.8	1.0	0.7	0.7	0.8
Sub-Saharan Africa	7.8	8.5	7.6	3.3	4.7	4.7
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.6	1.2	0.7	-	0.1	0.2
Kenya	0.4	0.6	0.6	0.4	1.0	1.4
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.2
Sudan	0.8	0.9	1.0	0.1	0.1	-
CENTRAL AMERICA	5.7	6.0	5.9	11.4	12.9	12.1
Mexico	2.4	2.7	2.5	8.6	9.8	9.0
SOUTH AMERICA	12.1	12.6	13.2	7.0	7.1	6.9
Brazil	7.0	7.2	7.7	1.5	1.8	1.5
Colombia	1.1	1.2	1.2	1.7	1.9	1.9
Peru	1.3	1.3	1.3	1.2	0.7	0.7
Venezuela	1.3	1.3	1.3	1.4	1.3	1.4
NORTH AMERICA	3.0	2.6	2.6	3.7	3.3	4.3
EUROPE	7.6	13.0	11.8	6.6	8.5	9.6
EC ^{2/}	2.7	3.2	3.2	3.5	2.9	2.4
Russian Fed.	1.9	5.2	2.5	0.8	2.5	0.8
OCEANIA	0.5	0.5	0.5	0.1	0.1	0.1
WORLD	99.8	109.4	109.5	93.7	103.1	104.5
Developing countries	78.2	82.5	83.2	60.4	68.4	67.9
Developed countries	21.6	26.9	26.3	33.3	34.7	36.6

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Including wheat flour in wheat grain equivalent, but excluding semolina.^{2/} Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals 1/		
	1999	2000 estim.	2001 fcast	1998/99	1999/2000 estim.	2000/01 fcast
	(..... million tonnes))					
ASIA	14.1	11.7	12.7	113.5	120.5	120.4
Bangladesh	1.8	0.5	0.6	4.2	2.2	2.0
China	0.2	0.2	0.4	8.5	10.2	13.0
Taiwan Province	-	-	-	5.5	6.5	6.2
China, Hong Kong SAR	0.3	0.3	0.3	0.8	0.8	0.8
Georgia	-	-	-	0.6	0.6	0.7
India	-	0.1	-	1.7	2.1	0.3
Indonesia	3.8	2.2	2.6	7.3	6.5	7.0
Iran, Islamic Rep. of	1.0	1.1	1.2	5.3	10.2	10.5
Japan	0.7	0.7	0.8	27.5	27.1	27.4
Korea, Rep. of	0.1	0.1	0.1	12.3	12.7	12.4
Malaysia	0.7	0.7	0.7	4.3	4.4	4.4
Pakistan	-	-	-	2.9	2.0	0.3
Philippines	1.0	0.7	0.7	3.5	3.9	3.6
Saudi Arabia	0.8	0.8	0.9	6.8	6.9	7.1
Singapore	0.4	0.4	0.4	0.9	0.9	0.9
Sri Lanka	0.2	0.2	0.2	1.2	1.3	1.2
Syria	0.2	0.2	0.2	0.8	1.8	0.8
Thailand	-	-	-	0.9	1.1	1.1
Uzbekistan	-	-	-	0.6	0.6	0.8
Yemen	0.2	0.2	0.2	2.4	2.7	2.7
AFRICA	5.4	5.7	5.8	41.7	42.9	45.1
North Africa	0.2	0.2	0.2	25.2	24.2	27.2
Algeria	-	-	-	6.1	6.3	6.9
Egypt	-	-	-	11.0	9.8	11.0
Morocco	-	-	-	4.6	4.4	5.3
Tunisia	-	-	-	1.5	1.5	1.8
Sub-Saharan Africa	5.2	5.5	5.5	16.3	18.6	17.8
Cote d'Ivoire	0.6	0.7	0.8	0.9	1.0	1.0
Ethiopia	-	-	-	0.7	1.4	0.9
Kenya	0.1	0.1	0.1	0.8	1.7	2.0
Madagascar	0.2	0.3	0.2	0.3	0.4	0.3
Senegal	0.7	0.6	0.6	0.9	0.8	1.0
Sudan	-	-	-	0.9	1.0	1.0
CENTRAL AMERICA	1.5	1.5	1.5	18.6	20.4	19.5
Mexico	0.4	0.4	0.4	11.3	12.9	11.8
SOUTH AMERICA	1.3	1.1	1.1	20.5	20.9	21.2
Brazil	1.0	0.7	0.7	9.5	9.7	9.9
Colombia	-	0.1	0.1	2.8	3.2	3.2
Peru	0.1	0.2	0.2	2.7	2.1	2.2
Venezuela	-	0.1	0.1	2.7	2.6	2.7
NORTH AMERICA	0.6	0.6	0.7	7.3	6.5	7.5
EUROPE	1.8	1.8	1.8	16.0	23.3	23.2
EC 2/	0.7	0.6	0.6	6.8	6.7	6.2
Russian Fed.	0.6	0.6	0.6	3.3	8.3	3.9
OCEANIA	0.4	0.4	0.4	1.0	0.9	1.0
WORLD	25.1	22.9	24.0 3/	218.6	235.4	237.9
Developing countries	21.3	18.9	19.9	159.9	169.8	171.0
Developed countries	3.8	4.0	4.1	58.7	65.6	67.0

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Excluding trade between the fifteen EC member countries.

3/ Highly tentative.

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

	Wheat (July/June) 1/			Coarse Grains (July/June)		
	1998/99	1999/2000 estim.	2000/01 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast
	(..... million tonnes)					
ASIA	7.8	10.7	9.2	5.9	9.5	6.7
China 2/	0.3	0.2	0.2	3.4	7.3	5.1
India	0.1	0.5	0.4	-	-	-
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.4	0.5	0.6	-	-	-
Kazakhstan	2.1	6.1	3.6	0.4	0.9	0.5
Myanmar	-	-	-	0.2	0.1	0.1
Pakistan	0.3	0.3	1.0	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	0.2	0.1	0.1
Turkey	2.6	1.5	2.0	1.2	0.6	0.6
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.2	0.2	2.2	1.7	2.7
Egypt	-	-	-	-	-	-
South Africa	0.1	0.1	0.1	1.1	0.5	1.7
Sudan	-	-	-	0.3	0.1	0.3
Zimbabwe	-	-	-	0.1	-	-
CENTRAL AMERICA	0.3	0.3	0.3	0.1	0.1	0.1
SOUTH AMERICA	8.6	10.3	9.7	11.4	9.0	11.6
Argentina	8.3	10.3	9.7	10.8	8.6	11.0
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	43.2	48.0	52.5	55.5	59.9	64.4
Canada	14.2	18.5	19.5	2.7	3.2	4.4
United States	29.0	29.5	33.0	52.8	56.7	60.0
EUROPE	24.1	20.6	20.9	14.2	17.6	15.0
EC 3/	13.7	15.2	17.0	9.1	11.9	12.7
Hungary	1.5	0.5	0.8	1.9	2.1	0.9
Poland	0.4	0.2	-	-	0.2	-
Romania	0.4	0.3	-	0.2	0.5	-
Russian Fed.	1.5	0.5	0.7	0.2	0.1	0.1
Ukraine	4.4	2.0	1.1	1.4	1.0	0.9
OCEANIA	16.4	17.2	16.7	4.8	4.1	4.0
Australia	16.4	17.2	16.7	4.8	4.1	4.0
WORLD	100.8	107.2	109.5	94.0	101.9	104.5
Developing countries	14.3	14.8	15.1	18.0	18.9	18.9
Developed countries	86.5	92.5	94.4	76.1	83.0	85.6

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

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

	Rice (milled)			Total Cereals ^{1/}		
	1999	2000 estim.	2001 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast
	(..... million tonnes)					
ASIA	19.4	17.4	18.6	33.0	37.6	34.5
China ^{2/}	2.8	3.6	3.8	6.6	11.1	9.0
India	2.7	1.3	1.7	2.8	1.8	2.1
Indonesia	-	-	-	0.2	0.2	0.2
Japan	0.5	0.6	0.7	0.9	1.1	1.3
Kazakhstan	-	-	-	2.5	6.9	4.1
Myanmar	0.1	0.1	0.2	0.2	0.2	0.3
Pakistan	1.9	1.9	1.9	2.2	2.2	2.9
Saudi Arabia	-	-	-	-	-	-
Thailand	6.7	6.0	6.2	6.9	6.1	6.3
Turkey	-	-	-	3.9	2.1	2.6
Viet Nam	4.6	3.8	4.0	4.7	4.0	4.2
AFRICA	0.3	0.3	0.4	2.8	2.2	3.2
Egypt	0.3	0.3	0.4	0.3	0.3	0.4
South Africa	-	-	-	1.3	0.6	1.8
Sudan	-	-	-	0.3	0.1	0.3
Zimbabwe	-	-	-	0.1	-	-
CENTRAL AMERICA	-	-	-	0.4	0.4	0.4
SOUTH AMERICA	1.9	1.7	1.5	21.9	21.0	22.8
Argentina	0.7	0.5	0.4	19.9	19.3	21.1
Suriname	0.1	0.1	0.1	0.1	0.1	0.1
Uruguay	0.7	0.7	0.7	0.9	0.9	0.8
NORTH AMERICA	2.6	2.8	2.8	101.4	110.6	119.7
Canada	-	-	-	16.9	21.7	23.9
United States	2.6	2.8	2.8	84.5	88.9	95.8
EUROPE	0.2	0.2	0.2	38.5	38.4	36.2
EC ^{3/}	0.2	0.2	0.2	23.0	27.3	29.9
Hungary	-	-	-	3.4	2.6	1.7
Poland	-	-	-	0.4	0.4	-
Romania	-	-	-	0.7	0.8	-
Russian Fed.	-	-	-	1.6	0.7	0.8
Ukraine	-	-	-	5.8	3.0	2.0
OCEANIA	0.7	0.5	0.6	21.9	21.8	21.3
Australia	0.7	0.5	0.6	21.9	21.8	21.3
WORLD	25.1	22.9	24.0 ^{4/}	219.9	232.0	238.0
Developing countries	21.0	18.8	19.7	53.3	52.5	53.7
Developed countries	4.1	4.1	4.3	166.7	179.6	184.3

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

	Wheat 1/			Coarse Grains 2/			Rice (milled basis)		
	1998/99	1999/2000 estim.	2000/01 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast	1998/99	1999/2000 estim.	2000/01 f'cast
	(..... million tonnes)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	19.7	25.7	25.9	38.2	51.3	48.8	0.9	0.7	0.9
Production	69.3	62.6	60.9	271.7	263.8	280.4	5.8	6.5	6.1
Imports	2.8	2.6	2.7	2.8	2.5	2.5	0.3	0.3	0.3
Total Supply	91.8	90.9	89.5	312.7	317.6	331.7	7.0	7.5	7.2
Domestic use	37.7	35.4	34.7	205.4	212.7	217.0	3.6	3.8	3.9
Exports	28.4	29.7	33.3	56.0	56.2	65.0	2.7	2.8	2.5
Closing stocks	25.7	25.9	21.5	51.3	48.8	49.7	0.7	0.9	0.9
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) 3/		
Opening stocks	6.0	7.4	7.4	4.4	5.0	5.4	1.5	0.9	1.2
Production	24.1	26.9	25.7	26.8	26.7	25.2	15.1	15.5	15.4
Imports	0.1	0.0	0.0	1.0	0.9	1.3	0.0	0.0	0.0
Total Supply	30.2	34.3	33.1	32.1	32.7	31.9	16.6	16.4	16.6
Domestic use	8.0	8.6	8.4	24.3	24.2	23.8	9.0	9.2	9.3
Exports	14.7	18.3	19.7	2.9	3.1	4.6	6.7	6.0	6.2
Closing stocks	7.4	7.4	5.0	5.0	5.4	3.5	0.9	1.2	1.1
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) 3/ 4/		
Opening stocks	1.1	0.1	0.5	0.4	1.9	1.9	14.2	14.5	13.8
Production	11.5	15.1	14.5	24.2	17.5	20.6	137.5	137.4	130.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.4
Total Supply	12.7	15.2	15.0	24.6	19.4	22.5	151.8	152.1	144.8
Domestic use	4.8	5.2	5.0	9.1	9.0	9.1	134.5	134.7	132.0
Exports	7.8	9.5	9.6	13.7	8.6	11.4	2.8	3.6	3.8
Closing stocks	0.1	0.5	0.4	1.9	1.9	2.0	14.5	13.8	9.0
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) 3/		
Opening stocks	1.5	2.2	3.3	2.1	1.0	0.6	0.4	0.6	0.9
Production	22.1	24.1	20.0	9.2	8.3	9.2	4.7	5.2	4.7
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	23.6	26.2	23.3	11.3	9.4	9.8	5.0	5.7	5.6
Domestic use	5.1	5.6	5.3	5.5	5.1	5.3	2.6	2.9	3.0
Exports	16.4	17.3	16.5	4.7	3.7	4.0	1.9	1.9	1.9
Closing stocks	2.2	3.3	1.5	1.0	0.6	0.6	0.6	0.9	0.8
	EC (July/June) 5/			EC 5/			VIET NAM (Nov./Oct.) 3/		
Opening stocks	11.0	16.1	13.8	23.9	24.8	19.6	1.9	2.2	2.8
Production	103.7	97.5	104.6	106.8	103.2	108.5	20.1	21.2	21.2
Imports	2.7	3.2	3.2	3.5	2.9	2.4	0.0	0.0	0.0
Total Supply	117.3	116.8	121.6	134.1	130.9	130.5	22.0	23.4	24.0
Domestic use	87.4	87.6	89.3	100.2	99.4	101.0	15.2	16.8	17.2
Exports	13.9	15.4	17.3	9.1	11.9	12.7	4.6	3.8	4.0
Closing stocks	16.1	13.8	15.0	24.8	19.6	16.8	2.2	2.8	2.8
TOTAL ABOVE									
Opening stocks	39.4	51.6	50.9	68.9	84.1	76.2	18.8	18.8	19.5
Production	230.7	226.2	225.8	438.6	419.6	444.0	183.1	185.8	178.0
Imports	5.5	5.8	5.9	7.2	6.4	6.2	0.5	0.5	0.7
Total Supply	275.6	283.5	282.6	514.8	510.0	526.4	202.4	205.1	198.2
Domestic use	142.9	142.5	142.8	344.4	350.3	356.1	165.0	167.5	165.4
Exports	81.1	90.2	96.4	86.3	83.5	97.7	18.7	18.0	18.4
Closing stocks	51.6	50.9	43.4	84.1	76.2	72.5	18.8	19.5	14.5

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

3/ Rice trade data 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/}

	Crop Years ending in:						
	1995	1996	1997	1998	1999	2000 estim.	2001 f'cast
	(..... million tonnes						
TOTAL CEREALS	313.2	257.9	298.0	335.3	353.6	339.7	287.9
held by:							
- main exporters ^{2/}	108.7	75.0	99.6	127.0	154.4	146.6	130.4
- others	204.5	182.9	198.4	208.3	199.2	193.1	157.5
BY GRAINS							
Wheat	115.4	102.5	113.6	137.0	143.0	139.1	120.7
held by:							
- main exporters ^{2/}	31.8	28.7	36.6	39.4	51.6	50.9	43.4
- others	83.7	73.8	77.0	97.7	91.4	88.2	77.3
Coarse Grains	142.7	103.0	128.0	143.0	153.9	138.8	112.2
held by:							
- main exporters ^{2/}	62.4	31.7	46.1	68.9	84.1	76.2	72.5
- others	80.2	71.3	81.9	74.1	69.8	62.6	39.7
Rice (milled basis)	55.1	52.5	56.3	55.3	56.8	61.8	55.1
held by:							
- main exporters ^{2/}	14.5	14.6	16.8	18.8	18.8	19.5	14.5
- others	40.6	37.9	39.6	36.5	38.0	42.3	40.6
BY REGIONS							
Developed Countries	157.8	103.4	121.9	168.5	174.9	161.1	146.9
North America	69.3	35.2	53.9	69.1	90.3	88.3	80.5
Canada	9.2	9.8	14.0	10.4	12.5	12.8	8.5
United States	60.2	25.5	39.9	58.7	77.8	75.5	72.0
Others	88.4	68.2	68.0	99.3	84.6	72.8	66.4
Australia	2.6	3.1	4.1	3.7	3.4	4.0	2.1
EC ^{3/}	23.0	22.5	24.2	35.1	41.2	33.9	32.3
Japan	5.5	6.1	6.7	6.7	5.9	5.6	5.4
Russian Fed.	15.9	7.2	6.5	18.0	5.8	5.0	7.4
Souith Africa	3.2	1.3	1.9	3.3	1.9	1.3	2.0
Developing Countries	155.4	154.5	176.1	166.9	178.7	178.6	141.0
Asia	122.6	126.2	140.8	135.1	143.2	143.1	109.7
India ^{4/}	35.8	18.4	10.7	19.0	22.1	27.5	28.5
Indonesia	5.0	6.0	6.4	4.7	5.4	5.5	5.0
Iran, Islamic Rep. of	5.4	4.6	5.5	4.4	4.2	4.5	4.3
Korea, Rep. of	2.5	2.0	2.4	2.7	2.7	3.1	3.0
Pakistan	3.2	3.4	3.7	4.1	4.4	4.1	4.3
Philippines	1.2	1.9	2.0	2.0	2.6	2.8	2.8
Syria	3.0	3.3	3.2	2.2	2.1	1.3	0.9
Turkey	1.9	4.0	5.9	6.2	7.3	5.0	4.4
Africa	18.6	13.5	21.6	18.3	21.8	19.4	16.1
Algeria	2.7	1.5	2.3	1.1	2.0	1.7	1.5
Egypt	1.3	1.6	2.2	2.8	3.4	2.8	3.1
Morocco	2.9	0.6	3.8	2.5	4.3	3.2	1.3
Tunisia	1.5	1.0	2.1	1.9	1.7	1.7	1.2
Central America	4.6	6.3	7.0	6.9	7.1	7.3	7.0
Mexico	2.8	5.0	5.7	5.9	6.1	6.3	6.1
South America	9.5	8.3	6.6	6.5	6.5	8.6	8.0
Argentina	0.7	0.8	1.9	1.7	2.0	2.5	2.5
Brazil	5.8	4.9	2.3	2.2	1.4	3.4	3.2
	(..... percentage						
WORLD STOCKS	17.5	13.9	16.0	17.9	18.6	17.9	14.8
as % of consumption							

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/} Government stocks only.

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. <u>1/</u>	U.S. Soft Red Winter No.2 <u>1/</u>	Argentina Trigo Pan <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	Argentina <u>2/</u>	U.S. No.2 Yellow <u>1/</u>	U.S. No.2 Yellow <u>1/</u>
	(..... US\$/tonne						
July/June							
1996/97	181	158	157	135	133	124	299
1997/98	142	129	137	112	109	111	263
1998/99	120	100	118	95	98	92	202
1999/2000	112	97	104	91	88	89	190
1999 - October	111	100	112	88	90	84	184
2000 - May	116	102	112	95	87	95	203
June	119	99	114	84	83	86	198
July	115	91	114	75	76	78	185
August	115	90	111	76	74	76	182
September	122	97	109	80	74	82	191
October I	132	105	115	85	75	90	186
II	135	107	116	83	77	89	186
III	134	107	122	86	77	92	179
IV	128	100	127	86	77	95	181
V	127	101	129	86	76	97	179

SOURCES: International Grain Council, USDA, and Reuters.

1/ Delivered U.S. Gulf ports. 2/ Buenos Aires, indicative traded prices.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai <u>1/</u> 100%	Thai broken	U.S. Long grain	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and Meals
	B	<u>2/</u>	<u>3/</u>		High	Low			
January/December	(.... US\$/tonne ...)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
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
1999	253	192	333	114	115	110	1993/94	127	93
1999 - October	220	170	308	107	109	100	1994/95	153	94
2000 - June	204	139	253	96	100	85	1995/96	140	128
July	192	143	258	96	99	88	1996/97	134	133
August	189	143	260	96	98	87	1997/98 - Oct.-Mar.	150	130
September	182	142	268	94	97	86	- Apr.-Sep.	157	103
October I	190	135	291) 96	99	86	1998/99 - Oct.-Mar.	141	90
II	190	136	291				- Apr.-Sep.	109	74
III	193	137	291				1999/00 - Oct.-Mar.	98	87
IV	192	134	291				- Apr.-Sep.	84	90

SOURCES: FAO for indices. Rice prices: International rice brokers and trading companies.

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

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

Table A.8 - WHEAT AND MAIZE FUTURES PRICES

	December		March		May		July	
	this year	last year	this year	last year	this year	last year	this year	last year
WHEAT	(..... US\$/tonne))							
September 25	94	103	100	109	104	112	107	116
October 3	99	99	105	105	108	108	112	111
10	101	93	107	99	111	103	114	107
17	99	96	105	101	109	105	112	108
24	94	94	101	100	104	103	108	107
31	94	93	100	99	104	102	107	106
MAIZE	(..... US\$/tonne))							
September 25	74	83	76	88	78	90	81	92
October 3	79	80	80	85	82	87	85	89
10	79	78	80	83	82	86	85	88
17	80	80	82	84	83	87	86	89
24	79	79	80	84	82	86	85	89
31	80	78	81	82	83	85	86	87

SOURCE: Chicago Board of Trade

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam 1/	CIS Black Sea 1/ 2/	Egypt (Alexandria) 1/	Bangladesh 1/	East Africa Sudan 1	China 1/	Japan 1/
July/June	(..... US\$/tonne))						
1995/96	12.95	30.00	16.83	21.67	41.65	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	-	27.00	28.29
1997/98	9.60	18.10	11.70	20.17	-	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	-	27.00	29.17
1999/00	12.55	40.97	13.65	18.50	-	27.00	32.83
1999 - October	12.00	40.97	13.00	18.50	-	27.00	32.00
2000 - March	11.10	40.97	12.00	18.50	-	27.00	32.50
April	13.20	40.97	15.00	18.50	-	27.00	35.50
May	13.20	40.97	15.00	18.50	-	27.00	36.00
June	12.50	40.97	17.00	18.50	-	27.00	36.00
July	12.50	40.97	16.25	18.50	-	27.00	36.00
August	16.00	40.97	16.25	18.50	-	27.00	36.00
September	16.00	40.97	16.50	18.50	-	27.00	36.00
October	14.50	40.97	16.00	18.50	-	27.00	36.50

SOURCE: International Grain Council

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

1/ Size of vessels: Rotterdam over 40 000 tons; CIS 20-40 000 tons; Egypt over 30 000 tons; Bangladesh over 40 000 tons; East Africa 15-25 000 tons; China 20-35 000 tons; Japan 15-24 999 tons.

2/ Excludes CIS and United States flag vessels.

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

Donors	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 ^{1/} estim.
	(..... thousand tonnes, grain equivalent ^{2/})					
Australia	258	181	170	296	267	264
Canada	602	436	373	384	332	349
China	0	1	171	122	171	173
EC ^{3/}	3 410	2 488	1 948	1 836	2 584	2 168
of which:						
Community	2 488	1 731	1 099	890	1 572	1 324
National Action	921	757	849	946	1 013	844
Austria	15	13	12	9	1	9
Belgium	32	25	46	31	58	22
Denmark	67	25	73	61	82	89
Finland	9	2	4	1	6	10
France	166	188	207	209	93	168
Germany	242	202	211	220	199	182
Greece	10	25	25	15	4	7
Ireland	8	5	6	10	3	8
Italy	68	86	84	75	132	138
Luxemburg	1	2	2	8	4	4
Netherlands	163	90	92	92	69	88
Spain	8	4	0	3	38	17
Sweden	110	76	42	71	110	50
United Kingdom	156	105	103	141	214	51
India	0	8	7	11	25	4
Japan	398	821	292	356	936	303
Norway	34	14	32	45	65	48
Switzerland	54	35	43	42	37	40
United States	4 321	3 037	2 273	2 787	6 390	6 693
WFP purchases	0	0	17	11	3	38
Others donors	232	285	212	286	178	138
Total shipments	9 443	7 397	5 605	6 241	11 034	10 228
of which:						
Wheat	6 589	4 847	3 621	4 102	7 643	7 271
Rice	733	1 135	649	723	1 464	802
Coarse grains	2 121	1 414	1 335	1 416	1 928	2 155
of which to:						
Africa	3 593	2 526	2 061	2 281	2 583	2 647
Asia	4 067	3 911	2 526	3 132	5 158	3 827
Latin America	1 146	602	611	553	974	739
Others	637	358	407	275	2 320	3 015
to LIFDC ^{4/}	7 498	6 264	4 487	5 267	7 908	6 779
of which:						
Sub-Saharan Africa	3 348	2 305	1 871	2 172	2 532	2 555
Channelled multilaterally	2 845	2 313	2 313	2 205	3 352	3 325
As percent of Total shipments	30.1	31.3	41.3	35.3	30.4	33

SOURCE: World Food Programme.

^{1/} As of October 2000.

^{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 RELIEF and RECOVERS OPERATIONS (PRRO) in 1999 and 2000- Contributions as of October 2000

Commodity/Donor	IEFR		PRROs	
	Channelled through WFP ^{1/}		1999	2000
	1999	2000		
	(..... tonnes)			
Total Cereals ^{2/}	1 706 586	580 084	468 137	1 231 069
Australia	48 279	23 046	4 232	40 028
Austria	-	-	1 339	-
Belgium	8 623	-	6 074	9 075
Canada	56 999	1 470	3 075	13 992
Denmark	14 588	4 581	1 274	1 910
EC	172 065	10 150	62 311	19 696
Finland	3 800	455	-	3 160
France	20 068	19 535	17 947	24 679
Germany	18 346	19 328	31 306	18 317
Ireland	3 185	2 412	-	4 151
Italy	3 591	1 777	3 200	10 009
Japan	94 392	64 224	51 594	127 074
Netherlands	56 069	16 116	25 256	47 091
Norway	11 316	2 394	2 680	10 799
Spain	-	-	522	-
Sweden	13 003	22 527	8 352	11 755
Switzerland	24 521	17 592	7 830	11 632
United Kingdom	33 315	10 967	1 300	32 128
United States	1 112 220	352 380	237 690	810 345
Other donors	12 206	11 130	2 155	35 228
Total non cereals	315 398	99 617	204 204	168 496
Australia	2 845	1 960	222	480
Austria	183	-	-	-
Belgium	-	599	2 322	-
Canada	18 149	10 578	3 408	4 130
Denmark	4 647	2 929	2 976	5 996
EC	44 079	3 179	19 642	-
Finland	2 355	-	275	1 952
Germany	2 344	967	1 471	3 426
Ireland	1 484	446	1 181	1 778
Italy	4 032	-	2 310	2 457
Japan	11 612	2 196	17 594	10 425
Korea Rep. of	616	-	-	-
Netherlands	13 633	14 020	17 222	18 439
New Zealand	387	-	-	283
Norway	5 610	3 491	5 993	2 697
Sweden	7 117	10 196	5 048	8 716
Switzerland	2 842	4 734	4 699	3 705
United Kingdom	6 753	1 302	863	11 575
United States	176 182	31 416	114 602	79 260
Other donors	10 528	11 604	4 376	13 177

SOURCE: WFP

^{1/} Excluding bilateral contributions.^{2/} Includes wheat, coarse grains and rice.

Table A.12 - UNITED STATES: CEREALS AND SOYBEANS - PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	(..... million tons)			(... percentage ...)
Wheat	69.3	62.6	60.9	-2.7
of which: winter	(51.2)	(46.2)	(42.5)	-8.0
Coarse grains	271.9	263.8	280.4	6.3
of which: maize	(247.9)	(239.7)	(258.9)	8.0
Rice (paddy)	8.5	9.5	8.7	-8.4
Soybeans	74.6	72.2	76.8	6.4

SOURCE: USDA: 12 October 2000

Table A.13- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	(..... thousand tonnes)			(. . percentage . .)
Wheat	24 076	26 900	25 716	-4.4
Oats	3 958	3 641	3 384	-7.1
Barley	12 709	13 196	13 388	1.5
Rye	398	387	260	-32.8
Maize	8 952	8 893	7 551	-15.1
Mixed Grains	548	447	385	-13.9
Linseed	1 081	1 022	707	-30.8
Rapeseed	7 643	8 798	6 927	-21.3

SOURCE: Statistics Canada, 6 October 2000.

Table A.14- AUSTRALIA: CEREAL PRODUCTION FOR 2000

	1998	1999	2000	Change 2000 over 1999
	(..... thousand tonnes)			(. . percentage . .)
Wheat	22 110	24 060	22 810	-5.2
Oats	1 560	1 530	1 464	-4.3
Barley	5 680	4 280	5 410	26.4
Sorghum	1 070	1 660	1 330	-19.9
Maize	340	320	331	3.4
Triticale	480	470	458	-2.6
Rice (paddy)	1 335	1 350	1 068	-20.9

SOURCE: Australian Bureau of Agricultural and Resources Economics, 20 June 2000.

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	31.10.00	9.9	9.8	7.0	11.4
Coffee (I.C.O. daily price)	US cents per lb	26.10.00	53.7	56.2	76.7	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	31.10.00	37.8	37.8	43.3	56.0
Tea (all tea, London, weekly)	US\$ per kg.	23.10.00	1.9	1.9	1.9	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	27.10.00	1 447 ^{1/} 1 235 ^{2/}	1 400 ^{1/} 1 273 ^{2/}	1 526 ^{1/} 1 157 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	27.10.00	54.3	51.5	48.0	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	27.10.00	60.9	61.5	47.3	78.5
Wool (64's, London)	Pence per kg	27.10.00	312	324	277	466

SOURCE: FAO

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

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

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

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

Food Outlook is issued by FAO under the Global Information and Early Warning System on Food and Agriculture. It gives a concise analysis of information affecting the situation and outlook for basic foodstuffs. The **release dates** and **contents** in 2000 are as follows:

Issue No. Release Date ^{1/}	1 16 February	2 12 April	3 14 June	4 20 September	5 15 November
Contents					
Cereals					
Cereal supply/demand roundup ^{2/}	●	●	●	●	●
Cereal production, trade, stocks & prices	●	●	●	●	●
Extended report on cereal utilization		●			
Food Aid					●
Ocean Freight Rates		●		●	
Other Commodities					
Cassava		●			●
Fertilizer	●	●	●	●	●
Meat	●			●	
Milk and milk products		●			●
Oilseeds, Oils and Oilmeals	●			●	
Sugar			●		●
Special Features ^{3/}					

^{1/} These dates are tentative and refer to the release of the English version. Food Outlook in Arabic, Chinese, French and Spanish language is available shortly after the release of the English version.

^{2/} Including update on food emergencies. ^{3/} Each report may include topical notes as considered appropriate.

This month's issue is based on information available up to 31 October 2000. Contributors to this issue are as follows:

Cereal Production (excl. rice): S. Ahmed (Eastern Africa & Near East); Ms. L. Balbi (Southern Africa and Great Lakes); M. Bamba (North Africa & Oceania developing); Ms. M. Drysdale (CIS); S. Jost (Western and Central Africa); M. Gavela (Latin America and Caribbean); A. Markanday (Asia); P. Racionzer (Europe, North America & Oceania developed)

Cereal Trade, Prices and Food Aid (excl. rice): A. Abbassian

Rice: Ms C. Calpe; **Cassava:** Ms. A Coccia; **Milk:** M. Griffin; **Sugar:** K. Chang; **Fertilizers:** J. Poulisse

ENQUIRIES should be directed to Mr. Abdur Rashid, Chief, Global Information and Early Warning Service, Commodities and Trade Division (ESC), FAO - Rome. Direct Facsimile: 39-06-5705-4495; E-mail giews1@fao.org).

Please note that this and other GIEWS reports are available on the Internet as part of the FAO World Wide Web at the following URL address: <http://www.fao.org/giews/>. In addition, some of the GIEWS regular reports can be received by E-mail through automatic mailing lists. More information is available on the Web at: <http://www.fao.org/giews/english/listserv.htm>