global information and early warning system on food and agriculture

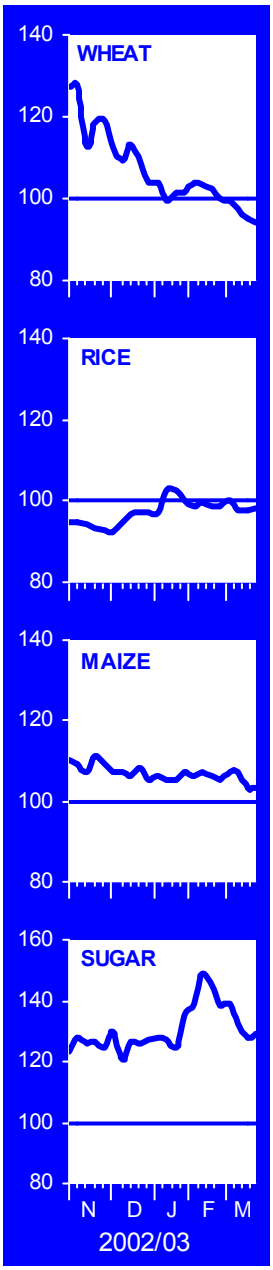
# food outlook

**No. 2** **April 2003**

## highlights

**EXPORT PRICES**

(July 2002=100)




**FAO's first forecast of world cereal production in 2003 is 1 895 million tonnes**, 62 million tonnes up from the poor 2002 harvest and above the average of the past five years. The outputs of both wheat and coarse grains are forecast to increase by about 4 percent to 591.5 million tonnes and 908 million tonnes respectively, while the rice crop (milled basis) is anticipated to recover by 2 percent to about 395 million tonnes.

**The forecast for utilization in 2002/03 has been lowered** and now stands marginally below the level of the previous year. The contraction mostly reflects expectations of a reduced utilization as feed. If confirmed, this would be the first year that overall cereal consumption would depart from the rising trend prevailing since 1995. Despite the lack of growth in utilization, the drawdown in global cereal reserves necessary to bridge the gap between production and consumption in 2002/03 is expected to be huge, at almost 108 million tonnes.

**Total cereal food aid shipments in 2001/02 fell to 7.4 million tonnes**, 2.2 million tonnes less than in the previous season, and the smallest level since 1997/98, with the decline affecting nearly all regions.

**In response to the crisis in Iraq, the UN has appealed for some US$2.2 billion**, to assist the Iraqi people over a six-month period until the end of September. Of the total, US $1.3 billion would be required to cover food needs.

**International prices for most cereals remain under downward pressure**. Generally favourable prospects for 2003 crops have contributed to a further weakening of markets, which were already under pressure from large export availabilities in several non-traditional exporting countries.

**International prices for dairy products continued their recovery** during the first three months of 2003. Prices are expected to show further moderate increases, at least until mid-year.

**International meat prices are expected to rise in 2003** in response to tightening meat supplies. However, developments in the market will depend greatly on the impact of trade restricting measures likely to be introduced by major importing countries.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

# Contents



# Appendix Tables

## BASIC FACTS OF THE WORLD CEREAL SITUATION

| | 1998/1999 | 1999/2000 | 2000/2001 | 2001/2002 | 2002/2003 estimate | Change 2002/03 over 2001/2002 |
|---|---|---|---|---|---|---|
| **WORLD PRODUCTION** 1/ | (. . . million tonnes . . . ) | | | | | (percentage) |
| Wheat | 598.1 | 591.9 | 586.2 | 586.9 | 571.0 | -2.7 |
| Coarse grains | 915.3 | 887.4 | 875.3 | 915.8 | 875.6 | -4.4 |
| Rice, milled | 389.3 | 409.1 | 400.7 | 401.1 | 386.7 | -3.6 |
| (paddy) | (581.3) | (611.2) | (599.2) | (600.1) | (578.7) | -3.6 |
| **All cereals (incl. milled rice)** | **1 902.7** | **1 888.4** | **1 862.2** | **1 903.8** | **1 833.3** | **-3.7** |
| Developing countries | 1 043.3 | 1 040.3 | 1 008.2 | 1 025.0 | 999.5 | -2.5 |
| Developed countries | 859.4 | 848.1 | 854.0 | 878.7 | 833.8 | -5.1 |
| **WORLD TRADE** 2/ | | | | | | |
| Wheat | 100.9 | 110.5 | 100.7 | 108.6 | 106.0 | -2.4 |
| Coarse grains | 94.6 | 102.0 | 107.8 | 106.6 | 108.0 | 1.3 |
| Rice (milled) | 24.7 | 23.2 | 24.1 | 28.1 | 26.8 | -4.6 |
| **All cereals** | **220.2** | **235.8** | **232.6** | **243.3** | **240.9** | **-1.0** |
| of which: Food aid shipments 3/ | 11.3 | 11.2 | 9.7 | 7.4 | 7.4 | 0.0 |
| **WORLD UTILIZATION** | | | | | | |
| Wheat | 591.6 | 595.7 | 600.2 | 609.3 | 619.9 | 1.8 |
| Coarse grains | 900.1 | 898.3 | 910.9 | 927.4 | 914.6 | -1.4 |
| Rice (milled) | 387.4 | 400.3 | 405.5 | 413.0 | 412.2 | -0.2 |
| **All cereals** | **1 879.1** | **1 894.3** | **1 916.6** | **1 949.6** | **1 946.7** | **-0.1** |
| Developing countries | 1 132.7 | 1 156.5 | 1 165.3 | 1 182.5 | 1 184.1 | 0.1 |
| Developed countries | 746.5 | 737.8 | 751.3 | 767.1 | 762.6 | -0.6 |
| **Per Caput Food Use** | (. . . kg/year . . . ) | | | | | |
| Developing countries | 166.3 | 166.8 | 166.2 | 166.8 | 165.6 | -0.7 |
| Developed countries | 132.9 | 132.8 | 133.4 | 133.0 | 132.8 | -0.2 |
| **WORLD STOCKS** 4/ | (. . . million tonnes . . . ) | | | | | |
| Wheat | 259.5 | 253.9 | 240.3 | 218.1 | 170.4 | -21.9 |
| Coarse grains | 266.6 | 259.3 | 225.7 | 211.0 | 176.3 | -16.5 |
| Rice (milled) | 157.1 | 167.8 | 162.8 | 148.4 | 123.0 | -17.1 |
| **All cereals** | **683.1** | **681.0** | **628.8** | **577.5** | **469.7** | **-18.7** |
| Developing countries | 512.1 | 516.3 | 468.8 | 414.6 | 339.5 | -18.1 |
| Developed countries | 171.1 | 164.7 | 160.1 | 162.8 | 130.2 | -20.0 |
| **EXPORT PRICES** 5/ | (. . . US$/tonne . . . ) | | | | | |
| Rice (Thai, 100%, 2nd grade) 1/ | 315 | 253 | 207 | 177 | 197 | 11.3 |
| Wheat (U.S. No.2 HRW) | 120 | 112 | 128 | 127 | 167 7/ | 31.8 6/ |
| Maize (U.S. No.2 Yellow) | 95 | 90 | 86 | 90 | 107 7/ | 18.6 6/ |
| **OCEAN FREIGHT RATES** 5/ | | | | | | |
| From U.S. Gulf to Egypt | 9.3 | 13.7 | 15.0 | 15.0 | 15.2 7/ | 0.1 6/ |
| **LOW-INCOME FOOD-DEFICIT COUNTRIES** 8/ | (. . . million tonnes . . . ) | | | | | |
| **Roots & tubers production** 1/ | 423.7 | 437.1 | 448.7 | 442.6 | 453.0 | 2.4 |
| **Cereal production (milled rice)** 1/ | 813.1 | 816.7 | 776.2 | 782.2 | 768.2 | -1.8 |
| **Per caput production (kg.)** 9/ | 219.8 | 217.3 | 204.1 | 203.4 | 197.3 | -3.0 |
| **Cereal imports** | 74.0 | 75.0 | 73.3 | 79.0 | 79.3 | 0.4 |
| **of which: Food aid** | 8.4 | 7.6 | 8.3 | 6.3 | | |
| **Proportion of cereal import covered by food aid** | (. . . percentage . . . ) | | | | | |
| | 11.4 | 10.2 | 11.3 | 8.0 | | |

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

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

# Cereals

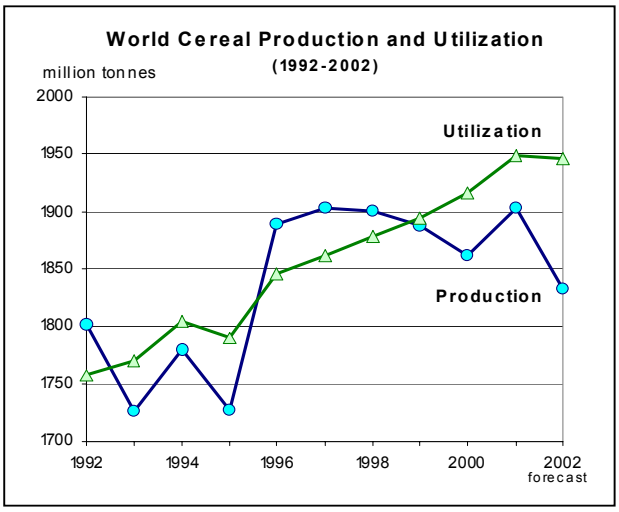
## Supply/Demand Roundup

**GLOBAL OUTLOOK[1/]**

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

● stable ▲ up ▼ down: These signs refer only to the direction of change from the previous season.
1/ Production refers to the first year; stocks refer to crop seasons ending in the second year; trade and prices for wheat and coarse grains refer to July/June and for rice refer to the second year.

Tighter supplies have led to generally higher prices for most cereals during the current season, but a weakening trend has prevailed in the past weeks, reflecting generally favourable prospects for the 2003 crops and ample excess supplies in several non-traditional exporting countries. Early indications for 2003 cereal production point to an increase in output of some 3 percent from the previous year's below-average level. Based on the condition of crops already in the ground and planting intentions for those to be sown later this year, and assuming normal weather for the remainder of the 2003 cropping seasons, FAO's first forecast puts world cereal output this year at 1 895 million tonnes (including rice in milled terms), 62 million tonnes up on 2002 and above the average of the past five years.




**Global production of wheat, coarse grains and rice to rise in 2003**

World **wheat** production in 2003 is provisionally forecast at 591.5 million tonnes, 3.6 percent up on 2002 and the largest crop since 1999. The bulk of the increase is expected in Australia, Canada and the United States, where production in the previous year was severely reduced by drought. Assuming a return to normal weather this year, outputs in those countries could increase significantly. In the United States, winter wheat plantings rose and over-winter weather was generally satisfactory. Thus the outlook is for a larger area harvested this year and better yields. Although the winter wheat in Australia and the main spring wheat crop in Canada will only be sown in the coming months, early indications point to a significant increase in plantings in response to relatively favourable prices in 2002/03, while yields are expected to recover from last year's drought-reduced levels. Elsewhere, larger wheat crops are envisaged in 2003 also in South America, where Brazil has introduced incentives to promote domestic production, and in some wheat producing countries in Africa, reflecting better weather. By contrast, wheat production is set to decline in Asia, where dry weather conditions have prevailed, and in Europe, particularly in the European CIS countries where the winter has been particularly harsh for the winter wheat crops.

Regarding **coarse grains**, FAO's first forecast of global output in 2003 is 908 million tonnes, nearly 4 percent up on 2002 and above the average of the past five years. The bulk of the increase is expected in North America where, as for wheat, coarse grain production should recover sharply from last year's drought-reduced low levels. Early indications point to the likelihood of increased coarse grains outputs also in several other regions, although generally much less pronounced. In South America harvesting of the first 2003 coarse grain crops is already underway in some countries and prospects are mostly favourable despite little change in plantings, as good yields have been reported. Similarly, in Central America, a return to average yields after low levels in the previous season could result in a bigger crop. In Africa, a marginal increase is also forecast, although at this early stage prospects for many of the region's crops are very uncertain. However, recent good rains in the southern subregion have improved crop prospects, alleviating the earlier fear of a major reduction. In Oceania, a recovery in Australia's coarse grain output is also envisaged in 2003 from the drought-reduced level last

year. Elsewhere, coarse grains output in Asia is seen to remain unchanged in 2003: a recovery in India after last year's poor monsoon is expected to be mostly offset by a reduction in China. In Europe, the outlook is currently for a reduced coarse grains output, largely on account of poor prospects in the CIS countries.

The 2002 **paddy** season is about to be concluded in the northern hemisphere, with several countries still engaged in the harvesting of their second or third crops. As a result, official estimates of production in 2002 continue to be subject to a number of revisions, which have resulted in a new figure for global paddy output of 579 million tonnes, down from a previous estimate of 582 million tonnes. The revision is mostly on account of a significant reduction in the estimate for India and China, the two major rice producers. The 2003 season is already well advanced in the southern hemisphere and along the equatorial belt, where several countries are already harvesting their main crops. Still highly tentative, FAO's first forecast of paddy production in 2003 stands at 592 million tonnes (395 million tonnes in milled equivalent), 13 million tonnes or 2 percent above 2002, based on expectations of a return to a normal monsoon pattern. A recent weakening of the El Niño phenomenon has also allayed fears of a recurrence of the weather anomalies that disrupted the sector in 1997.

**El Niño approaches the end of its cycle**

Latest reports from the major climate monitoring systems (IRI, the International Research Institute for Climate Prediction, BOM, the Australian Bureau of Meteorology, and NOAA/CPC, the US Climate Prediction Center), confirm earlier expectations that El Niño conditions, after weakening in the first quarter of 2003, would dissipate almost completely from April onwards. Most indicators now point to neutral conditions in the next few months with some signs that La Niña conditions may develop towards the end of the year.

**Cereal utilization to decline in 2002/03**

World cereal utilization in 2002/03 is forecast at 1 947 million tonnes, which would be marginally below the previous season's level and slightly below trend. The volume of cereals used for human food is forecast to rise only modestly, while world feed and other uses could contract. However, among the major cereals, an emerging feature has been the sudden increase in feed wheat use given its large supplies and more competitive prices relative to maize in international markets.

**Smallest cereal stocks since the mid-1970s**

The forecast for world cereal stocks by the close of the seasons ending in 2003 has been raised slightly since the previous report to 470 million tonnes but remains some 108 million tonnes, or 19 percent, down from the previous year and the lowest level in more than two decades. The drawdown is mostly due to a sharp drop in world cereal production in 2002 and is mainly concentrated in China and India.

**Small decline in world cereal trade in 2002/03**

World trade in cereals in 2002/03 is forecast at 241 million tonnes, slightly more than expected in February but still 2 million tonnes below the estimated level in 2001/02. The anticipated decline from the previous season would be mainly driven by a contraction in wheat and rice trade, while trade in coarse grains is forecast to increase.

## World Cereal Production, Supplies, Trade and Stocks

| | 2000/01 | 2001/02 | 2002/03 forecast |
|---|---|---|---|
| | ( . . . . . million tonnes . . . . . ) | | |
| **Production** [1/] | **1 862** | **1 904** | **1 833** |
| Wheat | 586 | 587 | 571 |
| Coarse grains | 875 | 916 | 876 |
| Rice (milled) | 401 | 401 | 387 |
| **Supply** [2/] | **2 543** | **2 533** | **2 411** |
| **Utilization** | **1 917** | **1 950** | **1 947** |
| **Trade** [3/] | **235** | **241** | **241** |
| **Ending Stocks** [4/] | **629** | **577** | **470** |

**Source**: FAO

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

**Cereal prices remain under downward pressure**

International **wheat** prices declined in March in view of generally favourable global crop prospects for 2003 and continuing large exports from non-traditional exporters. The U.S. wheat No. 2 (HRW, fob) averaged US$146 per tonne in March, down US$7 per tonne from January but still up by US$20 per tonne from a year ago. Prices for low-to-medium grade wheat, for which export supplies are more abundant this season, fell more sharply. International **maize** prices have remained largely unchanged in recent months due to downward pressure from more competitively priced low-quality wheat supplies and continuing large maize sales by China. In March, the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US$105 per tonne, virtually unchanged from January but US$15 per tonne up from a year earlier. International **rice** prices have moved little since the last Food Outlook, with the FAO Total Price Index (1998-2000=100) averaging 74 in March, 2 points above February and 1 point above January. The arrival of new crops in a number of markets has stifled most upward pressure on prices.

## MANY COUNTRIES THROUGHOUT THE WORLD FACE FOOD EMERGENCIES [1/]

As of April 2003, some 37 countries face serious food shortages: 25 in Africa, 6 in Asia, 4 in Latin America and 2 in Europe.

In **eastern Africa**, the food situation is critical in Eritrea and Ethiopia, where only a fraction of the food aid requested has been delivered. Nearly two-thirds of the population in Eritrea face a severe food crisis, mainly due to drought. Reports indicate that the crisis could turn into a catastrophe unless more aid is available soon. As of early March, the November 2002 UN appeal for US$163 million in food, water and health assistance had been filled by only two percent. In Ethiopia, emergency food aid pledges until the beginning of March covered around 54 percent of 2003 requirements, only enough to cover food needs until mid-June, the start of the lean season. In Sudan, despite recent hopes of an end to the long debilitating conflict, food assistance continues to be needed by many among vulnerable groups, particularly those internally displaced by the conflict. An estimated 3.5 million people need about 230 000 tonnes in food assistance in 2003. In Kenya, despite improved food availability following secondary season cereal harvests, food shortages are reported in several districts. In Uganda, the displacement of a large number of people in northern parts due to escalation of conflict, coupled with drought in parts, has aggravated food difficulties in the affected areas. Nearly 1.5 million people are being assisted by WFP in several parts of the country. Although the overall food supply situation has improved in Somalia due to good harvests, localized food shortages persist due to drought and/or conflict. In Tanzania, food assistance continues to be needed due to localized drought, and for refugees from neighbouring countries. In Burundi, renewed fighting has displaced more people who urgently need food assistance. In **southern Africa,** the number of people in need of food assistance due to two consecutive poor harvests in six countries of the subregion was revised upwards in December 2002 from 14.4 to 15.25 million, of whom 7.2 million are in Zimbabwe. However, the food supply situation has eased with substantially improved food aid distributions from January to March. Against WFP's appeal for 993 000 tonnes of food aid to assist 10.3 million worst affected people in Zimbabwe, Malawi, Zambia, Lesotho, Swaziland and parts of Mozambique until the end of March 2003, contributions by mid-March covered 90 percent. Maize prices have started to decline in most countries, reflecting generally good prospects for the harvest starting in April. In Madagascar, food aid is being provided to 394 000 people affected by a poor 2002 harvest and the after effects of the political crisis. Distributions may be necessary well into 2003 due to unfavourable harvest prospects in southern areas. In Angola 1.9 million people require food assistance after nearly three decades of civil war. In **western Africa**, the food situation remains extremely serious in Mauritania, following three consecutive poor harvests. Serious food shortages also affect Liberia, Guinea, Cape Verde, Côte d'Ivoire and Sierra Leone, mainly due to civil conflicts. In **central Africa**, civil strife in the Democratic Republic of Congo, Republic of Congo and Central African Republic, continues to displace large numbers of people who need food assistance.

In **Asia,** external food assistance is critical in Korea, DPR during this lean period until the secondary season harvest of wheat, barley and potatoes, due in July 2003. WFP has had limited response to its appeals for food aid and more pledges are needed to cover a shortfall of 241 600 tonnes in 2003. In Mongolia, nearly 665 000 people who were victims of drought last summer and of extreme winter weather, continue to require international assistance. Lack of fodder for animals has also resulted in high livestock losses. In **Asian CIS**, targeted food assistance is being provided to vulnerable populations in Georgia and Tajikistan due to recent droughts. In the **Near East**, the outlook for the 2003 crop production in Iraq, is generally poor due to the on-going war. Following improved rainfall and growing conditions, the cereal harvest in Afghanistan is forecast to be about the same as last year. However, food aid will be necessary for the returning refugees, the disabled and other vulnerable households. The food situation in the West Bank and Gaza Strip is also serious due to food shortages, market disruption and continued military operations.

In **Central America and the Caribbean**, many rural families need food assistance in El Salvador, Guatemala, Honduras and Nicaragua as a consequence of the drastic fall in incomes related to the crisis in the coffee sector. In **Europe,** emergency food assistance remains necessary for refugees, internally displaced and vulnerable populations in the Federal Republic of Yugoslavia and in Chechnya in the Russian Federation.

1/ This updates information published in the March 2003 issue of Foodcrops and Shortages. Countries facing exceptional food emergencies are underlined.

**UN FLASH APPEAL CALLS FOR US$ 2.2 BILLION FOR IRAQ CRISIS [1/]**

In response to the crisis in Iraq the UN has appealed for some US$2.2 billion to assist the Iraqi people over a six-month period until the end of September. It is expected that these requirements will be met through a combination of donor funds, and depending on action that may be taken by the Security Council, resources provided through the Oil For Food Programme (OFFP). The UN must secure immediate pledges of funds and resources from the donor community to allow for an effective response with emergency, life-saving assistance. Should relief supplies or funds be made available through the OFFP, overall Flash Appeal requirements requested from the donors will be adjusted accordingly.

Food needs would be a vital element in the overall response given the overwhelming reliance of the Iraqi population on rations distributed under the OFFP. The appeal is premised on the understanding that the current food supply would last only 4-6 weeks and there will be a definite emergency requirement for the provision of food to the Iraqi population in the magnitude of 480 000 tonnes per month for at least a three-month period. This would translate into an overall requirement of US$1.3 billion over the next six months.

1/ Extracted from the United Nations Flash Appeal for the Humanitarian Requirements of the Iraq Crisis - Six-Month Response. The full document can be found on the Internet at the following address: http://www.reliefweb.int/

## Current Production and Crop Prospects

### Position by Region

- **Asia**

**Far East**: Harvesting of the 2003 **wheat** crop is due to begin in April and will continue until June. Prolonged dry weather throughout the growing period since October is expected to result in a reduced harvest in the region. Lack of rain caused droughts in some localized areas in western India, northern China and in southern Pakistan. However, heavy rains received in February in Pakistan have improved the situation for the irrigated crops. In China production of winter wheat is forecast to decline, for the fifth consecutive year, by some 4 percent compared to last year to 81.3 million tonnes. Much of the expected reduction is attributed to reduced plantings as a result of low wheat prices. The domestic market is under downward pressure due to declining per capita consumption of wheat and large stocks accumulated from previous bumper harvest years. There also has been a switch to other more profitable crops such as rapeseed. Even though the total acreage under wheat has been decreasing in China, the area under high quality wheat has been increasing substantially. Winter wheat accounts for over 90 percent of the total in the country, the remainder coming from spring wheat planted in March/April. In India, wheat output in 2003 is forecast to decline by 4 percent from last year to 68.9 million tonnes, the lowest level in the last 5 years and 10 percent below the record harvest in 2000. By contrast, generally favourable weather conditions in Pakistan point to a good harvest of 20.7 million tonnes, some 8 percent higher than in 2002 but below the record level of 22 million tonnes in 2000. The 2003 wheat harvest in the Islamic Republic of Iran is forecast at just over 10 million tonnes. This would be about the same as the 5 year average but nearly 2.3 million tonnes below the record harvest last year.

Prospects for the 2003 **coarse grain** crops, the bulk of which have still to be planted in the coming months, are still mostly uncertain. In China, total plantings are expected to decline due to Government efforts to control grain output and reduce huge stocks. However, assuming normal weather, the total output is expected to remain more or less at last year's level due to increasing emphasis on high-yielding crops. China's output of coarse grains (mostly maize) in 2002 is now estimated at 134 million tonnes, nearly 9 million tonnes above the 2001 level. In India, assuming a return to a normal monsoon after last year's drought, and given high domestic maize prices, plantings should increase significantly and yields should recover. Poor monsoon rains last year reduced India's 2002 coarse grains output substantially to about 25.1 million tonnes, 9.6 million tonnes down from the record harvest in 2001 and the lowest production in three decades.

In the southern hemisphere and along the equatorial belt, countries are about to gather their main 2003 **paddy** crops. In Indonesia, which harvests more than half of overall production between January and April, some delay is likely because of drought-related problems at planting last October, while subsequent flood problems caused some losses in the main producing Java island. Paddy production this season has been officially forecast at 51.4 million tonnes, virtually unchanged from the revised estimate for 2002. Rising production costs have prompted the government to raise paddy support prices by 14 percent in 2003 and to consider the introduction of subsidies on basic agricultural inputs.

Excellent weather conditions in Malaysia have boosted expectations for a bumper crop of 2.5 million tonnes, surpassing the 2.3 million tonne record last season. Prospects are also very good in Sri Lanka, which is in the process of harvesting the main Maha paddy crop, as the peace process encouraged an expansion of the area. The official estimate of production in 2002, at 2.9

million tonnes, suggests a full recovery from the 2001 depressed level. A further increase is forecast for the current season.

In the northern hemisphere, paddy production in Bangladesh continues on a strong expansionary path, having experienced uninterrupted growth since 1997. In 2002, the country's output rose by over 4 percent to 39.5 million tonnes, reflecting mainly a sizeable increase in the rainfed Aman crop. Pending the release of the Government target, production in 2003 is preliminarily forecast to rise further to 39.8 million tonnes, supported by the current high prices prevailing in the country.

The estimate of 2002 paddy production in China (mainland) has been reduced by 1.0 million tonnes to 174.7 million tonnes, the lowest level in 14 years. Reacting to changes in policies, many farmers have been moving from a double crop pattern to a single crop and are diversifying towards more remunerative crops. As a result, in 2002 the output from the intermediate rice crop expanded, while that of the early and late crops shrank. The falling trend is foreseen to continue into 2003, with overall output forecast at 171 million tonnes, 2 percent less than last season. Output could also decline in the Chinese Province of Taiwan, where the government is considering promoting some land set aside in response to reduced water availability resulting from drought last autumn.

In 2002, India's production fell by 16 percent to 116.6 million tonnes, 3.5 million tonnes down from the previous estimate and the lowest level since 1995. This poor outturn reflects an irregular monsoon pattern, which depressed the rainfed Kharif crop, and reduced water reservoirs for the irrigated Rabi crop. FAO's forecast for the current season points to a partial recovery to 130 million tonnes.

A surge in output in 2003 to 7.1 million tonnes is expected in Pakistan, where torrential rains in February brought relief to drought stricken areas and replenished water reserves. In 2002, the country harvested 6.6 million tonnes of paddy, up 14 percent from the 2001 drought-reduced level, but still well below the 7 to 8 million tonnes per annum produced between 1998 and 2000.

Paddy output in the Philippines is officially forecast to rise by 1 percent to a record 13.2 million tonnes in July-June 2002/03, despite the recurrence of El Niño, which resulted in below normal rainfall in the third quarter of 2002 and expectations of poor precipitation until the second quarter of 2003, which have reportedly depressed plantings. Continued yield gains associated with government dissemination of improved rice varieties and technologies lay behind the strong rise in output, a factor which should continue to influence production during the current season.

Based on new official estimates, production in Thailand fell by 2 percent in 2002 to 25.9 million tonnes, reflecting the adverse weather conditions that reduced the main crop, especially in the north-eastern region. During the whole season, producer prices have been sustained by a large-scale government procurement programme, which targeted a purchase of 3.5 million tonne from the main crop, between November and February. The programme was recently extended to cover another 2 million tonnes from the 2002 secondary crop between March and July. Assuming a return to a normal weather pattern, Thailand's production is anticipated to recover in 2003.

By contrast, only a partial recovery is anticipated in the Republic of Korea, where cultivation was hindered by torrential rains last August and by typhoon Rusa. Under current efforts to curb the large rice surplus accumulated by the country, the Government recently proposed to cut paddy support prices by 2 percent, along with deeper structural reforms aimed at enhancing the sector's competitiveness.

In Viet Nam, the first winter/spring 2003 paddy crop is being harvested in the southern part of the country, under excellent conditions. With the close of the 2002 season, production has been confirmed to have reached an all-time high of 34.1 million tonnes, mainly reflecting the good weather conditions that prevailed during the season, which boosted yields. The Government recently announced a new Development Strategy for the Agricultural Sector to 2010, which points to a stabilization of the area under rice and the designation of special zones targeted to producing rice for export.

**Near East**: Good rains and snow cover in the past few months have improved prospects for 2003 **wheat** output in Afghanistan. In Syria, Jordan and Israel, recent unseasonal rains and snow cover have improved prospects for the 2003 cereal crop to be harvested in April/May. Similarly in Turkey, heavy rains and snow received in the last month are expected to be beneficial for the wheat crop, to be harvested from June. Prospects for cereal crops are however uncertain in Iraq where war and displacement may affect the agricultural sector this year.

There is little activity in the Islamic Republic of Iran where the **paddy** crop was harvested in October. Estimate of output in 2002 remains at 2.7 million tonnes, reflecting strong gains in the main producing Provinces of Mazandaran and Gilan. Besides the ending of the drought, which gripped the country in 2000 and 2001, high support prices have also sustained the sector's growth.

Based on the latest released statistics, paddy production in Kazakhstan grew marginally in 2002 to 199.2 thousand tonnes, despite a 5 percent contraction in cultivation, since improved and more timely distribution of basic inputs boosted yields.

## World Cereal Production

| | Wheat | | Coarse grains | | Rice (paddy) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 forecast | 2002 | 2003 forecast | 2002 | 2003 forecast | 2002 | 2003 forecast |
| | ( . . . . . million tonnes . . . . . ) | | | | | | | |
| Asia | 253.9 | 242.9 | 210.7 | 210.8 | 524.7 | 537.5 | 989.4 | 991.3 |
| Africa | 16.0 | 17.3 | 79.7 | 81.5 | 18.0 | 18.0 | 113.7 | 116.7 |
| Central America | 3.2 | 3.0 | 27.7 | 29.0 | 2.3 | 2.4 | 33.2 | 34.4 |
| South America | 18.3 | 20.7 | 64.5 | 67.5 | 19.6 | 20.3 | 102.4 | 108.5 |
| North America | 59.7 | 81.3 | 264.9 | 292.4 | 9.6 | 9.8 | 334.2 | 383.5 |
| Europe | 210.2 | 202.1 | 220.3 | 217.2 | 3.2 | 3.3 | 433.7 | 422.6 |
| Oceania | 9.7 | 24.3 | 7.7 | 9.5 | 1.3 | 0.4 | 18.8 | 34.3 |
| **WORLD** | **571.0** | **591.5** | **875.6** | **908.0** | **578.7 (387)1/** | **591.6 (395)1/** | **2 025.3 (1 833)2/** | **2 091.2 (1 895)2/** |
| Developing countries | 264.0 | 258.6 | 366.8 | 374.5 | 553.1 | 566.9 | 1 183.9 | 1 200.0 |
| Developed countries | 307.0 | 332.9 | 508.8 | 533.5 | 25.6 | 24.8 | 841.4 | 891.2 |

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

**CIS in Asia**: Output of **wheat** in the 8 CIS countries in Asia in 2003 is forecast at about 30 million tonnes, which is about 9 percent lower than the crop in 2002. The harvest in Kazakhstan, the main cereal exporter in the region, is forecast to decline, owing to above-average winter-kill and a reduced area under cereals, particularly in the northern new-lands of the country. Regarding **coarse** grains, latest information points to an aggregate output of about 4.6 million tonnes for the region, mainly barley (2.7 million tonnes) and maize (1.4 million tonnes). This would be about 10 percent lower than the previous year but 9 percent above the average of the previous five years. However, much will depend on spring and summer precipitation, snow-melt and water availability for irrigation in late spring and summer.

- **Africa**

**Northern Africa**: The outlook is generally favourable for the 2003 wheat crops in the subregion. Harvest is due to start from May, and a strong recovery with respect to the 2002 drought-affected crops is anticipated, provided normal weather conditions prevail in the coming months. In Algeria, dry weather conditions in the first half of March are reported; however, normal to abundant widespread rains in January and February greatly benefited the crops. **Wheat** output is tentatively forecast at about 1.4 million tonnes, which compares to last year's below-average production of 1.1 million tonnes. In Egypt, where the wheat crop is largely irrigated, an average production is expected. In Morocco, normal to abundant rains from December through February have benefited the crops and an above-average wheat output is provisionally forecast. In Tunisia, the above-normal rains in January helped fill water reservoirs. The state of the crops is good and production is expected to be average, a significant increase from last year's low wheat output.

Prospects for the **coarse grain** crops are also good, and production for the subregion as a whole in 2003 is provisionally forecast to be some 5 percent above the average of the past 5 years at about 10.5 million tonnes. Planting of the 2003 **rice** crop in Egypt will commence in April. Production in 2002 is estimated at 6 million tonnes, up from 5.2 million tonnes in the previous season. Rice continues to be a profitable crop for producers and, although planting remains subject to area ceilings, these are generally not enforced.

**Western Africa**: The rainy season is starting in the southern part of the coastal countries along the Gulf of Guinea, allowing land preparation and planting of the first **maize** crop. Cereal harvests in 2002 were generally good, except in Côte d'Ivoire and Liberia, affected by civil disturbances.

In the Sahelian countries, seasonably dry conditions prevail and planting should begin in June/July with the start of the rainy season. Following the release of final 2002 production estimates in several countries, the aggregate output of cereals of the 9 CILSS member countries has been revised upwards to 11.45 million tonnes (including paddy rice) from 11.32 million tonnes initially estimated by the FAA/CILSS Crop Assessment Mission in October/November 2002. This is about 12 percent above the average for the last five years. However, output is estimated to be below average in Cape Verde, The Gambia, Mauritania and Senegal.

In western Africa, planting of the 2003 **paddy** season is about to start. Overall, the 2002 season is estimated to have ended with little change from the previous year's crop. Good weather conditions sustained production in Nigeria and Burkina Faso. By contrast, the late start of the season depressed production in Senegal, the Gambia and Mali. Cote d'Ivoire also experienced a contraction in output in 2002, reflecting the internal conflict since September and the departure

of migrant labour, which makes an important contribution to the rice fieldwork. In Mauritania, where harvesting is in progress, drought conditions seriously reduced rice crops, except in the irrigated schemes.

**Central Africa**: A good cereal harvest has been gathered in Cameroon. In the Republic of Congo and Central African Republic, the persistent civil conflicts and subsequent population displacements continue to adversely affect the agriculture and food situation.

**Eastern Africa**: Harvesting of 2003 **wheat** crop is about to start in Sudan. Higher than normal temperatures, recorded in many parts of the country, is expected to adversely affect yields. Planting of the wheat crop in Kenya and Ethiopia is scheduled in the next two months.

The subregion's aggregate wheat output in 2002 is preliminarily estimated at 1.6 million tonnes, about 17 percent below the previous year and 15 percent below the average for the previous five years. In Ethiopia, the wheat crop is estimated at 1.1 million tonnes, 22 percent down from the previous year, reflecting dry and erratic weather during the season. In the Sudan, wheat output declined 18 percent to 247 000 tonnes.

Harvesting of the 2002/03 secondary season **coarse grains** is complete in the subregion, except in Ethiopia. FAO's latest estimate puts the subregion's aggregate output in 2002/03 at 18 million tonnes, 12 percent below the good crop in the previous year and 9 percent below the average for the previous five years. In Ethiopia, late and erratic rains during the season, resulted in a 25 percent drop in coarse grains output from the good crop of 2001 to 5.6 million tonnes. In Sudan, coarse grain production declined by nearly 30 percent from the previous year. This is mainly due to a significant reduction in the area under irrigated sorghum, largely an adjustment from the unusually large expansion in 2001 mainly in response to a Government inducement. In Eritrea, the 2002 coarse grains were affected by a severe drought and output is estimated to have declined by nearly 80 percent to just 44 000 tonnes. In Kenya, the 2002/03 maize output is forecast at 2.3 million tonnes, about 16 percent below the previous year's crop but slightly above average. In Tanzania, drought conditions in parts may have affected the 2003 secondary season "vuli" crop. In Uganda, the 2002 main season crop was reduced as a result of displacement and dry weather. Similarly the recently harvested second season crop was also affected by delayed rains and displacement. In Somalia, the recently harvested secondary "deyr" season cereal production is estimated at about 165 000 tonnes, almost 80 percent above the average deyr production for the period (1995-2001). Generally the deyr season provides 25-30 percent of annual cereal production, however this year the contribution has risen to nearly 44 percent of the annual cereal production in southern Somalia. The main "gu" season crop in southern Somalia, harvested last August/September, is estimated at about 209 000 tonnes, well above the relatively poor crop in 2001.

**Southern Africa**: Early prospects for the 2003 **wheat** crop, to be planted from May, are uncertain reflecting an expected 10 percent reduction in plantings in the largest producer South Africa, in response to lower prices than last year and dryer conditions in some areas. In Zimbabwe, wheat production is forecast to remain reduced as a result of land reform activities. The subregion's aggregate production of wheat in 2002 is estimated by FAO at 2.6 million tonnes, some 10 percent below the previous year's level but still average, reflecting lower plantings and yields.

The outlook for the 2003 **coarse grains** is overall favourable. Abundant rains since mid-February, particularly in areas previously affected by dry spells and erratic precipitation, improved conditions of developing crops. Preliminary FAO forecast point to an aggregate output of the main maize crop, of 14.8 millions, almost unchanged from both last year's and the average levels. In South Africa, the largest producer of the subregion, maize production is forecast at 9.1 million tonnes, almost 1 million tonnes less than the revised level of 2002, but still average. By contrast, production is expected to recovery in most other countries of the subregion, except in Zimbabwe, where rains in February arrived to late to reverse crop conditions affected by prolonged dry weather during the growing season. Further planting reductions in the commercial sector and shortages of agricultural inputs are also anticipated to result in another sharply reduced coarse grain crop. In Malawi, official forecast point to a normal maize crop of 2 million tonnes, against 1.5 million tonnes last year. Despite a delay in the start of the rainy season and localized floods, abundant precipitation during the growing season, coupled with record levels of free agricultural inputs distribution, benefited crop development. In Zambia, cumulative precipitation since the beginning of the rainy season has been normal to above normal in most provinces. Crops are reported in good conditions and overall prospects for the harvest are favourable. In the Southern Province, previously affected by dry weather, abundant rains since mid-February significantly improved crop conditions, although localized floods and crop losses are reported. In Mozambique, another good coarse grain output is anticipated reflecting abundant rains in the main growing areas of the north. However, production will be sharply reduced for the second consecutive year in southern provinces affected by drought and floods. In Angola, the outlook for the harvest is satisfactory as a result of an increase in the area planted, following the end of hostilities, and favourable weather conditions. In Namibia, abundant rains in the second part of the season benefited coarse grains and an average crop, well above last year's reduced level, is anticipated. In Swaziland, an overall good cereal crop is expected this year but in the Lowleveld region production is forecast to be reduced by dry weather early in the season. In Lesotho, good rains in the past month have improved prospects for this year's coarse grains crops and a general satisfactory output is expected. In Madagascar, maize production in southern areas is

anticipated to be reduced following prolonged dry weather during the season.

Most **rice** producing countries in the subregion are about to harvest their 2003 crops. In Madagascar, heavy precipitation in January, followed by Typhoon Fari, was reported to have caused flooding on about 70 percent of the paddy fields in Antananarivo, which accounts for some 20 percent of production. With the harvest season due to begin in April in the region, crop losses might eventually be large. Drought conditions on the other hand prevailed in the southern part of the country, also constraining output. Similarly, tropical cyclone Japhet hit southern Mozambique early in March, which compounded the problems caused by insufficient and erratic rains in the southern and central parts of the country. Thus, the preliminary outlook for the paddy crop which will be harvested between April and May is rather poor.

- **Central America and the Caribbean**

Dry weather conditions have prevailed in the past few weeks throughout the irrigated wheat producing areas in the north west of Mexico. Inadequate water levels are reported for some of the main reservoirs in the important cereal growing states of Sinaloa and Sonora. Harvest of the 2003 **wheat** crop is about to start and a below average output of some 3 million tonnes is tentatively forecast.

Land is being prepared for planting of the 2003 first season **coarse grain** crops in El Salvador, Guatemala, Honduras and Nicaragua. Dry weather conditions, typical of the season, are reported. Sowing should start with the arrival of the first rains, which are usually due by late April. Average to above-average crops of maize, (the main coarse grain), were collected in 2002 and adequate stocks of seeds for planting this year are reported. In Mexico, planting of the minor 2002/03 fall/winter maize crop is virtually complete while planting of the important 2003 spring/summer crop is about to start. Total maize plantings in 2003 are provisionally forecast at an average 7.6 million hectares, but below the near record 8 million hectares planted in 2002. The decline partly reflects financial constraints to the farm sector. In the Caribbean, in Cuba and the Dominican Republic, normal weather conditions are benefiting planting of the 2003 first season maize crops. In Haiti, sowing of the 2003 maize crop has also started.

The 2003 **paddy** season has just commenced in several countries, but little information is available yet on planting intentions. Seeding of the main crop is proceeding in the Dominican Republic, under generally good weather conditions. The country is estimated to have harvested a new record of 740 000 tonnes in 2002, sustained by strong government support. A further expansion is expected in 2003. Cuba also confirmed to have gathered 290 000 tonnes, which is 9 percent more than in 2001. The increase reflects gains by private farms and cooperatives since state farms, which account for about one-quarter of production, experienced some decline. Planting of the main season crop is already well advanced in Mexico. Since 1997, production in the country has steadily declined, with a 15 percent fall recorded in 2002 alone, reflecting to a large extent increased import competition. Recently, however, the Government announced the launching of a large support programme for agriculture, which could facilitate a recovery in the sector in 2003.

- **South America**

Land preparation has started for planting of the 2003 **wheat** crop from June in Argentina, while sowing has started in the main wheat producing southern areas in Brazil. Increased plantings with respect to the 5-year average are anticipated in the latter country, reflecting the government incentive programme to augment production and thus reduce dependence on imports. In Chile and Uruguay, land has also been prepared for planting of the 2003 wheat crop from May. In the Andean countries, in Bolivia, recent heavy rains and flooding in the eastern Department of Santa Cruz have affected the development of the 2003 wheat crops. In Peru, planting of the 2003 wheat crop continues and the intended area planted should be close to the above-average level reached in 2002.

Harvesting of the 2003 **coarse grain** crops, principally maize, is underway in Argentina. Growing conditions are reported to be normal and about 19 percent of the maize crop had been harvested by the end of the first week of March. Production is tentatively forecast at about 14.5 million tonnes slightly below last-year's harvest of 14.7 million tonnes and below the 5-year average which stands at 15.9 million tonnes. In Brazil, harvesting of the 2003 first maize crop (main crop) is well advanced and a satisfactory output of 32.1 million tonnes is officially forecast, compared with an earlier forecast of some 29.8 million tonnes. The revision of the forecast is principally due to higher reported yields being collected than earlier expected. Planting of the 2003 second maize crop ("zafrihna") has just started in the southern areas under favourable weather conditions. In Chile, harvesting of the 2003 maize crop has begun and an above-average output is tentatively forecast, while in Uruguay, where harvesting is also underway, an average outturn is expected. In the Andean countries, in Bolivia, the developing coarse grain crops has been affected by drought mainly in the central and southern departments while those grown in the highlands were damaged by excessive rains and floods. In Ecuador, harvest of the 2003 main (winter) crop yellow maize crop, mainly grown in the coastal areas, is due to start from April. The crops had been affected by heavy rains in early February, but the outlook is nevertheless favourable as normal weather conditions have resumed. In Peru, where maize is grown all year around, planting of the 2003 yellow maize crop is underway while the bulk of the planting operations of the white maize crop has been completed. In Colombia, harvesting of the 2002 second season maize crop has been completed and maize

production in 2002 has been an above-average 1.2 million tonnes. Planting of 2003 first season maize crops has started in some parts. In Venezuela, land is in preparation for planting of the 2003 cereal crops to be started from April, with the bulk of the sowing operations taking place between May and July.

Gathering of the 2003 **paddy** crop has started in South America. In Argentina, 26 percent of the planted area was reportedly harvested by 7 March, with progress somewhat hindered by heavy rainfall in the northeast. The country is forecast to achieve an 8 percent increase in output this season to 770 000 tonnes, resulting from a partial recovery in plantings. Nonetheless, production remains well below the levels recorded between 1995 and 2001. In Brazil, strong competition from soybeans has brought about a small overall contraction of the area under rice in the current season. However, as prices subsequently became more buoyant, application of inputs improved, which is expected to trigger strong gains in yields, especially in the northeast and north regions. As a result, CONAB has forecast paddy output at 11.1 million tonnes, 4 percent more than in 2002. Plantings in Chile were reported to have expanded by close to 2 percent this season, which may lead to a production of 145 000 tonnes in 2003. By contrast, irregular rainfall in Ecuador last February reportedly delayed plantings, which might dampen the size of the production recovery. In 2002, the country faced flooding and excessive precipitation, resulting in a production shortfall. In Peru, planting of the new season crop was completed in February and prospects for the current season point to some recovery, reflecting adequate water availability. Last season, torrential rains at planting time in February resulted in a smaller area, contributing to the country's 16 percent production shortfall. The outlook for the 2003 season in Uruguay is also positive, although production is not expected to rise to the high levels observed in 1999 and 2000.

- **North America**

In the United States, **wheat** output is set to increase significantly in 2003 after declining for four years in succession. The winter wheat plantings are officially estimated at 17.9 million hectares, 6 percent up from the previous year. Little change is expected in the spring wheat plantings. However, the 2003 production depends largely also on the final area harvested and the yield. At this stage, an official forecast based on average results, puts the total harvested area at about 21.6 million hectares, some 16 percent up from the previous year's exceptionally low area. Assuming average yields also, which would be a significant improvement over last year's low levels, the total wheat crop is forecast at 56.2 million tonnes, about 28 percent up from last year. However, with many major producing parts still suffering from exceptionally dry conditions in the past few months some significant rains are still needed in the coming weeks to ensure a recovery in yields this year. In Canada, the bulk of the 2003 wheat crop is due to be sown from May to June. The area planted is expected to increase significantly, in a recovery from last year's drought reduced level, but also reflecting the increased incentive for farmers of relatively strong prices in the 2002/03 season. Assuming a return to normal weather conditions this year, yields should also recover sharply from last year's drought-reduced levels and the total wheat harvest is forecast to exceed 25 million tonnes, up more than 10 million tonnes from last year's low level.

In the United States some early **coarse grains** crops are already in the ground in southern parts, but the bulk of the maize planting in the Corn Belt states takes place from late April. Early indications point to an increase in maize plantings this year, and assuming an improvement in yields after last year's low level, a significant increase in production is envisaged. In Canada, the bulk of the coarse grains crops will be sown in May-June. Early indications point to increased plantings of barley and oats.

In the United States, a recovery in **rice** plantings and steady gains in productivity are forecast to restore rice production in 2003 to close to the 2001 record of 9.8 million tonnes.

- **Europe**

In the EU, early indications suggest that the cereal output in 2003 will change little from that in the previous year. The aggregate **wheat** area is likely to be down after estimated reductions in France and Germany, the two biggest producers, and relatively unchanged plantings elsewhere. Yield prospects remain somewhat uncertain and will hinge largely on the weather in the coming weeks. Recent cold weather in northern Europe has dampened prospects in France and the United Kingdom but in Germany, after below average yields in 2002, a recovery this year is still likely. As of mid-March FAO forecast the EU aggregate wheat output just marginally less than in 2002 at about 103 million tonnes. For **coarse grains**, much will depend on the outcome of spring/summer planting, which is only just starting. Early indications suggest that the area dedicated to barley should increase with larger plantings expected in France, Germany and the United Kingdom. However, overall, output of coarse grains in the EU in 2003 is tentatively forecast to remain similar to the previous year's level at about 107 million tonnes.

Among the central and eastern European countries (CEECs), prospects for the winter cereal crops are unfavourable in several parts, reflecting adverse autumn and winter sowing conditions. However, the outlook remains generally favourable in Hungary and Romania, two of the largest producing CEECs.

In Bulgaria, the winter wheat area is officially reported to be about 900 000 hectares, down on the average of about 1 million hectares. Prospects for the spring cereal planting are favourable, with soil moisture reserves generally improved compared to the previous

year's situation. In the Czech Republic, wet conditions at planting time caused the winter grain area to fall by some 100 000 hectares to about 700 000 hectares and large areas of dormant crops were stressed by flooding as a result of heavy rain in early January. In the Federal Republic of Yugoslavia, the area planted to winter cereals, mainly wheat and barley, is similar to last year, and winter crops are reportedly in satisfactory condition.

The winter wheat area in Hungary is estimated to be similar to that of the previous year. However, the condition of the crop is reported to be significantly better, pointing to an increase in production from last year's below average level, should the weather be normal during the remainder of the season. In Poland, official estimates put the overall winter grain area at 4.4 million hectares, 3.5 percent down from the previous year. Of the total, winter wheat accounts for 1.9 million hectares, just marginally down from last year's area. In Romania, the total wheat area is estimated at about 2.1 million hectares, similar to the previous year's area, and with the bulk of the crop planted within the optimum date the yields prospects are good. Official reports target the 2003 wheat output at about 7 million tonnes. In the Slovak Republic, cereal production looks set to be significantly reduced this year. The wheat area is estimated to be sharply down from normal and weather conditions throughout the winter were unfavourable for the dormant crops and.

According to the latest official estimates, rice production in the EU rose by 2 percent in 2002 to 2.6 million tonnes, supported by excellent yields. Most of the increase in output was concentrated in Greece and Italy, while production contracted in France, Portugal and Spain. Little change is currently expected for the coming season's crop, which will be planted in the coming months. The reform of the rice policy regime proposed by the EU Commission is still under review by state members.

In the **European CIS**, severely cold weather conditions and inadequate snow cover have compromised the prospects for the winter cereals. In the Russian Federation the area sown to winter grains fell compared to the previous year and winter-kill is estimated at more than 2 million hectares. The aggregate winter cereal harvest, mainly wheat, rye and barley, is likely to decline by some 10 million tonnes this year compared with 2002. Also in Ukraine, the winter crop sowing fell and damage during the winter has been significantly higher than average. It is estimated that nearly 1.6 million hectares of cereals may need to be replanted in spring. The winter cereal harvest is seen to decline by about 2.8 million tonnes compared with the harvest last year.

According to the latest official estimate, **paddy** production in the Russian Federation fell by close to 3 percent in 2002 to 483 000 tonnes. The country recently announced its intention to introduce import quotas to protect producers from low international prices

- **Oceania**

In Australia, planting of the main 2003 **wheat** and **coarse grains** crops is due to start in May. Early official forecasts indicate a significant recovery in winter grain production after a severely drought-reduced crop in 2002. After a significant sell-off of livestock due to drought last year, and reflecting relatively favourable prices, producers are expected to put most resources into crop production this year. However, this forecast assumes a return to normal weather soon, and the arrival of significant rains for planting and establishment of the crops. From late February there have already been signs that the prolonged dry period was breaking with significant to heavy rains across many eastern parts, which have already helped to replenish some of the soil moisture deficit. However the rains were too late to benefit any of the current 2002/03 summer coarse grains crops and their output is still expected to significantly reduced as was that of the winter grain crops harvested earlier.

In Australia, harvesting of the 2003 **paddy** crop is in progress. Reflecting the prolonged El Niño-induced drought throughout the season, production is officially forecast to fall to 370 000 tonnes, down from 1.3 million tonnes in 2001 and the lowest level in more than two decades.

## Trade [1/]

**Small decline in world cereal trade in 2002/03**

World trade in cereals in 2002/03 is now forecast at 241 million tonnes, up slightly from the previous report but still 2 million tonnes below the estimated level in 2001/02. The anticipated decline from the previous season would be mainly driven by a likely contraction in wheat and rice trade, while trade in coarse grains is forecast to increase.

Global trade in **wheat** [2/] in 2002/03 is forecast to fall to 106 million tonnes, down 2.6 million tonnes from the previous season. Most of this season's anticipated decline would be on account of smaller imports by several countries in Asia, where aggregate imports in 2002/03 are forecast at about 44 million tonnes, down 3 million tonnes from the previous season. The largest drop is anticipated in the Islamic Republic of Iran, where, following a bumper crop in 2002, imports are forecast to be reduced by half to 3.3 million tonnes, which would also be smallest volume since 1998/99. Good harvests in many parts of Asia are also expected to limit imports in several countries in that region.

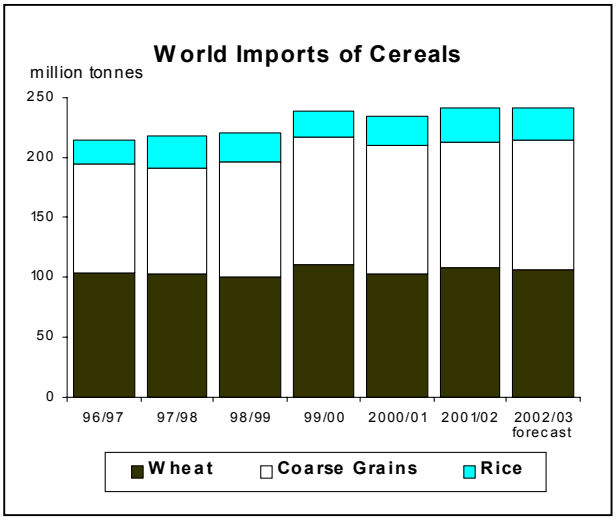
1/ World trade (exports) in wheat and coarse grains is based on a July/June marketing season, while trade in rice is based on January/December (calendar).
2/ Including wheat flour in grain equivalent.

## Overview of World Cereal Imports

| | Wheat | | Coarse grains | | Rice (milled) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2001/02 | 2002/03 forecast | 2001/02 | 2002/03 forecast | 2002 | 2003 | 2001/02 | 2002/03 forecast |
| | ( . . . . . million tonnes . . . . . ) | | | | | | | |
| Asia | 47.1 | 44.2 | 57.4 | 56.2 | 14.3 | 13.6 | 118.7 | 113.9 |
| Africa | 24.9 | 26.3 | 15.1 | 18.0 | 8.2 | 7.7 | 48.2 | 52.0 |
| Central America | 6.6 | 6.9 | 12.9 | 13.8 | 1.9 | 2.0 | 21.5 | 22.7 |
| South America | 11.8 | 11.6 | 6.2 | 6.4 | 0.8 | 0.9 | 18.8 | 18.9 |
| North America | 2.9 | 2.0 | 6.5 | 6.7 | 0.7 | 0.7 | 10.1 | 9.4 |
| Europe | 13.3 | 14.3 | 7.4 | 6.7 | 1.8 | 1.6 | 22.5 | 22.7 |
| Oceania | 0.4 | 0.7 | 0.1 | 0.2 | 0.4 | 0.4 | 0.9 | 1.3 |
| **WORLD** | **107.1** | **106.0** | **105.6** | **108.0** | **28.1** | **26.8**[1/] | **240.7** | **240.9** |
| Developing Countries | 80.1 | 78.9 | 69.7 | 72.7 | 23.9 | 22.8 | 173.7 | 174.3 |
| Developed Countries | 26.9 | 27.1 | 35.9 | 35.4 | 4.2 | 4.0 | 67.1 | 66.5 |

**Source:** FAO 1/ Highly tentative.

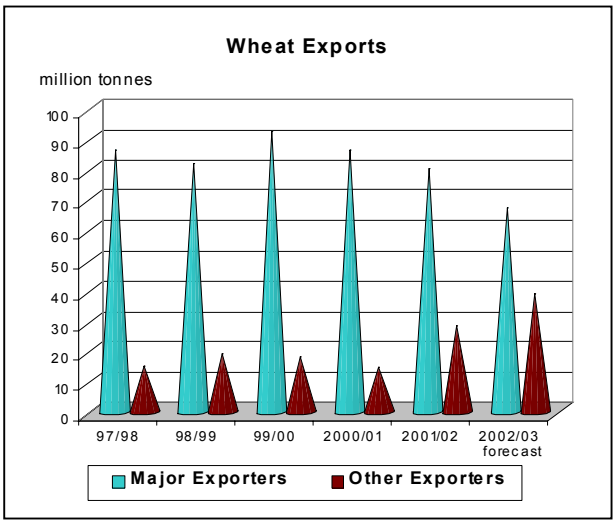
By contrast, in Africa, wheat imports are forecast to reach a record level of just over 26 million tonnes, up 1.4 million tonnes from the previous season. Sharply lower outputs in Algeria and Tunisia could result in an increase of almost 1 million tonnes in their combined imports this season. Imports by most countries in the sub-Saharan region are expected to remain unchanged or increase slightly from the previous season, but in Ethiopia imports are forecast to surge by almost 900 000 tonnes to 1.2 million tonnes (mostly in the form of food aid) as a result of poor harvests.




Imports in Europe are also forecast to exceed the previous season's already high level by about 1 million tonnes. Contrary to earlier expectations, EU purchases continued throughout the season and imports are now forecast to approach 11 million tonnes, up 800 000 tonnes from the previous season's level. At the current forecast level, the EU would be the world's largest wheat importer for the second consecutive season. Total imports by countries in Latin America and the Caribbean are forecast to remain close to the previous season's level. Wheat purchases by Mexico are expected to increase slightly due to a small decrease in domestic production, but imports by Brazil, a leading wheat importer, are expected to remain unchanged from the previous year at around 6.8 million tonnes.

Turning to wheat exports, total shipments from the five major exporters this season are currently forecast to fall to 67 million tonnes, representing a decline of around 13 million tonnes, or roughly 16 percent, from the already reduced level in the previous season. Only the EU is seen to increase its exports. While shipments by the EU plunged to around 11 million tonnes in 2001/02, a rise in production is likely to boast exports by over 4 million tonnes to around 16 million tonnes. Exports by the United States are forecast to remain at around the previous year's level, sales from Australia and Canada are forecast to drop sharply as a result of reduced supplies. Wheat exports from Argentina are also forecast to decrease following a drop in its production.

By contrast, wheat exports from most non-traditional exporting countries are likely to exceed last season's exceptionally high volumes. Shipments from the Russian Federation are now forecast to reach 10 million tonnes, representing more than a two-fold increase from last year. At this level, the Russian Federation would be the world's third largest wheat exporter - after the United States and the EU. Exports by Ukraine are also forecast to increase sharply to 8 million tonnes, compared to 5.5 million tonnes in the previous season. In addition, Kazakhstan and India are also likely to each export 5 million tonnes this season. Overall, the combined volume of exports from these non-traditional exporting countries would approach 30 million tonnes, representing nearly 28 percent of the global market share this season, up sharply from 15 percent in 2001/02.



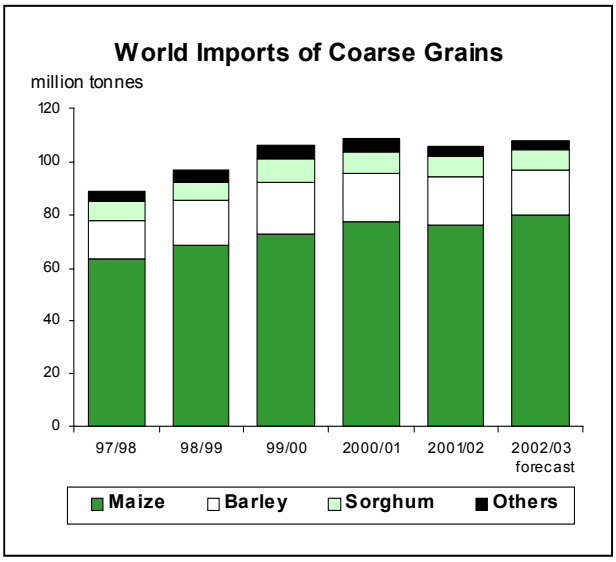

World trade in **coarse grains** in 2002/03 is forecast to reach 108 million tonnes, up 1.4 million tonnes from the previous season's reduced level. The increase from 2001/02 would be driven mainly by higher trade in maize, rye and oats, while trade in most other major coarse grains is expected to decline slightly from the previous season. In the maize market, this season's exports are likely to exceed the previous year's record and approach 80 million tonnes, representing nearly three-fourths of the world trade in coarse grains.

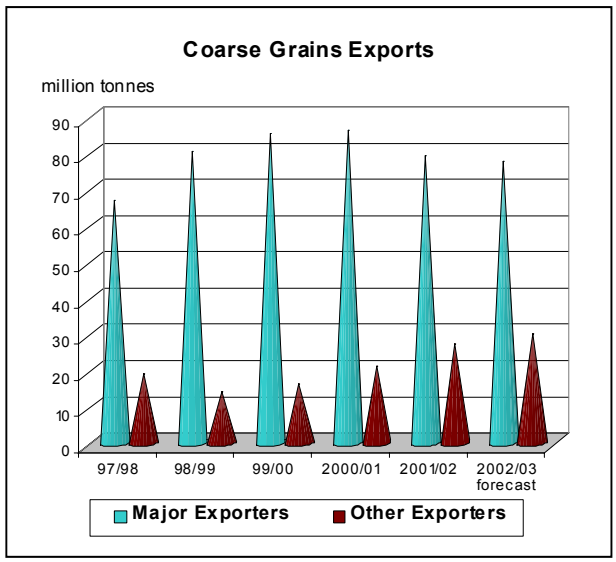
The anticipated increase in world trade this season is mainly driven by a sharp increase in imports in Africa. Total coarse grain imports in Africa are expected to rise by 3 million tonnes from the previous season, to a record high of 18 million tonnes. Higher imports by several countries in the sub-Saharan region, following shortages triggered by production shortfalls, are mostly responsible for this surge. The most significant increases are expected in Zimbabwe (up 1.6 million tonnes), Kenya (up 400 000 tonnes) and Zambia (up 255 000 tonnes).

By contrast, in Asia, aggregate imports of coarse grains in 2002/03 are forecast at 56 million tonnes, down 1.2 million tonnes from the previous season. Imports by Saudi Arabia and the Islamic Republic of Iran are forecast to fall significantly, whereas, in most other Asian countries, imports are likely to remain at around the same levels as in the previous year.

In Europe, total imports could reach 6.7 million tonnes this season, down 700 000 tonnes from the previous year. The main reason for this decrease is larger purchases of cheaper feed wheat by the EU. In North America, the drought in Canada is expected to give rise to much larger imports of maize and barley. In Central America, larger maize purchases are also forecast for Mexico, reflecting a decline in production. In South America, imports by most countries are likely to remain at the same levels as in the previous year.

On the export side, among the major exporters, coarse grain shipments from the United States are forecast at 55 million tonnes in 2002/03 (July/June), down 1.5 million tonnes from the previous season, mostly due to reduced production. Smaller exports are also forecast for Canada and Australia given the decline in their supplies as a result of lower production. By contrast, shipments from Argentina could increase slightly, while sales from the EU are forecast to rebound after a sharp decline in the previous season. More barley exports are expected from the EU this season, which could, to some extent, compensate lower global supplies due to shortages in Australia. Apart from major exporters, China continues to export maize, which is currently put at 12 million tonnes for 2002/03, nearly twice as much as in the previous season. In addition, another year of good export prospects is expected for the Russian Federation and Ukraine.



**Rice Trade in 2002**

FAO has raised its estimate of global rice trade in 2002 to an all time high of 28.1 million tonnes, well in excess of the previous record of 27.5 million tonnes achieved in 1998. The new figure reflects higher estimates of exports by several of the major world rice suppliers, including China, India, Pakistan, the United States and Uruguay, while shipments by Thailand and Australia were cut somewhat. On the import side, the revisions were more widespread, with particularly sizeable adjustments made for Bangladesh, the Islamic Republic of Iran, Ghana and the Russian Federation.

The large trade expansion in 2002 took place notwithstanding the low imports made by China, which originally had been expected to boost world demand, following the opening of low tariff quotas by the country. Instead, China kept a very low profile as an importer in 2002, while shipments to Indonesia, the Islamic Republic of Iran, the Philippines, Ghana, Nigeria and South Africa surged. The expansion was facilitated by the abundance of supplies made available by exporters, especially India. Indeed, the implementation of new export policies helped the country release about 6.6 million tonnes from public rice inventories onto the world market at very competitive prices, more than three times the level exported in the previous year. Food aid shipments also boosted exports from the Republic of Korea. As Indian rice displaced supplies from Thailand and Viet Nam, both countries faced an overall contraction in sales in 2002. Elsewhere, production shortfalls lay behind a fall in shipments by Australia, Argentina, Pakistan and Uruguay.

**Trade Outlook for 2003**

FAO forecast of international trade in rice in 2003 remains virtually unchanged from the last report at 26.8 million tonnes but about 5 percent below the revised estimate for 2002. Such a drop would be consistent with the reduced export availabilities in India and Australia and the lower import requirements in a number of traditional importers that harvested good crops last season.

Despite a record crop, Bangladesh is anticipated to import 600 000 tonnes this year, against a previous estimate of 300 000 tonnes. The adjustment reflects the recent lowering of import tariffs from 29 percent to 7.5 percent, made in reaction to high domestic prices.

Last January, China (mainland) announced that it would allow private enterprises to import up to 2.26 million tonnes of long grain rice and 1.53 million tonnes of short/medium grain rice in 2003 under the 1 percent import quota. Based on the country's WTO commitments, this would imply that state agencies had reserved themselves the right to import about 1 million tonnes under the quota. Nonetheless, FAO's forecast for the country's imports remains much lower, at 250 000 tonnes, which would be little changed from last year. Despite the steady fall in production, domestic rice prices have remained depressed, rendering imports uncompetitive. This situation is not expected to change in the short run, as large supplies from state inventories are likely to be released on the market, keeping downward pressure on prices. Meanwhile, the Hong Kong SAR eliminated the import quota regime that had been in place since 1955 and removed importer entry barriers as of 1 January 2003.

Imports by Indonesia, are currently forecast at 3.4 million tonnes in 2003, 200 000 tonnes more than earlier anticipated and only marginally below last year. However, much will depend on the production outcome this season. Despite its pledge towards rice self-sufficiency, the country has failed to achieve its production target of 53 million tonnes in the past three years and has continued to rely extensively on the international market. Nonetheless, a small reduction in shipments is anticipated this year in light of the increase in tariffs from Rupees 430 to Rupees 510 per kilo implemented on 1 January.

The Philippines may also import less this year, given expectations of a record 2002 (July/June) crop. Although the country has set an initial 800 000 tonne target for imports, FAO's forecast volume of 1 million tonnes, is still 200 000 tonnes less than last year. The implementation of a new import system, which puts an end to the monopoly of the National Food Agency, may also slow the flow of rice into the country. Based on the recently amended mechanism, rice farmers will be allowed to apply for rice import licenses, subject to a ceiling of 1 000 tonnes per farmer or farmer organization, per year. Additional requirements include: the opening of letters of credit to cover the deal, the payment of a 50 percent import tariff, and stiff penalties if shipments do not reach the ports within the lean period, not to depress producer prices.

Overall shipments to Near East countries are anticipated to fall to 4.8 million tonnes in 2003, down from 5.2 million tonnes in 2002, reflecting expectations of smaller purchases by the Islamic Republic of Iran, following a recovery in 2002 production, and by Iraq. In the latter, war has seriously disrupted normal economic activity with uncertain implications on the country's ability to import.

Similarly, imports to Africa are set to decline to 7.7 million tonnes in 2003, down from 8.2 million tonnes last year. If confirmed, this would be the first contraction since 1993. The reversal of the long term rising trend would be mainly on account of smaller purchases by the two largest importers in the region, namely Nigeria and the Cote d'Ivoire.

Rice imports to Latin America and the Caribbean countries are now forecast at 2.8 million tonnes in 2003, about 200 000 tonnes less than earlier anticipated and similar to the revised volume in 2002. The latest revision was mainly on account of smaller shipments to Brazil, Colombia, Nicaragua and Peru than earlier anticipated. Based on the new forecasts, imports by Cuba and Mexico are expected to increase

by about 10 percent compared with 2002, to 600 000 tonnes each. The official forecast for Colombia points to a minor expansion to about 100 000 tonnes, while in Brazil and Peru little change from last year is currently anticipated.

Among the most important importers in the rest of the world, few amendments have been made to import forecasts since the last report. In the United States, according to the official forecast, purchases should remain of the order of 400 000 tonnes, similar to last year. Likewise, those by the European Union are set to hover around last year's level of 700 000 tonnes. By contrast, shipments to the Russian Federation could dip from the revised level of 500 000 tonnes in 2002 to 350 000 tonnes this year, reflecting, to some extent, the tightening of import controls and an expected elevation of tariff protection.

FAO's rice export forecast in 2003 remains at 26.8 million tonnes, unchanged from the previous report and 1.3 million tonnes less than last year. Much of the year-to-year difference would be on account of a drop in exports by India and, to a much lesser extent, by Australia, In the case of India, shipments are forecast to drop from 6.6 million tonnes to 4.5 million tonnes, as a consequence of the severe production shortfall experienced last season and the increase of prices for export, which was put into force in January by the Food Corporation of India. Reduced supplies in India might help Thailand and, in particular, Viet Nam to recoup their competitive edge on the world market. Indeed, exports by Thailand are forecast to rise to 7.5 million tonnes, close to the 2001 record. As for Viet Nam, exports could increase to 3.9 million tonnes, sustained by the excellent outturn of 2002 production. However, there is some uncertainty about such an increase because of expectations that the country may lose grounds in two important markets: namely, Iraq, under the effect of war, and Cuba, where the lifting of the United States' export embargo last year could help US rice regain a large slice of that market. Other exporters might also increase their sales in 2003. For instance, Egypt's shipments are forecast to reach 600 000 tonnes, up from 400 000 tonnes last year, as the country could take advantage of its geographical position and of the growing difficulties the other exporters may face in shipping to the Near East region. Sales by Pakistan could also recover somewhat, sustained by the improved production outturn of last year. Recently, the Government was also reported to have granted some subsidies on freight to certain destinations, but the positive impact of such measure was subsequently eroded by a rise of freights by shipping companies. Improved production this season should likewise boost exports from Argentina and Uruguay. Prospects are also positive for the United States. On the other hand, China is currently anticipated to ship 2 million tonnes, the same volume as in 2002, on the assumption that the Government will continue to release supplies from inventories as it has done for the past three years.

## Carryover Stocks

### Falling stocks since the mid-1970s

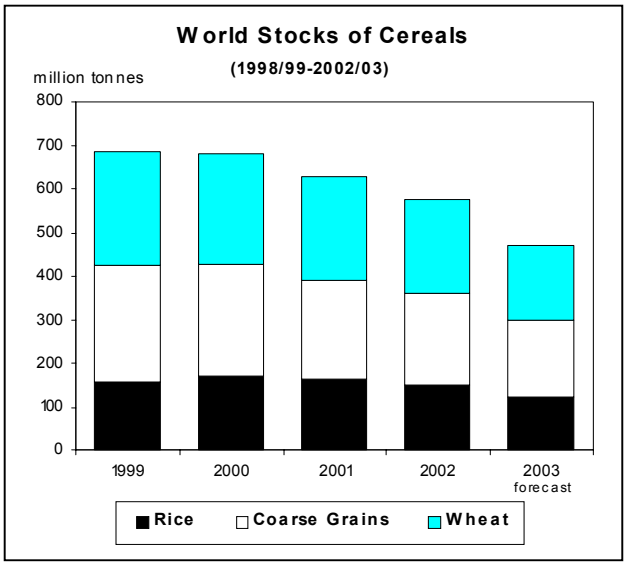
World **cereal** stocks by the close of the seasons ending in 2003 are forecast to reach 470 million tonnes, up slightly from the previous report, but some 108 million tonnes, or 19 percent, smaller than in 2002 and the lowest level in more than two decades. The decline is mostly due to a sharp drop in world cereal production and the continuing drawdown of stocks in China and India.

## World Carryover Stocks of Cereals

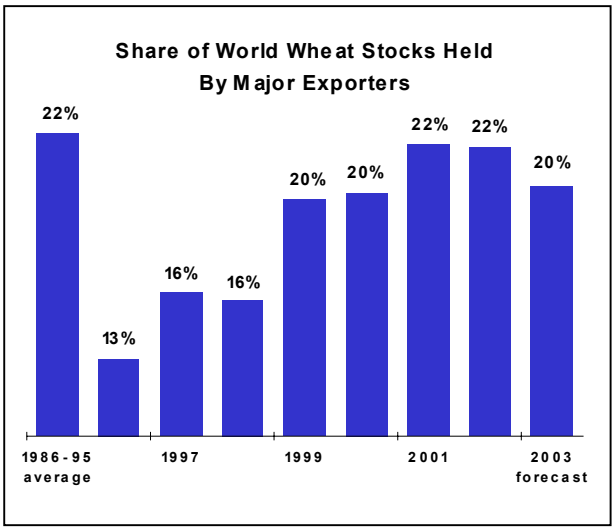
| | Crop year ending in: | | |
|---|---|---|---|
| | 2001 | 2002 estimate | 2003 forecast |
| | (. . . . million tonnes . . . .) | | |
| Wheat | 240.3 | 218.1 | 170.4 |
| Coarse grains | 225.7 | 211.0 | 176.3 |
| of which: | | | |
| Maize | 181.2 | 159.6 | 132.3 |
| Barley | 25.7 | 28.8 | 23.4 |
| Sorghum | 5.2 | 6.4 | 5.0 |
| Others | 13.6 | 16.2 | 15.6 |
| Rice (milled) | 162.8 | 148.4 | 123.0 |
| **TOTAL** | **628.8** | **577.5** | **469.7** |

**Source**: FAO

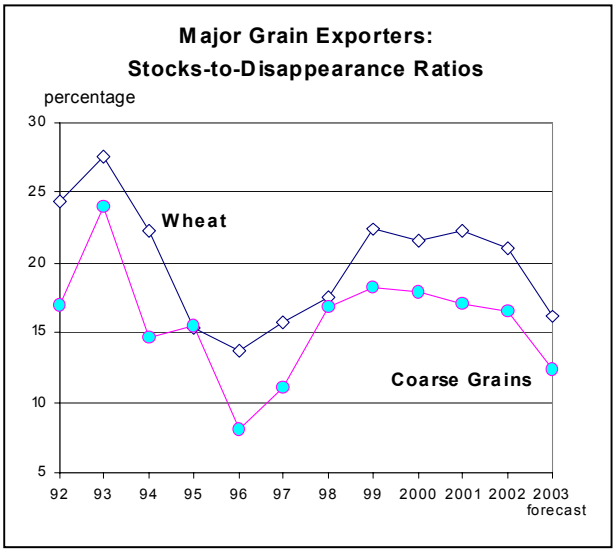
Global **wheat** inventories, by the close of the seasons ending in 2003, are forecast to reach 170 million tonnes, 48 million tonnes, or 22 percent, below their already reduced opening levels. Aggregate wheat stocks in major exporting countries are forecast at 34 million tonnes, down 13 million tonnes from the previous year and the smallest volume since 1996, driven by sharp drops in production in the United States, Canada and Australia. Among the major



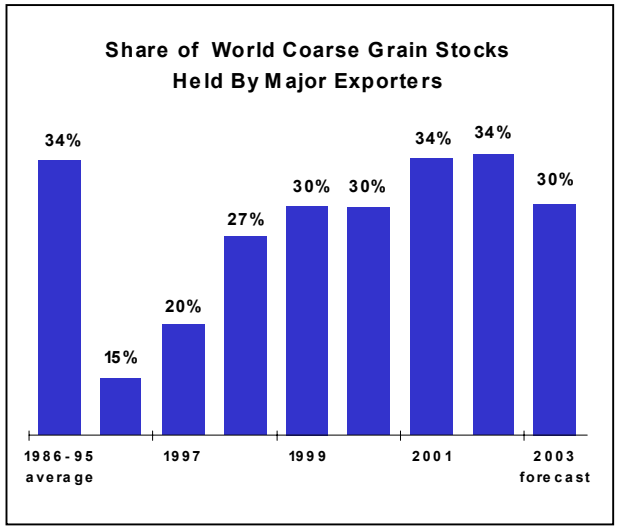
exporters, only EU is forecast to end the season with larger stocks. A sharp recovery in production and large imports are among the main reasons for the increase in EU wheat stocks. The decline in major exporting countries' wheat stocks would imply a significant drop in the ratio of their wheat stocks to their total disappearance (the sum of their domestic consumption and exports) to 16 percent, compared to 21 percent in the previous season.




Wheat stocks are also forecast to contract by 24 million tonnes in China, and 5 million tonnes in India. Both countries are among the world's leading wheat producers. The drop in production in China and large wheat exports by India would necessitate sharp drawdowns from their stocks this season, although they would still remain large. Despite higher production in 2002, wheat inventories in Pakistan are also forecast to contract, by some 3.5 million tonnes due to large exports and strong domestic demand. Lower stocks are also anticipated in Algeria, Egypt, Ethiopia, and Tunisia, mostly due to lower production. By contrast, the overall stock level in the CIS countries is expected to exceed the previous year's level in view of larger production in many countries. Wheat stocks are expected to decline only in the Russian Federation, mainly because of a surge in exports.

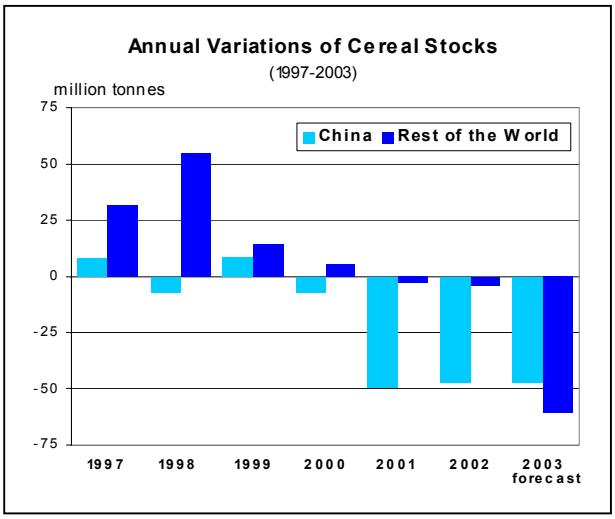



World **coarse grain** inventories for crop years ending in 2003 are forecast at 176 million tonnes, down 35 million tonnes, or 16 percent, from the previous year. The contraction is mostly driven by the situation in the United States and China. In the United States, a sharp fall in coarse grains production in 2002 is expected to result in a drop of over 16 million tonnes in its stocks to 28.5 million tonnes, the smallest since 1997. The drought reduced outputs in Australia and Canada would also result in a sizeable drop in their ending stocks, while total inventories in the EU are forecast to decline slightly because of a small decrease in its production in 2002 and an expected increase in exports. Consequently, for major exporters as a whole, the ratio of their total coarse grain stocks to their total disappearance is forecast to plunge, to 12.5 percent, the lowest level since 1996 and well below the estimated 16.5 percent in the previous season.




In China, while production rose in 2002, the deliberate policy to reduce stocks through exports continues and inventories are expected to contract by around 9 million tonnes. Sharp declines in maize production in Brazil and Mexico are behind the forecast decrease in coarse grains stocks in those countries. In addition, larger exports, mostly of barley, from the Russian Federation and Ukraine would also result in slightly lower ending coarse grain stocks in those countries. In

Africa, a strong rebound in maize production in the Republic of South Africa is expected to result in improved stock levels in that country, whereas, the overall declines in sorghum and maize output in Africa would lead to lower inventories in many counties including Egypt, Ethiopia, Kenya, Sudan and Uganda.




The forecast of world **rice** stocks at the end of the marketing seasons in 2003 has been lowered by about 600 000 tonnes and now stands at 123 million tonnes, 25 million tonnes below their opening level and one of the lowest levels on record. Based on the new estimate, the global rice stock-to-utilization ratio fell to 30 percent, compared with 36 percent at the end of last season. The downward revision in stocks was brought about by the new, lower estimates for production in China (mainland) and India, which together account for the bulk of world inventories. Estimates of closing inventories were also lowered from the last report for Indonesia, Japan, and the United States.

Compared with the previous year, the latest forecasts point to some increase in rice inventories in Bangladesh and Viet Nam, sustained by the excellent harvests they gathered in 2002, and in Indonesia, helped by a surge in imports. By contrast, rice closing stocks in Peru, Nigeria, Cote d'Ivoire, Senegal and the United States are expected to fall. However, most of the year-to-year global contraction would be mainly on account of Mainland China, where end-of-season stocks are estimated to have fallen by about 15 million tonnes to an FAO estimate of 78 million tonnes and in India, with a drop of 10 million tonnes from opening levels.

## Export Prices

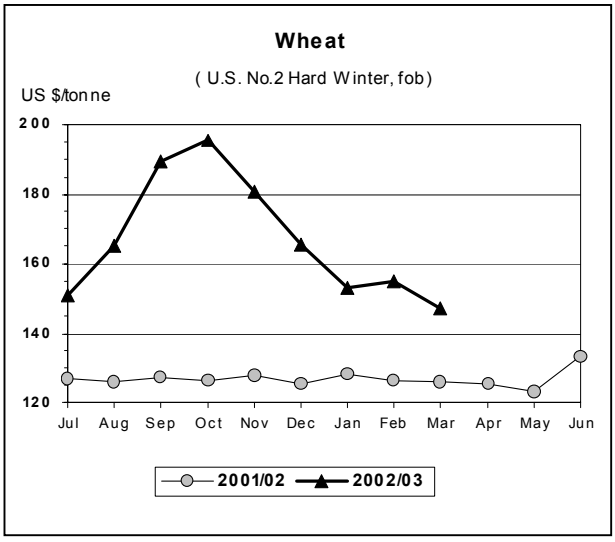
**Cereal prices remain under downward pressure**

## Cereal Export Prices *

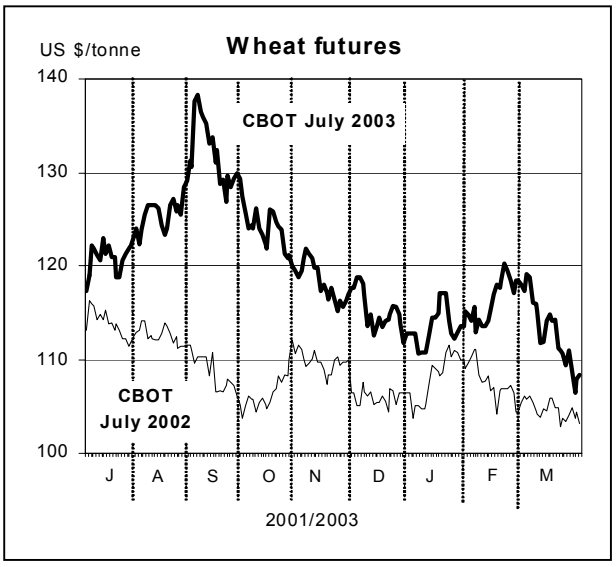
| | 2003 | | 2002 |
|---|---|---|---|
| | March | January | March |
| | (. . . . . US$/tonne . . . . . ) | | |
| **United States** | | | |
| Wheat | 146 | 153 | 126 |
| Maize | 105 | 106 | 90 |
| Sorghum | 104 | 113 | 94 |
| **Argentina** | | | |
| Wheat | 149 | 138 | 110 |
| Maize | 95 | 102 | 85 |
| **Thailand** | | | |
| Rice white | 198 | 203 | 195 |
| Rice, broken | 144 | 151 | 149 |

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

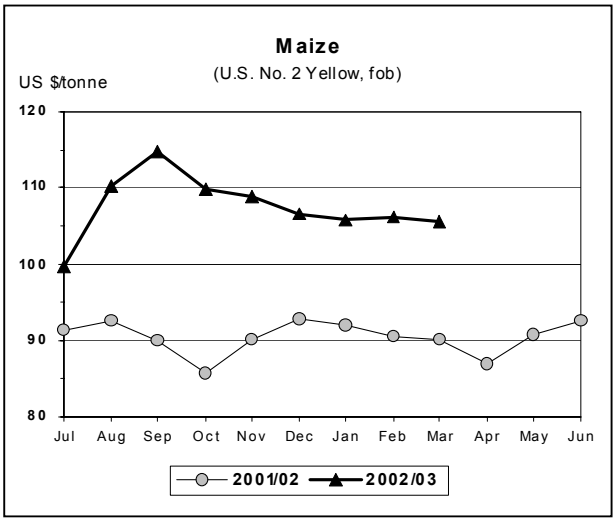
International **wheat** prices declined in March in view of generally favourable global crop prospects and continuing large exports from non-traditional exporters. Wheat prices surged earlier this season mostly because of droughts in Australia and Canada as well as tighter supplies in the United States. However, as the season progressed, a number of non-traditional exporting countries, including the Russian Federation, Ukraine and India, which had already emerged as relatively large exporters in the previous season, augmented their export sales due to unexpectedly large supplies. This prevented world prices from rising



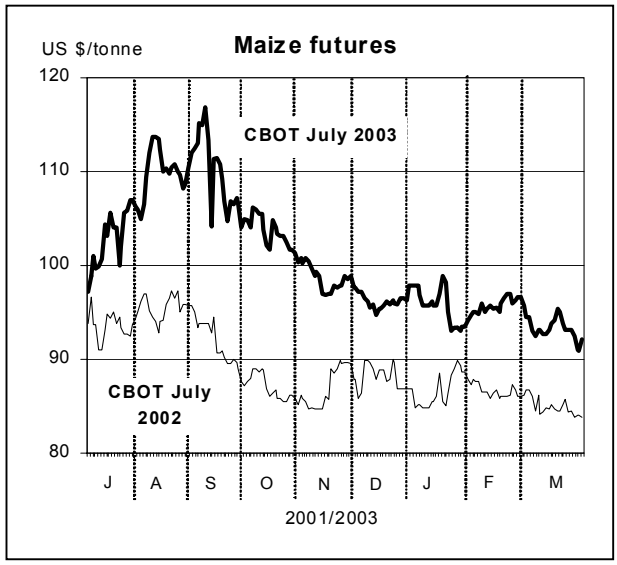
even more drastically. Nevertheless, since wheat supplies from most of these new origins are mostly lower-to-medium quality, international prices for higher quality wheat proved less susceptible to recent downward pressures. Thus, the U.S. wheat No. 2 (HRW, fob) averaged US$146 per tonne, down US$7 from January but still up by US$20 per tonne, or more than 16 percent, from a year ago.




In the US futures market, wheat prices weakened considerably in recent months, especially during March, mostly in response to significant rainfalls which pointed to a possible break in near-drought conditions that prevailed for many months in major growing areas in the United States. By late March, the July 2003 futures for the soft red winter wheat contracts at the Chicago Board of Trade (CBOT) were quoted at around US$108 per tonne, representing a drop of around 20 percent since the highs in September 2002, though still up US$4 per tonne from March 2002.



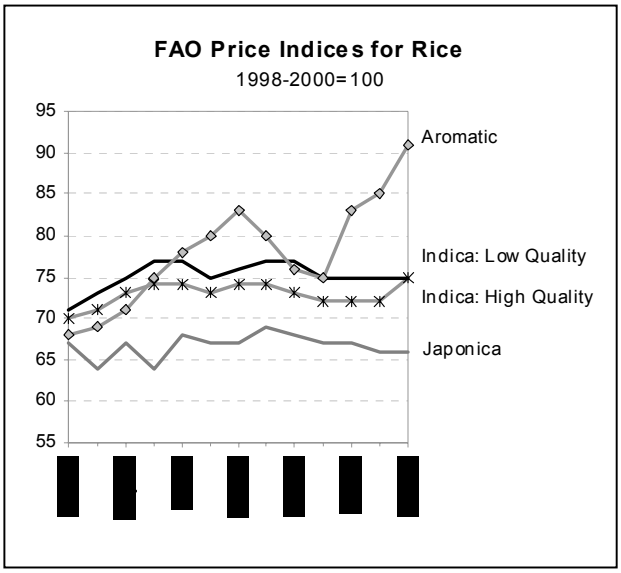

International **maize** prices have remained largely unchanged in recent months as downward pressure from more competitively priced low-quality wheat supplies and continuing large maize sales by China, offsetting upward price pressure from strong world import demand for maize. In March, the U.S. maize export prices (U.S. No.2 Yellow, fob) averaged US$106 per tonne, nearly unchanged from January but US$16 per tonne, or 13 percent above the previous year. By contrast, maize futures at the CBOT weakened considerably in recent weeks, mostly in response to improved weather prospects. By late March, the July futures were quoted at US$91 per tonne, up US$7 per tonne from the corresponding period last year but down nearly US$5 per tonne since January.




International **rice** prices have moved little since the last Food Outlook, with the FAO Total Price Index (1998-2000=100) averaging 74 in March, 2 points above February and 1 point above January. The arrival of new crops in a number of markets stifled most upward pressure on prices.

Several policy developments have influenced international rice quotations since the beginning of the year. For instance, a general weakening of Thai export prices over the first weeks in March (with the exception of fragrant rice) coincided with the transition period between the close of the main crop intervention scheme at the end of February and the opening of the second crop intervention scheme on 20 March. Also, the increase in prices of rice for export by the FCI and the introduction of some restrictions that only allowed export sales from warehouses in the State of Haryana and Punjab tended to raise India's export prices.

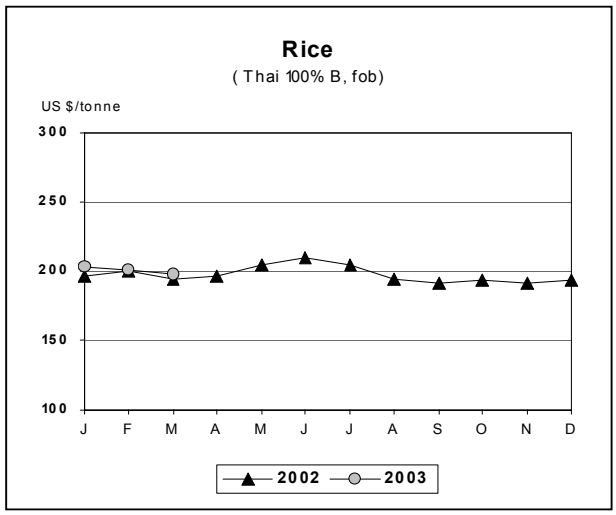
International prices for high quality Indica rice from different origins have moved in different directions since the last report. For example, the Thai 100% B averaged US$198 per tonne in March, down US$5 from January. By contrast, prices of the US No.2, 4% long grain staged a strong recovery from US$204 to US$257 per tonne over the same period while Viet Nam 5% quotations showed little change. The net effect of these price movements raised the FAO High Quality Indica Price Index by 3 points between January and March.




By contrast, the FAO Low Quality Indica Price Index remained constant since January, as the effect of falling quotations from Thailand for 100% broken rice was offset by a strengthening of prices of 25% broken rice in Viet Nam and Pakistan. Turning to other types of rice, the FAO Japonica Price Index fell by 1 point between January and March, reflecting a further US$9 per tonne dip in prices of the US No.2, 4% medium grain. However, developments in the fragrant rice market were much more pronounced, as prices rallied in February and March, as exhibited by FAO Aromatic Price Index, which rose from 83 points in January to 91 points in March. The reasons underlying the recent strength of the Aromatic rice market are mainly related to supply constraints in Thailand and India.

The near-term prospects for international rice prices remain highly uncertain, with the Iraq war adding even more uncertainty to the outlook. From a global perspective, available export supplies appear to be adequate to meet the expected import demand, while averting upward pressures on prices. On the other hand, the anticipated stagnation of imports to Africa and stiffer competition among exporters in markets such as Indonesia, the Philippines or the Islamic Republic of Iran but also Brazil, Iraq and Cuba, could trigger a new downward spiral of prices

1/ Global utilization in 2001/2002 is the aggregation of individual country marketing years ending in 2002.




## Utilization

**The growth in total cereal utilization increased modestly in 2001/02**

World cereal utilization is estimated to have reached 1 950 million tonnes in 2001/02 [1/], up by about 2 percent compared to the previous season, but below trend. Somewhat more than one-half of the 33-million tonne increase in total utilization is attributed to the developed countries, mostly for feed and other uses. The growth in cereal food consumption, to 973 million tonnes, reflected a modest growth in annual per caput food consumption by 1 kilogram to 160 kilograms. Global feed use also expanded by 2 percent to reach 710 million tonnes, while other uses of cereals are estimated to have grown by 3 percent.

## World Cereal Utilization

| | 2000/01 | 2001/02 | 2002/03 forecast |
|---|---|---|---|
| | (. . . . . million tonnes . . . . . .) | | |
| **Total utilization** | | | |
| **World** | **1 917** | **1 950** | **1 947** |
| Developing countries | 1 165 | 1 183 | 1 184 |
| Developed countries | 751 | 767 | 763 |
| **Food consumption** [1/] | | | |
| **World** | **961** | **973** | **978** |
| Developing countries | 786 | 798 | 803 |
| Developed countries | 174 | 174 | 175 |
| **Feed use** | | | |
| **World** | **696** | **710** | **705** |
| Developing countries | 258 | 264 | 263 |
| Developed countries | 438 | 445 | 441 |
| **Other uses** [2/] | | | |
| **World** | **260** | **267** | **264** |
| Developing countries | 121 | 120 | 118 |
| Developed countries | 139 | 147 | 147 |

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

1/ For direct human consumption. 2/ Other uses include seed, industrial uses and post harvest losses.

**Cereal food consumption sufficient in 2001/02 to expand per caput intake among developing countries**

As usual, the developing countries accounted for most of the increase in cereal food consumption, their total consumption estimated to have risen to 798 million tonnes in 2001/02, some 12 million tonnes above the previous season. At this level, their per caput food consumption would be 167 kilograms, 1 kilogram higher than the previous season. Annual per caput food consumption of cereals among the low-income, food-deficit countries (LIFDCs), considered by FAO to be the group of countries most vulnerable to food insecurity, is estimated to have stabilized at 168 kilograms. However, for this same group of countries without China (mainland) and India, which overly bias the aggregate numbers, annual per caput cereal food consumption actually improved by 1 kilogram to 158 kilograms.

## Per Caput Food Consumption of Cereals

| | 2000/01 | 2001/02 | 2002/03 forecast |
|---|---|---|---|
| | (. . . . . kg. per head . . . . .) | | |
| Developing countries | 166 | 167 | 166 |
| Developed countries | 133 | 133 | 133 |
| **TOTAL** | **159** | **160** | **159** |
| Low-income food-deficit countries | 168 | 168 | 167 |
| (excluding China and India) | (157) | (158) | (159) |
| Wheat | 71 | 71 | 71 |
| Coarse grains | 29 | 29 | 28 |
| Rice (milled) | 59 | 60 | 59 |

**Source**: FAO

Larger supplies, due to improved crops in 2001, accounted for the estimated increase in cereal food consumption among developing countries in Africa and Asia during the 2001/02 season. In Africa, about a 3 percent increase in consumption was due to generally better crop conditions in sub-Saharan countries and most of North Africa. As for Asia, there was only an estimated increase of 1 percent in cereal food intake last season. In China (mainland), the direct consumption of cereals continued to be weak as the population shifts from rural to urban centres and as rising incomes encourage the demand for alternative foods. However, significant improvements in cereal food consumption were estimated for Bangladesh, India, Indonesia, Pakistan and Viet Nam. The use of cereals as food in the Latin American and Caribbean (LAC) region is estimated to have increased by around 2 percent in 2001/2002, primarily in Brazil and Mexico, the two largest cereal consuming countries in the region.

**Global feed demand continued to expand in 2001/02**

In 2001/02 world feed use is estimated to have risen by 2 percent, or about 14 million tonnes. Most of the gain is the result of greater demand in Asia, the CIS and eastern Europe. A combination of low international prices and bumper crops in several countries are likely to have encouraged larger domestic cereal feed use in the CIS and eastern Europe. Three-fourths of the global increase is accounted for by the CIS, where Kazakhstan, the Russian Federation and Ukraine, in particular, benefited from bumper cereal crops in 2001. Larger coarse grain crops in Brazil, India, the Islamic Republic of Iran, Mexico, Romania and the Federal Republic of Yugoslavia (Serbia and Montenegro) encouraged feed use in those countries. In the case of Brazil, strong domestic and export demand for meats also contributed to growing feed demand. Lower prices promoted greater feed demand in the Republic of Korea and Saudi Arabia in 2001/02.

In contrast, some of the major cereal producing countries experienced downturns in cereal feed usage for various reasons. Cereal feed use in the United States is reported to be down by 2 percent and in the EU by 1 percent compared to the previous season. In the United States, grain feeding was reported to have fallen due largely to smaller livestock inventories. Although EU domestic feed supplies were augmented by large imports of feed quality wheat from eastern European and the CIS countries, these were not sufficient to offset the sharp drop in wheat production in 2001 and short supplies of alternative feeds, such as cassava and corn (maize) gluten. China's cereal feed use is estimated to have declined by 1 percent, but the drop would have been greater if wheat had not been substituted for much of the 2 million-tonne decrease in the use of maize for feed.

**"Other uses" of cereals expand** [1/]

The industrial use of maize continued to grow steadily in some countries in response to rising demand for alternative food, feed and fuel. In the United States, according to official sources, maize used to produce HFCS is reported to have increased by 2 percent in 2001/02, while maize-based fuel additives (primarily ethanol), the largest industrial use of cereals in the United States, jumped by almost 14 percent. The latter increase is attributed to higher use of capacity and the addition of new plants supported by federal programmes to promote alternative fuel. Rising petroleum prices may also have encouraged suppliers to shift towards lower-cost alternative fuel. In China, the industrial use of cereals continued to expand in 2001/02, but seed use and post-harvest losses were down due to smaller crops.

1/ "Other uses" for cereals includes seed use, post-harvest losses and industrial uses. Post-harvest losses tend to fluctuate in proportion to production changes, in particular in developing countries. Demand for non-food products made from cereals is largely determined by factors outside the agricultural sector.

**Cereal utilization to decline in 2002/03**

World cereal utilization in 2002/03 is forecast at 1 947 million tonnes, which would be marginally below the previous season's level and slightly below trend. The volume of cereals used for human food is forecast to rise only modestly, while world feed and other uses could contract. However, among the major cereals, an emerging feature has been the sudden increase in feed wheat use given its large supplies and more competitive prices relative to maize in international markets.

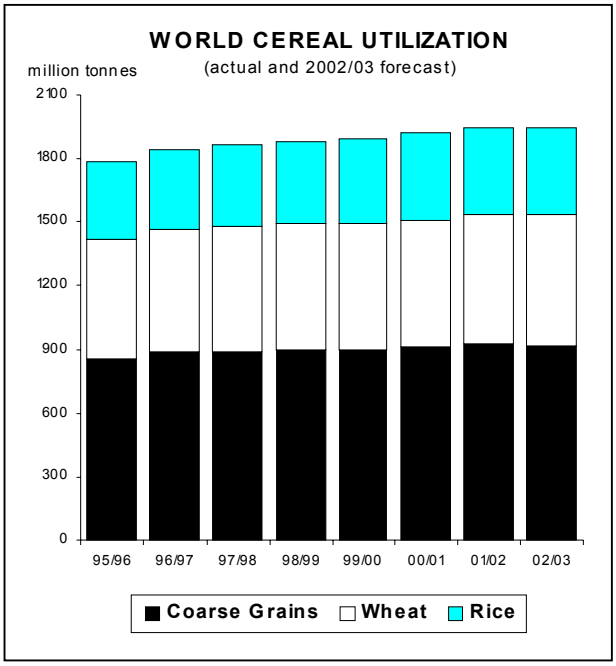
**Cereal food consumption outlook is stagnant**

For the developing countries in aggregate, cereal food consumption is forecast to rise only about one-half percent to 803 million tonnes, resulting in a decline of 1 kilogram in per caput cereal food consumption compared to 2001/02. However, cereal food consumption in the LIFDCs (excluding China and India) could be expected to improve, increasing their average per caput food consumption to 159 kilograms. Most of the total increase in food consumption is expected in the developing countries of Asia, reaching some 616 million tonnes, in particular in the south and southeast subregions. India is the one major exception because cereal food consumption is forecast to be down due to poor rice and coarse grain crops in 2002. In Africa, cereal food consumption could increase by 2 percent to reach 116 million tonnes, with much of the gains expected in southern Africa following a season of wide-spread production shortfalls and civil strife in the subregion. Consumption levels in the subregion will also depend on the amount of cereal food aid received during the year. The food consumption of cereals in the LAC region may increase marginally to 71 million tonnes.

**Global feed demand forecast to contract in 2002/03**

After rising in 2001/02, world feed utilization of cereals is likely to be the hardest hit area of global utilization in 2002/03, falling by 5 million tonnes to 705 million tonnes. The entire decline is expected among the developed countries and countries in economic transition. In the United States, cereal feeding is expected to be down by 5 percent because of shrinking animal inventories and lower feed use per animal unit, due in part to higher feed grain prices compared to the previous season. As reported in March, Canadian grain feeding could be down by 8 percent this season, in large part due to the severe drought that hit the country in 2002. Larger maize and wheat feeding are forecast to help offset the sharp drops in other grain feeds, in particular barley. Australia is also facing smaller availabilities of grains because of poor crops, which could reduce feed use, in particular for wheat. Higher coarse grain feeding is forecast to only partially offset the 13 percent fall in wheat feeding.

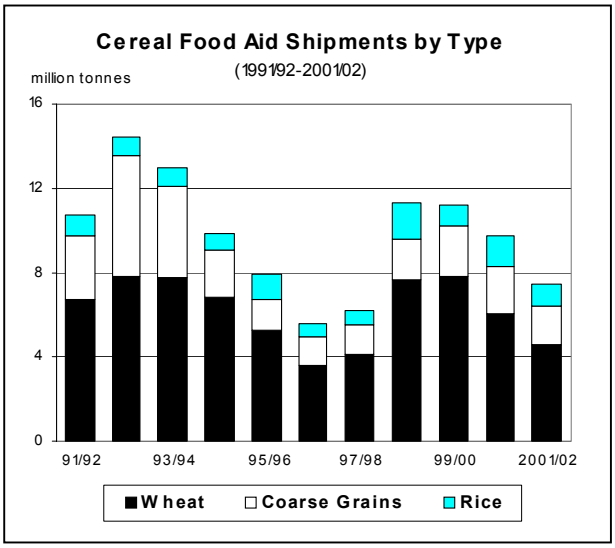
The EU is forecast to increase its overall feed use of cereals in 2002/03 by about 2 percent, despite a reduction in coarse grain usage. Favourable prices and higher demand for protein substitutes, in response to a ban on meat and bone meals in livestock rations, are expected to boost the demand for feed wheat this season. Larger crops harvested in 2002 and restrictions on meat imports are expected to boost domestic grain feed use in many countries of the CIS, especially in Belarus, Kazakhstan, the Russian Federation and Uzbekistan. Improved crops are also expected to raise cereal feed use in some Asian countries, especially in the Islamic Republic of Iran and Viet Nam. In spite of an expected decline in maize output in Brazil, feed demand is expected to continue to grow to support the expanding poultry industry.



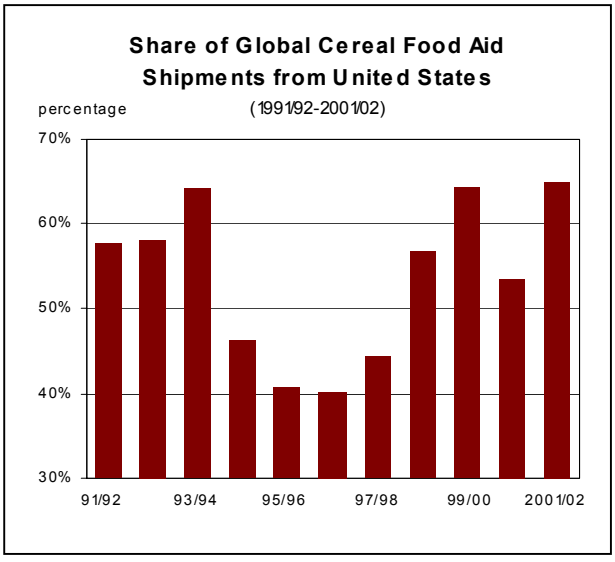
# Food Aid

### Cereal food aid shipments fell sharply in 2001/02 [1/]

Total cereal food aid shipment in 2001/02 fell to 7.4 million tonnes, 2.3 million tonnes, or 23 percent below 2000/01 and the smallest since 1997/98 (Table 1). The decline affected nearly all regions. The overall shipments to the Low-Income Food-Deficit Countries (LIFDCs) fell to 6.3 million tonnes, down roughly 2 million tonnes from the previous season reflecting mainly smaller shipments to LIFDCs in Africa. The top 5 recipients of cereal food aid in 2001/02 were Korea, DPR (1 million tonnes), Ethiopia (560 000 tonnes), Bangladesh (452 000), Afghanistan (252 000 tonnes), and the Philippines (248 000 tonnes). The same first three countries topped the list of recipients also in 2000/01.




Regarding the major donors, shipments from the United States reached 4.8 million tonnes in 2001/02, down 400 000 tonnes from the previous season. Despite its smaller donations, the United States, was 65 percent of the world total, up considerably from 53 percent in 2000/01, essentially because other donors sharply reduced their shipments, including Australia, the EU and Japan.




Among the major cereals, wheat accounted for 4.5 million tonnes of food aid shipments in 2001/02, down 1.5 million tonnes from the previous season, but still representing over 60 percent of total cereal food aid. Coarse grain shipments totaled 1.9 million tonnes, while rice shipments reached 1 million tonnes, both also down slightly from the previous season.

### Non-cereal shipments rose slightly in 2001 [2/]

Based on the latest information from WFP [3/], total food aid shipments in the form of non-cereals reached 1.5 million tonnes in 2001, up 200 000 tonnes from the previous year but well below the record of nearly 2 million tones in 1993. Pulses, vegetable oils, skimmed milk (evaporated) and sugar accounted for the bulk of non-cereal shipments. Shipments from the United States were around 1 million tonnes, representing more than 70 percent of the total. After the United States, the EU and its individual member countries were the second largest donors, with a combined shipment of about 250 000 tonnes. Other major donors included Canada and Japan, while shipments from Australia remained small and well below the average of recent years.

In 2001, Pakistan was the leading destination of non-cereal food aid, at about 254 000 tonnes (mostly pulses and vegetable oils). Other major recipients included Peru, with about 82 000 tonnes (mainly vegetable oils), the Philippines, 68 000 tonnes (mostly pulses), the Russian Federation, 64 000 tonnes (vegetable oils and pulses), Uzbekistan 57 000 (only pulses) and the Korea, DPR, 55 000 tonnes (pulses, vegetable oils, and sugar).

Among the non-cereals commodities, pulses accounted for the bulk of the shipments, at 778 000 tonnes, up 155 000 tonnes from 2000 but well below 1.2 million tonnes shipped in 1999. Shipments of vegetable oils also rose in 2001, to 512 000 tonnes, up 89 000 tonnes from 2000. Other non-cereals in 2001 included sugar (80 000 tonnes), milk (45 000 tonnes), meat and products (18 300 tonnes), fish and products (11 200 tonnes), and edible fats (5 500 tonnes).

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/ While cereal shipments are reported on a July/June basis, non-cereals food aid is reported on a calendar year basis.

3/ As of February 2003.

## Cereals - Food Aid Shipments by Destination- (July/June)

| | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/2002 estim. |
|---|---|---|---|---|---|
| | ( . . . . . thousand tonnes . . . . . ) | | | | |
| **WORLD** | **6 195** | **11 261** | **11 172** | **9 702** | **7 433** |
| **LIFDCs** | 5 522 | 8 419 | 7 649 | 8 252 | 6 305 |
| **Africa** | 2 266 | 2 561 | 2 897 | 3 855 | 2 288 |
| Sub-Saharan | 2 157 | 2 510 | 2 793 | 3 520 | 2 215 |
| Others | 109 | 50 | 104 | 335 | 73 |
| **Asia** | 3 135 | 5 366 | 4 303 | 4 501 | 3 877 |
| East Asia and SE Asia | 1 015 | 2 598 | 1 678 | 2 152 | 1 676 |
| South Asia | 1 131 | 2 004 | 1 508 | 944 | 907 |
| Others | 989 | 763 | 1 117 | 1 406 | 1 293 |
| **Latin America and the Caribbean** | 517 | 965 | 799 | 612 | 693 |
| **Others** | 277 | 2 370 | 3 172 | 734 | 575 |

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

## Non Cereals - Food Aid Shipments by Destination

| | 1997 | 1998 | 1999 | 2000 | 2001 estim. |
|---|---|---|---|---|---|
| | ( . . . . . thousand tonnes . . . . . ) | | | | |
| **WORLD** | **854** | **907** | **1 900** | **1 316** | **1 482** |
| LIFDCs | 583 | 698 | 668 | 953 | 1 089 |
| Africa | 297 | 305 | 290 | 453 | 338 |
| Asia | 254 | 334 | 310 | 342 | 660 |
| Latin America and the Caribbean | 168 | 230 | 168 | 252 | 266 |
| Others | 135 | 39 | 1 131 | 269 | 219 |

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

## Non Cereals - Food Aid Shipments by Type

| | 1997 | 1998 | 1999 | 2000 | 2001 | Change from 2000 |
|---|---|---|---|---|---|---|
| | ( . . . . . thousand tonnes . . . . . ) | | | | | |
| Butter oil | 0.4 | 0.2 | 0.2 | 0.2 | 0.0 | -0.2 |
| Dry fruit | 2.6 | 0.2 | 2.4 | 3.3 | 1.0 | -2.3 |
| Edible fats | 8.8 | 8.6 | 2.9 | 6.0 | 5.5 | -0.5 |
| Fish & products | 14.5 | 10.2 | 16.2 | 8.5 | 11.2 | 2.6 |
| Meat & products | 8.6 | 9.7 | 234.8 | 56.7 | 18.3 | -38.4 |
| Milk | 17.3 | 25.4 | 57.0 | 98.3 | 45.4 | -52.9 |
| Other dairy products | 0.9 | 0.2 | 1.4 | 0.9 | 0.2 | -0.7 |
| Pulses | 407.8 | 443.7 | 1 181.1 | 622.5 | 777.7 | 155.2 |
| Sugar | 49.2 | 27.3 | 33.1 | 51.6 | 79.9 | 28.3 |
| Vegetable oils | 287.7 | 355.5 | 322.1 | 422.6 | 512.0 | 89.5 |
| Other foods | 105.6 | 53.4 | 81.4 | 97.2 | 121.5 | 24.3 |
| **Total** | **854.2** | **907.1** | **1 899.6** | **1 316.2** | **1 482.5** | **166.3** |

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

**Cereal food aid in 2002/03 to remain unchanged from 2001/02**

Total cereal food aid shipments in 2002/03 (July/June) could remain at the 2001/02 level of around 7.4 million tonnes (in grain equivalent) [1/]. Shipments from the United States are forecast to remain large, albeit smaller than in the previous season in view of higher international prices and tighter domestic wheat supplies. Shipments from most other major donors are also anticipated to decline slightly. By contrast, India is seen to emerge as an important food aid donor in 2002/03. In December 2002, India pledged 1 million tonnes of wheat to the United Nations. This was initially targeted for Afghanistan but later expanded to cover other regions, including famine-stricken countries in southern Africa. Besides India, a number of other non-regular donor countries had also stepped up their pledges, including China, Oman, the Republic of South Africa and the Russian Federation.

**World Food Programme expects larger food aid requirements in 2003**

According to WFP, emergency needs in 2003 continue to grow the fastest in light of worsening food problems in many countries across the globe. In 2003, the requirements for Protracted Relief and Recovery Operations (PRROs) are also expected to be at much higher levels than in 2002. As of early March 2003, the projected needs for all WFP-assisted development projects and relief operations were estimated at about 5.3 million tonnes. With as many as 36 WFP-assisted operations worldwide, this year's requirements are forecast at 1.86 million tonnes, up substantially from 1.21 million tonnes in 2002. By contrast, total estimated food aid needs for approved and planned development projects in 2003 amount to roughly 846 000 tonnes, which would be 30 percent smaller than the requirements in 2002.

Confirmed contribution to WFP totaled US$1.808 billion by March 2003. This amount represented the second-highest level of contributions received by WFP. However, even this high level of support came short of meeting WFP's operational requirements to assist people facing food crises. Only three-quarters of the US$2.415 billion required was committed in new contributions. Of the total contributions, a record US$1.049 billion was received for emergency operations, plus US$13 million for the Immediate Response Account, which met 76 percent of the cash requirements approved for emergency operations. Support for PRROs remained high, with 96 percent of needs met by the US$470 million contributed by donors.

**Food Aid Convention, 1999, extended to 30 June 2003**

In December 2002, the Food Aid Committee (FAC) extended by one year the Food Aid Convention 1999, from July 2002 to June 2003. The Committee also agreed, in principle, that the Convention be further extended for two more years, pending confirmation by the Committee during its next meeting in June 2003.

According to the FAC, as of December 2002, total food aid shipments in 2001/02 (in wheat equivalent) [2/], were estimated at around 10 million tonnes, slightly below the level in 2000/01. Nearly 70 percent of total shipments were in the form of cereals or cereal products. Total shipments in 2001/02 were still above the members' combined minimum annual commitments of over 5 million tonnes. More than 3.5 million tonnes of Members' aid were channeled multilaterally, mainly through the WFP.

**The United States raises its food assistance expenditures**

The United States is the largest food aid donor and the P.L. 480 Title II is the principal mechanism for direct donation of agricultural commodities for emergency relief and development through WFP and private voluntary organizations [3/]. For the fiscal year 2003 (October-September) [4/], the legislative authorities in the United States allocated about US$1.18 billion for food assistance under P.L. 480 Title II, up from roughly US$959 million in fiscal year 2002. Nearly half of the allocated amount is designated for emergency situations. In spite of higher allocated spending, however, the amount of food aid in terms of tonnage under this Programme could still fall below the previous year's level because of the increase in food commodity prices during the first half of the 2003 fiscal year.

Under the fiscal year 2004 budget request, announced in February 2003, the food assistance budget allocated to P.L. 480 is requested to be kept unchanged, at US$1.8 billion. However, a new fund, named the Famine Fund, has also been proposed which, if approved, would authorize the release of an additional US$200 million for food emergencies. This commitment, according to official sources, would reflect the largest increases in programmes in the proposed 2004 budget and would represent a 15 percent expansion in the overall food assistance (in monetary terms) by the United States.

1/ Processed and blended cereals are converted into their grain equivalent to facilitate comparisons between deliveries of different commodities.

2/ Under the FAC rules, all food aid contributions are evaluated and counted in terms of their commercial value relative to wheat, i.e. "in wheat equivalent".

3/ Title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, also known as "Food for Peace") is requested by the Department of Agriculture and administrated by USAID.

4/ The fiscal year 2003 in the United States covers the fiscal year beginning October 1, 2002.

# Cereal Import Bills

**Higher cereal import bill in 2002/03 despite smaller trade volume** [1/]

The overall cost of purchasing cereals from world markets in 2002/03 is expected to rise to US$39 billion, up US$6 billion, or 20 percent, from the previous season and the highest since 1996/97. Considering that world cereal trade volume is likely to fall this season and food aid, in terms of cereals, to remain unchanged at the previous season's level, the main reason for this sharp increase is the rise in world cereal prices.

The cereal import bill of the developing countries could increase by nearly US$5 billion to US$28 billion, representing nearly 73 percent of the world total. In the Low Income Food Deficit Countries (LIFDCs), cereal imports are forecast to approach 79 million tonnes, nearly the same as in the previous season. However, with prices much higher, specifically wheat and maize prices, the cereal import bill of the LIFDCs is expected to increase by almost US$2 billion in 2002/03 to a 5-year high of around US 13 billion. The cost of wheat purchases by LIFDCs would be highest compared to other major cereals; approaching US$7 billion, up 29 percent from 2001/02. Also for coarse grains, the cost is seen to increase by 22 percent to roughly US$3 billion, while for rice there is a possibility of a slight

1/ For definitions of the special country and economic grouping see Statistical Note on the last page of this report.

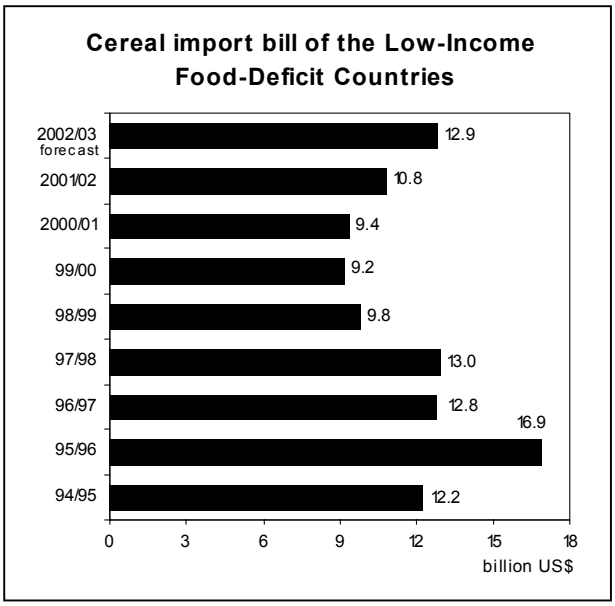
## Trends in Cereal Import Bills [1/]

| | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 estimated | 2002/03 forecast |
|---|---|---|---|---|---|---|
| **Import Bills (US$ billion)** | | | | | | |
| Developing countries | 25.6 | 21.7 | 21.6 | 22.3 | 23.5 | 28.2 |
| LIFDCs | 13.0 | 9.8 | 9.2 | 9.4 | 10.8 | 12.9 |
| LDCs | 2.5 | 2.2 | 1.8 | 1.8 | 2.2 | 2.9 |
| NFIDCs | 5.2 | 4.6 | 4.0 | 4.4 | 4.6 | 5.7 |
| **Total volume imported (million tonnes)** | | | | | | |
| Developing countries | 159.7 | 162.4 | 173.6 | 172.2 | 173.7 | 174.3 |
| LIFDCs | 79.1 | 74.0 | 75.0 | 73.3 | 79.0 | 79.3 |
| LDCs | 15.5 | 16.9 | 16.2 | 15.5 | 16.7 | 18.6 |
| NFIDCs | 34.1 | 35.8 | 32.3 | 34.3 | 34.6 | 34.9 |
| **Food aid (million tonnes)** | | | | | | |
| Developing countries | 5.3 | 8.7 | 7.7 | 8.5 | 6.4 | 6.4 |
| % of total imports | 3.3 | 5.4 | 4.4 | 4.9 | 3.7 | 3.7 |
| LIFDCs | 5.5 | 8.4 | 7.6 | 8.3 | 6.3 | 6.3 |
| % of total imports | 7.0 | 11.4 | 10.2 | 11.3 | 8.0 | 7.9 |
| LDCs | 2.8 | 4.0 | 4.1 | 4.2 | 3.0 | 3.0 |
| % of total imports | 18.2 | 23.5 | 25.1 | 27.2 | 18.0 | 16.1 |
| NFIDCs | 0.7 | 0.9 | 1.0 | 1.3 | 0.8 | 0.8 |
| % of total imports | 2.2 | 2.5 | 3.1 | 3.7 | 2.3 | 2.3 |
| **Commercial imports (million tonnes)** | | | | | | |
| Developing countries | 154.3 | 153.6 | 165.9 | 163.7 | 167.2 | 167.9 |
| LIFDCs | 73.6 | 65.6 | 67.3 | 65.1 | 72.7 | 73.0 |
| LDCs | 12.7 | 12.9 | 12.1 | 11.3 | 13.7 | 15.6 |
| NFIDCs | 33.4 | 35.0 | 31.3 | 33.0 | 33.8 | 34.1 |
| **Per unit import cost (US$/tonne)** [2/] | | | | | | |
| Developing countries | 160.5 | 133.5 | 124.6 | 129.3 | 135.4 | 161.9 |
| LIFDCs | 163.9 | 132.1 | 122.4 | 127.8 | 136.9 | 162.2 |
| LDCs | 161.5 | 131.3 | 111.5 | 119.0 | 133.5 | 157.0 |
| NFIDCs | 153.3 | 129.5 | 123.8 | 128.7 | 132.7 | 162.8 |

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

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

decline, to about US$2.7 billion, reflecting a small decline in the volume of imports and more subdued rice prices this season.




As for the Least-Developed Countries (LDCs) and the Net-Food Importing Developing Countries (NFIDCs) categories, which include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the "Marrakesh Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries", their combined cereal import bill in 2002/03 is forecast to reach US$8.6 billion, up nearly US$2 billion from 2001/02. This represents a change in direction from the last 3-4 years when total cereal import bills of LDCs and NFIDCs stood closer to US$6 billion. The increase in their cereal import bill in 2002/03 would be due to both quantity and price factors. The volume of their cereal imports is forecast to increase modestly, by some 1.2 million tonnes, while the price hikes are seen as more pronounced, particularly for wheat, which between July 2002 and March 2003 rose by some 30 percent compared to the previous season.

Export subsidies or even credits appear to be of limited importance to LDCs and NFIDCs this season. The largest exporter, United States, is not using grain export subsidies. The EU exported wheat with little or no restitutions (subsidies) during the first half of the current marketing season, but with the Euro gaining ground against all the major currencies, including the US dollar, higher restitutions may be needed in the coming months. Other major grain exporters, such as Canada and Australia, have had less reason to resort to credits to promote sales this season, in view of their own tight supplies caused by drought-reduced production.

Cereal food aid shipments to LDCs and NFIDCs in 2002/03 are expected to remain close to the level reached during 2001/02. Food aid continues to be a very important source of supply for LDCs, accounting for about 16 percent of their total cereal imports this season, though considerably less than in earlier years. In the case of the NFIDCs, food aid in cereals is less important, accounting for about 2 percent of their total cereal imports, which is slightly below the average of the past decade.

## Changes in Cereal Import Bill of LIFDCs by Region and Commodity

| | 1994/95 | 1995/96 | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 estimate | 2002/03 forecast |
|---|---|---|---|---|---|---|---|---|---|
| | (.....US$ billion.....) | | | | | | | | |
| **LIFDCs** | **12.2** | **16.8** | **12.8** | **13.0** | **9.8** | **9.2** | **9.4** | **10.8** | **12.9** |
| Africa | 3.3 | 4.7 | 4.6 | 4.3 | 4.0 | 3.7 | 4.3 | 4.8 | 5.8 |
| Asia | 8.1 | 11.1 | 7.3 | 7.8 | 5.0 | 4.7 | 4.3 | 5.1 | 5.9 |
| Latin Am. and Carib. | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.7 | 0.8 | 0.9 |
| Oceania | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Europe | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Wheat | 6.9 | 10.7 | 8.1 | 6.7 | 5.2 | 4.9 | 5.1 | 5.6 | 7.2 |
| Coarse grains | 2.1 | 3.8 | 2.8 | 2.3 | 2.0 | 2.4 | 2.3 | 2.5 | 3.0 |
| Rice | 3.3 | 2.3 | 1.9 | 4.0 | 2.6 | 1.8 | 1.9 | 2.8 | 2.7 |

# Meat and Meat Products

International prices of meat are likely to rise in 2003 in response to tightening meat supplies. Complicating this price outlook, however, is a trade environment clouded by the potential impact of trade-restricting measures likely to be imposed by Japan and the Russian Federation - two of the world's largest meat markets. Anticipated meat price developments are in contrast to 2002 when a strong recovery in meat supplies contributed to a 3 percent decline in the FAO's meat price index; prices for poultry, pigmeat and beef dropped 5 percent, 8 percent and 3 percent respectively.

Constrained profitability in the livestock sector in early 2003, as a result of low meat prices and rising feed prices in 2002, will likely limit the growth in global meat output in 2003. Total meat production is expected to reach 248 million tonnes, up 1 percent from the previous year's level. In developed countries, the strong supply growth in 2002, which resulted in sliding prices, is expected to abate with output estimated down nearly 1 percent. Stronger production gains in developing regions, particularly South America are, as a result, expected to enhance their share of global totals to a projected 57 percent, up from 46 percent in 1990. Meat consumption gains in 2003 are expected to be dominated by developing countries where per caput meat consumption could rise to 28.9 kilograms. Lower supplies and prospects for higher prices in developed countries may likely lead to a drop in total meat per capita consumption to 80.6 kilograms.

Global meat trade in 2003 is expected to reach 19.2 million tonnes, a gain of 2 percent. This is considerably lower than the 5 percent growth witnessed in 2002, and only half the annual growth witnessed in the 1995/2002 period. Most markets that were closed in previous years due to animal disease concerns have reopened; however, meat price developments and trade opportunities in global meat markets in 2003 will be heavily influenced by the looming impact of trade distorting measures imposed by major meat importing countries. These possible measures include tariff rate quotas (TRQs) in the Russian Federation and Mexico and higher tariffs in Japan - three of the world's largest meat importers. Competition among exporters for market share in 2003 is expected to remain acute, influenced by relative price and differential exchange rate movements.

**Lower bovine meat supplies likely to pressure prices up in 2003**

Clear indications of herd rebuilding in Oceania and North America are expected to reduce global beef slaughter and output in 2003. This follows a year of record global production and weaker prices as dry weather in Australia and North America and a recovery in the animal disease status in Europe and South America led to higher cattle slaughter. As production in developed countries falls by an estimated 3 percent in 2003, the developing countries share of global output is likely to rise to 52 percent, up 1 percent from last

## International Meat Prices

| | FAO index of international meat prices | Indicative international meat prices | | | |
|---|---|---|---|---|---|
| | | Chicken [1/] | Pork [2/] | Beef [3/] | Lamb [4/] |
| | 1990-92=100 | (. . . . . US$/tonne . . . . . .) | | | |
| 1994 | 102 | 921 | 2 659 | 2 384 | 2 975 |
| 1995 | 99 | 922 | 2 470 | 1 947 | 2 621 |
| 1996 | 96 | 978 | 2 733 | 1 741 | 3 295 |
| 1997 | 96 | 843 | 2 724 | 1 880 | 3 393 |
| 1998 | 83 | 760 | 2 121 | 1 754 | 2 750 |
| 1999 | 84 | 602 | 2 073 | 1 894 | 2 610 |
| 2000 | 85 | 592 | 2 083 | 1 957 | 2 619 |
| 2001 | 84 | 645 | 2 077 | 2 138 | 2 912 |
| 2002 | 81 | 579 | 1 830 | 2 127 | 3 303 |
| 2003 | n.a. | 510 [5/] | 1 758 [5/] | 2 163 [6/] | 3 626 [6/] |

**Source**: FAO

1/ Chicken parts, United States export unit value. 2/ Frozen pork, United States export unit value. 3/ Manufacture cow beef, Australia, c.i.f. prices to the United States. 4/ Lamb frozen whole carcass, New Zealand, wholesale prices London. 5/ January 2003. 6/ January-February 2003

year and 9 percent up on the level in the early 1990s. Strong output gains in South America are led by Brazil, where higher carcass weights, particularly in the Centre-West, are expected to push output to a record 7.2 million tonnes, positioning Brazil only slightly behind the EU, the world's second largest beef producer. Meanwhile, high throughput in Argentina and Uruguay, afflicted by FMD in 2001, will continue to support regional gains. In Africa, where livestock is a major contributor to the livelihoods of an estimated 70 percent of rural poor, beef output growth is slowing with drought in Ethiopia, Mauritania and other countries, resulting in reported livestock losses and lower productivity of surviving stock. In Europe, a slower pace of slaughter in the EU, combined with lower carcass weights, are expected to reduce output, as is the continuation of a decade-long restructuring of beef industries among the eastern European countries and the Russian Federation.

## World Meat Production

| | 2001 | 2002 | 2003 estimate |
|---|---|---|---|
| | ( . . . . million tonnes . . . . ) | | |
| **WORLD TOTAL** | **237.5** | **244.7** | **247.7** |
| Poultry meat | 70.4 | 72.9 | 74.5 |
| Pig meat | 91.7 | 94.3 | 95.8 |
| Bovine meat | 59.4 | 61.3 | 61.2 |
| Sheep & goat meat | 11.5 | 11.7 | 11.8 |
| Other meat | 4.5 | 4.5 | 4.5 |
| **DEVELOPING COUNTRIES** | **132.0** | **136.8** | **140.4** |
| Poultry meat | 37.0 | 38.6 | 39.9 |
| Pig meat | 54.1 | 56.1 | 57.6 |
| Bovine meat | 29.9 | 30.8 | 31.5 |
| Sheep & goat meat | 8.2 | 8.4 | 8.6 |
| Other meat | 2.8 | 2.8 | 2.9 |
| **DEVELOPED COUNTRIES** | **105.5** | **107.9** | **107.3** |
| Poultry meat | 33.5 | 34.3 | 34.6 |
| Pig meat | 37.6 | 38.2 | 38.2 |
| Bovine meat | 29.5 | 30.5 | 29.7 |
| Sheep & goat meat | 3.3 | 3.3 | 3.2 |
| Other meat | 1.6 | 1.6 | 1.6 |

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

After a strong rebound in trade in 2002, the prospects for growth in beef trade remain robust, despite tighter supplies - a combination which portends higher prices. World bovine meat trade is projected to reach 6.1 million tonnes, a 5 percent increase from the previous year. This is despite potentially higher tariffs in two of the largest beef markets - the Russian Federation and Japan. The Russian Federation is set to impose tariff rate quotas (TRQs) on beef imports on 1 May 2003. While imports are expected to decline, beef TRQs are expected to have less of an impact on imports than those of pigmeat and poultry, which will face higher tariffs. Furthermore, fresh beef is presently excluded from the beef quota, as are imports from CIS countries. Simultaneously, in Japan, a recovery in beef imports as BSE-depressed consumption rebounds in 2003 may activate a safeguard measure in April, pushing up tariffs for beef products from 38.5 percent to 50 percent in the second half of 2003. Despite prospects of higher tariffs in Japan, imports are expected to rise sharply from 2002 BSE-depressed levels. Meanwhile strong growth is also expected in the Republic of Korea and the Philippines, as well as China and the Chinese Province of Taiwan where lower tariffs in the wake of WTO accession are stimulating imports.

Competition among beef suppliers is expected to be keen in 2003, with shipments of lower-priced South American products expected to expand this region's share of global markets from 18 percent in 2001 to an estimated 24 percent in 2003. Prices of South American beef are expected to remain low in the wake of the 2002 devaluation of the Argentine and Brazilian currencies which led to 32 and 23 percent declines in their respective US$-denominated beef export prices. Despite increased competition and lower supplies in the United States and the EU, shipments from these two markets are expected to expand slightly as BSE concerns abate in Japan and markets gradually open up to EU product in the wake of animal disease crises. Meanwhile, exports originating from Australia and Canada will likely be constrained by reduced supplies.

### Slowing pigmeat supplies and rising prices to constrain trade

Low producer returns in late 2002 are expected to limit growth in global hog inventories and output to less than 2 percent in 2003 with production expected to reach 95.8 million tonnes. After witnessing a brief recovery in 2002, output in developed countries is set to remain stable in 2003, with price-driven output declines in the United States and the EU offsetting export-driven increases in Canada. The developing countries' share of global output is estimated at 60 percent in 2003, up from 57 percent in 1999 and 59 percent in 2002, with output gains in China, Viet Nam, the Republic of Korea, and the Philippines pushing up Asian production by 3 percent. In Brazil, while firm domestic demand is expected to support output gains of over 4 percent, this is considerably slower than the double-digit gains in 2002 spurred by strong domestic demand and an exceptional export performance.

Global per caput pigmeat consumption, which witnessed a 2 percent jump in 2002 due to low pigmeat prices and BSE concerns, is expected to grow only slightly in 2003 to an estimated 15.4 kilograms/caput. Expectations of higher pigmeat prices and a recovery in beef consumption, particularly in Japan, will result in a drop in per caput consumption in developed countries to 28.6 kilograms, while adequate supplies in the developing countries will push up their per caput intake to 11.8 kilograms.

Slow growth in exportable supplies of pigmeat is expected to limit global trade in 2003 to 4 million tonnes, a less than one-percent increase over the previous year, when trade increased by a record 15 percent. Imports by Japan and the Russian Federation, markets which account for approximately 42 percent of pigmeat trade, are both expected down in 2003. Imports by Japan, which reached record levels in 2002, despite the triggering of the safeguard mechanism, are expected to drop as prices rise and beef consumption recovers. Meanwhile, the activation of TRQs in the Russian Federation, with high out-of-quota duties for pork, will limit trade flows. Asian imports, which account for 44 percent of global totals, are expected to be down 1 percent as lower deliveries to Japan will more than offsett expected growth in China, the Chinese Province of Taiwan, and Hong Kong (SAR). Despite lower production, United States exports are projected to expand in 2003 as are those from Canada which, as a result of higher slaughter capacity and increased efficiency, has become the largest single country exporter of pigmeat. Trade restricting measures in the Russian Federation will likely constrain EU exports while slowing those from Brazil, which grew by nearly 80 percent in 2002. Poland is expected to register a 20 percent surge in exports as a result of higher output, increased access to the EU market through the "Double Zero" preferential agreement and higher government buying and provision of export subsidies. Meanwhile, exports from Viet Nam, which have grown rapidly over the last three years, dropped in 2002 and are expected to remain at low levels in 2003 due to continued high feed prices and problems with meat quality.

**Poultry prospects in 2003 clouded by potential market disruptions**

Influenced by low prices, disease problems, and an uncertain trade environment, poultry meat output is expected to increase by only 2 percent in 2003, reaching 74.5 million tonnes. This growth is only half the levels of the 1995-2002 period. The output share of developed countries is set to decline to 46 percent as output gains in the EU and the United States, poultry exporters which account for more than one-third of global production, drop or slow in response to a more than 8 percent decline in domestic poultry prices in 2002. Robust gains for developing countries will be supported by an expected growth of more than 3 percent in South America, China, India and Indonesia. Despite economic stagnation and low consumer demand in Argentina and Colombia, the strongest output gains are expected in South America. Higher feed costs and lower profit margins in Brazil, the region's largest producer, will, however, likely constrain output growth to half of the 7 percent gains reported in 2002. Despite sanitary restrictions and increased product testing on exports from China and Thailand, two of the major producers in Asia, robust domestic demand is prompting strong production gains. Expectations of higher poultry prices in the Russian Federation are projected to lead to double-digit output gains, pushing production back up to the levels of the early 1990s.

## World Meat Exports 1/

| | 2001 | 2002 | 2003 forecast |
|---|---|---|---|
| | ( . . . thousand tonnes . . . ) | | |
| **WORLD** | **17 869** | **18 767** | **19 151** |
| Poultry meat | 7 842 | 7 925 | 8 029 |
| Pig meat | 3 472 | 3 998 | 4 020 |
| Bovine meat | 5 544 | 5 875 | 6 143 |
| Sheep meat and goat meat | 728 | 682 | 664 |
| Other meat | 283 | 287 | 294 |

**Source**: FAO

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

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

Trade disruptions in 2002 led to the lowest growth in poultry trade in over 20 years and were a major factor in the 5-percent drop in representative international prices. Continued market disruptions are likely to spill over into 2003 with poultry trade projected to increase by only 1 percent in 2003, considerably less than the 6 percent annual gains witnessed since 1995. Product movement in 2002 was characterized by heightened residue testing at borders, difficulties in getting import permits, and country-specific product bans in response to animal disease outbreaks. These problems are expected to persist in 2003 as market opportunities in many of the major import markets - the Russian Federation, China, Mexico, Saudi Arabia, and the EU - are complicated by changing regulations, safeguards, and harmonized code adjustments. Imports to the Russian Federation are expected to slide 3 percent due to the 1 May imposition of a pro-rated poultry meat import quota of 744 000 tonnes (covering the remainder of the year), with 553 500 tonnes allocated to the United States. These quotas compare to an estimated 1.4 million tonnes imported by the Russian Federation in 2002. Meanwhile, in Mexico, where all NAFTA quotas and tariffs on poultry were to be eliminated in 2003, TRQs were placed on the importation of US broiler leg quarters, thighs and drumsticks, with over-quota duties set at 98.8 percent. Meanwhile, more complex import regulations in China are expected to constrain imports. Competition among exporters in 2003 is likely to remain acute, with low-priced Brazil chicken expanding its share in the world market to an expected 22 percent, up from 12 percent in 1999 and 21 percent in 2002. Limited supply availabilities and market concerns about recent disease outbreaks will likely constrain growth in United States and EU shipments. Thai deliveries in 2003 are expected up despite higher tariffs and more stringent residue testing in the EU, as well as lower demand in Japan due to reduced consumption and higher frozen stocks.

**Lower sheepmeat export availabilities in 2003 to maintain high prices**

Drought is taking a toll on global sheepmeat supplies with world output expected to be up by less than 1 percent in 2003. In Oceania, the major sheepmeat exporting region, supplies are estimated to be down 4 percent as a drought-related reduction in production in Australia more than offset higher output in New Zealand. These declines are contributing to the third consecutive decline in developed-country output. Output in developing countries, accounting for nearly three-quarters of global supplies, is expected to be up by 2 percent; however, this is only half of the nearly 4 percent gains on average since the mid-1990s. Expansion of animal numbers and higher carcass weights in Afghanistan and the Islamic Republic of Iran are expected to boost production. Moreover, drought in some regions of Africa is resulting in higher animal losses.

Deviating from the lower price movements for other meats in 2002, lamb prices reached levels not attained since early-1997 because of limited supplies, particularly from Australia. Global sheepmeat trade in 2003 is expected to maintain its three year declining trend, dropping to an estimated 664 000 tonnes. This is despite a steady growth in demand for imported lamb from some markets, particularly in North America, Mexico, Japan, China and the Chinese Province of Taiwan. Mutton imports to South Africa are expected to decline in 2003 due to high world prices and increased tariffs. In 2002, reduced supplies in Oceania and higher prices lowered regional exports of lamb and mutton by 7 percent. This decline is expected to continue in 2003. Keen competition in the Near East is expected to stem from Horn of Africa countries, previously restricted from exporting live animals to the region because of animal diseases.

## Milk and Milk Products

**International prices firm**

In the context of sustained firm import demand, and limited export supplies, international prices continued to increase during the first quarter of 2003, although at a slower rate than during the second half of the previous year. The FAO price index for dairy products stood at 109 in March 2003, compared to 78 in August 2002 (the lowest monthly level in the price index data series since it began in 1990) and 101 in December 2002. Since their low points, the prices of all milk products, in US dollar terms, have risen substantially: milk powder prices increased most strongly, by around 60 percent, butter and casein prices rose by 30 percent, and cheese prices registered 20 percent growth. Compared to the same month in the previous year, March 2003 prices were higher for milk powder and butter and marginally lower for casein and cheese. However, while some international prices were substantially higher in terms of US dollars, in terms of national currencies of several important exporters, such as the Euro and the New Zealand and Australian dollars, this was tempered by an increase in their value against the US dollar. Increased international prices meant that the domestic industries in developing countries with relatively open markets were less subject to competition from low-priced imports.

The rise in international prices is mainly attributable to limited production growth, and in some cases declining production, in Oceania and South America leading to a reduction in export supplies. As world prices rose, export subsidies paid by some high-cost producing countries in the northern hemisphere fell. For example, average United States monthly export subsidies for skimmed milk powder declined from a high of US$864 per tonne in March 2002 to US$142 per tonne in March 2003. In a related policy development, in November 2002, the United States adjusted the levels of government support purchase prices, reducing the price of skimmed milk powder by 11 percent and increasing that of butter by 26 percent. These adjustments were felt to be necessary to bring support prices more in line with prevailing domestic prices, as the previously relatively high price for skimmed milk powder had resulted in a substantial build up of government stocks and necessitated increased use of export subsidies. The changes were a contributing factor in the subsequent fall in the level of US export subsidies for skimmed milk powder. In the EU, export subsidies for milk powder also fell. For example, subsidies for skimmed milk powder exports stood at Euro 850 per tonne in mid-2002 but had declined to Euro 440 per tonne by the end of January 2003: skimmed milk powder subsidies were subsequently raised to Euro 510 per tonne in February 2003, to reflect an increase in the value of the Euro against the US dollar.

### Indicative Dairy Export Prices

| | 2002 | 2003 | | |
|---|---|---|---|---|
| | Mar. | Jan. | Feb. | Mar. |
| | ( | US$/tonne, f.o.b. | | ) |
| Skimmed milk powder | 1 473 | 1 726 | 1 749 | 1 751 |
| Whole milk powder | 1 488 | 1 814 | 1 825 | 1 835 |
| Acid Casein | 4 449 | 4 128 | 4 150 | 4 152 |
| Cheddar cheese | 1 924 | 1 676 | 1 781 | 1 816 |
| Butter | 1 036 | 1 262 | 1 274 | 1 276 |

**Source**: Mid-point of price ranges reported by Farmnet (NZ).

**Production growth in 2003**

Global milk output is expected to rise by approximately 1 percent during 2003, mainly as a result of increased production in Asia, the United States and eastern and central Europe. In Oceania, milk production for the 2002/03 dairy year in New Zealand is anticipated to be 3 percent higher than the previous year, despite some areas being affected by drought. Dry conditions have particularly affected production in the second half of the dairy year. Milk output in New Zealand was expected to drop off more sharply than usual over March and April. Most New Zealand farmers milk through to the end of May, but this year cows are being dried off early and some farmers have switched to once-a-day milking. As a consequence, at the beginning of March, the principal exporter, Fonterra, warned that it might not be able to fulfil some supply commitments. In the case of Australia, below average rainfall in many parts of the country is expected to lead to a substantial reduction in production for the 2002/03 dairy year, perhaps by as much as 8 percent. In light of the above, milk production for the end of the current dairy year for New Zealand is forecast at 14.3 million tonnes and that of Australia at 10.4 million tonnes. In both countries, the national dairy herd is in a phase of expansion; however, in the case of Australia, culling linked to the current drought could lead to a temporary reversal in herd growth. From the beginning of 2002 until March 2003, the currencies of New Zealand and Australia strengthened by 33 percent and 16 percent respectively against the United States dollar. As international prices for dairy products are quoted in US dollars, the appreciation had the effect of diluting the rise in international prices which occurred from the second half of 2002 onwards. For example, the current forecast payment for New Zealand farmers for the 2002-2003 season is NZ$3.60 per kilogram of milk solids. This compares with a payment of NZ$5.30 per kilogram in the previous season. Similarly, dairy farmers' average income in Australia is forecast to fall during the current season, as a result of higher fodder costs and lower returns from international sales. Falling returns could restrain production growth in Oceania during the 2003/04 dairy year.

In the United States, milk production is expected to grow further in 2003, to reach 78 million tonnes. Growth should stem from increased yields and cyclical herd rebuilding. However, prevailing low prices and an unfavourable feed price ratio are expected to act as constraints to growth. Milk production in a number of other developed countries (the EU, Canada, and Japan) is subject to policies which restrict output and, consequently, changes little from year to year. Conversely, in Norway, national production quotas for milk are being progressively reduced, in order to keep national production in line with Uruguay Round Agreement limits on the maximum levels for dairy product export subsidies. This action is necessary as domestic consumption in Norway is not growing sufficiently to compensate for the reduction in exports.

**Milk Production**

| | 2001 | 2002 prov. | 2003 forecast |
|---|---|---|---|
| | (. . . . . million tonnes . . . . .) | | |
| **WORLD** | **584.8** | **593.5** | **600.5** |
| EU | 126.1 | 126.7 | 126.7 |
| India 1/ | 81.0 | 82.0 | 85.0 |
| United States | 75.0 | 77.3 | 78.4 |
| Russian Fed. | 33.0 | 33.5 | 33.9 |
| Pakistan | 27.0 | 27.7 | 28.4 |
| Brazil | 22.4 | 22.8 | 23.4 |
| New Zealand 2/ | 13.2 | 13.9 | 14.3 |
| Ukraine | 13.4 | 14.1 | 14.3 |
| Poland | 11.9 | 12.2 | 12.2 |
| Australia 3/ | 10.5 | 11.3 | 10.4 |
| Mexico | 9.5 | 9.6 | 9.7 |
| Argentina | 9.6 | 8.2 | 7.8 |

**Source**: FAO

1/ Dairy years beginning April of the year shown.
2/ Dairy years ending May of the year shown.
3/ Dairy years ending June of the year shown.

In eastern Europe, milk production is expected to increase in most countries in 2003. Many countries in the region are experiencing a rise in demand for milk and milk products, associated with economic growth. As demand for dairy products dropped substantially during the 1990s in this part of the world, it is anticipated that the latent potential for consumption growth is large. Also in eastern Europe, for example in Poland and Hungary, the impetus of imminent membership to the EU has resulted in dairies raising quality standards for milk and milk products - one result of which has been a reduction in the number of small-scale dairy producers, some of whom were not able to meet the required standards. Other countries in the region, such as Bulgaria and Romania, have introduced government-funded incentives to raise milk quality standards. Production growth in the region is mainly associated with raising yields per cow stemming from improved genetics and feeding. This has meant that, while production has increased, the size of the dairy herd has declined in many countries.

Milk production in the Russian Federation, after a decade of decline, appears to have begun a phase of growth, and production is expected to move up moderately in 2003. Although, the size of the milking herd has continued to fall, feed availability has improved, thus raising yields per cow. Production is moving away from the large, former state-run farms to small-scale ownership and production. Similarly, in the other member states of the CIS, where milk production also declined markedly throughout the 1990s, output is expected to increase during 2003.

In developing countries overall, growth in milk production is expected to continue; however, a number of countries in Latin America may experience a drop in output. In Asia, India's milk production during the

2003/2004 (April/March) marketing year could rise to 85 million tonnes. Increased output in India is based more on improved feeding and genetics, than herd expansion. In China, milk output is also projected to rise as a result of strong consumer demand and the profitability of dairying relative to other types of agricultural production. In Thailand and the Philippines, milk output is anticipated to increase further in 2003, as a result of favourable domestic milk prices. Along with most of the rest of South East Asia, demand for dairy products in these countries continues to grow, as the population's diet becomes more diversified.

In Latin America, milk production was affected in many areas by low prices and, in some cases, the weather. Consequently, output in a number of countries is anticipated to decline. In Argentina, milk output appears set to decline further in 2003, following a sharp reduction in 2002. The main factor behind the drop is farmers leaving the industry, as production is unprofitable, or switching to crop activities which may provide a higher return than dairying. In Chile, lower farm-gate prices for milk could also act as a damper on production growth in 2003, despite favourable pasture conditions during the year. Consequently, little growth in output for 2003 is anticipated. Low prices are also anticipated to constrain growth in milk output in Uruguay, despite the year beginning with pasture in good condition and adequate stocks of silage. In Brazil, low farm-gate prices led to faltering production growth in 2002, raising questions as to whether or not output will increase in 2003. Additionally, some farmers have converted land from pasture to more profitable soya bean cultivation. Elsewhere in Latin America, dry summer conditions in Venezuela and poor returns to farmers constrained growth in milk production. Consequently, output in 2003 is anticipated to be below the average of 1.3 million tonnes seen in recent years. As a result of poor returns from dairying in Venezuela, cattle still suitable for breeding and milk production have been slaughtered, indicating that further declines in output can be expected. On the other hand, milk production in Peru is expected to grow in 2003 in response to higher prices resulting from rising domestic demand, including purchases by the Government for social assistance programmes. In Costa Rica, production in 2003 is anticipated to remain at a level similar to the previous year, despite pastures in some areas of the country being adversely affected by El Niño-related weather conditions. In Mexico, genetic and technological improvements in the large farm sector are anticipated to be the main factors supporting growth in milk output this year.

Some countries in West Africa suffered from a lack of rainfall during 2002, which could affect milk output in 2003 as they are beginning the year with pastures in poor condition. For example, in Senegal, rainfall was reported to be approximately 30 percent below average, causing a depletion of grass reserves and a fall in milk production. In some areas, farmers migrated with their cattle in search of better pastures (transhumance). This caused a shortage of fresh milk supplies for dairies in some parts of the country, which had to turn to supplies of imported milk powder to meet their processing needs. Neighbouring Mauritania also received very little rain, especially in the south-western region of the country, where a substantial part of the country's milk is produced, and many farmers also resorted to transhumance in search of better pastures in the east of the country and south to Senegal. In Ethiopia, shortage of rainfall negatively affected milk production in 2002 and the first months of 2003, as pasture and forage quality were poor. Conversely, in the case of Kenya, well distributed rains in 2002 spilled over into 2003 – providing good pasture conditions and a favourable outlook production. Also, following the collapse of the country's main dairy processor, Kenya Co-operative Creameries, in the previous year, some of the company's plants were reopened – improving market conditions for producers.

**Import Demand**

International demand for dairy products is expected to remain firm particularly in certain Asian countries. Increased purchases of milk powder by countries in South East Asia, and China, are anticipated to meet rising domestic demand. Elsewhere, imports by Central American countries and the important markets of Mexico and Algeria could increase. Imports of milk powder into Brazil could also grow moderately as a result of the new Government's emphasis on social programmes providing food for the poor. Imports of butter and cheese by the Russian Federation grew substantially in 2002, despite an increase in tariffs, and further growth is expected in 2003. However, purchases by some countries in the Near East and Africa, which are the most price sensitive importing regions, could fall. Amongst the countries which may reduce imports are Egypt, Lebanon, Nigeria, Kenya and Tanzania.

**Export Supplies**

For the 2003/04 dairy year, export supplies of dairy products from New Zealand and Australia are expected to increase modestly, as the effects of drought may result in poor pasture conditions at the start of the season. For countries of eastern Europe and the Baltic States which are traditional dairy exporters – Hungary, Poland, Bulgaria, Latvia, the Czech Republic and the Slovak Republic – higher international prices should see an increased level of market participation in 2003. As a result of limited international supplies of dairy products, exports by both the EU and the United States are anticipated to be higher in 2003. While exports of bulk dairy commodities from both countries is constrained by Uruguay Round Agreement limits on the use of export subsidies, recent years have seen a growth in the export of higher value products, which do

not require subsidies. In the case of the United States, such exports now account for a greater volume of exports than bulk items requiring subsidy. Exports of skimmed milk powder and ghee from India could also grow in 2003. In Argentina, a further fall in milk output could well lead to reduced export supplies; however, it is not clear how much domestic demand will also fall, liberating supplies for export. Following a WTO ruling at the end of 2002 against Canada's dual pricing system for milk, which allowed milk produced outside the country's quota system to be exported, Canadian dairy product exports are expected to fall in 2003.

**Price Outlook**

Continued price rises in 2003 are anticipated in response to sustained international demand and limited export supplies. The outlook for the remainder of 2003 is for prices to move moderately higher, but to increase more slowly than the substantial pace seen in the second half of 2002. In the short term, the greatest rise in price is expected for cheese, as this product was slowest to recover from the falls in 2002. The prices of the other main dairy products traded are expected to show only limited increases.

## Fertilizers

**Urea** prices strengthened between February and March, when they were quoted at more than 50 percent above the prices at the same time last year. However, lower gas prices in the United States and consequently the restart of urea production there, as well as the resumption of exports from Venezuela, may influence prices in the near future. Freight costs have increased because of war risk premiums, but this might be partially offset by reduction in freight rates due to lower bunker costs. In Europe the season for purchasing urea is ending. Venezuela and Egypt are supplying France. In Asia demand is weak. In India the department of fertilizer approved a total of local production of about 9.5 million tonnes for the Kharif season. The department has been requested to approve permits for importing 100 000 tonnes as local production may not meet demand. In China prices of locally produced urea have increased and export tonnes are limited. In Viet Nam requirements for the coming season in the South are more or less covered. Latin America is not expected back in the market for the next few weeks as most purchases have been fulfilled. The Arab Gulf is supplying Australia, South East Asia and the United States. Kuwait has shut down its ammonia and urea plant.

**Ammonia** prices have increased between 12 and 30 percent over the past two months. The Black Sea availability is tight and prices remained firm. In the Arab Gulf inventories are at a minimum level, but if production continues, prices may weaken. Demand from the United States is expected to decrease as the United States have restarted domestic production in response to high ammonium prices and falling gas prices.

Prices for **ammonium sulphate** increased between 15 and 19 percent in the last two months. March quotations were about 15 percent higher than a year ago in eastern Europe and 27 percent lower in western Europe. There is demand for ammonium sulphate from Turkey and Egypt, while the Mediterranean is expected to purchase about 250 000 tonnes. The Baltic Sea is supplying Mexico.

**Diammonium phosphate** (DAP) prices increased during the last two months between 8 to almost 20 percent. March quotations were between 16 percent to 22 percent higher than during the same period last year. Prices are expected to strengthen as the war with Iraq may give rise to DAP shipping problems and potential supply problems of ammonia to DAP producers. North Africa is supplying western Europe, Viet Nam and Ethiopia. China is still importing but this is foreseen to decrease by April. The government of India has decreased the maximum retail price to its previous level and increased subsidies, which are higher for domestically produced DAP so that the incentive for imports fell. India is reducing its DAP production because of increasing ammonia prices and supply problems. Domestic demand is strong. The spring domestic demand in the United States is starting. Europe is negotiating prices with North African suppliers. Quite a few Latin American countries have entered the market, but credit problems in Mexico might lead to lower DAP imports throughout the year. CIS producers are reportedly supplying Brazil and Viet Nam.

Prices of **triple superphosphate** (TSP) remained stable in the first quarter of 2003, and were about 6 percent above those of last year. TSP is selling about US$40 per tonne less than DAP and is therefore in demand. The United States supplied Brazil. Bangladesh is possibly entering the market, but waits for lower prices. Sri Lanka is tendering for large amounts. North Africa and Bulgaria are supplying Europe.

Average spot prices of **muriate of potash** (MOP) remained unchanged in February and March. Prices were about 2 percent down from a year ago in eastern Europe, and remained at the same level in western Europe and Vancouver. Prices are expected to remain firm. India, Indonesia and Pakistan are tendering for large amounts. Jordan is supplying Thailand. The Republic of Korea is purchasing 20 000 tonnes from Canada. In China prices fell due to competition

between domestic suppliers. The origin of the MOP sold in China is the CIS and Canada. Jordan is shipping MOP to European markets. Most South East Asian countries have entered the market and consequently prices will remain stable. Germany is supplying the United States and Brazil.

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

| | February 2003 | March 2003 | March 2002 | Change from last year 1/ |
|---|---|---|---|---|
| | ( . . . . . US$/tonne . . . . . ) | | | ( . percentage . ) |
| **Urea** | | | | |
| eastern Europe | 132-134 | 138-142 | 89-90 | 56.4 |
| Near East | 142-147 | 155-163 | 103-105 | 52.9 |
| **Ammonium Sulphate** | | | | |
| eastern Europe | 43-45 | 47-58 | 44-47 | 15.4 |
| western Europe | 38-40 | 43-47 | 60-64 | -27.4 |
| **Diammonium Phosphate** | | | | |
| Jordan | 168-170 | 186-193 | 160-166 | 16.3 |
| North Africa | 163-167 | 178-181 | 148-156 | 18.1 |
| U.S. Gulf | 170-172 | 189-193 | 154-157 | 22.8 |
| **Triple Superphosphate** | | | | |
| North Africa | 131-133 | 131-133 | 121-126 | 6.8 |
| U.S. Gulf | 135-137 | 142-144 | 135-136 | 5.5 |
| **Muriate of Potash** | | | | |
| eastern Europe | 89-104 | 89-104 | 92-106 | -2.5 |
| Vancouver | 110-123 | 110-123 | 107-126 | 0.0 |
| western Europe | 105-115 | 105-115 | 105-115 | 0.0 |

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

# Appendix Tables

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

| | Wheat | | | Coarse Grains | | |
|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 estim. | 2000 | 2001 | 2002 estim. |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **254.7** | **244.7** | **253.9** | **195.8** | **209.7** | **210.7** |
| Bangladesh | 1.7 | 1.6 | 1.8 | 0.1 | 0.1 | 0.1 |
| China 1/ | 99.6 | 93.9 | 91.9 | 117.2 | 125.2 | 133.9 |
| India | 76.4 | 68.8 | 71.8 | 31.6 | 34.7 | 25.1 |
| Indonesia | - | - | - | 9.7 | 9.3 | 9.5 |
| Iran, Islamic Rep. of | 8.1 | 9.5 | 12.5 | 2.8 | 3.5 | 4.5 |
| Japan | 0.7 | 0.7 | 0.7 | 0.2 | 0.2 | 0.3 |
| Kazakhstan | 9.1 | 12.7 | 12.6 | 2.1 | 3.0 | 3.1 |
| Korea, D. P. R. | 0.1 | 0.1 | 0.1 | 1.1 | 1.6 | 1.8 |
| Korea, Rep. of | - | - | - | 0.3 | 0.5 | 0.4 |
| Myanmar | 0.1 | 0.1 | 0.1 | 0.5 | 0.7 | 0.8 |
| Pakistan | 22.0 | 19.0 | 19.2 | 2.2 | 2.1 | 2.1 |
| Philippines | - | - | - | 4.5 | 4.5 | 4.3 |
| Saudi Arabia | 1.8 | 1.8 | 1.8 | 0.3 | 0.3 | 0.3 |
| Thailand | - | - | - | 4.9 | 4.7 | 4.2 |
| Turkey | 21.0 | 18.5 | 20.0 | 10.9 | 10.2 | 10.8 |
| Viet Nam | - | - | - | 2.0 | 2.1 | 2.3 |
| **AFRICA** | **14.5** | **17.8** | **16.0** | **80.4** | **82.5** | **79.7** |
| **North Africa** | **9.7** | **12.9** | **11.7** | **8.6** | **10.0** | **10.1** |
| Egypt | 6.6 | 6.3 | 6.6 | 7.5 | 7.8 | 7.7 |
| Morocco | 1.4 | 3.3 | 3.4 | 0.6 | 1.3 | 1.9 |
| **Sub-Saharan Africa** | **4.8** | **5.0** | **4.3** | **71.8** | **72.5** | **69.6** |
| **Western Africa** | **0.1** | **0.1** | **0.1** | **31.3** | **33.4** | **33.2** |
| Nigeria | - | 0.1 | 0.1 | 19.3 | 19.6 | 19.8 |
| **Central Africa** | **-** | **-** | **-** | **2.5** | **2.5** | **2.6** |
| **Eastern Africa** | **2.0** | **2.0** | **1.6** | **18.5** | **21.9** | **18.0** |
| Ethiopia | 1.5 | 1.4 | 1.1 | 7.8 | 7.4 | 5.6 |
| Sudan | 0.3 | 0.2 | 0.2 | 3.0 | 5.1 | 3.5 |
| **Southern Africa** | **2.7** | **2.9** | **2.6** | **19.4** | **14.7** | **15.8** |
| Madagascar | - | - | - | 0.2 | 0.2 | 0.2 |
| South Africa | 2.4 | 2.5 | 2.3 | 11.1 | 7.9 | 10.5 |
| Zimbabwe | 0.3 | 0.3 | 0.2 | 2.2 | 1.6 | 0.6 |
| **CENTRAL AMERICA** | **3.5** | **3.3** | **3.2** | **27.6** | **30.7** | **27.7** |
| Mexico | 3.5 | 3.3 | 3.2 | 23.9 | 27.1 | 23.9 |
| **SOUTH AMERICA** | **20.0** | **21.2** | **18.3** | **63.5** | **70.9** | **64.5** |
| Argentina | 16.0 | 15.3 | 12.5 | 21.7 | 19.6 | 18.7 |
| Brazil | 1.7 | 3.3 | 2.9 | 33.1 | 43.0 | 37.0 |
| Colombia | - | - | - | 1.4 | 1.4 | 1.4 |
| **NORTH AMERICA** | **87.3** | **73.8** | **59.7** | **297.6** | **285.1** | **264.9** |
| Canada | 26.5 | 20.6 | 15.7 | 24.2 | 22.7 | 19.8 |
| United States | 60.8 | 53.3 | 44.0 | 273.4 | 262.4 | 245.2 |
| **EUROPE** | **183.7** | **200.8** | **210.2** | **198.7** | **223.6** | **220.3** |
| Bulgaria | 2.8 | 3.1 | 3.5 | 1.5 | 1.9 | 2.5 |
| EU | 105.4 | 92.1 | 104.1 | 108.7 | 108.0 | 106.7 |
| Hungary | 3.7 | 5.2 | 3.9 | 6.3 | 9.9 | 7.8 |
| Poland | 8.5 | 9.3 | 9.3 | 13.8 | 17.0 | 16.7 |
| Romania | 4.4 | 7.8 | 4.4 | 6.0 | 10.3 | 9.8 |
| Russian Fed. | 34.4 | 47.0 | 50.6 | 29.3 | 35.7 | 34.1 |
| Ukraine | 11.0 | 21.3 | 20.5 | 13.8 | 17.1 | 17.4 |
| **OCEANIA** | **22.4** | **25.2** | **9.7** | **11.8** | **13.3** | **7.7** |
| Australia | 22.1 | 24.9 | 9.4 | 11.2 | 12.8 | 7.0 |
| **WORLD** | **586.2** | **586.9** | **571.0** | **875.3** | **915.8** | **875.6** |
| Developing countries | 272.8 | 261.7 | 264.0 | 352.5 | 380.7 | 366.8 |
| Developed countries | 313.4 | 325.1 | 307.0 | 522.8 | 535.0 | 508.8 |

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

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

| | Rice (paddy) | | | Total Cereals 1/ | | |
|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 estim. | 2000 | 2001 | 2002 estim. |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **545.3** | **545.7** | **524.7** | **995.8** | **1000.1** | **989.4** |
| Bangladesh | 37.6 | 37.8 | 39.5 | 39.4 | 39.5 | 41.3 |
| China 2/ | 189.8 | 179.3 | 176.5 | 406.6 | 398.4 | 402.3 |
| India | 127.3 | 139.6 | 116.6 | 235.3 | 243.1 | 213.5 |
| Indonesia | 51.9 | 50.5 | 51.4 | 61.6 | 59.8 | 60.9 |
| Iran, Islamic Rep. of | 2.0 | 2.0 | 2.7 | 12.9 | 14.9 | 19.6 |
| Japan | 11.9 | 11.3 | 11.1 | 12.8 | 12.3 | 12.1 |
| Kazakhstan | 0.2 | 0.2 | 0.2 | 11.4 | 15.9 | 15.9 |
| Korea, D. P. R. | 1.7 | 2.1 | 2.2 | 2.9 | 3.8 | 4.1 |
| Korea, Rep. of | 7.2 | 7.5 | 6.7 | 7.5 | 7.9 | 7.0 |
| Myanmar | 21.3 | 21.9 | 21.9 | 22.0 | 22.7 | 22.8 |
| Pakistan | 7.2 | 5.8 | 6.6 | 31.4 | 26.9 | 28.0 |
| Philippines | 12.5 | 13.1 | 13.2 | 17.0 | 17.6 | 17.5 |
| Saudi Arabia | - | - | - | 2.1 | 2.1 | 2.1 |
| Thailand | 25.8 | 26.5 | 25.9 | 30.7 | 31.2 | 30.1 |
| Turkey | 0.4 | 0.4 | 0.4 | 32.2 | 29.1 | 31.2 |
| Viet Nam | 32.5 | 32.0 | 34.1 | 34.6 | 34.1 | 36.3 |
| **AFRICA** | **17.4** | **17.3** | **18.0** | **112.3** | **117.7** | **113.7** |
| **North Africa** | **6.0** | **5.3** | **6.1** | **24.3** | **28.2** | **27.9** |
| Egypt | 6.0 | 5.2 | 6.0 | 20.1 | 19.3 | 20.3 |
| Morocco | - | - | - | 2.0 | 4.6 | 5.3 |
| **Sub-Saharan Africa** | **11.4** | **12.1** | **11.9** | **88.0** | **89.5** | **85.8** |
| **Western Africa** | **7.2** | **7.7** | **7.5** | **38.6** | **41.1** | **40.8** |
| Nigeria | 3.3 | 3.4 | 3.5 | 22.7 | 23.0 | 23.4 |
| **Central Africa** | **0.4** | **0.4** | **0.4** | **3.0** | **3.0** | **3.0** |
| **Eastern Africa** | **1.0** | **1.0** | **1.0** | **21.5** | **24.9** | **20.7** |
| Ethiopia | - | - | - | 9.3 | 8.8 | 6.7 |
| Sudan | - | - | - | 3.3 | 5.4 | 3.8 |
| **Southern Africa** | **2.7** | **2.9** | **3.0** | **24.9** | **20.5** | **21.4** |
| Madagascar | 2.5 | 2.7 | 2.7 | 2.6 | 2.8 | 2.9 |
| South Africa | - | - | - | 13.5 | 10.4 | 12.8 |
| Zimbabwe | - | - | - | 2.5 | 1.9 | 0.7 |
| **CENTRAL AMERICA** | **2.5** | **2.3** | **2.3** | **33.6** | **36.2** | **33.2** |
| Mexico | 0.4 | 0.2 | 0.2 | 27.8 | 30.6 | 27.3 |
| **SOUTH AMERICA** | **21.0** | **20.1** | **19.6** | **104.5** | **112.2** | **102.4** |
| Argentina | 0.9 | 0.9 | 0.7 | 38.5 | 35.7 | 31.9 |
| Brazil | 11.4 | 10.4 | 10.7 | 46.2 | 56.7 | 50.6 |
| Colombia | 2.3 | 2.3 | 2.4 | 3.7 | 3.7 | 3.8 |
| **NORTH AMERICA** | **8.7** | **9.8** | **9.6** | **393.5** | **368.7** | **334.2** |
| Canada | - | - | - | 50.7 | 43.3 | 35.4 |
| United States | 8.7 | 9.8 | 9.6 | 342.8 | 325.4 | 298.7 |
| **EUROPE** | **3.2** | **3.2** | **3.2** | **385.7** | **427.6** | **433.7** |
| Bulgaria | - | - | - | 4.3 | 5.0 | 6.0 |
| EU | 2.5 | 2.6 | 2.6 | 216.6 | 202.7 | 213.4 |
| Hungary | - | - | - | 10.0 | 15.1 | 11.7 |
| Poland | - | - | - | 22.3 | 26.3 | 26.0 |
| Romania | - | - | - | 10.5 | 18.1 | 14.2 |
| Russian Fed. | 0.6 | 0.5 | 0.5 | 64.3 | 83.2 | 85.2 |
| Ukraine | 0.1 | 0.1 | 0.1 | 24.9 | 38.5 | 37.9 |
| **OCEANIA** | **1.1** | **1.8** | **1.3** | **35.3** | **40.3** | **18.8** |
| Australia | 1.1 | 1.8 | 1.3 | 34.4 | 39.4 | 17.7 |
| **WORLD** | **599.2** | **600.1** | **578.7** | **2 060.7** | **2 102.7** | **2 025.3** |
| Developing countries | 573.9 | 573.7 | 553.1 | 1 199.2 | 1 216.2 | 1 183.9 |
| Developed countries | 25.3 | 26.4 | 25.6 | 861.5 | 886.5 | 841.4 |

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

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

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

| | Wheat (July/June) 1/ | | | Coarse Grains (July/June) | | |
|---|---|---|---|---|---|---|
| | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **44.1** | **47.1** | **44.2** | **58.8** | **57.4** | **56.2** |
| Bangladesh | 1.0 | 1.7 | 1.7 | 0.2 | 0.1 | 0.1 |
| China | 1.5 | 2.0 | 1.6 | 7.1 | 7.7 | 7.6 |
| Taiwan Province | 1.0 | 1.0 | 1.1 | 4.8 | 5.3 | 5.0 |
| Georgia | 0.7 | 0.5 | 0.6 | - | - | - |
| India | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 |
| Indonesia | 4.1 | 4.0 | 4.0 | 1.6 | 1.1 | 1.3 |
| Iran, Islamic Rep. of | 6.5 | 5.9 | 3.3 | 2.5 | 2.0 | 1.7 |
| Iraq | 3.2 | 3.0 | 3.0 | 0.3 | 0.1 | 0.1 |
| Israel | 1.3 | 1.5 | 1.5 | 1.4 | 1.2 | 1.1 |
| Japan | 5.7 | 5.7 | 5.9 | 20.4 | 19.9 | 19.9 |
| Korea, D. P. R. | 0.6 | 0.6 | 0.6 | 0.8 | 0.5 | 0.4 |
| Korea, Rep. of | 3.1 | 4.0 | 3.8 | 8.9 | 8.6 | 8.8 |
| Malaysia | 1.3 | 1.3 | 1.4 | 2.7 | 2.4 | 2.4 |
| Pakistan | 0.1 | 0.4 | 0.5 | 0.1 | 0.1 | 0.1 |
| Philippines | 3.0 | 3.1 | 3.4 | 0.4 | 0.4 | 0.4 |
| Saudi Arabia | - | 0.1 | 0.1 | 6.2 | 7.0 | 6.6 |
| Singapore | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Sri Lanka | 0.8 | 0.9 | 0.9 | 0.1 | 0.2 | 0.1 |
| Syria | 0.1 | 0.3 | 0.1 | 1.6 | 0.9 | 0.5 |
| Thailand | 0.8 | 0.8 | 0.8 | - | 0.3 | 0.4 |
| Yemen | 1.9 | 2.0 | 2.0 | 0.2 | 0.3 | 0.2 |
| **AFRICA** | **25.8** | **24.9** | **26.3** | **14.4** | **15.1** | **18.0** |
| **North Africa** | **16.8** | **16.6** | **17.2** | **10.4** | **11.3** | **11.3** |
| Algeria | 4.6 | 4.4 | 4.8 | 2.1 | 2.1 | 2.2 |
| Egypt | 5.7 | 6.8 | 6.3 | 4.9 | 5.5 | 5.5 |
| Morocco | 3.3 | 3.0 | 2.9 | 1.5 | 1.7 | 1.5 |
| Tunisia | 1.6 | 1.3 | 1.8 | 1.1 | 1.5 | 1.4 |
| **Sub-Saharan Africa** | **9.0** | **8.3** | **9.1** | **4.0** | **3.8** | **6.7** |
| Côte d'Ivoire | 0.3 | 0.3 | 0.3 | - | - | - |
| Ethiopia | 0.8 | 0.3 | 1.2 | 0.1 | - | 0.4 |
| Kenya | 0.6 | 0.5 | 0.6 | 1.1 | 0.5 | 0.9 |
| Nigeria | 1.6 | 1.7 | 1.7 | 0.1 | 0.1 | 0.1 |
| Senegal | 0.3 | 0.3 | 0.3 | - | 0.1 | - |
| Sudan | 0.8 | 1.1 | 1.3 | 0.1 | 0.1 | 0.1 |
| South Africa | 0.7 | 0.5 | 0.4 | 0.5 | 0.7 | 0.7 |
| **CENTRAL AMERICA** | **6.9** | **6.6** | **6.9** | **14.7** | **12.9** | **13.8** |
| Cuba | 0.9 | 1.0 | 1.0 | 0.1 | 0.2 | 0.3 |
| Dominican Rep. | 0.5 | 0.3 | 0.3 | 1.1 | 0.7 | 0.7 |
| Mexico | 3.2 | 3.0 | 3.2 | 11.2 | 9.6 | 10.4 |
| **SOUTH AMERICA** | **12.7** | **11.8** | **11.6** | **7.5** | **6.2** | **6.4** |
| Brazil | 7.4 | 6.8 | 6.8 | 1.8 | 0.6 | 0.7 |
| Chile | 0.4 | 0.3 | 0.3 | 1.3 | 1.2 | 1.1 |
| Colombia | 1.2 | 1.2 | 1.1 | 1.9 | 2.3 | 2.3 |
| Peru | 1.4 | 1.3 | 1.3 | 0.9 | 1.1 | 1.1 |
| Venezuela | 1.3 | 1.3 | 1.2 | 1.1 | 0.6 | 0.7 |
| **NORTH AMERICA** | **2.5** | **2.9** | **2.0** | **5.0** | **6.5** | **6.7** |
| Canada | 0.1 | 0.1 | 0.2 | 2.6 | 3.9 | 4.5 |
| United States | 2.4 | 2.9 | 1.8 | 2.4 | 2.6 | 2.2 |
| **EUROPE** | **9.6** | **13.3** | **14.3** | **8.1** | **7.4** | **6.7** |
| Belarus | 0.4 | 0.5 | 0.4 | 0.3 | 0.3 | 0.2 |
| EU 2/ | 3.2 | 10.0 | 10.8 | 2.7 | 3.8 | 3.2 |
| Poland | 0.8 | 0.3 | 0.3 | 1.2 | 0.3 | 0.3 |
| Romania | 0.5 | - | 0.3 | 0.5 | 0.2 | 0.1 |
| Russian Fed. | 1.6 | 0.5 | 0.4 | 0.8 | 0.8 | 0.9 |
| Ukraine | 0.8 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| **OCEANIA** | **0.5** | **0.4** | **0.7** | **0.1** | **0.1** | **0.2** |
| New Zealand | 0.2 | 0.2 | 0.2 | - | - | - |
| **WORLD** | **102.1** | **107.1** | **106.0** | **108.5** | **105.6** | **108.0** |
| Developing countries | 79.0 | 80.1 | 78.9 | 73.0 | 69.7 | 72.7 |
| Developed countries | 23.1 | 26.9 | 27.1 | 35.5 | 35.9 | 35.4 |

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

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

**2/** Excluding trade between the EU member countries.

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

| | Rice (milled) | | | Total Cereals 1/ | | |
|---|---|---|---|---|---|---|
| | 2001 | 2002 estim. | 2003 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **11.3** | **14.3** | **13.6** | **114.1** | **118.7** | **113.9** |
| Bangladesh | 0.4 | 0.5 | 0.6 | 1.6 | 2.3 | 2.4 |
| China | 0.3 | 0.4 | 0.4 | 8.8 | 10.0 | 9.5 |
| Taiwan Province | - | 0.1 | 0.2 | 5.9 | 6.5 | 6.2 |
| Georgia | - | - | - | 0.7 | 0.5 | 0.6 |
| India | - | - | - | 0.3 | 0.2 | 0.4 |
| Indonesia | 1.5 | 3.5 | 3.4 | 7.1 | 8.6 | 8.7 |
| Iran, Islamic Rep. of | 0.8 | 1.0 | 0.7 | 9.8 | 8.9 | 5.7 |
| Iraq | 1.2 | 1.2 | 1.0 | 4.7 | 4.3 | 4.1 |
| Israel | 0.1 | 0.1 | 0.1 | 2.8 | 2.8 | 2.7 |
| Japan | 0.6 | 0.7 | 0.7 | 26.7 | 26.3 | 26.5 |
| Korea, D. P. R. | 0.7 | 0.7 | 0.7 | 2.0 | 1.8 | 1.8 |
| Korea, Rep. of | 0.1 | 0.2 | 0.2 | 12.1 | 12.8 | 12.8 |
| Malaysia | 0.6 | 0.6 | 0.5 | 4.6 | 4.3 | 4.3 |
| Pakistan | - | - | - | 0.1 | 0.5 | 0.6 |
| Philippines | 1.0 | 1.2 | 1.0 | 4.5 | 4.7 | 4.8 |
| Saudi Arabia | 0.8 | 0.9 | 1.0 | 7.1 | 7.9 | 7.7 |
| Singapore | 0.4 | 0.5 | 0.5 | 0.9 | 1.0 | 1.0 |
| Sri Lanka | 0.1 | 0.1 | 0.1 | 1.0 | 1.1 | 1.1 |
| Syria | 0.2 | 0.2 | 0.2 | 1.8 | 1.4 | 0.8 |
| Thailand | - | - | - | 0.8 | 1.1 | 1.2 |
| Yemen | 0.2 | 0.3 | 0.3 | 2.4 | 2.5 | 2.5 |
| **AFRICA** | **7.4** | **8.2** | **7.7** | **47.6** | **48.2** | **52.0** |
| **North Africa** | **0.2** | **0.2** | **0.3** | **27.5** | **28.1** | **28.7** |
| Algeria | - | 0.1 | 0.1 | 6.7 | 6.5 | 7.1 |
| Egypt | - | - | - | 10.6 | 12.3 | 11.8 |
| Morocco | - | - | - | 4.8 | 4.7 | 4.4 |
| Tunisia | - | - | - | 2.7 | 2.7 | 3.2 |
| **Sub-Saharan Africa** | **7.2** | **7.9** | **7.4** | **20.1** | **20.0** | **23.2** |
| Côte d'Ivoire | 1.1 | 1.0 | 0.9 | 1.4 | 1.3 | 1.2 |
| Ethiopia | - | - | - | 0.9 | 0.4 | 1.6 |
| Kenya | 0.1 | 0.2 | 0.2 | 1.9 | 1.3 | 1.7 |
| Nigeria | 1.6 | 1.8 | 1.7 | 3.3 | 3.6 | 3.5 |
| Senegal | 0.7 | 0.7 | 0.7 | 1.0 | 1.0 | 0.9 |
| Sudan | - | - | - | 1.0 | 1.3 | 1.4 |
| South Africa | 0.5 | 0.6 | 0.6 | 1.8 | 1.8 | 1.7 |
| **CENTRAL AMERICA** | **1.6** | **1.9** | **2.0** | **23.2** | **21.5** | **22.7** |
| Cuba | 0.5 | 0.6 | 0.6 | 1.5 | 1.7 | 1.8 |
| Dominican Rep. | - | - | - | 1.6 | 1.0 | 1.0 |
| Mexico | 0.5 | 0.5 | 0.6 | 14.8 | 13.2 | 14.2 |
| **SOUTH AMERICA** | **1.0** | **0.8** | **0.9** | **21.3** | **18.8** | **18.9** |
| Brazil | 0.7 | 0.6 | 0.6 | 9.9 | 8.0 | 8.0 |
| Chile | 0.1 | 0.1 | 0.1 | 1.8 | 1.5 | 1.5 |
| Colombia | 0.2 | 0.1 | 0.1 | 3.2 | 3.6 | 3.5 |
| Peru | 0.1 | - | - | 2.4 | 2.4 | 2.4 |
| Venezuela | - | - | 0.1 | 2.5 | 1.9 | 2.0 |
| **NORTH AMERICA** | **0.7** | **0.7** | **0.7** | **8.2** | **10.1** | **9.4** |
| Canada | 0.3 | 0.3 | 0.3 | 3.0 | 4.2 | 5.0 |
| United States | 0.4 | 0.4 | 0.4 | 5.2 | 5.9 | 4.4 |
| **EUROPE** | **1.6** | **1.8** | **1.6** | **19.3** | **22.5** | **22.7** |
| Belarus | - | - | - | 0.7 | 0.8 | 0.7 |
| EU 2/ | 0.7 | 0.7 | 0.7 | 6.6 | 14.5 | 14.7 |
| Poland | 0.1 | 0.1 | 0.1 | 2.1 | 0.7 | 0.7 |
| Romania | 0.1 | 0.1 | 0.1 | 1.1 | 0.3 | 0.5 |
| Russian Fed. | 0.3 | 0.5 | 0.4 | 2.7 | 1.7 | 1.7 |
| Ukraine | 0.1 | 0.1 | 0.1 | 0.9 | 0.3 | 0.4 |
| **OCEANIA** | **0.4** | **0.4** | **0.4** | **0.9** | **0.9** | **1.3** |
| New Zealand | - | - | - | 0.3 | 0.2 | 0.2 |
| **WORLD** | **24.1** | **28.1** | **26.8** 3/ | **234.7** | **240.7** | **240.9** |
| Developing countries | 20.2 | 23.9 | 22.8 | 172.2 | 173.7 | 174.3 |
| Developed countries | 3.9 | 4.2 | 4.0 | 62.5 | 67.1 | 66.5 |

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

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

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

| | Wheat (July/June) 1/ | | | Coarse Grains (July/June) | | |
|---|---|---|---|---|---|---|
| | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **10.1** | **11.6** | **15.1** | **11.6** | **8.2** | **14.0** |
| China 2/ | 0.6 | 0.9 | 1.0 | 10.0 | 6.4 | 12.0 |
| India | 2.4 | 3.5 | 5.0 | - | - | - |
| Indonesia | - | - | - | 0.1 | 0.1 | 0.1 |
| Japan | 0.4 | 0.4 | 0.4 | - | - | - |
| Kazakhstan | 3.7 | 3.8 | 5.0 | 0.4 | 0.4 | 0.4 |
| Myanmar | - | - | - | 0.1 | 0.1 | 0.2 |
| Pakistan | 0.3 | 0.6 | 1.0 | - | - | - |
| Syria | 0.1 | 0.5 | 0.5 | - | - | - |
| Thailand | - | - | - | 0.3 | 0.2 | 0.1 |
| Turkey | 1.6 | 0.6 | 1.0 | 0.1 | 0.6 | 0.7 |
| Viet Nam | - | - | - | - | - | - |
| **AFRICA** | **0.4** | **0.4** | **0.5** | **2.9** | **2.4** | **2.1** |
| Egypt | - | - | - | - | - | - |
| Ethiopia | - | - | - | 0.2 | 0.2 | - |
| Nigeria | - | - | - | 0.2 | 0.1 | 0.1 |
| South Africa | 0.1 | 0.1 | 0.3 | 1.6 | 1.4 | 1.3 |
| Sudan | - | - | - | 0.1 | 0.1 | 0.1 |
| Uganda | - | - | - | 0.3 | 0.3 | 0.1 |
| **CENTRAL AMERICA** | **0.7** | **0.7** | **0.7** | **0.3** | **0.2** | **0.3** |
| **SOUTH AMERICA** | **10.8** | **11.0** | **7.6** | **15.5** | **15.0** | **12.2** |
| Argentina | 10.7 | 11.0 | 7.5 | 12.8 | 9.6 | 10.0 |
| Brazil | - | - | - | 2.3 | 5.0 | 2.0 |
| Paraguay | - | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 |
| Uruguay | 0.1 | - | 0.1 | 0.1 | 0.1 | 0.1 |
| **NORTH AMERICA** | **44.6** | **42.1** | **35.5** | **58.9** | **59.5** | **57.4** |
| Canada | 16.8 | 16.0 | 9.7 | 3.8 | 3.0 | 2.3 |
| United States | 27.8 | 26.1 | 25.9 | 55.0 | 56.5 | 55.0 |
| **EUROPE** | **17.6** | **26.8** | **38.2** | **14.1** | **16.4** | **20.0** |
| Bulgaria | 0.5 | 0.8 | 1.0 | 0.3 | 0.3 | 0.7 |
| Czech Rep. | 0.4 | 0.8 | 0.5 | - | 0.3 | 0.3 |
| EU 3/ | 14.5 | 11.4 | 15.8 | 10.6 | 5.4 | 8.6 |
| Hungary | 0.9 | 2.1 | 0.7 | 0.8 | 3.1 | 1.5 |
| Romania | 0.1 | 0.8 | 0.6 | 0.1 | 0.6 | 0.6 |
| Russian Fed. | 0.7 | 4.5 | 10.0 | 0.5 | 2.6 | 3.0 |
| Ukraine | 0.1 | 5.5 | 8.0 | 1.6 | 3.5 | 4.2 |
| **OCEANIA** | **16.5** | **16.0** | **8.5** | **4.4** | **4.9** | **2.1** |
| Australia | 16.5 | 16.0 | 8.5 | 4.4 | 4.8 | 2.0 |
| **WORLD** | **100.7** | **108.6** | **106.0** | **107.8** | **106.6** | **108.0** |
| Developing countries | 17.8 | 19.3 | 18.1 | 28.4 | 24.0 | 26.8 |
| Developed countries | 82.9 | 89.3 | 87.9 | 79.4 | 82.6 | 81.2 |

**Source:** FAO

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

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

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

| | Rice (milled) | | | Total Cereals 1/ | | |
|---|---|---|---|---|---|---|
| | 2001 | 2002 estim. | 2003 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | |
| **ASIA** | **18.5** | **22.5** | **21.0** | **40.1** | **42.3** | **50.0** |
| China 2/ | 2.0 | 2.1 | 2.1 | 12.6 | 9.4 | 15.1 |
| India | 1.9 | 6.6 | 4.5 | 4.3 | 10.1 | 9.5 |
| Indonesia | - | - | - | 0.1 | 0.1 | 0.1 |
| Japan | 0.6 | 0.6 | 0.5 | 1.0 | 1.0 | 0.9 |
| Kazakhstan | - | - | - | 4.0 | 4.2 | 5.4 |
| Myanmar | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 |
| Pakistan | 2.3 | 1.6 | 1.7 | 2.5 | 2.2 | 2.7 |
| Syria | - | - | - | 0.1 | 0.5 | 0.5 |
| Thailand | 7.5 | 7.2 | 7.5 | 7.8 | 7.4 | 7.6 |
| Turkey | - | - | - | 1.7 | 1.2 | 1.7 |
| Viet Nam | 3.5 | 3.2 | 3.9 | 3.5 | 3.3 | 3.9 |
| **AFRICA** | **0.7** | **0.4** | **0.6** | **4.1** | **3.2** | **3.2** |
| Egypt | 0.7 | 0.4 | 0.6 | 0.7 | 0.4 | 0.6 |
| Ethiopia | - | - | - | 0.2 | 0.2 | - |
| Nigeria | - | - | - | 0.2 | 0.1 | 0.1 |
| South Africa | - | - | - | 1.7 | 1.5 | 1.6 |
| Sudan | - | - | - | 0.1 | 0.1 | 0.1 |
| Uganda | - | - | - | 0.3 | 0.3 | 0.1 |
| **CENTRAL AMERICA** | **-** | **-** | **-** | **1.1** | **1.0** | **1.0** |
| **SOUTH AMERICA** | **1.5** | **1.2** | **1.4** | **27.8** | **27.2** | **21.2** |
| Argentina | 0.4 | 0.2 | 0.3 | 23.9 | 20.7 | 17.8 |
| Brazil | - | - | - | 2.3 | 5.0 | 2.0 |
| Paraguay | - | - | - | 0.2 | 0.4 | 0.2 |
| Uruguay | 0.8 | 0.6 | 0.7 | 1.0 | 0.7 | 0.8 |
| **NORTH AMERICA** | **2.5** | **3.3** | **3.4** | **106.0** | **104.9** | **96.3** |
| Canada | - | - | - | 20.6 | 19.0 | 12.0 |
| United States | 2.5 | 3.3 | 3.4 | 85.4 | 85.9 | 84.3 |
| **EUROPE** | **0.2** | **0.3** | **0.3** | **31.9** | **43.4** | **58.5** |
| Bulgaria | - | - | - | 0.8 | 1.1 | 1.7 |
| Czech Rep. | - | - | - | 0.5 | 1.1 | 0.8 |
| EU 3/ | 0.2 | 0.3 | 0.3 | 25.3 | 17.0 | 24.7 |
| Hungary | - | - | - | 1.7 | 5.2 | 2.2 |
| Romania | - | - | - | 0.2 | 1.4 | 1.2 |
| Russian Fed. | - | - | - | 1.3 | 7.0 | 13.0 |
| Ukraine | - | - | - | 1.7 | 9.0 | 12.2 |
| **OCEANIA** | **0.6** | **0.4** | **0.2** | **21.6** | **21.3** | **10.8** |
| Australia | 0.6 | 0.4 | 0.2 | 21.6 | 21.2 | 10.7 |
| **WORLD** | **24.1** | **28.1** | **26.8** 4/ | **232.6** | **243.3** | **240.9** |
| Developing countries | 20.2 | 23.6 | 22.5 | 66.3 | 66.9 | 67.4 |
| Developed countries | 4.0 | 4.5 | 4.4 | 166.3 | 176.4 | 173.5 |

**Source:** FAO

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

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

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

| | Wheat 1/ | | | Coarse Grains 2/ | | | Rice (milled basis) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast | 2000/01 | 2001/02 estim. | 2002/03 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | | | | |
| | **UNITED STATES** (June/May) | | | **UNITED STATES** | | | **UNITED STATES** (Aug./July) | | |
| Opening stocks | 25.9 | 23.8 | 21.1 | 48.9 | 52.7 | 45.1 | 0.9 | 0.9 | 1.2 |
| Production | 60.8 | 53.3 | 44.0 | 273.4 | 262.3 | 245.4 | 5.9 | 6.7 | 6.6 |
| Imports | 2.4 | 2.9 | 1.8 | 2.4 | 2.3 | 2.4 | 0.3 | 0.4 | 0.4 |
| **Total Supply** | **89.1** | **80.0** | **66.9** | **324.7** | **317.3** | **292.8** | **7.1** | **8.0** | 8.2 |
| Domestic use | 36.4 | 32.7 | 29.9 | 215.3 | 217.5 | 211.3 | 3.7 | 3.9 | 3.9 |
| Exports | 28.9 | 26.2 | 25.0 | 56.6 | 54.7 | 53.1 | 2.6 | 2.9 | 3.3 |
| Closing stocks | 23.8 | 21.1 | 12.0 | 52.7 | 45.1 | 28.5 | 0.9 | 1.2 | 1.0 |
| | **CANADA** (August/July) | | | **CANADA** | | | **THAILAND** (Nov./Oct.) 3/ | | |
| Opening stocks | 7.7 | 9.7 | 6.5 | 5.8 | 4.4 | 3.6 | 1.7 | 1.8 | 2.5 |
| Production | 26.5 | 20.6 | 15.7 | 24.2 | 22.7 | 19.8 | 17.1 | 17.6 | 17.2 |
| Imports | 0.1 | 0.1 | 0.2 | 2.9 | 4.1 | 4.4 | 0.0 | 0.0 | 0.0 |
| **Total Supply** | **34.3** | **30.3** | **22.5** | **32.9** | **31.2** | **27.7** | **18.8** | **19.4** | **19.7** |
| Domestic use | 7.6 | 7.6 | 8.3 | 23.9 | 24.2 | 22.2 | 9.4 | 9.6 | 9.7 |
| Exports | 17.1 | 16.2 | 9.7 | 4.6 | 3.4 | 2.4 | 7.5 | 7.2 | 7.5 |
| Closing stocks | 9.7 | 6.5 | 4.5 | 4.4 | 3.6 | 3.1 | 1.8 | 2.5 | 2.5 |
| | **ARGENTINA** (Dec./Nov.) | | | **ARGENTINA** | | | **CHINA** (Jan./Dec.) 3/ 4/ | | |
| Opening stocks | 0.6 | 0.6 | 0.7 | 0.8 | 1.2 | 1.2 | 113.0 | 106.5 | 92.9 |
| Production | 16.0 | 15.3 | 12.5 | 21.7 | 19.6 | 18.5 | 130.1 | 122.9 | 121.0 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.4 | 0.4 |
| **Total Supply** | **16.5** | **15.8** | **13.2** | **22.6** | **20.9** | **19.8** | **243.4** | **229.8** | **214.3** |
| Domestic use | 4.8 | 4.9 | 4.9 | 8.4 | 9.4 | 8.9 | 134.9 | 134.8 | 134.0 |
| Exports | 11.2 | 10.3 | 7.7 | 13.0 | 10.2 | 9.8 | 2.0 | 2.1 | 2.1 |
| Closing stocks | 0.6 | 0.7 | 0.6 | 1.2 | 1.2 | 1.0 | 106.5 | 92.9 | 78.2 |
| | **AUSTRALIA** (Oct./Sept.) | | | **AUSTRALIA** | | | **PAKISTAN** (Nov./Oct.) 3/ | | |
| Opening stocks | 3.3 | 3.8 | 5.7 | 0.7 | 1.2 | 2.3 | 1.1 | 0.9 | 0.5 |
| Production | 22.1 | 24.9 | 9.4 | 11.2 | 12.8 | 7.0 | 4.8 | 3.9 | 4.4 |
| Imports | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| **Total Supply** | **25.5** | **28.6** | **15.4** | **12.0** | **14.0** | **9.4** | **5.9** | **4.8** | **4.9** |
| Domestic use | 5.6 | 6.4 | 5.4 | 6.1 | 6.8 | 6.7 | 2.7 | 2.7 | 2.8 |
| Exports | 16.1 | 16.5 | 8.3 | 4.6 | 4.9 | 1.7 | 2.3 | 1.6 | 1.7 |
| Closing stocks | 3.8 | 5.7 | 1.7 | 1.2 | 2.3 | 0.9 | 0.9 | 0.5 | 0.4 |
| | **EU** (July/June) 5/ | | | **EU** 5/ | | | **VIET NAM** (Nov./Oct.) 3/ | | |
| Opening stocks | 12.9 | 14.5 | 13.2 | 20.8 | 17.0 | 20.3 | 3.1 | 4.0 | 4.5 |
| Production | 105.4 | 92.1 | 104.1 | 108.7 | 108.0 | 106.7 | 21.7 | 21.3 | 22.7 |
| Imports | 3.2 | 10.0 | 10.8 | 2.7 | 3.8 | 3.2 | 0.0 | 0.0 | 0.0 |
| **Total Supply** | **121.5** | **116.6** | **128.1** | **132.2** | **128.8** | **130.2** | **24.8** | **25.3** | **27.2** |
| Domestic use | 92.4 | 91.9 | 96.6 | 104.7 | 103.1 | 102.2 | 17.3 | 17.6 | 18.4 |
| Exports | 14.6 | 11.5 | 16.0 | 10.6 | 5.4 | 8.6 | 3.5 | 3.2 | 3.9 |
| Closing stocks | 14.5 | 13.2 | 15.5 | 17.0 | 20.3 | 19.4 | 4.0 | 4.5 | 4.9 |
| **TOTAL ABOVE** | | | | | | | | | |
| Opening stocks | 50.4 | 52.3 | 47.2 | 77.0 | 76.6 | 72.4 | 119.7 | 114.1 | 101.6 |
| Production | 230.8 | 206.1 | 185.6 | 439.2 | 425.4 | 397.4 | 179.7 | 172.4 | 171.9 |
| Imports | 5.7 | 13.0 | 13.1 | 8.1 | 10.2 | 10.2 | 0.6 | 0.8 | 0.8 |
| **Total Supply** | **286.9** | **271.4** | **246.0** | **524.3** | **512.2** | **480.0** | **300.0** | **287.3** | **274.4** |
| Domestic use | 146.7 | 143.5 | 145.1 | 358.4 | 361.1 | 351.3 | 168.0 | 168.6 | 168.9 |
| Exports | 87.9 | 80.7 | 66.7 | 89.4 | 78.6 | 75.8 | 17.8 | 17.1 | 18.5 |
| Closing stocks | 52.3 | 47.2 | 34.3 | 76.6 | 72.4 | 52.9 | 114.1 | 101.6 | 86.9 |

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

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

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

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

**4/** Including Taiwan province.

**5/** Excluding trade between the EU member countries.

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

| | Crop Years ending in: | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 estim. | 2003 f'cast |
| | ( . . . . . million tonnes . . . . . ) | | | | | | |
| **TOTAL CEREALS** | **617.7** | **661.1** | **683.1** | **681.0** | **628.8** | **577.5** | **469.7** |
| **Wheat** | **227.4** | **252.9** | **259.5** | **253.9** | **240.3** | **218.1** | **170.4** |
| held by: | | | | | | | |
| - main exporters 2/ | 36.0 | 39.3 | 50.7 | 50.4 | 52.3 | 47.2 | 34.3 |
| - others | 191.4 | 213.7 | 208.7 | 203.5 | 188.0 | 170.9 | 136.2 |
| **Coarse Grains** | **238.8** | **255.5** | **266.6** | **259.3** | **225.7** | **211.0** | **176.3** |
| held by: | | | | | | | |
| - main exporters 2/ | 46.7 | 69.3 | 79.7 | 77.0 | 76.6 | 72.4 | 52.9 |
| - others | 192.0 | 186.2 | 186.9 | 182.3 | 149.2 | 138.6 | 123.4 |
| **Rice** (milled basis) | **151.6** | **152.6** | **157.1** | **167.8** | **162.8** | **148.4** | **123.0** |
| held by: | | | | | | | |
| - main exporters 2/ | 111.8 | 115.7 | 117.2 | 119.7 | 114.1 | 101.6 | 86.9 |
| excl. China 3/ | 4.5 | 4.5 | 4.1 | 6.7 | 7.6 | 8.7 | 8.7 |
| - others | 39.8 | 36.9 | 39.8 | 48.1 | 48.6 | 46.7 | 36.0 |
| **BY REGIONS** | | | | | | | |
| **Developed Countries** | **121.6** | **169.2** | **171.1** | **164.7** | **160.1** | **162.8** | **130.2** |
| Australia | 3.2 | 3.8 | 3.0 | 4.2 | 5.1 | 8.2 | 2.8 |
| EU | 24.4 | 35.1 | 36.6 | 34.2 | 31.9 | 33.9 | 35.3 |
| Canada | 14.0 | 10.4 | 12.5 | 13.6 | 14.1 | 10.2 | 7.6 |
| Hungary | 2.3 | 2.8 | 2.6 | 2.0 | 1.3 | 1.6 | 1.6 |
| Japan | 6.7 | 6.7 | 6.0 | 5.7 | 5.3 | 4.8 | 5.1 |
| Poland | 4.2 | 4.0 | 4.2 | 3.7 | 1.5 | 2.2 | 1.9 |
| Romania | 1.2 | 5.0 | 3.5 | 3.6 | 1.0 | 2.8 | 1.6 |
| Russian Fed. | 6.5 | 18.0 | 5.8 | 4.9 | 6.5 | 9.6 | 8.0 |
| South Africa | 2.4 | 3.7 | 2.3 | 1.7 | 3.0 | 1.8 | 2.9 |
| Ukraine | 3.6 | 4.5 | 2.2 | 2.2 | 2.3 | 5.0 | 5.1 |
| United States | 39.9 | 58.7 | 77.8 | 75.6 | 77.4 | 67.4 | 41.5 |
| **Developing Countries** | **496.1** | **491.9** | **512.1** | **516.3** | **468.8** | **414.6** | **339.5** |
| **Asia** | **457.5** | **456.0** | **473.2** | **478.4** | **434.0** | **378.0** | **309.5** |
| China 3/ | 374.0 | 366.6 | 374.7 | 367.6 | 318.7 | 271.2 | 223.9 |
| India | 35.3 | 42.9 | 47.3 | 57.4 | 62.1 | 58.3 | 42.6 |
| Indonesia | 6.9 | 5.5 | 5.6 | 5.9 | 5.7 | 3.6 | 4.0 |
| Iran, Islamic Rep. of | 3.5 | 2.0 | 1.6 | 2.0 | 1.1 | 1.3 | 1.3 |
| Korea, Rep. of | 2.3 | 2.8 | 2.8 | 3.3 | 3.2 | 3.8 | 3.6 |
| Pakistan | 6.3 | 7.1 | 8.6 | 7.9 | 7.9 | 4.7 | 1.2 |
| Philippines | 2.0 | 2.0 | 2.6 | 1.9 | 2.0 | 1.9 | 2.1 |
| Syria | 5.1 | 4.0 | 4.2 | 4.0 | 3.6 | 4.4 | 4.1 |
| Turkey | 6.8 | 7.4 | 9.4 | 8.3 | 8.7 | 6.8 | 6.0 |
| **Africa** | **23.8** | **21.1** | **26.4** | **24.1** | **21.7** | **21.6** | **18.4** |
| Algeria | 2.8 | 2.1 | 2.6 | 2.0 | 1.3 | 1.7 | 1.2 |
| Egypt | 2.9 | 3.7 | 4.5 | 4.1 | 3.9 | 3.4 | 2.7 |
| Ethiopia | 1.6 | 1.2 | 1.4 | 1.4 | 1.8 | 1.2 | 0.2 |
| Morocco | 3.8 | 2.5 | 4.7 | 3.0 | 1.8 | 1.9 | 2.1 |
| Nigeria | 1.9 | 1.9 | 1.9 | 1.6 | 2.2 | 2.5 | 2.4 |
| Tunisia | 2.1 | 1.9 | 1.9 | 2.1 | 2.1 | 2.2 | 2.0 |
| **Central America** | **7.0** | **5.1** | **6.2** | **6.3** | **5.8** | **6.2** | **4.7** |
| Mexico | 5.7 | 3.9 | 5.0 | 4.8 | 4.5 | 5.0 | 3.6 |
| **South America** | **7.7** | **9.6** | **6.2** | **7.4** | **7.1** | **8.7** | **6.8** |
| Argentina | 2.5 | 2.1 | 1.7 | 1.6 | 1.9 | 2.0 | 1.6 |
| Brazil | 2.9 | 4.9 | 1.5 | 2.7 | 1.9 | 4.3 | 3.2 |

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

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

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

**3/** Including Taiwan Province.

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

| | Wheat | | | Maize | | Sorghum | Soybeans |
|---|---|---|---|---|---|---|---|
| | U.S. No.2 Hard Red Winter Ord. Prot. 1/ | U.S. Soft Red Winter No.2 1/ | Argentina Trigo Pan 2/ | U.S. No.2 Yellow 1/ | Argentina 2/ | U.S. No.2 Yellow 1/ | U.S. No.2 Yellow 1/ |
| | ( . . . . . US$/tonne . . . . . ) | | | | | | |
| **July/June** | | | | | | | |
| 1998/1999 | 120 | 100 | 116 | 95 | 98 | 92 | 203 |
| 1999/2000 | 112 | 97 | 112 | 91 | 90 | 89 | 190 |
| 2000/2001 | 128 | 101 | 124 | 86 | 84 | 93 | 184 |
| 2001/2002 | 127 | 113 | 119 | 90 | 89 | 95 | 182.0 |
| 2002 – March | 126 | 116 | 110 | 90 | 85 | 94 | 178.0 |
| September | 189 | 154 | 153 | 115 | 108 | 120 | 221.0 |
| October | 196 | 159 | 155 | 110 | 105 | 121 | 212.0 |
| November | 180 | 159 | 136 | 109 | 108 | 122 | 225.0 |
| December | 165 | 146 | 130 | 107 | 104 | 117 | 223 |
| 2003 – January | 153 | 138 | 138 | 106 | 102 | 113 | 225 |
| February | 155 | 142 | 146 | 106 | 99 | 113 | 226 |
| March I | 150 | 136 | 150 | 107 | 98 | 107 | 224 |
| II | 147 | 128 | 151 | 107 | 97 | 102 | 225 |
| III | 144 | 128 | 149 | 103 | 93 | 104 | 224 |
| IV | 142 | 124 | 147 | 103 | 91 | 103 | 223 |

**Sources**: International Grain Council and USDA.

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

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

| Calendar years | Export Prices | | | | FAO Indices | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Thai 100% B 1/ | Thai broken 2/ | U.S. Long grain 3/ | Pakistani Basmati 4/ | Total | Indica | | Japonica | Aromatic |
| | | | | | | High quality | Low quality | | |
| **January/December** | ( . . . . . U.S.$/tonne . . . . . ) | | | | (. . . . . 1998-2000=100 . . . . . ) | | | | |
| 1999 | 253 | 192 | 333 | 486 | 101 | 99 | 101 | 105 | 98 |
| 2000 | 207 | 143 | 271 | 418 | 84 | 84 | 83 | 83 | 89 |
| 2001 | 177 | 135 | 264 | 332 | 74 | 74 | 74 | 76 | 69 |
| 2002 | 197 | 151 | 207 | 366 | 72 | 73 | 75 | 67 | 74 |
| 2002 - March | 195 | 149 | 202 | 356 | 69 | 70 | 71 | 67 | 68 |
| November | 190 | 157 | 215 | 348 | 73 | 73 | 77 | 68 | 76 |
| December | 193 | 151 | 215 | 341 | 72 | 72 | 75 | 67 | 75 |
| 2003 - January | 203 | 151 | 204 | 369 | 73 | 72 | 75 | 67 | 83 |
| February | 201 | 149 | 200 | 369 | 72 | 72 | 75 | 66 | 85 |
| March I | 198 | 147 | 200 | 369 | ) | | | | |
| II | 198 | 147 | 200 | n.a. | ) 73 | 74 | 75 | 65 | 91 |
| III | 199 | 142 | 309 | n.a. | ) | | | | |

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

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

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

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

| Marketing years | | FAO Indices | | | International Prices | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Oilseeds | Edible/Soap Fats/Oils | Oilcakes/ Meals | Soybeans 1/ | Soybean Oil 2/ | Palm Oil 3/ | Soybean Cake 4/ | Rapeseed Meal 5/ |
| October/September | | (. . . . . 1990-92=100 . . . . . .) | | | (. . . . . U.S.$/tonne . . . . . ) | | | | |
| 1997/98 | | 109 | 154 | 116 | 256 | 634 | 641 | 197 | 138 |
| 1998/99 | | 89 | 125 | 82 | 209 | 483 | 514 | 149 | 104 |
| 1999/00 | Oct.-Mar. | 83 | 98 | 87 | 206 | 374 | 356 | 176 | 122 |
| | Apr.-Sep | 84 | 84 | 90 | 213 | 337 | 318 | 184 | 125 |
| 2000/01 | Oct.-Mar. | 82 | 76 | 98 | 206 | 314 | 254 | 198 | 146 |
| | Apr.-Sep | 82 | 86 | 94 | 197 | 356 | 289 | 178 | 135 |
| 2001/02 | Oct.-Mar. | 83 | 95 | 100 | 188 | 378 | 323 | 175 | 135 |
| | Apr.-Sep | 90 | 107 | 104 | 213 | 445 | 392 | 174 | 122 |
| 2002/03 | Oct.-Mar. | 103 | 124 | 106 | 241 | 543 | 442 | 186 | 133 |

**Sources:** FAO and Oil World.

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

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

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

| | | May | | July | | September | | December | |
|---|---|---|---|---|---|---|---|---|---|
| | | this year | last year | this year | last year | this year | last year | this year | last year |
| | | (. . . . . US$/tonne . . . . . .) | | | | | | | |
| **WHEAT** | | | | | | | | | |
| February | 18 | 122 | 104 | 118 | 105 | 119 | 107 | 123 | 110 |
| | 25 | 118 | 104 | 116 | 105 | 118 | 106 | 121 | 110 |
| March | 4 | 117 | 102 | 115 | 105 | 116 | 106 | 120 | 110 |
| | 11 | 111 | 101 | 111 | 103 | 112 | 105 | 116 | 109 |
| | 18 | 109 | 102 | 108 | 104 | 110 | 106 | 113 | 110 |
| | 25 | 103 | 104 | 104 | 105 | 106 | 107 | 110 | 111 |
| **MAIZE** | | | | | | | | | |
| February | 18 | 95 | 84 | 96 | 86 | 96 | 89 | 96 | 92 |
| | 25 | 92 | 82 | 93 | 85 | 94 | 87 | 94 | 90 |
| March | 4 | 93 | 82 | 94 | 85 | 94 | 87 | 94 | 91 |
| | 11 | 93 | 82 | 93 | 85 | 93 | 87 | 94 | 91 |
| | 18 | 90 | 81 | 91 | 84 | 91 | 86 | 92 | 89 |
| | 25 | 90 | 80 | 90 | 83 | 90 | 85 | 91 | 88 |

**Source:** Chicago Board of Trade

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

| | From U.S. Gulf ports to: | | | | From North Pacific ports to: | |
|---|---|---|---|---|---|---|
| | Rotterdam 1/ | CIS Black Sea 1/ 2/ | Egypt (Alexandria) 1/ | Bangladesh 1/ | China 1/ | Japan 1/ |
| | ( . . . . . US$/tonne. . . . . ) | | | | | |
| **July/June** | | | | | | |
| 1997/98 | 9.60 | 18.10 | 11.70 | 20.17 | 27.00 | 28.00 |
| 1998/99 | 9.42 | 25.45 | 9.25 | 18.75 | 27.00 | 29.17 |
| 1999/2000 | 12.60 | 40.97 | 13.65 | 18.50 | 27.00 | 32.83 |
| 2000/2001 | 13.10 | 40.97 | 15.00 | 18.31 | 27.00 | 36.31 |
| 2001/2002 | 11.00 | 40.97 | 15.00 | 18.50 | 26.90 | 34.19 |
| 2002 - March | 10.50 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| August | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| September | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 33.00 |
| October | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 29.00 |
| November | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 29.00 |
| December | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 29.00 |
| 2003 - January | 10.75 | 40.97 | 15.00 | 18.50 | 27.00 | 29.00 |
| February | 12.00 | 40.97 | 15.00 | 18.50 | 27.00 | 29.00 |
| March | 12.00 | 40.97 | 17.00 | 26.00 | 27.00 | 29.00 |

**Source:** International Grain Council

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

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

| | Currency and Unit | Effective Date | Latest Quotation | 1 month ago | 1 year ago | Average 1989-91 |
|---|---|---|---|---|---|---|
| Sugar (I.S.A. daily price) | US cents per lb | 31.03.03 | 8.06 | 8.87 | 6.83 | 11.4 |
| Coffee (I.C.O. daily price) | US cents per lb | 01.04.03 | 49.7 | 50.3 | 53.0 | 76.7 |
| Cocoa (I.C.C.O. daily price) | US cents per lb | 01.04.03 | 87.9 | 89.7 | 72.0 | 56.0 |
| Tea (total tea, Mombasa) | US$ per kg. | 25.03.03 | 1.55 | 1.40 | 1.56 | 1.5 |
| Bananas (Central America, f.o.b., Hamburg) | € per tonne | 30.03.03 | 1 106 1/ 602 2/ | 991 1/ 836 2/ | 1 157 1/ 914 2/ | 566 |
| Cotton (COTLOOK, index "A" 1-3/32") | US cents per lb | 14.03.03 | 60.7 | 58.7 | 41.9 | 78.5 |
| Wool (64's, London) | Pence per kg | 14.03.03 | 572 | 570 | 460 | 466 |

**Source:** FAO
1/ EU duty paid, estimated. 2/ Estimated price for EFTA markets.

Table A.12 - **SHIPMENTS OF FOOD AID IN CEREALS, July/June**

| Donors | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 1/ estim. |
|---|---|---|---|---|---|---|
| | ( . . . . . thousand tonnes, grain equivalent 2/ . . . . . ) | | | | | |
| Australia | 170 | 296 | 270 | 255 | 218 | 181 |
| Canada | 373 | 384 | 332 | 413 | 182 | 230 |
| China | 171 | 122 | 170 | 215 | 434 | 392 |
| EU | 1 959 | 1 741 | 2 475 | 2 296 | 1 989 | 1 107 |
| of which: | | | | | | |
| Community | 1 111 | 879 | 1 559 | 1 390 | 1 008 | 501 |
| National Action | 849 | 862 | 916 | 906 | 981 | 606 |
| *Austria* | *12* | *9* | *1* | *9* | *6* | *2* |
| *Belgium* | *45* | *31* | *62* | *26* | *26* | *6* |
| *Denmark* | *73* | *61* | *84* | *67* | *65* | *31* |
| *Finland* | *4* | *1* | *6* | *10* | *11* | *16* |
| *France* | *207* | *209* | *95* | *180* | *264* | *166* |
| *Germany* | *212* | *219* | *197* | *185* | *174* | *102* |
| *Greece* | *25* | *15* | *4* | *12* | *0* | *0* |
| *Ireland* | *6* | *10* | *4* | *9* | *13* | *13* |
| *Italy* | *83* | *75* | *143* | *171* | *83* | *59* |
| *Luxembourg* | *2* | *8* | *4* | *4* | *4* | *9* |
| *Netherlands* | *92* | *89* | *72* | *96* | *132* | *98* |
| *Spain* | *0* | *3* | *38* | *21* | *12* | *7* |
| *Sweden* | *44* | *72* | *110* | *50* | *78* | *60* |
| *United Kingdom* | *103* | *141* | *214* | *67* | *113* | *36* |
| India | 7 | 11 | 25 | 4 | 0 | 1 |
| Japan | 285 | 356 | 1 136 | 340 | 850 | 510 |
| Norway | 32 | 45 | 66 | 63 | 59 | 47 |
| Switzerland | 43 | 42 | 37 | 47 | 24 | 18 |
| United States | 2 237 | 2 750 | 6 381 | 7 181 | 5 176 | 4 820 |
| WFP purchases | 17 | 11 | 3 | 38 | 90 | 10 |
| Others donors | 282 | 436 | 365 | 321 | 679 | 117 |
| **Total shipments** | **5 575** | **6 195** | **11 261** | **11 172** | **9 702** | **7 433** |
| of which: | | | | | | |
| Wheat | 3 590 | 4 060 | 7 630 | 7 787 | 6 055 | 4 543 |
| Rice | 642 | 723 | 1 689 | 1 006 | 1 467 | 1 027 |
| Coarse grains | 1 343 | 1 412 | 1 941 | 2 380 | 2 180 | 1 862 |
| of which to: | | | | | | |
| Africa | 2 022 | 2 266 | 2 561 | 2 897 | 3 855 | 2 288 |
| Asia | 2 527 | 3 135 | 5 366 | 4 303 | 4 501 | 3 877 |
| Latin America | 597 | 517 | 965 | 799 | 612 | 693 |
| Others | 430 | 277 | 2 370 | 3 172 | 734 | 575 |
| to Special Country Groupings 3/: | | | | | | |
| LIFDCs (83 countries) | 4 690 | 5 522 | 8 419 | 7 649 | 8 252 | 6 305 |
| LDCs (49 countries) | 2 647 | 2 824 | 3 971 | 4 053 | 4 214 | 3 005 |
| NFIDCs (22 countries) | 607 | 743 | 884 | 989 | 1 253 | 808 |
| Channelled multilaterally | 2 317 | 2 200 | 3 369 | 3 216 | 3 892 | 2 856 |
| As percent of Total shipments | 42 | 36 | 30 | 29 | 40 | 38 |

**SOURCE:** World Food Programme.

**1/** As of february 2003.

**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/** Same countries may appear in more than one special country groupings. For definitions see Statistical Note on the last page of this report.

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

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

References are also made to special country groupings: Low Income Food Deficit Countries (LIFDCs), Least Developed Countries (LDCs) and Net Food-Importing Developing Countries (NFIDCs). The LIFDCs currently includes 83 countries that are net importers of cereals with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. US$1 445 in 2000). The LDCs and NIFDCs groups include a list of countries agreed by the World Trade Organization (WTO) to qualify as beneficiaries under the Marrakech Decision on the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries. The LDCs group currently includes 49 countries with low income as well as weak human resources and low level of economic diversification. The list is reviewed every three years by the Economic and Social Council of the United Nations. The NIFDCs group includes 21 developing country WTO Members which notified their request to be listed as NFIDCs and have submitted relevant statistical data concerning their status as net-importers of basic foodstuffs during a representative period. This list is reviewed annually by the WTO Committee on Agriculture.

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.

| Contents and Release Dates[1/] | No. 1<br>7 February | No. 2<br>9 April | No. 3<br>10 June | No. 4<br>16 September | No. 5<br>10 November |
|---|---|---|---|---|---|
| Cereal Supply/Demand Roundup[2/] | ● | ● | ● | ● | ● |
| Cereal Production, Trade, Stocks & Prices | ● | ● | ● | ● | ● |
| Cereal Utilization – extended report | | ● | | | |
| Food Aid and Cereal Import Bills | | ● | | | |
| Ocean Freight Rates | | ● | | ● | |
| Fertilizers | ● | ● | ● | ● | ● |
| Cassava | | | ● | | |
| Meat and Meat Products | | ● | | | ● |
| Milk and Milk Products | | ● | | | ● |
| Oilseeds, Oils and Oilmeals | | | ● | | ● |
| Pulses | | | ● | | |
| Sugar | | | ● | | ● |
| Fish | ● | | | | |

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

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