

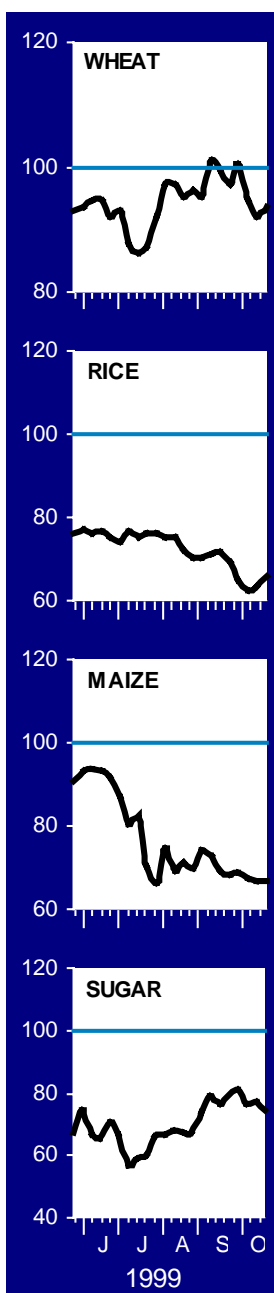
food outlook

No. 5, 1999

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highlights

EXPORT PRICES (July 1998=100)



Latest information confirms another above-average cereal output in 1999, of 1 866 million tonnes (including rice in milled terms). However, at this level, production would be less than the anticipated consumption requirements in 1999/2000 and stocks, which have built-up over the past three years, would have to be drawn down.

Food emergencies persist in many countries throughout the world, mainly due to the effects of natural disasters, civil strife and economic crises. Currently, 52 million people are estimated to be facing food shortages of varying intensity in 35 countries worldwide (see page 6).

World trade in cereals in 1999/2000 is forecast to increase by nearly 4 percent, to 221 million tonnes, 8 million tonnes up from the previous year. The bulk of the increase is expected in wheat and coarse grains, while rice imports are tentatively forecast to remain virtually unchanged.

International cereal prices weakened further since September, mostly reflecting good harvest results. Prices for wheat and coarse grains remain below those a year ago, and the FAO Rice Export Price Index in October averaged the lowest level in the past five years.

World cassava production and consumption are forecast to rise in 1999. Although international trade in cassava products is expected to recover partly from the slump in 1998, demand remains generally sluggish and world cassava prices have fallen to record low levels.

International prices for dairy products may show a moderate increase during the remainder of 1999 and into 2000, as a result of limited stocks in the main exporting countries and sustained import demand.

World sugar prices fell to a 13-year low in early 1999 reflecting abundant supplies, and the outlook is for continuing weak prices in the remainder of 1999. FAO tentatively forecasts global production will exceed consumption again in 1999/2000 for the sixth consecutive year, and stocks will rise further.



BASIC FACTS OF THE WORLD CEREAL SITUATION

	1995/96	1996/97	1997/98	1998/99	1999/2000 forecast	Change 1999/2000 over 1998/99
WORLD PRODUCTION ^{1/}	(..... million tonnes))					(. .percentage .)
Wheat	548	589	613	595	582	-2.1
Coarse grains	810	920	905	905	889	-1.8
Rice, milled (paddy)	369 (550)	383 (5710)	387 (578)	383 (573)	395 (590)	2.9 2.9
All cereals (including milled rice)	1 727	1 892	1 905	1 883	1 866	-0.9
Developing countries	958	1 025	1 006	1 026	1 029	0.3
Developed countries	770	867	899	857	836	-2.4
WORLD IMPORTS ^{2/}						
Wheat	99	102	100	97	102	4.8
Coarse grains	95	91	89	92	96	4.0
Rice (milled)	19	19	28	24	23	-0.9
All cereals	214	211	216	213	221	3.8
Developing countries	151	150	158	156	160	2.7
Developed countries	62	62	58	57	61	7.0
FOOD AID IN CEREALS ^{3/}	7.4	5.5	6.2	9.5		
WORLD UTILIZATION						
Wheat	563	577	591	591	592	0.1
Coarse grains	856	896	892	887	892	0.6
Rice (milled)	373	380	382	388	392	1.1
All cereals	1 791	1 854	1 865	1 866	1 876	0.5
Developing countries	1 078	1 107	1 110	1 128	1 142	1.3
Developed countries	713	747	755	739	734	-0.6
Per Caput Food Use	(..... kg/year))					
Developing countries	171	172	171	172	172	-0.2
Developed countries	128	129	129	130	130	0.1
WORLD STOCKS ^{5/}	(..... million tonnes))					
Wheat	102	113	136	139	131	-5.9
Coarse grains	99	123	139	147	145	-1.8
Rice (milled)	52	56	55	54	56	4.1
All cereals	253	292	330	340	331	-2.5
Developing countries	150	172	163	167	164	-1.4
Developed countries	102	120	167	173	167	-3.6
Stocks as % of world cereal consumption	(..... percentage))					
	13.6	15.6	17.7	18.1	17.3	
EXPORT PRICES ^{3/}	(..... U.S.\$/tonne))					
Rice (Thai, 100%, 2nd grade) ^{1/}	336	352	316	315	256 ^{5/}	-20.5 ^{7/}
Wheat (U.S. No.2 Hard Winter)	216	181	142	120	113 ^{6/}	-4.2 ^{7/}
Maize (U.S. No.2 Yellow)	159	135	112	95	73 ^{6/}	-20.7 ^{7/}
OCEAN FREIGHT RATES ^{3/}						
From U.S. Gulf to Egypt	16.8	12.8	11.7	9.3	13.3 ^{6/}	60.2 ^{7/}
LOW-INCOME FOOD- DEFICIT COUNTRIES ^{8/}	(..... million tonnes))					
Roots & tubers production ^{1/}	359	379	373	359	363	0.9
Cereal production (milled rice) ^{1/}	744	803	784	799	815	2.0
Per caput production (kg.) ^{9/}	211	224	216	217	218	0.5
Cereal imports ^{2/}	78.9	69.2	77.8	70.5	71.6	1.6
of which: Food aid ^{3/}	6.4	4.6	5.5	6.8		
Proportion of cereal import covered by food aid	(..... percentage))					
	8.1	6.7	7.0	9.6		

SOURCE: FAO

Note: Totals and percentages computed from unrounded data.

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

CEREALS

SUPPLY/DEMAND ROUNDUP

With the bulk of the 1999 cereal crops already harvested, or about to be gathered, latest information continues to point to another above-average world output of 1 866 million tonnes (including rice in milled terms), only slightly below the previous year's level. At this level, cereal output would be just below the anticipated utilization in 1999/2000 and, as a result, stocks which have been built up over the past three years would have to be drawn down by 2.5 percent. Nevertheless, the ratio of expected global cereal carryovers in 2000 to trend utilization in 2000/01, at 17.3 percent, would remain within the 17 to 18 percent range that the FAO Secretariat considers as the minimum necessary to safeguard world food security. However, it should be noted that although global cereal stocks are forecast to decrease, those held by the major exporting countries, which are the main buffer against any major production shortfall, are forecast to change relatively little from their opening level, which now stands at over 150 million tonnes, and is more than double the level 4 years ago when the last cereal price surge occurred. International export prices for the major cereals remain generally weaker than a year ago. As 1999 draws to a close, the probability of a major change in the 1999/2000

WORLD CEREAL PRODUCTION, SUPPLIES, TRADE AND STOCKS

	1997/98	1998/99 estim.	1999/2000 f'cast
	(. million tonnes)		
Production ^{1/}	1 905	1 883	1 866
Wheat	613	595	582
Coarse grains	905	905	889
Rice (milled)	387	383	395
Supply ^{2/}	2 197	2 213	2 205
Utilization	1 865	1 866	1 876
Trade ^{3/}	216	213	221
Ending Stocks ^{4/}	330	340	331

SOURCE: FAO

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

^{2/} Production plus opening stocks.

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

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

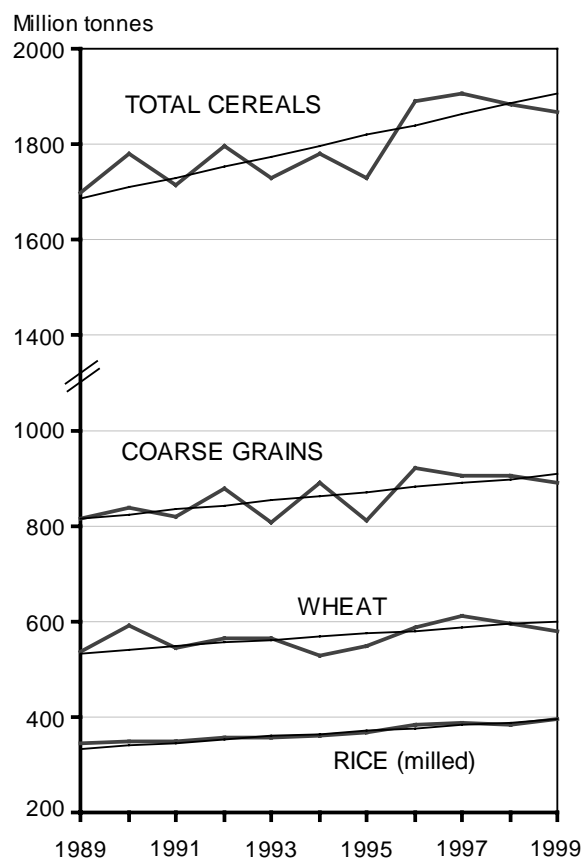
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WORLD CEREAL PRODUCTION

(Actual, 1999 forecast and trend)



global cereal supply/demand outlook is diminishing. However, the number of countries facing food shortages throughout the globe is on the increase, reflecting war/civil strife, natural disasters and economic crises, and continues to give cause for concern (see page 6).

As indicated above, FAO's latest forecast for world cereal **production** in 1999 now stands at 1 866 million tonnes (including rice in milled terms), 4 million tonnes down since the last report in September. The latest revision is mostly due to a reduction of the coarse grains estimates for several countries throughout the globe, but particularly in Asia and North America, which more than offset upward revisions for both the global wheat and rice crops. At the forecast level, world cereal production in 1999 would be 0.9 percent below last year but above the average of the past five years.

The forecast for world wheat output has been increased by 3 million tonnes since the last report, to 582 million tonnes. The latest revision is largely the cumulative result of several small adjustments to estimates of crops already gathered in the northern hemisphere, as well as to forecasts for those yet to be harvested in the southern hemisphere. At the forecast level, wheat output in 1999 would be 2.1 percent down from 1998 but above the average of the past five years; significant production declines in Europe, North America and Africa and a marginal reduction in Central America would more than offset increases in Asia, South America and Oceania. Planting of the winter wheat crops for harvest in 2000 is already underway in the major northern hemisphere producers under generally favourable conditions. The area likely to be sown for next year's crop is very uncertain, but early indications suggest that no major change from last year would occur. FAO's forecast for the 1999 world coarse grain output has been revised downward by some 10 million tonnes since the last report, to 889 million tonnes, mostly reflecting downward adjustments to the forecasts for Asia and North America. At the forecast level, global output of coarse grains in 1999 would be 1.8 percent below the 1998 crop but close to the 5-year average; smaller crops are now expected in Asia, Africa, North and South America and Oceania, more than offsetting marginal increases in Europe and Central America. Global paddy output in 1999 is now forecast to reach a record 590 million tonnes (395 million tonnes in milled terms), well above last year's crop and the previous record of 578 million tonnes (387 million tonnes milled) set in 1997. In the southern hemisphere and around the equatorial belt, where the 1999 paddy season is virtually complete, output recovered significantly from last year's levels. In the northern hemisphere harvesting is in progress, and barring any major weather-related problems in the

coming weeks, bumper harvests are expected in several countries.

FAO's forecast of world **imports** of cereals in 1999/2000 (July/June) has been raised by 3 million tonnes, to 221 million tonnes, since September, mostly reflecting stronger demand for wheat and coarse grains than anticipated earlier. At the forecast level, the volume of cereal imports would be 8 million tonnes, or nearly 4 percent above the previous year's revised level, with the expansion shared among a few developed countries and several of the developing countries, particularly those in the Low-Income Food-Deficit category. The forecast of global wheat imports has been revised upward by 1 million tonnes to 102 million tonnes, which would be 4.6 million tonnes, or 5 percent, more than in the previous year. Larger wheat imports are anticipated in several countries in Asia, Europe and North Africa. Global coarse grain imports in 1999/2000 are now forecast at 96 million tonnes, 1.5 million tonnes up from the September forecast and about 3.7 million tonnes above the previous year's volume. Similarly to wheat, larger coarse grain imports are expected in several countries in Asia, Europe and North Africa, as well as in some sub-Saharan countries in Africa. With regard to rice, world imports in 2000 are very tentatively forecast to remain close to the current year's level. Trade in 1999 is now forecast at 23.5 million tonnes, which is some 800 000 tonnes up since the last report but, nevertheless, 4 million tonnes below the previous year's record.

World **utilization** of cereals in 1999/2000 is forecast at 1 876 million tonnes, 10 million tonnes, or 0.5 percent up from the revised estimate for the previous year, and exceeding global production for the first time in four years. While food consumption of cereals is anticipated to continue to increase to keep pace with population growth, feed use of cereals is expected to decline for the second consecutive year, largely reflecting a continued contraction of the livestock sector in the Russian Federation.

International export **prices** of all major cereals have remained under downward pressure in recent weeks. By the third week of October, U.S. wheat No. 2 (Hard Red Winter, fob) was quoted at US\$112 per tonne, down US\$2 from August, and down US\$16 per tonne from a year ago, mainly reflecting good harvest results in the major producing countries. International maize prices weakened further as well, also under pressure from larger harvests among some of the major producers. During the third week of October, U.S. No 2 yellow maize was quoted at US\$67 per tonne, US\$5 per tonne down from August, and US\$33 per tonne below the price a year earlier. The FAO Rice Export Price Index (1982-84=100) averaged 109 points

during October, 7 points down from August and the lowest level in the past five years. Again, the arrival of new crop supplies on the market, and record crops in some cases, and limited import demand, are the main cause behind the price weakness for rice.

FAO's forecast for global cereal **stocks** for crop years ending in 2000 has been raised by 8 million tonnes since the last report to 331 million tonnes, with the change amplified by an upward revision to last year's ending stocks. However,

despite the latest revisions, world cereal stocks by the close of crop years ending in 2000 would be nearly 9 million tonnes, or 2.5 percent, below their opening levels, falling for the first time after successive build-ups during the past three years. As a result, the ratio of global cereal carryovers in 2000 to trend utilization in 2000/01 is expected to fall to 17.3 percent from the previous year's revised level of 18.1 percent but would, nevertheless, remain within the 17 to 18 percent range that the FAO Secretariat considers as the minimum necessary to safeguard world food security.

SPECIAL FEATURE

NUMBER OF FOOD EMERGENCIES IN 1998/99 INCREASES SHARPLY DUE TO CIVIL STRIFE, NATURAL DISASTERS AND ECONOMIC CRISES

Overview

Although there are indications that the number of undernourished people in the developing countries is on the decline, the number of countries facing food shortages world-wide, as 1999 comes to a close and the new millennium dawns, stands at 35, the highest since 1984 when a severe drought hit sub-Saharan Africa on a large scale. The major causes are war/civil strife, adverse weather and financial and economic crises, and the number of people facing food shortages of varying intensity is estimated at some 52 million. In Africa, large population groups face the spectre of famine largely on account of civil strife, while in Asia despite some improvement, millions are still affected by severe erosion of their purchasing power and access to food as a result of unprecedented financial and economic crises. Parts of Latin America, which were recovering from the devastation caused by hurricane "Mitch" last year, have seen their progress significantly slowed by excessive rains and floods in recent months. In addition, lingering effects of the El Niño/La Niña phenomena in 1997/98 compound the food supply difficulties in many parts of the world.

Since last year, there has been a shift in the regional distribution of populations affected by food supply difficulties, with the number in sub-Saharan Africa declining from around 21 million to 19 million, whilst in Asia the number has increased by 5 million to around 28.3 million, though this is partly due to a reclassification of 8 of the 12 Commonwealth of Independent States (CIS) into Asia (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan). In the Near East, the worst drought in decades early this year seriously reduced food production in several countries, particularly in Afghanistan, the Islamic Republic of Iran, Iraq, Jordan and Syria. In contrast, despite the severe floods in Mexico early in October, the number of people facing serious food shortages in Latin America has fallen sharply this year compared to last year when a number of countries in the region were seriously affected by El Niño-related floods and droughts.

Situation by Region

AFRICA

The food outlook in **eastern Africa** gives cause for concern mainly due to adverse weather. In Somalia, a combination of insufficient rains, pest outbreaks and an escalation of civil strife has resulted in severe food shortages for an estimated 1.2 million people, with some 400 000 facing death by starvation. In Ethiopia, about 7 million people, including 2 million affected by the failure of the 1999 first season (Belg) crop, need food assistance. In Eritrea, the food situation is tight for an estimated 550 000 people affected by the war with Ethiopia. In Uganda, a prolonged drought in the western parts has caused crop failures and severely affected livestock. Civil strife in parts continues to disrupt food production. In Tanzania, serious crop failures are reported in several regions. In Kenya, significant harvest shortfalls are forecast in several parts due to drought, and worsening nutritional conditions are reported in pastoral and agro-pastoral areas. In the Sudan, despite a satisfactory food supply situation in the north, some 2.4 million people in the south still depend on emergency food assistance due to the long-running civil conflict. In Burundi and Rwanda, inadequate rainfall affected the recently harvested crops, while food production in both countries continues to be disrupted by sporadic violence. In **western Africa**, the food outlook in Sierra Leone continues to be unfavourable due to persistent insecurity in the rural areas. In Guinea-Bissau, a large number of people face food difficulties in the current post-conflict period. In Liberia, although the overall food situation has improved since the end of the civil conflict, shortages of food for the displaced people in the northern region are reported. In **central Africa**, incessant civil strife in the Democratic Republic of Congo continues to displace large numbers of the rural population, while in the Republic of Congo intensified conflict in the capital city and its environs has displaced a large number of people. In **southern Africa**, the food situation in Angola, is catastrophic, with rising starvation-related deaths reported from various parts. The number of people in need of emergency food assistance is estimated at over 2 million. Elsewhere in southern Africa, a tightening of the food supply situation is anticipated in Botswana, Lesotho, Namibia and Zimbabwe, following two consecutive below-average harvests.

ASIA

In **Asia**, a major humanitarian catastrophe has rocked East Timor, following the referendum on 30 August in which the majority of East Timorese voted for independence from Indonesia. Thousands of people were killed and their property destroyed by militias opposed to independence and up to 400 000 were displaced by the violence or forcibly deported to West Timor. The Democratic Peoples Republic of Korea continues to be seriously affected by chronic food supply difficulties which stem from a combination of natural disasters (droughts and floods) since 1995 and economic constraints that have resulted in heavy reliance on large-scale international assistance. In Bangladesh, food assistance is being provided to victims of floods in July last year. In Indonesia, the effects of the 1997/98 severe economic crisis continue to be felt by large sections of the country's population. In Mongolia, dwindling domestic cereal supplies have resulted in a deterioration of the country's ability to feed its people.

In the **Near East**, the worst drought in decades has severely reduced food production in several countries. In Afghanistan, the 1999 cereal crop has been sharply reduced by low precipitation and an outbreak of pests, leading to a record cereal import requirement for 1999/2000. In Iraq, the drought has destroyed nearly half of the total cultivated area in 1999, while in Jordan the drought has resulted in the lowest recorded domestic cereal harvest, leaving some 180 000 small-scale herders and landless rural households in need of emergency food assistance. Similarly, the drought has severely affected crops and livestock in Syria, leaving thousands of herders in need of assistance.

Among the **CIS** countries in Asia, vulnerable populations in Armenia, Azerbaijan and Georgia continue to need humanitarian assistance. In Tajikistan, the poor cereal harvest in 1999 could exacerbate the plight of the poor and increase the already large number of vulnerable people.

LATIN AMERICA

In **Latin America and the Caribbean**, food assistance is being provided to Honduras and Nicaragua affected by Hurricane "Mitch", and to Haiti and Cuba earlier affected by hurricane "Georges".

EUROPE

In **Europe**, substantial food aid programmes are continuing for needy people throughout the Balkan countries, especially in the Kosovo Province of the Federal Republic of Yugoslavia. Particular attention is being paid to targeting remote areas which will likely become inaccessible during the

winter months. In Albania, food assistance continues to be provided to the remaining Kosovar refugees and host families. In Bosnia-Herzegovina, the economy has been negatively affected by civil strife in the region, and the country is hosting a considerable number of refugees. In The Former Yugoslav Republic of Macedonia, the collapse of trade with the Federal Republic of Yugoslavia has led to a deterioration in economic conditions and increased vulnerability to food insecurity. In the Russian Federation, a major humanitarian crisis has developed in the North Caucasus, where military action in Chechnya has led to the displacement of some 166 000 people, mainly to neighbouring Ingushetia. The small impoverished host Republic, (pop. 300 000) is unable to cope and has appealed for international assistance to provide food, shelter, heating and medical care. Some Chechen refugees have found shelter with the local population but many are living in the open despite the cold weather and the imminent winter.

Trends in Global Food Emergencies between 1984 and 1999

Over the last 15 years, there has been a discernible shift in the causes of food emergencies. Whereas man-made disasters such as civil wars accounted for only 10 percent of total food emergencies in 1984, by 1991 the proportion had increased to almost 30 percent. By 1994 they had risen to 49 percent and by late 1999 they constituted 53 percent (see Figure 1)^{1/}.

In general, due to increased international awareness largely because of developments in early warning technology in slow emerging disasters (e.g. drought) and rapid information dissemination, the world is now better prepared to deal with food emergencies than it was in the 1980's. For example, the 1991/92 drought in southern Africa, which devastated the sub-region's agricultural production and resulted in unprecedented high import requirement for food, did not cause loss of life, as timely and credible early warnings were heeded by the respective national governments and the international community at large. Effective coordination among countries of the sub-region and the UN System, as well as generous response by donors, averted the potential threat of famine. As a result of the experience of the 1991/92 crisis, the

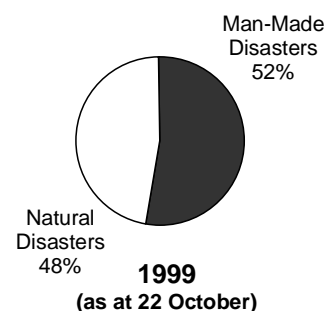
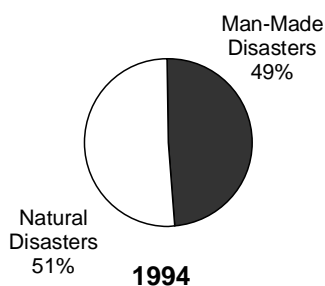
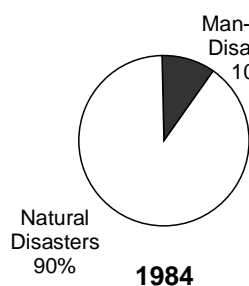
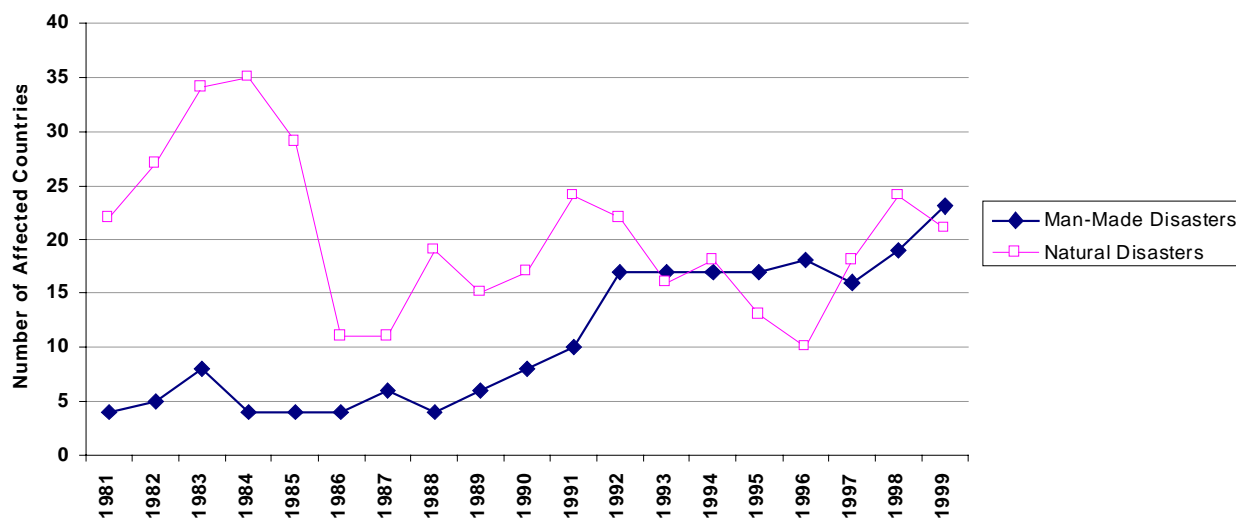
^{1/} A country is classified as facing food emergency when man-made and/or natural disasters result in exceptional shortfall in food supplies requiring external emergency food aid to cover fully or part of the deficit.

impact of the 1994/95 drought emergency in southern Africa was successfully neutralized with contingency

plans to assist the affected populations. Similarly, the impact of the 1997/98 severe floods and droughts associated with the El Niño/La Niña weather phenomena in several parts of the world was greatly cushioned by rapid international response. Nevertheless, it is more difficult to provide early warning of sudden natural disasters

(e.g. earthquakes), as well as man-made disasters (e.g. a sudden outbreak of civil conflict), and therefore the international ability to prepare adequate contingency plans for the resulting food emergencies is more limited. This limitation has been exacerbated since the 1994/95 season, when the food aid shipments have been consistently below the World Food Conference annual minimum target of 10 million tonnes.

**Figure 1: Trends in Causes of Food Emergencies^{2/}
1981 - 1999**



Despite some recovery in the past three seasons, the tight food aid situation largely reflects lower budgets in the donor countries and also possibly donor fatigue particularly for protracted food emergencies. It is also evident that donor response to appeals for resources needed for rapid rehabilitation of food production following disasters is increasingly diminishing, with contributions too little relative to needs. Yet, as a recent report from the International Peace Research Institute, Oslo

(PRIO) has concluded, "...the rehabilitation of agriculture is a central condition for development, reducing poverty, preventing environmental destruction – and for reducing violence"^{1/}.

^{1/} To Cultivate Peace – Agriculture in a World of Conflict, PRIO Report 1/99.

^{2/} Four countries are double-counted in the chart, implying simultaneous occurrence of natural and man-made disasters.

In order to cope with current and future food emergencies, there is urgent need for added emphasis by the low-income food-deficit countries, particularly those emerging from food emergencies, on agricultural rehabilitation, recovery and development through increased allocation of resources to agriculture. However, for most of these countries, this will be highly constrained by the crippling international debt burden. Thus, without substantial and sustained external economic assistance, food emergencies and chronic food insecurity will continue to afflict millions of people in the foreseeable future. An important part of the international assistance will need to be channelled through programmes aimed at achieving rapid and sustainable increases in food production and agricultural productivity, such as FAO's Special Programme for Food Security for Low-Income Food-Deficit Countries.

CURRENT PRODUCTION AND CROP PROSPECTS

POSITION BY REGION

Harvesting of the 1999 main-season **paddy** crops is proceeding in a number of countries in the Northern Hemisphere. Growing conditions have been generally favourable and record harvests are expected in some countries. In the Southern Hemisphere and around the equatorial belt, the 1999 paddy season is virtually complete and, in some cases, preparations for the 2000 season are already underway. Due to a combination of larger plantings and higher yields, production in several countries is estimated higher than last year's depressed level and, in some, paddy output has set all-time peaks. Based on crop estimates in the Southern Hemisphere and expectations of bumper harvests in several countries in the Northern Hemisphere, FAO is provisionally forecasting global paddy output in 1999 to reach 590 million tonnes, barring any unforeseen weather-related problems, well above the previous high of 578 million tonnes reached in 1997.

ASIA

FAO's latest estimate of the region's 1999 **wheat** output has been revised upward slightly to some 258 million tonnes, about 3 million tonnes up from last year, but still down on 1997's bumper crop of 266 million tonnes. For the region's 1999 **coarse grain** crop, the overall outlook remains satisfactory. Aggregate output is now estimated at 220.6 million tonnes, about 5 million tonnes down from the forecast in August and 2.5 million tonnes, down from last year. The latest revision mostly reflects reduced

estimates for China and India. Despite a few isolated cases of flooding in some countries, conditions have been generally favourable for the main **rice** crops in the region so far. Promising harvests are underway in many countries and the regional paddy output in 1999 is forecast to increase by about 10 million tonnes from the previous season to 535 million tonnes.

In the Far East countries of the region, **wheat** production in China is estimated at 112 million tonnes, slightly up from 1998, despite a serious drought last winter which affected the crop in several parts. Output in India in 1999 reached a record 73.5 million tonnes, 7.6 million tonnes above last year and over 4 million tonnes above the previous record in 1997. A record wheat crop of 1.9 million tonnes was also harvested in Bangladesh, around 5 percent up from last year. In Pakistan, latest information puts the 1999 wheat harvest at 18.2 million tonnes, up 200 000 tonnes from the forecast in the previous report. At this level, production would be about 500 000 tonnes less than last year, but still well up on the five year average. In many countries of the region, winter wheat sowing will commence soon for the **2000** harvest from April next year. The target for next year's harvest in India has been set at 74 million tonnes, similar to this year's record crop, while Pakistan is targeting for a 10 percent increase in output to 20 million tonnes.

With regards to **coarse grains**, aggregate production in China is now estimated at 145 million tonnes, 2 million tonnes down from the previous report but still some 3 million tonnes up on last year. In India, coarse grain production is now estimated at about 29 million tonnes, some 3.5 million tonnes down from the earlier forecast and about 2.5 million tonnes below last year. Crops have been affected by the erratic monsoon season which has led to excessive rainfall in some parts and drought conditions in others.

In China (Mainland), the aggregate **paddy** production for the 1999/2000 season is forecast at 195 million tonnes, 2 percent more than the flood-reduced crop last year. Gathering of the double early-rice (summer) crop, the first and smallest of the three crops, has been concluded and harvesting of the single-rice (autumn) crop is nearing completion. There are indications that output from the early-rice crop is slightly larger than last year's, despite a small drop in area, due to a reduction of the state purchasing prices for inferior quality grains, which include early rice. The harvest of the double late-rice (winter) crop is set to begin soon. In Viet Nam, harvesting of the summer-autumn crop, the last of three crops for the 1998/99 season, is virtually complete and output is estimated at 8.1 million tonnes, up from 7.5 million tonnes the

WORLD CEREAL PRODUCTION - FORECAST FOR 1999

	Wheat		Coarse grains		Rice (paddy)		Total	
	1998	1999	1998	1999	1998	1999	1998	1999
	(..... million tonnes)							
Asia	255.0	258.3	222.5	220.6	525.3	534.6	1 002.8	1 013.4
Africa	18.2	15.5	81.1	79.3	15.9	17.5	115.1	112.4
Central America	3.3	3.2	28.9	29.0	2.2	2.3	34.3	34.5
South America	16.0	17.8	62.9	59.1	17.0	21.2	95.9	98.1
North America	93.4	89.0	298.3	289.8	8.5	9.6	400.2	388.4
Europe	187.8	176.5	201.7	202.0	3.1	3.1	392.6	381.6
Oceania	21.3	22.2	9.5	8.7	1.4	1.4	32.2	32.3
WORLD	595.0	582.4	904.8	888.6	573.3	589.8	2 073.1	2 060.7
					(383) ^{1/}	(395) ^{1/}	(1 883) ^{2/}	(1 866) ^{2/}
Developing countries	276.8	276.9	384.0	376.9	548.3	563.2	1 209.2	1 217.0
Developed countries	318.2	305.4	520.8	511.7	25.0	26.5	864.0	843.7

SOURCE: FAO

1/ Rice in milled terms. 2/ Including rice in milled terms.

previous year, bringing the total for the season to a record 30 million tonnes. Collecting of the 10th-Month crop, the first of three crops for the 1999/2000 season, is ongoing while planting of the winter-spring crop is scheduled to start in November. Assuming good weather conditions, production for 1999/2000 is tentatively forecast to match the 1998/99 estimated record. Gathering of the main-season crop is in progress in the Philippines and, based on current reports, a good output is anticipated. Assuming favourable conditions for the rest of the season, the expectation is for an increase of 12 percent in the 1999/2000 paddy output to about 11.5 million tonnes, reflecting both a larger area and better growing conditions than in the previous year. In addition, farmers' increased use of high yielding varieties and an improved irrigation system are expected to contribute to the increase in this year's paddy production.

In Thailand, the heavy rains during July and August have had a minimal negative impact on rice crops. Harvesting of the 1999/2000 main-season crop is in progress and the Government is forecasting production of about 18.9 million tonnes of paddy, up 3 percent from the previous year. Overall, the country's 1999/2000 total production could reach 23 million tonnes, assuming an average output of about 4 million tonnes from the second crop. In Myanmar, gathering of the main-season crop is in progress and planting of the secondary crop is set to start next month. The 1999 paddy output is forecast at 17.5 million tonnes, close to last year's level. In Japan, the 1999 paddy season is coming to a close and output is estimated at 11.3

million tonnes, slightly up from last year. Although plantings were unchanged from last year at about 1.8 million hectares, notwithstanding the lowering of the support price, crops benefited from above-average growing conditions. In Cambodia, harvesting of the 1999/2000 wet-season crop is underway and planting of the dry-season crop is expected to start in November. Overall, the Government provisionally forecasts a 9 percent expansion in paddy output from last year to 3.8 million tonnes, due to a 7 percent increase in area and a slight improvement in yields. In the Democratic People's Republic of Korea, the 1999 paddy season was not as badly affected by a combination of drought and heavy rains as earlier expected. In addition, fertilizer use increased during the season, helped by increased foreign aid of fertilizers. Consequently, the 1999 paddy output is expected to be slightly better than last year's. Reports from the Republic of Korea indicate that the damage to rice crops from typhoons that hit some parts of the country during late July/early August was less than that of the previous year. The area planted to rice in 1999 was similar to the previous season at about 1.1 million hectares and, assuming slightly better yields than in 1998, paddy output is forecast at about 7.1 million tonnes.

In Bangladesh, there has been some localized flood-related damage to rice crops in a few districts but, overall, the impact was very minimal. Gathering of the Aus crop for the 1999/2000 season is complete and output is estimated at 1.8 million tonnes, 13 percent more than last year. Planting of the Aman (main season) crop has been completed and harvesting is expected to start in November. In

India, harvesting of the main season Kharif rice crop is underway and, owing to a combination of larger area and good growing conditions, the Government is expecting a record paddy output of about 113 million tonnes. Overall, the forecast for the country's 1999/2000 paddy production is tentatively put at a record 129 million tonnes. In Pakistan, harvesting of the paddy crop is proceeding and preliminary indications point towards yet another bumper crop, with output tentatively expected to expand by about 3 percent from last year to a record 7.3 million tonnes. In the Islamic Republic of Iran, gathering of the 1999 rice crop has been concluded, but the season was plagued by weather-related problems including what has been described as the worst drought in 30 years. Consequently, paddy output is estimated to have fallen by 18 percent from the previous season to 2.3 million tonnes.

In Indonesia, harvesting of the 1999 second-season crop is underway and planting of the 2000 main-season crop is set to start soon. Paddy output for the 1999 season is forecast at about 49.5 million tonnes, up by 300 000 tonnes from 1998. The increase is attributed to a 2 percent raise in yields which would more than offset a slight decline in area. In Sri Lanka, harvesting of the Yala (secondary) crop is ongoing and the Government is forecasting an output of about 980 000 tonnes. Overall, the 1999 total paddy output is forecast to expand marginally from the previous year to 2.7 million tonnes, falling short of the Government target of over 3 million tonnes.

In the Near East countries in Asia, reflecting low precipitation and an outbreak of pests, **wheat** production was sharply reduced in Afghanistan. Similarly, severe drought conditions have sharply reduced production in Iraq, Syria, Jordan and Turkey. In Saudi Arabia, the 1999 wheat crop is estimated at 1.5 million tonnes, about 17 percent below last year.

In the eight CIS countries in Asia, the 1999 **grain** (cereals and pulses) harvest is forecast to recover to 20 million tonnes, from 17 million tonnes last year. The 1999 **wheat** harvest is forecast to increase by 2 million tonnes, mainly reflecting better yields in Kazakhstan, but also in Turkmenistan, Uzbekistan and Georgia. Production of **coarse grains** is forecast at 3.4 million tonnes compared to 3 million tonnes in 1998. In Kazakhstan, the aggregate area sown to cereals declined to 11.3 million hectares, but dry, relatively warm weather has prolonged the harvesting window into October and the final area harvested may not be much less than last year's. Growing conditions have been mostly satisfactory and yields are nearly twice last year's reduced level. Indications are that the 1999 grain harvest could exceed 9.7 million tonnes, including 7.5 million tonnes of wheat (1998: 5.5

million tonnes). Turkmenistan achieved a record grain harvest of 1.5 million tonnes (mainly wheat) in response to better incentives, and increased use of imported high-grade seed and fertilizer on a smaller area (570 000 ha). In Uzbekistan, the 1999 winter grain harvest is officially reported to be 3.9 million tonnes and includes 3.7 million tonnes of wheat (1998: 3.6 million tonnes). In addition, the country produces maize and paddy in the summer and the aggregate grain harvest could reach 4.45 million tonnes, compared to last year's 4.3 million tonnes. In most of the other CIS countries in the region, however, the outlook is for lower grain harvests. In Kyrgyzstan, the trend to diversify out of grains has continued while hurricanes and hailstorms also damaged crops. Wheat production in 1999 is expected to be about 1.2 million tonnes, somewhat less than last year. In Tajikistan, latest reports indicate that the decline in the area sown was not as sharp as originally feared, but yields are reported to be very low. The 1999 grain harvest is likely to be a poor 430 000 tonnes, 70 000 tonnes less than last year. In the Caucasus, low grain prices in the face of cheap exports from the Russian Federation in the wake of the rouble devaluation in 1998 resulted in a reduction in the winter grain (mostly wheat) area sown and the outlook is for reduced crops in 1999 in Armenia and Azerbaijan. By contrast, in Georgia, good growing conditions have offset the area reduction and the aggregate grain harvest could increase by 10 percent to 880 000 tonnes and include 280 000 (1998: 200 000 tonnes) tonnes of wheat.

AFRICA

NORTHERN AFRICA: **Wheat** production in the sub-region is estimated at about 11.5 million tonnes, some 17 percent below the 1998 level. The major reduction occurred in Morocco where output fell to 2.1 million tonnes, about half of the 1998 level, as a result of inadequate rainfall and reduced plantings. In Algeria, output also dropped sharply, by 25 percent, to about 1.5 million tonnes. By contrast, in Tunisia, output increased by 3 percent to 1.4 million tonnes. The irrigated wheat crop in Egypt also rose and is estimated at 6.3 million tonnes, about 4 percent up from last year.

The **coarse grains** crop in the sub-region, which was also affected by unfavourable weather, is estimated at 9.1 million tonnes, about 15 percent below last year's level. This reflects reduced output in Algeria, Egypt and Morocco, while in Tunisia, production is expected to increase by about 30 percent.

In Egypt, harvesting of the 1999 **rice** crop is underway. Official estimates indicate that the area expanded by over 30 percent from the previous year

to 675 000 hectares, while reflecting favourable growing conditions and sufficient and timely availability of inputs, yields are expected to set a new record of over 8.8 tonnes per hectare. As a result, a 31 percent increase in paddy output to almost 6 million tonnes is anticipated.

WESTERN AFRICA: In western Africa, **coarse grains** are about to be harvested. In the Sahel, overall crop prospects are favourable following generally widespread and abundant rains since July. Normal to above-normal harvests are anticipated in most countries. However, high water levels in the Senegal and Niger rivers caused flooding, notably in Mauritania. Prospects for recession and off-season irrigated crops are good. A series of joint FAO/CILSS Crop Assessment Missions are scheduled in all the Sahelian countries in late October to estimate 1999 cereal production. In the coastal countries along the Gulf of Guinea, growing conditions have been generally favourable and output of the main crop which is currently being harvested is expected to be normal to above-normal. Torrential rains in late September and October caused localized floodings in some countries and might have affected the harvest of the main crops, notably in Nigeria. Production prospects are favourable in Liberia excepted in the Lofa county where insecurity in August and September disrupted agricultural activities. No recovery in production is expected in Sierra Leone, which will continue to rely heavily on humanitarian assistance to meet its consumption needs in 2000.

Harvesting of the 1999 **paddy** crop has started in some countries and is about to begin in others. Growing conditions have been generally favourable in several countries across the sub-region despite a few isolated weather-related problems, in addition to civil strife which continues to disrupt agricultural activities in some countries. Overall, the sub-region's paddy output is expected to increase slightly from last year to about 7.2 million tonnes. In Nigeria, the largest producer in the sub-region, the Government re-introduced a 25 percent subsidy for fertilizers which is expected to lead to increased use.

CENTRAL AFRICA: In central Africa, abundant rains benefited **coarse grains** in Cameroon and Central African Republic. Civil strife in the Republic of Congo and the Democratic Republic of Congo (DRC) has impeded normal agricultural and marketing activities. In eastern DRC, plantings for the A season are about to start.

EASTERN AFRICA: Prospects for the 1999 **wheat** crop are uncertain in Ethiopia reflecting delayed and poorly distributed rains in some major producing areas. In Kenya, where the harvest is underway, output is expected to be well-below average due to

drought. In Sudan, wheat output in 1999 is estimated at about 165 000 tonnes, 70 percent below the average for the last five years, due to reduced plantings, late sowing and high temperatures.

Harvesting of the 1999 **coarse grain** crops is about to start in northern areas of the sub-region, while it has been completed in southern parts. Preliminary forecasts indicate an overall reduction in output mainly due to drought, pests and civil conflict. In Somalia, despite some recovery from last year's sharply reduced harvest, the 1999 "Gu" output, is estimated at 136 000 tonnes, about 32 percent below the post-war average, due to drought and civil unrest. In Tanzania, the latest forecast puts coarse grains output at 3.2 million tonnes, about 4 percent below the five-year average due to erratic rains. In Uganda, the recently harvested first-season coarse grain crops were affected by prolonged drought in some areas and the aggregate output is estimated to be below last year's crop. In Kenya, the output of the maize crop, being harvested, is forecast to be below average due to drought and pest infestation in major producing areas. In Ethiopia, the 1998/99 secondary season "belg" crops harvested earlier this year failed due to drought and the outlook for the 1999/2000 main season "meher" crops, to be harvested from December/January, is uncertain due to the late start of rains which delayed land preparation and planting of long-cycle crops. In Eritrea, average to above-average rains during the season benefited developing crops in most producing areas of the country and prospects for the harvest are favourable. In the Sudan, despite some reported flooding, overall prospects for this year's coarse grains are favourable as a result of abundant rains during the season.

Paddy production in Eastern Africa is expected to decline from last year mostly due to insufficient rainfall. Rice harvesting is complete in Tanzania, the major rice producing country in the sub-region, and output for 1999 is provisionally estimated at about 800 000 tonnes, down by 20 percent from the previous year. In addition to erratic rains, reduced use of fertilizers contributed to lower yields.

SOUTHERN AFRICA: FAO's latest estimate of the sub-region's 1999 **coarse grain** output is 15.3 million tonnes, some 3 percent above last year but 7 percent below the average of the past five years. Favourable rains early in the growing season encouraged increased planting, but yields were affected by excessive rains in some areas and by prolonged dry spell in others. In South Africa, the largest producer of the sub-region maize output declined 8 percent from the already below-average level last year to 7 million tonnes. In Angola, maize output fell by 15 percent, in spite of favourable

growing conditions, due to disruption caused by the on-going civil conflict. In Swaziland maize output declined 18 percent from last year but remained about average. Although throughout the other countries of the sub-region coarse grain production increased from 1998, it remained at well below average levels in Zimbabwe, Zambia, Lesotho, Botswana, and Namibia. However, in Malawi and Mozambique record crops were obtained, leaving exportable surpluses in both countries.

The 1999 **wheat** crop harvest is underway in the sub-region. Early prospects are poor reflecting another reduced crop in South Africa, which accounts for about 80 percent of the sub-region's production. Latest official forecasts indicate an output of 1.5 million tonnes, almost unchanged from last year. By contrast, in Zimbabwe, output is forecast to rise due to increased plantings and yields.

The 1999 **paddy** season has been concluded in the sub-region and output in Madagascar, which accounts for over 90 percent of the sub-region's rice production, is estimated at about 2.6 million tonnes, up 8 percent from the previous year. Although rains were late to start at the beginning of the season, rainfall during the season was abundant and, unlike last year, losses due to the Malagasy Migratory Locusts were limited by control measures implemented during the latter part of 1998 and the beginning of 1999. In Mozambique, paddy output for the 1999 season is estimated at a new record of 214 000 tonnes compared to the previous record last year of 192 000 tonnes, a consequence of favourable growing conditions and a slight expansion in area.

CENTRAL AMERICA AND THE CARIBBEAN

States of alert or emergency have been declared in several Central American countries following storm rains and heavy flooding since mid-September. The situation is particularly grave in some localized parts which were severely affected last year by the passage of hurricane "Mitch". Despite a mass evacuation of people from the danger areas, an increasing number of casualties is reported, as well as substantial damage to housing and infrastructure. Moreover, although it is too early to assess the full extent of the damage, the incessant rains and floods have already affected plantations of important export crops, such as bananas and sugar cane, and could have some impact on the 1999 second season coarse grain crop. In the Caribbean, some of the Leeward Islands were affected by hurricane winds and rains in mid-

October, and damage to housing and infrastructure is reported.

The main **wheat** producing areas in the north-west of Mexico were not affected by the recent hurricane rains and planting of the 1999/2000 irrigated wheat crop has started. The area to be planted remains uncertain because, despite light rains from the tail end of recent hurricanes, water reservoir levels remain below-normal due to the preceding long dry spell.

Planting of the 1999/2000 second season **coarse grain** and bean crops, has been delayed in the sub-region as a direct consequence of the heavy rains. A preliminary assessment of damage to second-season plantings and to the recently harvested first-season crops has been conducted in some countries. Despite losses incurred, aggregate outputs of maize (both crops) are provisionally forecast to be near-average in Costa Rica, El Salvador, Guatemala and Nicaragua, while in Honduras, below-average outputs are expected. In Mexico, where harvesting of the important spring/summer maize crop had just started when the recent adverse weather struck, some localized cases of crop damage are reported, principally in the states of Puebla, Veracruz, Hidalgo and Tabasco, as well as in the important maize producing state of Chiapas. However, this is not expected to affect the overall 1999 production because the outlook is still favourable for the other major producing areas in the country. In the Caribbean, in the Dominican Republic and Haiti, average crops of cereals and other basic foods are expected, mainly reflecting favourable weather conditions and recovery programmes implemented by the Government following the adverse affects of last year's hurricane "Georges". In Cuba, above-normal rains in the last two months have partly replenished soil moisture deficits in several parts of the country caused by prolonged drought; however, deficits are still reported in the eastern parts which are likely to be aggravated with the onset of the dry season. Harvesting of the 1999/2000 first-season cereal crops is underway and early forecasts point to an average production.

SOUTH AMERICA

In Argentina, recent weather conditions have continued to favour the developing 1999/2000 **wheat** crop. Harvesting is due to start from mid-October and a slightly above-average output is provisionally forecast. In Brazil, generally dry weather in the main producing southern states has benefited harvesting operations and output is expected to be about average. In Paraguay and Uruguay, where harvesting has recently started, prospects are good and average to above-average outputs respectively are anticipated. In Chile,

planting of the 2000 crop is underway and increased plantings after last year's drought-affected area are expected. In the Andean countries, in Bolivia, harvesting of the 1999 second season winter wheat crop (planted April/May), mostly in the eastern Department of Santa Cruz, is underway. A below-average output is expected because of lower-than-normal yields so far, largely due to a dry spell at planting. In Peru, the bulk of the 1999 wheat harvest has been completed under generally dry weather and output for the year is provisionally estimated at a slightly-below average level, while in Ecuador, an average output has been gathered.

Planting of the 1999/2000 **coarse grain** crops in Argentina has started under generally dry conditions. Soil moisture, however, is reported to be adequate and the area planted to maize is expected to increase from last year's average, in response to attractive prices. Also in Brazil, planting of the maize crop continues under generally dry weather, but favourable soil moisture conditions. Plantings are forecast to increase from 1998/99, mainly in anticipation of some improvement in local maize prices. In Chile, sowing of the 1999/2000 maize crop has started under generally dry conditions. Assuming normal rains resume, plantings are expected to increase considerably from last year when the crops were severely affected by drought. In the Andean countries, in Bolivia, planting of the 1999/2000 first-season maize crop has just started in some parts of the country under generally dry conditions. In Peru, planting of the 1999/2000 white and yellow maize crops are well underway, while harvesting of the 1999 crops has been virtually completed. A slightly above-average output is provisionally estimated. In Colombia, normal to abundant rains since September have benefited the development of the 1999/2000 first-season cereal crops. Harvesting is underway and although a decline in maize output from last year is anticipated, production would still be about average. In Venezuela, storm rains and flooding in various states have affected crops. Harvesting of the 1999 maize and sorghum crops has been completed and, despite the damage incurred, near-average outputs are estimated.

Harvesting of the 1999 **paddy** crop is complete in the sub-region and paddy output is estimated at 21 million tonnes, 25 percent above last year's crop that was affected by El Niño-related weather problems. Planting of the 2000 paddy crop has begun in some countries, but information on farmers' planting intentions is still lacking.

NORTH AMERICA

In the United States, the October USDA crop report put the 1999 aggregate **wheat** (winter and spring) output at 63.1 million tonnes, 9 percent down

from 1998 and slightly below the average of the past five years. Planting of winter wheat for harvest next year is well underway and progressing just ahead of the normal pace aided by favourably dry weather in most of the Great Plains in late September and early October. However, some areas are reported to be in need of more moisture to germinate recently planted fields. As of 12 October, about 70 percent of the expected total winter wheat area had been planted, compared to 56 percent a year earlier and a five-year average of 64 percent. At the same date, 39 percent of the winter wheat crop had emerged, compared to 23 percent at the same time last year and the five-year average of 38 percent. With regard to the final area to be sown to wheat this autumn, there remains considerable uncertainty. With current new crop prices (futures prices) for wheat lower than those at the same time last year, there is little incentive for farmers to increase plantings and they may continue the shift towards alternative crops in search of better returns. In Canada, the wheat harvest was well advanced as of early October, although slightly behind the average rate. Late seeding, slow crop development resulting from a cool, damp, growing season, and harvest delays because of adverse weather have all contributed to the slower than normal harvest progress this autumn. Good quality is reported for the early-seeded crops but some frost damage is expected to lead to downgrading of the later-seeded crops. The latest official forecast in early October put 1999 wheat output at some 25.9 million tonnes, slightly up from pre-harvest forecasts due to better than expected yields. At the forecast level, output would be some 7 percent up from last year but about 5 percent below the 10-year average.

The outlook for the United States 1999 **coarse grain** crop remains generally satisfactory. The USDA's October forecast put aggregate coarse grain production at 264 million tonnes, about 8 million tonnes below last year's output. Maize is expected to account for most of the reduction, with production forecast to drop by about 8 million tonnes to some 240 million tonnes, while some reductions in the barley, oats and rye crops are also forecast. However, by contrast, a larger sorghum crop is in prospect. By 12 October, virtually the entire maize crop was reported to be mature, and the overall rate of harvesting was well ahead of the average for the past five years. In Canada, aggregate coarse grain production is expected to decrease in 1999 to 25.6 million tonnes, 3 percent down from last year but 6 percent higher than the 10-year average.

In the United States, harvesting of the 1999 **paddy** crop is well advanced and by the beginning of October about 80 percent of the crop had been gathered. The forecast of total paddy output in 1999 has been adjusted downward by about 100 000

tonnes from the previous report to 9.6 million tonnes, based on latest information of slightly lower yields and harvested area than had been expected. However, the prospective output would still be a record.

EUROPE

FAO's latest estimates put the region's aggregate 1999 **cereal** output at nearly 382 million tonnes, 3 percent down from last year. Output of **wheat** is estimated at some 176 million tonnes, about 6 percent less than in 1998, while production of coarse grains is seen virtually unchanged at 202 million tonnes. The region's small **paddy** crop is estimated at 3.1 million tonnes.

FAO's latest forecast puts aggregate 1999 cereal production in the EC at almost 202 million tonnes, some 4 percent down from last year but above the average of the past 5 years. The decline in output is largely a result of reduced area due to a 5 percent increase in the compulsory set-aside requirements and adverse weather. Wheat output is now estimated at 97.6 million tonnes, 5 percent down from 1998. The bulk of the reduction occurred in France, where output is estimated to be down by about 3 million tonnes from 1998 at 37 million tonnes. Other significant reductions among the EC's major producers are reported in Denmark, Spain and Germany. Aggregate output of coarse grains is now forecast at 101.6 million tonnes, 4 percent down from last year. In the EC, harvesting of the 1999 paddy crop is in progress and the expectation is for output to be close to last year's official estimate of about 2.6 million tonnes.

In Albania, 1999 cereal output is estimated to have fallen to about 0.5 million tonnes (including 0.3 million tonnes of wheat). Adverse weather affected the autumn wheat planting and farmers' preference away from traditional cereals towards more lucrative cash crops continues to limit cereal area. In Bosnia Herzegovina, the current outlook is for both wheat and coarse grain production to remain stable at about 200 000 tonnes and 900 000 tonnes respectively. In Bulgaria, wheat output has fallen well below average in 1999 to an estimated 2.6 million tonnes due to smaller plantings and reduced fertilizer applications. Furthermore, widespread disease and pest infestations this year are expected to render a large proportion of the crop unfit for food use. Maize output is also estimated down somewhat in 1999, at about 1.5 million tonnes, due to reduced plantings and hot dry weather this summer, which affected yields. In Croatia the 1999 wheat harvest has roughly halved and both the area and yield of coarse grains also fell reflecting mainly economic problems and excessive rains. In the Czech Republic, aggregate cereal output in 1999 is estimated at 6.9 million tonnes, slightly up from last

year with better yields more than offsetting a reduction in area. Of the total, wheat is estimated to account for just over 4 million tonnes.

In the Federal Republic of Yugoslavia, (Serbia and Montenegro), the 1999 wheat harvest reached only 2.2 million tonnes, some 27 percent less than output in 1998. Despite disruptions caused by the conflict this year and shortages of fuel and spare parts, official indications are that the spring grain area increased and coarse grain production is forecast at 6.5 million tonnes. In Hungary, latest estimates put this year's wheat output as low as 2.6 million tonnes, almost half that of 1998 due to sharply reduced plantings and severe rains and flooding. By contrast, coarse grain output is estimated to be up slightly reflecting a larger maize crop which more than offset reduced output of the other coarse grains. In Poland, the 1999 cereal output is estimated at about 26.5 million tonnes, somewhat below last year's bumper level but above the average of the past five years. In Romania, the 1999 cereal harvest is estimated at about 16.5 million tonnes. The wheat harvest is now forecast at only 4.6 million tonnes, compared to 5.2 million tonnes in the previous year, due to smaller plantings and also reflecting crop damage due to floods and torrential rains in the summer. By contrast, the summer maize crop is expected to recover to about 10.5 million tonnes from last year's low level.

In the Slovak Republic, cereal production in 1999 is estimated at some 3.3 million tonnes, just below last year and slightly below the average of the past five years. A sharp reduction in wheat output to about 1.2 million tonnes has been only partially offset by a larger coarse grains crop (mostly barley and maize). In Slovenia, the 1999 cereal output is estimated at about 500 000 tonnes (including 155 000 tonnes of wheat), 15 percent below last year's good crop and below the average of the past five years. The winter wheat area fell and adverse summer weather is reported to have affected yields. In The Former Yugoslav Republic of Macedonia, cereal production in 1999 is estimated to be slightly above last year's crop at about 770 000 tonnes (including 380 000 tonnes of wheat).

In the Baltic countries, low grain prices have depressed the areas sown to grains and input use. Aggregate grain output is forecast to fall to 3.7 million tonnes from 4.5 million tonnes in 1998. The aggregate area sown to wheat fell by 16 percent, and the 1999 harvest is forecast at 1.2 million tonnes of wheat (1998: 1.6 million tonnes). All three countries have lower output, but the reduction is most marked in Lithuania where the 1999-grain harvest is officially put at 2.1 million tonnes, compared to 2.7 million tonnes last year.

In the CIS countries west of the Ural Mountains, latest indications are that the 1999 grain (cereal and pulse) harvest may be only marginally larger than last year's drought reduced output. With harvesting of grains other than maize nearing completion, FAO forecasts the aggregate output of grains in Belarus, Moldova, the Russian Federation and Ukraine at 92.5 million tonnes only 2.5 million tonnes more than output in 1998. Aggregate production of wheat in these four countries is forecast at 48.4 million tonnes, virtually unchanged from last year's drought reduced output of 48.8 million tonnes. With maize harvesting not yet completed, the aggregate production of coarse grains is tentatively forecast at 41.5 million tonnes, some 2.7 million tonnes more than in 1998. In Belarus, economic problems, spring frost and summer dryness reduced the 1999 grain harvest to 3.7 million tonnes, a record low (1998: 4.9 million tonnes). In Moldova, indications are that the 1999 aggregate grain harvest could fall to 2.1 million tonnes (1998: 2.5 million tonnes); output of wheat is officially put at only 800 000 tonnes (1998: 1.0 million tonnes); while the coarse grain harvest may only reach 1.2 million tonnes (1998: 1.4 million tonnes). In the Russian Federation, where harvesting in Siberia has been delayed by poor weather and machinery shortages, FAO provisionally forecasts the aggregate output of grains at 59 million tonnes, some 5 million tonnes more than last year's crop of 54 million tonnes. Better average yields have offset a 12 percent decline in the area sown to wheat and output is forecast at 31 million tonnes, 1 million tonnes more than last year's. Output of coarse grains is tentatively forecast to increase by 4 million tonnes to 26 million tonnes. In Ukraine, the 1999 grain harvest is likely to remain fairly close to last year's, estimated by FAO at 29 million tonnes. Crop yields were adversely affected by inadequate use of fertilizers and pesticides, as well as dry conditions during the autumn, frost damage in May and hot dry weather in some areas in June/July. Output of wheat is forecast by FAO to fall by 1 million tonnes to 16 million tonnes, while that of coarse grains could increase marginally, but the outcome will depend on the maize harvest.

OCEANIA

Latest information confirms that another bumper **wheat** harvest is in prospect in Australia. Timely rainfall in early October in most of the eastern states' wheat areas boosted the yield potential of the crops which were already in good condition. The latest official forecast puts the 1999 wheat crop at 21.9 million tonnes, about 4 percent up from last year and well above the average of the past 5 years. The recent rains also benefited the

winter **coarse grain** crops (mostly barley and oats). However, reflecting reduced plantings of barley and oats, and despite good summer coarse grain crops of sorghum and maize harvested earlier this year, aggregate coarse grains production in 1999 is expected to decline somewhat to about 8.1 million tonnes compared to 8.9 million tonnes in 1998. In Australia, preparations for the 2000 **paddy** season are underway and output is officially forecast at 1.3 million tonnes from an area of about 150 000 hectares. However, the final outcome will largely depend on the availability of irrigation water in New South Wales where most of the rice is produced.

TRADE^{1/}

Higher demand could lead to 4 percent growth in world cereal imports in 1999/2000

Since the previous report the forecast for world **cereal** trade in 1999/2000 has been raised further by 3 million tonnes, to 221 million tonnes, mainly reflecting stronger demand for wheat and coarse grains than anticipated earlier. At the forecast level, world imports of cereals would exceed the previous year's volume by 8 million tonnes, or nearly 4 percent. The anticipated expansion in world cereal imports is shared equally between the developed and the developing countries. However, among the developed countries, the bulk of this year's increase in cereal imports is likely to be concentrated in only a few nations while in the developing countries, and in particular those in the Low-Income Food-Deficit category, the rise in imports would be shared by several countries. With regard to the outlook for individual cereals, the anticipated expansion in world cereal trade would reflect higher import demand for most cereals, with the exception of rice.

International trade in **wheat** and wheat flour (in grain equivalent) in 1999/2000 (July/June) is put at 102 million tonnes, up 1 million tonnes from the September report and 4.6 million tonnes, or 5 percent, more than in the previous year, mostly reflecting increased imports by several countries in Asia, Europe and North Africa.

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

OVERVIEW OF WORLD CEREAL IMPORTS - FORECAST FOR 1999/2000

	Wheat		Coarse grains		Rice (milled)		Total	
	1998/99	1999/2000	1998/99	1999/2000	1999	2000	1998/99	1999/2000
	(..... million tonnes)							
Asia	45.8	48.3	52.7	53.7	13.5	12.8	112.1	114.8
Africa	22.2	23.1	11.6	13.4	4.8	5.0	38.5	41.5
Central America	5.6	5.7	11.6	11.6	1.4	1.5	18.6	18.9
South America	12.1	11.7	7.0	6.5	1.4	1.6	20.6	19.9
North America	2.9	2.7	3.2	3.5	0.6	0.6	6.7	6.8
Europe	8.2	10.0	6.2	7.2	1.4	1.4	15.8	18.6
Oceania	0.4	0.5	0.1	0.1	0.3	0.3	0.9	0.8
WORLD	97.4	102.0	92.3	96.0	23.5	23.3 1/	213.2	221.3
Developing countries	75.6	78.4	60.6	62.3	20.1	19.8	156.3	160.5
Developed countries	21.8	23.6	31.7	33.7	3.4	3.5	56.9	60.9

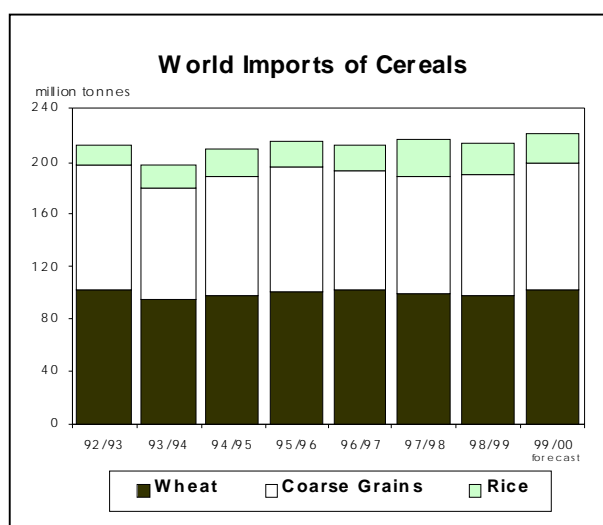
SOURCE: FAO

1/ Highly tentative.

In **Asia**, total wheat imports could rise by over 2.5 million tonnes from the previous year, due to larger import demand in several drought-affected countries, most notably the Islamic Republic of Iran. Increased imports are also forecast for Pakistan, although following the recent political developments in that country, the final outcome is uncertain. Also China (Mainland) is expected to return to the international market and purchase more wheat than last year's reduced volume. In the Philippines, with stronger demand from the milling sector, imports are forecast to rise slightly. By contrast, because of low maize prices, the Republic of Korea is expected to purchase more maize and reduce the portion of its wheat imports that are normally destined for animal feed. Lower imports are also anticipated in Bangladesh and India, following bumper crops. Imports by Indonesia are also forecast to decline, mostly due to domestic economic conditions and the balance-of-payments constraints.

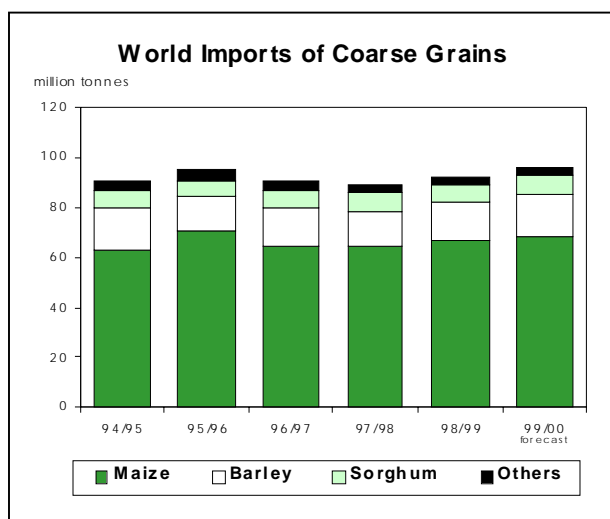
In **Africa**, total wheat imports in 1999/2000 are now put at 23 million tonnes, up slightly since the September report, and nearly 1 million tonnes above the previous year. As in most years, imports by the countries in North Africa would account for about 70 percent of the total. This year, imports by Morocco are expected to increase by about 700 000 tonnes, to 2.8 million tonnes, following a sharp decline in production due to drought. Algeria is also expected to import slightly more, while imports by Egypt, the world's largest wheat importer, are likely to remain close to the previous year's volume of around 7 million tonnes. Imports into most countries in the sub-Saharan region would be similar to the previous year. However, imports by South Africa are forecast to double to 1 million tonnes, following two consecutive years of poor crops.

Aggregate wheat imports into **Europe** are forecast at 10 million tonnes, up 1.8 million tonne from the previous year. Several countries are forecast to raise their imports this year, including Albania, Croatia, Slovakia and the Russian Federation. Imports by the Russian Federation are put at 3.5 million tonnes, up 1.4 million tonnes from the previous year, although the final outcome will depend greatly on the eventual food aid and/or concessional trade arrangements with the EC and the United States. In **Latin American and the Caribbean**, aggregate wheat imports are put at about 17.4 million tonnes, slightly below the previous year's estimated volume. However, imports by nearly all other countries in the region are likely to remain similar to their 1998/99 volumes. The only major exception would be Brazil, where imports could fall slightly because of larger carryovers and good crops.



With regard to wheat export prospects, given this year's higher world demand and lower export availabilities in several smaller exporting countries, including Hungary, Romania, the Syrian Arab Republic, Turkey and Ukraine, a sharp rise is forecast for exports from the five traditional major exporters. Total exports by the major exporters in 1999/2000 (July/June) are currently put at 91.3 million tonnes, up 10 million tonnes, or 12 percent, from the previous year's volume. The main beneficiaries are likely to be Canada (up 4.6 million tonnes), the EC (up 2.3 million tonnes) and the United States (up 3 million tonnes), while exports by Argentina and Australia are expected to remain nearly unchanged from the previous year.

The forecast for global trade in **coarse grains** in 1999/2000 (July/June) has been raised to 96 million tonnes, up 1.5 million tonnes from the previous forecast and 3.7 million tonnes above last year's estimated import volume. The latest upward revision mostly concerns countries in Africa and South America. With regard to individual types of coarse grain, this year's expected rise in trade is seen mostly in maize, barley and sorghum. World trade in maize is currently put at 69 million tonnes, some 2 million tonnes above the previous year and highest since 1995/96. World barley imports are forecast to expand by over 1 million tonnes, to 17 million tonnes, which would be the largest volume since 1994/95. Sorghum imports are put at 7 million tonnes, close to the volume registered in 1997/98 and 400 000 tonnes above the previous year. Among the other coarse grains, a small reduction is expected in rye imports while oats and millet imports are unlikely to vary much from the previous year.



Aggregate imports into **Asia** are expected to reach around 54 million tonnes, some 1 million tonnes more than in the previous year. The largest increase is expected in the Republic of Korea, where this year's maize imports could increase at the expense of smaller wheat purchases, reflecting

a more favourable maize price outlook on international markets. Imports of coarse grains (mostly barley and maize) by the Islamic Republic of Iran are also forecast to rise significantly as a result of drought. In **Africa**, imports are forecast to exceed 13 million tonnes, nearly 2 million tonnes more than in the previous year. Imports of barley and maize by most countries in North Africa are expected to remain close to the previous year's volumes. However, in the sub-Saharan region, total imports (mostly maize) could exceed 5 million tonnes, some 1.5 million tonnes more than in the previous year following this year's poor harvests in several countries.

In **Europe**, total coarse grains imports could surpass 7 million tonnes, 1 million tonnes more than in the previous year. The largest increase is expected in the Russian Federation (up 800 000 tonnes), while imports by several other countries, including Poland, Romania and Slovenia, are also forecast to increase due to a reduction in domestic production. In **Central America**, Mexico, the region's largest importer, is expected to increase its sorghum purchases, but reduce slightly its maize imports. In **South America**, the forecast for Brazil's imports has been raised this month to 1.3 million tonnes, up 400 000 tonnes from the previous report, but still slightly below the previous year. The latest upward revision mostly reflects expectation of faster increase in domestic feed use. Good maize crops are likely to result in lower imports in several other countries in South America.

Turning to exports, aggregate coarse grains shipments from the five major exporters in 1999/2000 (July/June) are forecast at around 81 million tonnes, similar to the previous year's estimated volume. Among the major exporters, shipments by Argentina could rise most (by about 700 000 tonnes), followed by the EC (400 000 tonnes) and the United States (200 000 tonnes). By contrast, exports from Canada are likely to remain at last year's level, while a decline is expected in barley shipments from Australia, of about 1.5 million tonnes. With the total volume of exports from the five major exporters remaining unchanged from the previous year, the rise in this year's world import demand is expected to be met mostly by larger exports from China, given this year's good crops and large stocks. By contrast, supplies from a number of other smaller exporting countries, such as Turkey and the Republic of South Africa, are expected to be limited due to lower domestic production.

Although the volume of international **rice** trade in 1999 (January/December) is not expected to reach the record established last year, it is likely to be larger than earlier anticipated. Based on import purchases and/or commitments to date by

some of the major importing countries, the forecast for global rice trade in 1999 has been increased by 800 000 tonnes from the last report to about 23.5 million tonnes, but still 4 million tonnes less than last year's volume.

The forecast of imports by Bangladesh has been adjusted upward by 300 000 tonnes from the September report to 1.8 million tonnes, based on actual shipments to date. However, total imports in 1999 are expected to be less than the 2.5 million tonnes of the previous year because of a recovery in domestic production. Imports by the Islamic Republic of Iran are now forecast at 900 000 tonnes, 100 000 tonnes up from earlier expectations due to poorer production prospects. It is reported that the country is seeking another Government-to-Government deal with Thailand for an additional 300 000 tonnes of rice for delivery during late-1999/early-2000. The forecast of Nigeria's imports has also been increased, by 200 000 tonnes, to 850 000 tonnes based on continued strong purchases of parboiled rice, particularly from Thailand. Purchases by Brazil, Singapore, and Iraq were also raised by about 300 000 tonnes, in total. By contrast, shipments to China (Mainland), mostly of high quality rice from Thailand, are now forecast at 150 000 tonnes, 50 000 tonnes down from the previous report, reflecting slower than expected imports to date. In Indonesia, the world's largest rice importer, the Government changed its rice trade policy and banned private sector imports of lower quality rice grades, a move that is expected to greatly restrain imports. The forecast of Indonesia's imports in 1999 is unchanged at 3.5 million tonnes, which is about 40 percent down from 1998. Recent official reports indicate that the country aims to reduce, or possibly eliminate, rice import needs by the year 2001 through increasing rice production and encouraging consumption of alternative foodstuffs rich in carbohydrates. Total rice imports into the EC in 1999 are forecast to be close to last year's estimate of about 600 000 tonnes.

On the export side, the forecast for rice shipments out of China (Mainland) has been raised by 250 000 tonnes from the previous report to about 2 million tonnes. Official sources indicate that approximately 1.6 million tonnes of rice were already exported during the first eight months of 1999. The forecast of exports from Viet Nam has been adjusted upward by 300 000 tonnes to a record of 4.3 million tonnes, which is in line with the Government's revised target for 1999. Total exports for the first 9 months of the year are estimated at slightly more than 3.8 million tonnes, surpassing the volume shipped in the whole of 1998. The forecast of expected shipments from Thailand, the world's leading rice exporter, has been increased by 200 000 tonnes from the previous report to 5.7 million tonnes, which would be about 700 000

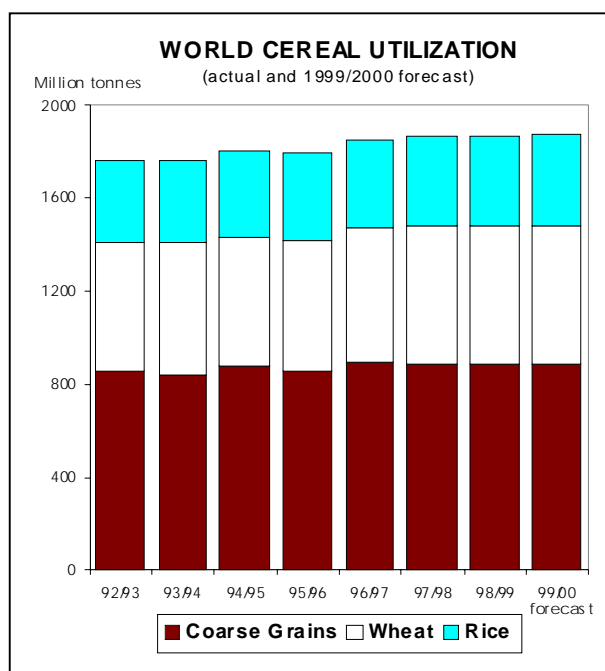
tonnes below last year's record. During the first nine months of the year the country shipped about 4.7 million tonnes of rice, for a monthly average of about 520 000 tonnes. For the rest of the year, monthly shipments would need to average about 300 000 tonnes in order to reach the forecast export volume. In Argentina, rice exporters continue the search for markets to absorb some of the country's excess supplies after a record harvest, since Brazil, its traditional customer and Mercosur partner, is likely to import less following increased domestic production. It is reported that, in an effort to help farmers deal with the resulting lower prices, Argentina's Provincial Governments have introduced plans to reduce interest costs on loans.

Global rice trade for the year 2000 is tentatively forecast to be close to the volume expected in 1999, assuming no major supply and/or demand shocks. The major players are expected to be the same, with Thailand, Viet Nam and the United States leading the way on the export side, while Indonesia, Bangladesh, the Philippines and Brazil will likely be the leading importers.

UTILIZATION

Demand for feed grains remained sluggish in 1998/99

Total cereal utilization in 1998/99 increased only slightly above that of the previous season to 1 866 million tonnes. At this level, total cereal utilization would be slightly below its long-term trend, after being above trend for the previous two seasons. The volume of cereals used for food consumption rose by about 2 percent, while global feed usage was down slightly from the previous



season. All of the increase in total utilization is estimated to have occurred in the developing countries.

Overall, the growth in world **food consumption** slightly exceeded the rise in population, resulting in a small increase in per caput food consumption of cereals in 1998/99. The increase is estimated to have occurred primarily among the developing countries and the republics of the CIS, in particular the Russian Federation where less expensive grain products, such as bread, were substituted for more expensive and, in many cases, imported foods, the prices of which rose due to the devaluation of the Rouble. Above average 1998 crops in many parts of Africa and bumper crops in some Asian countries, especially in China, India and Pakistan, contributed to the rise in food consumption of cereals among the developing countries.

PER CAPUT FOOD CONSUMPTION OF CEREALS

	1997/98	1998/99	1999/2000 f'cast
	(. kg. per head)		
Developing countries	171.5	172.4	172.1
Developed countries	129.5	129.9	130.0
TOTAL	162.1	163.1	163.0
Low-income food-deficit countries (exclud. China and India)	177.7	178.9	178.6
Wheat	70.6	70.7	70.9
Coarse grains	32.4	33.0	32.5
Rice (milled)	59.2	59.4	59.6

SOURCE: FAO

Despite a continuing decline in grain prices during the 1998/99 season, which normally would stimulate demand, world **feed utilization** of cereals is estimated to have declined moderately. Total cereal feed use in 1998/99 stood at 656 million tonnes, roughly 1 percent below the previous year's level. The slow growth in feed use is partly attributed to the slowing down of the economies in Asia, which hampered consumer spending on livestock products and, thus, reduced feed demand (see box on page 21). In addition, aggregate feed use in the developed countries also declined, mostly on account of a continuing contraction in the livestock sectors among the emerging economies of eastern Europe and the CIS. In the Russian Federation, the use of grain for feed was cut sharply due to the country's slow economic growth and the sharp fall in domestic grain production in 1998. By contrast, in the EC ample grain supplies and low domestic

prices tended to boost feed use of grains in several countries to reach a record level for the Community as a whole in 1998/99. Total grain feed use in the United States remained virtually unchanged from the previous season, as higher maize and wheat feeding offset smaller feed use of other grains.

WORLD CEREAL UTILIZATION BY USE

	1997/98	1998/99	1999/2000 f'cast
	(. million tonnes)		
Total utilization			
World	1 865	1 866	1 876
Developing countries	1 110	1 128	1 142
Developed countries	755	739	734
Food consumption ^{1/}			
World	946	964	976
Developing countries	778	795	806
Developed countries	168	169	170
Feed use			
World	664	656	648
Developing countries	223	224	227
Developed countries	441	432	422
Other uses ^{2/}			
World	255	246	252
Developing countries	109	109	110
Developed countries	146	138	143

SOURCE: FAO

Note: Total computed from unrounded data.

1/ For direct human consumption.

2/ Other uses include seed, industrial uses and post harvest losses.

Total cereal feed use in the developing countries in 1998/99 was largely unchanged from the previous year due to weaker demand for feed in countries hardest hit by the financial crisis, such as Indonesia, the Republic of Korea and Malaysia. In China, which had experienced strong gains in feed use recently, there was a recovery in 1998/99, caused in part by above-average domestic supplies. Elsewhere, the feed use of grains fell in Brazil primarily as a result of a smaller maize harvest in 1998.

Other uses of cereals, comprising post harvest losses, seeds and industrial uses, have declined since the peak in 1997/98, in spite of a steady growth in industrial uses of cereals in some major grain producing countries.

Several factors contributed to recent changes in feed grain utilization in selected Asian countries:

Developments in the global cereals market during the past two seasons have been influenced, in part, by the events in the financial crisis facing many Asian countries beginning in mid-1997. The main consequences of the financial crisis were devaluation of local currencies, rising inflation, higher interest rates and, eventually, slower economic growth, which were especially felt strongly in Indonesia, the Republic of Korea, Malaysia, the Philippines and Thailand. Of particular interest for the cereals market in those countries was the impact of these changes on coarse grains demand, originating from reduced demand for livestock products which are relatively sensitive to price and income changes. Coarse grains represent 80-85 percent of all cereals fed in the five Asian countries.

Lower, or even in some cases negative, income growth and higher prices as a result of currency devaluation contributed to the decline in feed use of coarse grains in the five countries. After rising for several years prior to the 1995/96 grain price spike, the aggregate use of coarse grains for feed trended downward from a 1995/96 high of 20.6 million tonnes to a low of 17.6 million tonnes in 1998/99. There is some evidence to suggest that another factor may have also contributed to reduced coarse grain feed demand during this period, especially in the Republic of Korea, which is the largest user and importer of grains among the five countries. This was the change observed in the relative prices of wheat and coarse grains. Based on average annual US Gulf Port fob prices, the international price of wheat relative to maize fell by 7 percent between 1996/97 and 1998/99^{1/}, affecting the mix of grains used for feed in the Republic of Korea; compared to 1995/96, average wheat feed usage rose by some 900 000 tonnes in the 1996/97-1998/99 period, while coarse grain feed use declined by 1.6 million tonnes.

There were, however, other factors that may have mitigated, to some extent, the negative impacts on coarse grain utilization resulting from the financial crisis in these countries. In Indonesia, for example, the Government applied an exchange rate for the import of maize and other feed ingredients in early 1998 that was lower than the free market rate in order to ease the financial burden on the livestock industry. This action, along with special loans to the poultry sector, helped to maintain imports at levels that may have been lower without government intervention. Thailand's maize imports were also maintained and increased substantially in 1997/98 because of the strong demand for poultry exports which gained a price advantage from the devaluation of the Baht. In the Republic of Korea, import tariffs were eliminated on maize and wheat used for feed beginning in July 1998. In the Philippines, the tariff on wheat used for feed was lowered in 1998 in accordance with a tariff reduction scheme initiated in 1996. Finally, some of the major grain exporting developed countries increased their offers of export credits during the 1997/98 season to encourage purchases of both food and feed grains.

^{1/} The measure of relative prices is based on US No 2 wheat, which is food quality. Wheat used for feed is not standardized and therefore does not have a quoted international price, but is priced below No2 and is assumed to also have fallen relative to maize prices.

Global cereal utilization could expand in 1999/2000 but demand for feed will remain weak

World cereal utilization is forecast to increase by 1 percent in 1999/2000 to 1 876 million tonnes, exceeding global production for the first time in four years. Overall, food consumption of cereals is expected to keep pace with population growth while the total volume of cereals destined for animal feed is expected to decline for the second consecutive year. All of the forecast increase in total cereal utilization is anticipated in the developing countries, mostly for food, while total utilization in the developed countries continues to decline due to weak feed demand.

The bulk of the decrease in feed use of cereals in 1999/2000 is anticipated in the developed countries, mainly due to a further contraction in demand for livestock products in the Russian Federation. For the ninth consecutive year the livestock sector is anticipated to contract, caused in part by the inclusion of bovine meat in the food aid package to the Russian Federation, leading to reduced use of grain for feed. Among the other major grain producers, feed use in Canada is expected to be unchanged from last season due to stable livestock numbers. Unlike last season, feed use in the EC could drop below the revised 1998/99 record level, in part because of cheaper alternative non-grain feeds. As for the United States, the

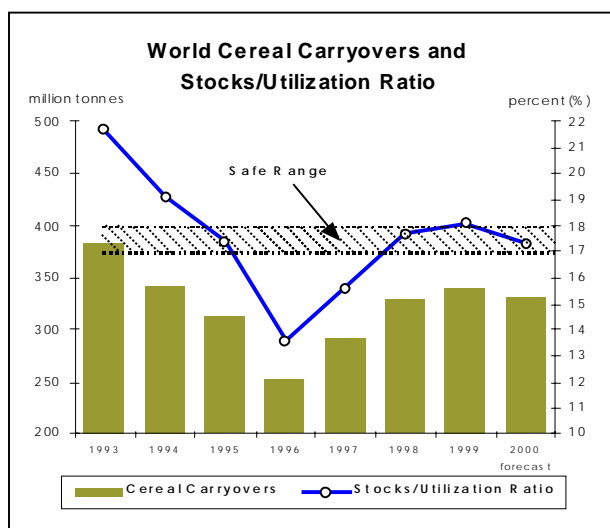
largest user of feed grains in the world, the current official forecast points to slightly larger feed use of grains compared to last year as livestock numbers are anticipated to stabilize but grains fed per animal unit could increase compared to 1998/99.

With the resumption of economic growth in several Asian countries, aggregate feed use among the developing countries is forecast to grow by at least 1 percent, resulting in the first significant expansion since the beginning of the financial crisis in some south east Asian countries over two years ago. In the five Asian countries discussed previously, grains used in livestock feed are likely to increase slightly this year due to lower prices and a modest recovery in their livestock sectors.

CARRYOVER STOCKS

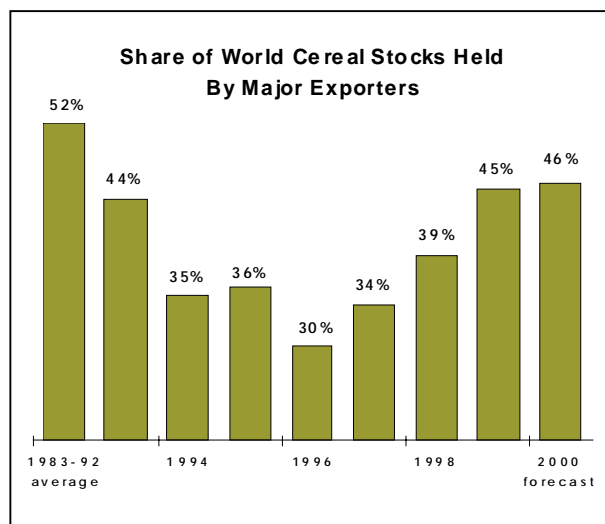
Global cereal stocks higher than anticipated earlier but still below their opening levels

The forecast for world cereal stocks by the close of the seasons ending in 2000 has been raised to 331 million tonnes, up 8 million tonnes from the September report. This latest revision partly reflects upward adjustments (by 3.4 million tonnes) to the estimates of the cereal carryovers from the previous season. At the forecast level, world cereal stocks by the close of crop years ending in 2000 would be nearly 9 million tonnes, or 2.5 percent, below their opening levels. As a result, the ratio of global cereal carryovers to trend utilization in 2000/01 is forecast to fall to 17.3 percent from the previous year's revised level of 18.1 percent, but would remain within the 17 to 18 percent range which the FAO Secretariat considers as the minimum necessary to safeguard world food security. However, although global cereal stocks are forecast to decrease, those held by the major exporting countries, which are the main buffer against any major production shortfall, are expected



to change little from the previous year, remaining at about 150 million tonnes, and more than double the level in 1995/96 when the last sharp rise in cereal prices occurred. At this level, the major exporters' share of total global carryover would be 46 percent compared to just 30 percent in 1995/96.

The forecast for global wheat stocks for national crop years ending in 2000 has been lowered slightly (by about 1.2 million tonnes) to around 131 million tonnes, down 8 million tonnes, or 6 percent, from their opening levels. This month's main revision concerns mostly the EC, where the estimates for ending stocks have been adjusted downward significantly starting from 1997/98, mostly in view of larger feed use. Elsewhere, smaller stocks are also anticipated in Asia, North Africa and Europe, mostly as a result of reduced production due to unfavourable weather conditions.



Global stocks of **coarse grains** for crop years ending in 2000 are forecast at 145 million tonnes, down nearly 3 million tonnes from their opening levels but 8 million tonnes more than was reported in September. This month's upward revision mostly reflects a sharp increase in the estimate for the opening stocks in the EC. Based on the latest data from the European Commission and trade sources, the estimates for carryovers from the previous season (i.e. the opening stocks) have been revised upward by as much as 5 million tonnes. The main reason for this revision appears to be larger use of wheat for feed instead of coarse grains and, thus, larger stock build-up of the latter, especially with regard to barley, maize and rye. Similarly, the intervention stocks in the Community at the start of the current season stood at exceptionally high levels of around 12 million tonnes, representing nearly 40 percent of total coarse grain stocks in the EC. However, given the likely decline in 1999 production and higher exports and feed use, this season's ending stocks in the EC are expected to be reduced

WORLD CARRYOVER STOCKS OF CEREALS

	Crop year ending in:		
	1998	1999 estim.	2000 f'cast
	(. . . . million tonnes)		
Wheat	136.2	138.9	130.6
Coarse grains	138.7	147.2	144.6
Rice (milled)	54.9	53.7	55.9
TOTAL	329.7	339.8	331.2
of which:			
Main exporters	127.7	154.5	152.4
Others	202.1	185.3	178.8

SOURCE: FAO

by around 5 million tonnes to 21 million tonnes. This anticipated decline in the EC carryovers would be partly offset by a likely expansion in coarse grain inventories held in the United States, where total supply is expected to be larger than demand during its October to September marketing season. In addition, given the expectation of yet another good harvest in China, the world's second largest stock holder, the ending stocks in that country are also forecast to rise.

Rice stocks for the marketing seasons ending in **1999** have been adjusted upward by 700 000 tonnes from the previously reported level to 53.7 million tonnes. However, global stocks would still be about 1.2 million tonnes below their opening levels due to lower inventories in Japan and China (Mainland). The forecast for global rice stocks at the end of the marketing seasons in the year **2000** has been increased by about 1.4 million tonnes from the previous report to 55.9 million tonnes, mostly reflecting the prospect of record world production in 1999/2000, which is likely to be above the expected increase in consumption. Larger stocks are expected in the major exporting countries including Thailand, Viet Nam, United States and India. Among the major importing countries, ending stocks are projected to expand in the Philippines and Brazil.

EXPORT PRICES

Large supplies continue to put downward pressure on cereal markets

In the international **wheat** market, prices have remained under downward pressure in recent weeks, mostly reflecting good harvest results in major producing countries. By the third week of October, US wheat No. 2 (HRW, fob) was quoted at US\$112 per tonne, down US\$2 per tonne from a month earlier and US\$16 per tonne, or 17 percent,

below the corresponding period in the previous year. Given the underlying supply and demand conditions, wheat prices in the coming months are not expected to change significantly, a prospect which is also confirmed by recent price developments in the futures contracts. By the third week of October, the nearby December wheat futures for soft red winter wheat at the Chicago Board of Trade (CBOT) was quoted at US\$94 per tonne, down US\$9 per tonne from the previous year. Similarly, next year's March and May wheat futures are also quoted below the corresponding period in 1999. While concern over possible disruption of trade with Pakistan, a major wheat importer from the United States, had some negative affect on prices, the faster pace of winter wheat planting in the United States also continued to weigh on prices in recent weeks.

LATEST CEREAL EXPORT PRICES *

	1999		1998
	Oct.	Aug.	Oct.
	(. US\$/tonne)		
United States			
Wheat <u>1/</u>	112	114	128
Maize	67	72	100
Sorghum	74	75	95
Argentina <u>2/</u>			
Wheat	112	126	133
Maize	96	96	103
Thailand <u>2/</u>			
Rice white <u>3/</u>	224	246	306
Rice, broken <u>4/</u>	173	203	257

SOURCE: FAO, see Appendix Table A.6

* Prices refer to the third week of the month.

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

2/ Indicative traded prices.

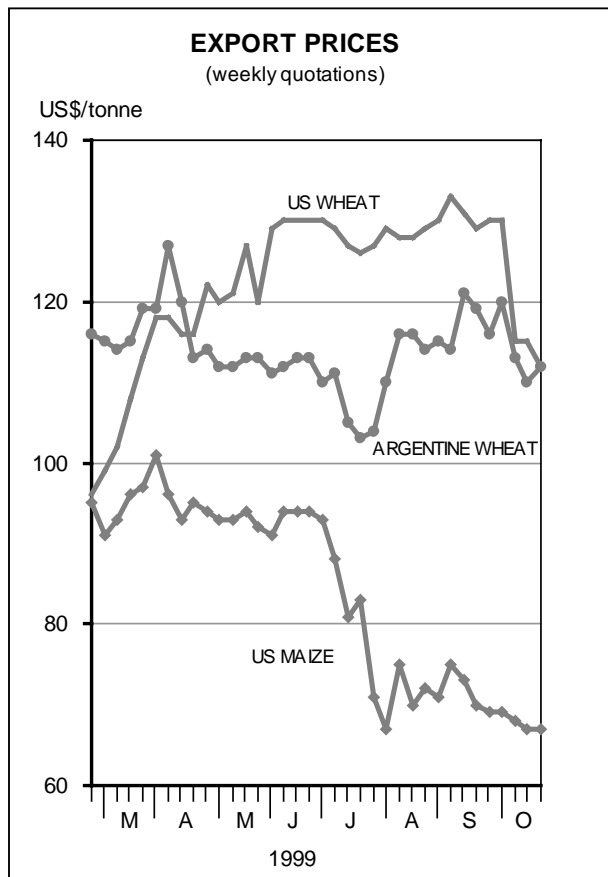
3/ 100% second grade, f.o.b. Bangkok.

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

The **maize** market also witnessed a further slide in prices, as latest production estimates point to better than anticipated harvests in a number of major producing countries, including the United States and China. By the third week of October, the US No 2 yellow maize export price was quoted at US\$67 per tonne, down US\$5 per tonne from August and as much as US\$33 per tonne below the corresponding period last year. The continuing slow growth in feed use and abundant supplies in major exporting countries are expected to keep prices depressed in the coming months. In the CBOT futures market, US maize prices have continued to remain under pressure since September and by the third week of October the nearby December contract was quoted at some US\$7 per tonne below the corresponding month in the previous year. As in the

case for wheat, next year's March and May futures quotations remain below those of last year. While continued large sales from China would add pressure on US maize prices, a more significant negative factor is this year's good crop for the fourth year in succession and the expected rise in stocks.

rice prices is mostly due to the arrival on the market of new crop supplies, record harvests in some cases, combined with limited new import demand. Many of the major exporting and importing countries are currently harvesting their main-season crops and good harvests are reported in many cases. In addition, a weaker Thai baht and Indonesia's ban on low quality rice imports by the private sector are weighing on international rice prices.



International **rice** prices from most origins remained under downward pressure through September and October. The FAO Export Price Index for Rice (1982-84=100) averaged 109 points during the first three weeks of October, down from 112 points in September and 116 points in August, and the lowest level in five years. The weakening of

The price for the high quality Thai 100B averaged US\$218 per tonne during October, down from US\$235 per tonne in September and US\$249 per tonne in August. However, prices for fragrant and parboiled rice have been on the increase since April, sustained by steady demand from regular customers for that niche market. The change in Indonesia's import policy is having a big negative impact on prices of the lower quality grades from various origins, including Thailand, Viet Nam and China. For instance, the price of Thai 35 percent broken rice averaged about US\$183 per tonne during October compared to US\$199 per tonne in September. Over the same period, the price of fully broken rice, Thai A1 Super, fell from US\$187 to US\$168 per tonne.

In the United States, the downward pressure on prices from the expectations of a record harvest was partly offset by increased sales, in recent weeks, of rice destined for shipment as food aid. Consequently, the decline in United States' prices was much less than in the other markets. The price of the United States No. 2/4 percent broken rice averaged US\$308 per tonne in October, down by US\$8 per tonne from September. As a result, the price differential between the high quality Thai 100B and the comparable United States No. 2/4 percent broken rice has widened in the last couple of months to US\$90 per tonne in October, up from US\$73 per tonne in August. The increased price gap renders the US rice less competitive in the high quality markets outside Latin America and the Caribbean.

A joint meeting of the 28th Session of the Intergovernmental Group on Grains and the 39th Session of the Intergovernmental Group on Rice was held at FAO headquarters in Rome from 22 to 24 September, 1999. The meeting was attended by some 100 delegates from 67 FAO member countries and from several international and non-governmental bodies.

Among the main agenda items, the Groups reviewed developments in world cereals markets in 1998/99, examined the short-term outlook for the 1999/2000 season, and discussed FAO's projections of production, consumption and trade of cereals to the year 2005. The Groups also discussed changes in rice policies during the 1996-99 period in relation to the Guidelines for National and International Action on Rice. Another agenda item was a review of the developments in cereal biotechnology and the potential implications for cereal trade in the near future. An informal symposium was also held on the biotechnology topic to allow delegates and others to explore common areas of interest and concern.

To obtain copies of the reports on the Internet, go to:

<http://www.fao.org/unfao/bodies/ccp/cereals/99/default.htm>

or contact:

M. Mielke, Secretary of the IGG on Grains, tel. 3906/570-53480, myles.mielke@fao.org

C. Calpe, Secretary of the IGG on Rice, tel. 3906/570-54136, concepcion.calpe@fao.org

CASSAVA

Cassava production on the rise in 1999

Global cassava **production** in 1999 is forecast to be back on trend, as it recovers fully from the contraction experienced by the sector in 1998, in the aftermath of the El Niño and La Niña weather anomalies. World output in 1999 is forecast to grow by 3.5 percent to 166.7 million tonnes in root equivalent, sustained by increases in Asia and in Latin America and the Caribbean which should more than offset a contraction in Africa.

In **Asia**, cassava output is forecast to rise by 11 percent to 50.2 million tonnes as a result of an expansion in area and favourable weather. Among the major producing countries in the region, output in Thailand is forecast at 20.3 million tonnes, 24 percent above the drought-reduced 1998 crop, following a 12 percent expansion in plantings and good prospects for higher yields. Apart from favourable weather, almost half of the 1.2 million hectares under cassava cultivation have reportedly been planted with improved strains, which should contribute to the rise in productivity. Production increases ranging from 2 to 5 percent are anticipated in China, India, Indonesia, and the Philippines. By contrast, in Viet Nam, output is

expected to remain close to the previous year's level as higher yields brought about by the greater diffusion of improved varieties are expected to be offset by a contraction in plantings.

In **Latin America and the Caribbean**, the 1999 cassava output is forecast at 31 million tonnes, 12 percent more than last year's poor crop but still 1 million tonnes less than in 1997. In Brazil, the region's largest and the world's second largest cassava producer, output is forecast to recover only partly from 1998, following larger crops in the centre south and northeast states. Substantial growth in production is also anticipated in Colombia while modest increases are likely in Costa Rica, the Dominican Republic, Peru and Nicaragua.

Output in **Africa**, the world's major producing region, is forecast to contract by 3 percent to 85.5 million tonnes, reflecting poor crops in some major producing countries, including Angola, Burundi, the Congo Democratic Republic, Sierra Leone and Rwanda, where production activities have been disrupted by population displacements and civil strife. In Kenya, Uganda and Tanzania, a prolonged drought is seriously affecting crop production. In Nigeria, government estimates for the 1999 crop point to a reduction of 1.5 million tonnes. By

contrast, cassava output is expected to increase in Ghana, following the implementation of the Roots and Tuber Improvement Programme that promotes the introduction, multiplication and distribution to farmers of pest and disease resistant planting materials. Although increases are also forecast in Cameroon, Liberia, Madagascar, Togo and Zambia, they are likely to be modest.

WORLD CASSAVA PRODUCTION ^{1/}

	1997	1998	1999 prelim.
	(. . . . million tonnes)		
WORLD	165.3	161.0	166.7
Africa	85.8	88.1	85.5
Congo Dem. Rep.	16.2	15.6	15.0
Ghana	7.0	7.2	8.4
Madagascar	2.4	2.4	2.4
Mozambique	5.3	5.6	5.6
Nigeria	32.1	32.7	30.4
Tanzania	5.7	6.2	6.0
Uganda	2.3	2.6	2.3
Asia	47.5	45.2	50.2
China	3.6	3.4	3.6
India	6.0	6.1	6.2
Indonesia	15.1	14.7	15.4
Philippines	2.0	1.8	1.8
Thailand	18.1	16.3	20.3
Viet Nam	2.0	2.0	2.0
Latin America and Caribbean	31.8	27.5	30.8
Brazil	24.3	19.7	22.5
Colombia	1.7	1.6	2.0
Paraguay	3.2	3.3	3.3

SOURCE: FAO

^{1/} In fresh roots.

Cassava utilization expands in 1999

The increase in global production is expected to boost world food **utilization** of cassava by two percent to 98 million tonnes in 1999, with most of the increase concentrated in Asia and in Latin America and the Caribbean. By contrast, in Africa where cassava is a major staple, food utilization of cassava is likely to fall by 3 percent to 58 million tonnes. Feed utilization is anticipated to increase world-wide, with the major increases expected in South America and in the EC. However, at the forecast level, feed utilization of cassava would still fall short of that in 1997, reflecting keen competition from the grains sector. The volume of cassava processed into non-food products is also anticipated to rise, boosted by low international prices for cassava starches and the economic recovery in Asian countries.

In **Africa**, the fall in production in 1999 is likely to be felt mostly through a decline in food consumption of fresh cassava and products (gari, attiéké, fofou, kokonte, etc.). The contraction will mainly affect the rural populations, which rely to a larger extent on the crop for their livelihoods, but also the urban population as retail prices for cassava have been reported to have risen sharply in most countries. The reduction in cassava food consumption is forecast to be especially marked in Angola, the Congo Democratic Republic and Rwanda.

In **Asia**, the larger crops in 1999 are expected to lead to a 9 percent growth in utilization. In particular, cassava utilization in feed, alcohol and starch production is likely to expand in 1999 in Thailand and Viet Nam. Food consumption of cassava in China, the Philippines, the Republic of Korea, Malaysia and Japan, which rely mainly on imported supplies, is forecast to remain close to last year's level.

In **Latin America and the Caribbean**, cassava is an important food staple in a number of countries, but a large share is used as feed in the producing areas. Industrial utilization of cassava in the region by small and large scale factories has been growing in the past decade, as the crop has moved from being a subsistence to a market-oriented crop, providing raw material for the manufacture of food products, feed and industrial applications. The recovery in production in 1999 should help sustain an all-round increase in cassava use.

Among the **developed countries**, in the EC, the utilization of cassava as animal feed is forecast to increase from last year stimulated by competitive cassava pricing. Spain and Portugal, in particular, are forecast to step up their use of cassava pellets for feed this year, to compensate for a shortfall in barley production. Italy is anticipated to use, for the first time, substantial quantities of cassava chips and pellets for animal feed. By contrast, cassava use is anticipated to fall in Japan and in the other developed countries, including Israel and Poland.

World cassava trade to recover in 1999

World **trade** in dry cassava products (also called "tapioca") is forecast to increase by 12 percent in 1999 to about 5.5 million tonnes (16 million tonnes in fresh root equivalent), recovering only partly from the 23 percent contraction last year. Of the total, 4.6 million tonnes are anticipated to be traded in the form of chips and pellets and 900 000 tonnes in the form of cassava flour, up from 3.9 million tonnes and 700 000 tonnes, respectively, in 1998. The increase should be sustained by relatively large export availabilities in Thailand and

by increased import demand for chips and pellets by the EC. Little change in imports by non-EC countries is currently anticipated.

WORLD TRADE IN CASSAVA ^{1/}

	1997	1998	1999 prelim.
	(. million tonnes)		
World Exports	6.4	4.9	5.5
Thailand	5.3	3.9	4.6
Indonesia	0.2	0.2	0.2
China ^{2/}	0.4	0.3	0.2
Others	0.5	0.5	0.5
World Imports	6.4	4.9	5.5
EC ^{3/}	3.6	2.9	3.6
China ^{2/}	0.6	0.5	0.6
Japan	0.3	0.3	0.3
Korea. Rep. of	0.5	0.5	0.3
Others	1.4	0.7	0.7

SOURCE: FAO

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

^{2/} Including Taiwan Province.

^{3/} Excluding trade between EC members.

The production recovery in Thailand has been the main engine for growth in cassava trade in 1999. Between January and mid-October this year, exports of tapioca chips and pellets by Thailand reached 3.4 million tonnes, 38.4 percent more than during the same period in 1998. Of those, 3.27 million tonnes were destined to the EC, up from the 2.1 million tonnes delivered in January-mid-October 1998. Sales to the EC, however, are likely to continue at the same rate during the remaining part of the year, despite the abundant supplies of the new cereal crop and high grain inventories in member countries. As a result, Thailand's exports of cassava products, including flour, are anticipated to reach some 4.6 million tonnes in 1999, up from 3.9 million tonnes in 1998, yet substantially below the 5.3 million tonnes exported in 1997. Despite good crop prospects, foreign sales by Indonesia and Viet Nam are expected to remain close to last year's level while those by China may contract, reflecting strong domestic requirements in those countries.

Purchases by the EC are forecast to recover from the low 2.9 million tonnes in 1998 to some 3.6 million tonnes this year, reflecting larger shipments to the Netherlands, the main port of entry of cassava products, Belgium and Italy, and to the drought-stricken Spain and Portugal. At that level, imports would barely reach half of the 6.8 million tonnes that are allowed preferential access to the EC. Cassava shipments to non-EC markets, the majority of which are in Asia, are expected to total 1.9 million tonnes, unchanged from last year. Purchases of cassava

chips and pellets by China, Japan, the Republic of Korea are anticipated to fall. By contrast, imports of cassava starch by Japan and the Chinese Province of Taiwan are likely to exceed last year's level.

CASSAVA AND CASSAVA PRODUCTS PRICES IN THAILAND

	Tapioca flour/ starch Super H. G., Fob Bangkok	Domestic market prices	
		Roots	Hard pellets
	(. US\$/tonne)		
1988	166	47	136
1995	358	65	127
1996	289	49	113
1997	244	34	72
1998	276	44	75
1999 - Jan.-Mar.	203	31	72
- Apr.-June	163	31	63
- July-Aug.	163	24	67

SOURCE: Thai Tapioca Trade Association, Market Review.

Cassava prices weak or falling

International cassava prices have remained weak in 1999, since abundant supplies have coincided with a weak demand world-wide. Quotations of cassava pellets in the EC (respectively the most important cassava product traded internationally and the main cassava import market) are determined by the domestic prices of grains, especially barley, and the prices of protein-rich meals which supplement cassava to obtain a balanced, grain substituting, compound. In the first nine months of 1999, the EC import price for cassava pellets averaged US\$102 per tonne, close to the level prevailing during the corresponding period in 1998, but 36 percent less than in 1993, when implementation of the CAP reform began. Quotations for barley in the EC in the first nine months of the year have also remained mostly unchanged and have averaged US\$144 per tonne in Spain, one of the major cassava users in the Community. Soybean meal prices, on the other hand, fell to US\$146 per tonne (c.i.f. Rotterdam), or 16 percent below the same period in 1998. As a result, the cassava/soybean meal blend has become slightly more attractive than last year in the EC, which has helped sustain cassava utilization in member states. International prices of cassava starches and flours, which are traded principally among Asian countries, have been on a downward

PRICES OF CASSAVA, SOYBEAN MEAL AND BARLEY IN THE EC

	Cassava pellets 1/	Soybean meal 2/	Cassava soybean meal mixture 3/	Barley 4/	Barley/cassava mixture
	(.....US\$/tonne)				(.... ratio)
1990	167	208	175	225	1.29
1991	178	197	186	222	1.19
1992	183	204	187	235	1.26
1993	137	208	151	197	1.30
1994	144	192	154	182	1.18
1995	177	197	181	209	1.15
1996	152	268	175	194	1.11
1997	108	276	142	161	1.13
1998	107	170	120	145	1.21
1999 5/	102	146	111	144	1.29

SOURCE: FAO, Oil World and Agra Europe.

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

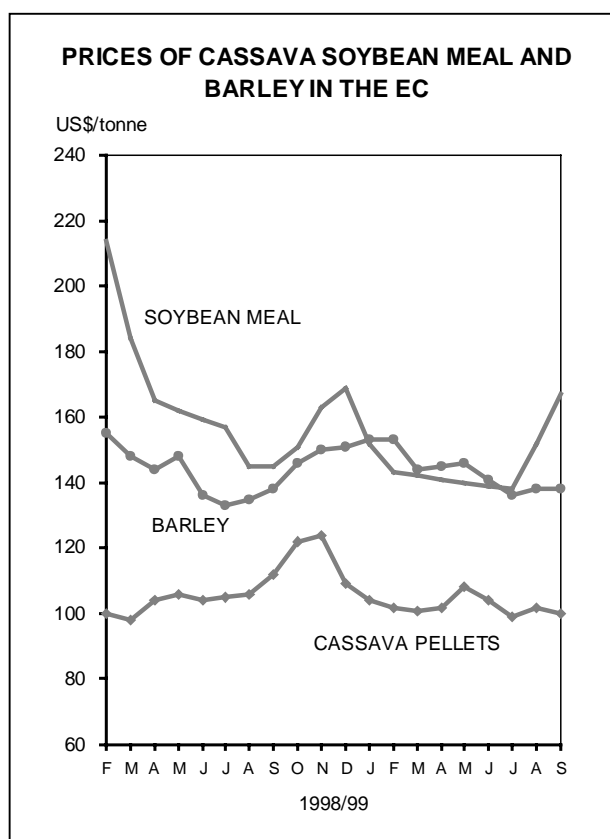
trend for most of the year and have fallen to US\$163 per tonne in July-August 1999. Up to August 1999, they have average US\$176 per tonne, considerably below the US\$305 per tonne prevailing in January-August 1998, and the lowest level since 1988.

Production, trade and price outlook

Preliminary indications for cassava production in 2000 point to a recovery in Africa, assuming

normal growing conditions and improved security in those countries currently affected by civil strife. An increase is also anticipated in Latin America and the Caribbean, especially in Brazil where demand for food has strengthened and prompted an increase in plantings. The interest in promoting the cassava sector in the region has recently given rise to the establishment of a consortium, CLAYUCA, composed of public and private institutions, that strives to support research and development of the cassava sector in the region. In Asia, production is expected to rise in Indonesia, where the Government has recently announced its intention to reduce the country's dependence on rice imports through the promotion of alternative crop production, including cassava. By contrast, low farm prices in Thailand during most of 1999 may lead to reduced plantings next season.

Very early prospects for cassava trade in 2000 suggest virtually no change from the current year, since large supplies of feed grains in the EC are likely to limit any further recovery in import demand among member states. Future prices of cassava chips and pellets will depend largely on the pattern that the EC grain prices will follow. Given the large carry-over grain stocks currently held in the Community, their prices are unlikely to increase by a substantial amount in the next few months. As a result, cassava pellets prices may remain weak for the rest of the year and during the first half of 2000, unless affected by variations in the exchange rates or in oilmeals prices. There is much uncertainty regarding the future prices of cassava starch, with their recovery depending largely on the consolidation of the economic growth in Asia to revitalize demand.



MILK AND MILK PRODUCTS

Price trends

From the beginning of 1998 to mid-1999, international prices for dairy products, overall, showed a steady decline. An important factor behind this was ample supplies in the main exporting countries, coupled with reduced purchasing power as a result of currency devaluation in some important dairy importing countries, for example the Russian Federation, some countries in South East Asia, and Brazil. Prices stabilized, at low levels, during the middle of 1999 but latest indications are that some strengthening in export prices may be seen during the remainder of the year (see Price Outlook section).

INDICATIVE DAIRY EXPORT PRICES ^{1/}

	1998	1999		
	Sept.	July	Aug.	Sept.
	(. . . . US\$/tonne, f.o.b.)			
Butter	1 725	1 250	1 225	1 225
Skimmed milk powder	1 350	1 225	1 250	1 250
Whole milk powder	1 675	1 425	1 425	1 425
Cheddar cheese	1 925	1 700	1 700	1 700
Acid casein	4 000	3 850	3 850	4 000

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

Small rise in milk production expected

A small increase in global milk output is expected for 1999, with production increasing in most major milk producing countries. In Oceania, favourable weather conditions led to a strong start to the 1999-2000 production year. In Australia, milk output in the 1999-2000 season could exceed last season's record levels. In New Zealand, milk production to date is running 7 percent above the same period last season, when output was affected by dry conditions. In some parts of the country, the spring production flush has been so strong that the processing industry had problems keeping up. As a result of higher returns from dairying relative to other pasture-based livestock activities, such as beef or sheep farming, the dairy industries in both of the above countries are firmly set on a cycle of expansion.

Somewhat exceptionally, and reflecting the industry's heavy dependence on pasture, the expansion of milk production in Oceania is based on

MILK PRODUCTION

	1997	1998 estim.	1999 f'cast
	(. . . . million tonnes)		
WORLD	546	553	558
EC	124	124	123
India	71	74	76
United States	71	71	73
Russian Fed.	34	33	31
Pakistan	21	22	23
Brazil	21	22	23
Ukraine	14	14	14
Poland	12	12	13
New Zealand	11	11	12
Australia	9	10	10

SOURCE: FAO

herd expansion, rather than increased yields. Elsewhere, such as in eastern Europe, milk production is expanding largely as a consequence of improved yields: this is the case, for example, in Poland, the region's largest milk producer, Hungary and Bulgaria. In the United States, milk production is anticipated to rise 3 percent for 1999 as a whole, as a result of low feed costs and ample forage supplies producing a favourable feed/milk price ratio. A rise in yield per cow is the main mechanism behind the rise in US output; however, an additional factor has been a lower than average rate of reduction in the size of the national dairy herd during 1999 as farmers seek to maximise their returns under the current favourable conditions. Production in a number of other developed countries (the EC, Canada, Japan, Norway, Switzerland) is subject to policies which restrict output and, consequently, changes little from year to year. In the Russian Federation, milk production in 1999 is projected to be lower than in the previous year. The drop in milk output is largely associated with higher than usual slaughter rates for dairy cattle, linked to a rise in prices for meat following the devaluation of the Rouble. This has led to large numbers of dairy cattle being slaughtered for meat. On the other hand, as the least productive cows tend to be slaughtered, average productivity per cow in the Federation is expected to rise.

In developing countries, growth in milk output is expected to continue in Asia and Latin America. Assuming normal weather conditions, India's milk output in the 1999/2000 (April/March) marketing year could rise to 76 million tonnes, confirming India's position as the world's largest milk producing country. In China, moderate growth in total milk

output is expected. Unlike in the previous decade, milk production growth in China during the 1990's has focused on improved yields, rather than expansion of the dairy herd. In Latin America, the upheaval in the Brazilian economy at the end of 1998 had a number of effects. Firstly, the devaluation of the Real resulted in a rise in the border prices of imported dairy products, making domestically produced ones more attractive. This, on the one hand, encouraged domestic production and, on the other, created certain difficulties for fellow Mercosur members, like Argentina and Uruguay, where Brazil is the most important export market. However, despite uncertainty regarding both domestic demand and the future level of imports by Brazil, and low prices elsewhere in the international market, milk production in the Mercosur block is expected to increase during 1999, due to momentum in the herd expansion cycle. One outcome of this has been that, outside Brazil, producer prices in most countries in the group have been depressed. Regarding other countries in Latin America, in Peru, profitability of milk production, relative to most other forms of agricultural production, has led to sustained expansion in recent years. There, production is forecast to reach a record 1 million tonnes in 1999. In Mexico, milk production is also expected to rise during 1999; the introduction of improved technology and animal genetics have been important factors behind this. This process reflects a movement towards larger-scale, more capital intensive milk production in Mexico.

Trade in dairy products little changed in 1999

Production of milk in excess of domestic requirements in the major exporting countries is expected to grow at the same rate as that of international demand during the remainder of 1999 and consequently supplies of dairy products to the world market are anticipated to be adequate. Purchases by most countries in South East Asia are expected to be at least maintained, and may possibly grow during the remainder of the year, as economic growth in this region should sustain import demand. Elsewhere, Brazilian imports are expected to be maintained, as lower international prices for dairy products have to an extent counterbalanced the fall in value of the Real. Import demand by the Russian Federation, which is the main importer of butter and an important importer of cheese, has been depressed so far this year. However, during September, increased trade enquiries from Russian importers were reported.

PUBLIC STOCKS OF BUTTER AND SKIMMED MILK POWDER IN THE EC AND USA

	European Community		United States	
	Butter	Skimm. milk powder	Butter	Skimm. milk powder
	(. thousand tonnes)			
Sept. '97	146	142	0	0
Sept. '97	159	205	0	0
Sept. '97 *	210	254	0	0

SOURCE: USDA, ZMP.

Note: At the end of the month.

* Estimated

EC Stocks Could Fall

Stocks of the two dairy intervention products in the EC - butter and skimmed milk powder - were moderately higher at the end of September, than at the same time in recent years. However, from September onwards, market conditions within the EC for these products have been generally good and it is expected that sales will be made from intervention over coming months. Thus, year-end stocks are likely to be below current levels.

Price Outlook

Important factors with a bearing on the price outlook for the rest of 1999 and for the first half of 2000 include the level of import demand by the Russian Federation and the degree of milk production growth in the main dairy exporting countries in the southern hemisphere (New Zealand, Australia, Argentina and Uruguay). Additionally, for the oil producing countries in the Middle East and North Africa, increased revenue, stemming from higher oil prices, could lead to some growth in import demand. Assuming normal weather conditions in the southern hemisphere, the international dairy market is expected to remain reasonably well-balanced for the remainder of 1999 and into the first part of 2000. As intervention stocks in the EC are expected to decline, and Oceania began the current season with virtually no stocks, it is possible that international prices could rise from the trough experienced in mid-1999 and begin to move upwards.

Internet Conference

INTERNATIONAL PROSPECTS FOR DAIRYING IN THE NEXT WTO NEGOTIATING ROUND

The outcome of next round of multi-lateral trade negotiations to be conducted under the auspices of the World Trade Organization (WTO) could have an important impact on the world's dairy industry. Amongst the issues that could come up for negotiation in the next WTO round are the reduction, or removal, of export subsidies, reductions in import tariffs, increased market access and changes in domestic support measures. Changes in any of these areas would have important implications for the dairy sector, underlining the necessity for all parts of the industry to be as well informed as possible on potential developments.

FAO's Commodities and Trade Division has organised an internet conference, in order to provide an international forum for discussion of the above issues. The format of the internet conference allows questions, answers and discussion to be posted. The conference papers presented for comment and discussion were originally given at an international symposium held in Buenos Aires, Argentina, 3-4 June 1999. The papers are published in the original language in which they were presented. In addition, translations into either Spanish or English have been provided courtesy of the Argentine Dairy Industry Federation and the International Dairy Federation. Consequently, users have the choice of consulting a complete set of papers in either English or Spanish.

Details of the conference are available on FAO's internet site:

English: <http://www.fao.org/appses/esc/escb/user/home-e.asp>

Spanish: <http://www.fao.org/appses/esc/escb/user/home-s.asp>

French: <http://www.fao.org/appses/esc/escb/user/home-f.asp>

Arabic: <http://www.fao.org/appses/esc/escb/user/home-a.asp>

For further information regarding the conference, please contact:

Michael Griffin -Basic Foodstuffs Service (ESCB) – Room D816 - FAO

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SUGAR

The sharp fall in world sugar prices continued into 1999 reaching a 13-year low of US cents 4.78 at the end of April 1999. Some recovery has occurred since then, mainly supported by large imports by the Russian Federation as traders attempted to stock up before the 45 percent seasonal tariff on imports came into effect on 1 August. The Russian Federation's seasonal tariff is set from 1 August to 30 November. However, prices are likely to remain weak for the remainder of 1999, as worldwide stocks continued to expand.

FAO's preliminary estimate for world sugar production in 1999/2000 indicates a further growth of 2.5 percent to reach 134.3 million tonnes (raw value). Most of the increase would be accounted for by the expansion in Latin America and the Caribbean, the Far East and the EC, with the share of cane sugar remaining at about 72 percent of the global sugar output, slightly above 97 million tonnes. Beet sugar output would have an overall increase of 400 000 tonnes, due mainly to the growth in the EC and the United States. Beet sugar output would have been greater, but has been partially mitigated

by lower output in other producing countries, such as Turkey and China.

In Latin America and the Caribbean production in 1999/2000 is estimated to reach 40.1 million tonnes, representing a 3 percent growth from the previous year's harvest. A larger harvested area is expected to expand sugar output in Brazil by about 4 percent to reach 19.9 million tonnes. Improved prospects are also expected in Cuba, where output is estimated at about 3.8 million tonnes, following the adoption of measures aimed at improving efficiency in the industry, but production in Mexico is expected to remain substantially unchanged from last season's level of about 5.1 million tonnes.

Among developing countries in Africa, a decrease of about 6 percent to 4.3 million tonnes is expected, mainly as a result of a weather-induced decline in Mauritius, where output is expected to be less than 400 000 tonnes, down from 680 000 tonnes produced in 1998/99.

Production is also expected to decline in the Near East, to 5.2 million tonnes, mainly due to the introduction of a new policy in Turkey to reduce large stock levels. The new policy rewards growers with higher productivity rather than higher production due to an expansion in areas. Output is currently forecast at 2.2 million tonnes, 600 000 tonnes less than the previous year's harvest.

An increase in production of about 900 000 tonnes, or 2.3 percent, is estimated for the Far East, reflecting a higher output in a number of countries. Production in India would grow by about 5 percent to 17.3 million tonnes, as remunerative cane prices encouraged expansion in cultivated areas. In Thailand and Indonesia good weather and improved cane quality would result in an output of 6.1 million tonnes and 1.9 million tonnes, respectively. However, production in China is estimated to decline from 9.0 million tonnes to 8.4 million tonnes, reflecting financial difficulties faced by the sugar industry and reduced Government support to producers in favour of grain production.

Among developed countries, output is forecast to expand in the EC and the United States due to improved beet yields. Production is estimated at 18.7 million tonnes and 8.1 million tonnes, respectively, representing increases of 5 percent and 7 percent, respectively. Output in the Russian Federation is also expected to increase, by 100 000 tonnes, to reach 1.5 million tonnes, due to a larger harvested area, while lower yields in the Ukraine are foreseen to curb production to 1.9 million tonnes. A recovery from last year's weather reduced crop is expected in Australia, rising by 10 percent to 5.4 million tonnes.

World sugar consumption is forecast to be exceeded by production once more. FAO estimates a growth in world sugar consumption of about 1.9 percent, resulting in a global total of 128.2 million tonnes, which would add to an additional increase in already ample stocks. Growth rates would be higher in developing countries (2.5 percent) than in developed countries (0.7 percent), mainly reflecting population growth in both. Economic growth is an important factor in developing countries but not in developed countries where per caput consumption is considered to be saturated.

As economic recovery occurs in the Far East, an acceleration in consumption growth rates is expected in that region. Countries such as the Republic of Korea and Malaysia, which experienced negative consumption growth in 1998, are expected to have a complete turnaround in 1999/2000, supported by stronger industrial sugar demand. India would consolidate its position as the world's leading sugar consuming country at 17.2 million tonnes, reflecting ample availability and reduced

prices. By contrast, consumption in China is likely to remain stable at 8.9 million tonnes, due to an increasing use of alternative sweeteners.

WORLD PRODUCTION AND CONSUMPTION OF SUGAR

	Production		Consumption	
	1998/ 99	1999/ 2000	1999	2000
	(. . million tonnes, raw value . .)			
WORLD	131.1	134.3	125.9	128.2
Developing Countries	89.1	90.6	80.6	82.6
Latin America	38.9	40.1	23.1	23.5
Africa	4.6	4.3	6.6	6.8
Near East	5.6	5.2	9.6	9.9
Far East	39.7	40.6	41.1	42.3
Oceania	0.4	0.5	0.1	0.1
Developed Countries	42.0	43.8	45.3	45.6
Europe	22.0	22.9	19.7	19.7
of which: EC	(17.8)	(18.7)	(14.4)	(14.4)
North America	7.6	8.2	10.4	10.5
CIS	3.9	3.9	9.7	9.8
Oceania	4.9	5.4	1.2	1.2
Others	3.5	3.4	4.3	4.3

SOURCE: FAO

In Latin America and the Caribbean, almost 60 percent of sugar consumption, estimated at 23.5 million tonnes, is accounted for by Brazil and Mexico. Consumption in Brazil is forecast to grow slightly to 9.4 million tonnes, while levels in Mexico would remain stable at about 4.4 million tonnes.

Among developed countries, consumption in Europe would remain stable at 19.7 million tonnes, while in the United States an increase in industrial use is likely, accounting for a 1.7 percent rise to 9.2 million tonnes.

An estimation of the world sugar trade in 1999/2000 largely depends on export policy in Brazil. Brazil has the potential to export up to 10 million tonnes of sugar at competitive prices, contributing to almost one-third of world exports. However, following the recent rise in oil prices, larger quantities of cane may be diverted into

alcohol production contributing to some relief in pressure on prices. Larger export availabilities are also estimated for the EC, Australia and Thailand. However, import demand would remain substantially unchanged as the Russian Federation, the EC and

Japan are expected to remain major importing countries. Under the current supply and demand assessment of the world sugar market, a further rise in world inventories is expected, resulting in a stock-to-consumption ratio of above 40 percent.

FERTILIZERS

Urea spot prices in international markets have remained under downward pressure in the past two months. Although urea supplies in the Russian Federation remain somewhat tight, all production units are operational again at full capacity after earlier disruption due largely to fuel shortages. Prices in the Baltic Sea are under pressure due to the recent increase in freight rates to Latin America. While demand for urea has remained weak over the past two months the outlook is for some improvement in coming weeks. Heavy flooding in Viet Nam has impeded seasonal demand for urea, but buying is expected to start in November. India has suspended urea imports, except for NPK blends, as stocks are high and demand is normally reduced during the monsoon season. Domestic production is targeted to increase to meet the demand for the Rabi season. Pakistan could enter the market in November, as urea is needed in December. In Indonesia most export licences have been issued for the fourth quarter, while domestic demand has not picked up yet due to lack of moisture for fieldwork. Although Turkey has high stocks and demand is low, it is importing urea as its only urea plant is out of operation since the earthquake in Izmit. Many Latin American countries are importing large quantities, mainly from the Black Sea and the Arab Gulf. The government of Mexico has delayed the imposition of an import duty on urea from the Russian Federation and the United States until next year and consequently demand has re-surfaced. Urea demand in the United States has increased for the current winter wheat planting season, and likewise, in Europe the winter grain planting season has started and many countries are testing the market, particularly for Black Sea urea.

Ammonia prices increased world wide due to a continued shortage of the product in the Ukraine and North and Latin America. Availability from Algeria has increased, as all plants are operational again. India will increase ammonia imports from various sources to meet demand resulting from an expansion in urea production. Demand from Asia, the Middle East, North Africa, western Europe and the United States is strong.

International spot market prices for **ammonium sulphate** in the U.S. Gulf are considerably lower than in 1998. However, by contrast, prices are about 35 percent higher in eastern and western Europe compared to a year ago. Prices in the last few months have been stable except in western Europe, where there was a decline.

Due to oversupply in the market **diammonium phosphate (DAP)** prices fell from August to October and were on average about 20 percent lower than a year ago. China's imports are less than in 1998 because of increased use of local produced NPK and a high level of stocks. Therefore this downward trend in international spot prices may continue. India and Pakistan have already covered their demand for this season. Extended import buying in India reflects the cost advantage of imports versus domestic products. Near East and North African suppliers have scheduled exports to Ethiopia, India, Iraq, Saudi Arabia and Thailand. The Russian Federation and Mexican suppliers are at present fully committed to export DAP to Australia, Pakistan, Viet Nam and some Latin American countries. The domestic demand for DAP in the United States is weak, inventory levels are high and production cuts are planned. However, exports have increased.

Prices for **triple superphosphate (TSP)** are down by 10-15 percent compared to 1998. North Africa exports TSP to Bangladesh, Brazil and the Islamic Republic of Iran. In France the TSP season has ended.

Muriate of potash (MOP) prices worldwide are slightly higher than a year ago, but for the last few months the prices remained stable. Potash producers continue to hold the market steady by cutting production until it is in line with demand. The CIS producers have scheduled exports to Bangladesh, Brazil, China and India. Demand in Europe and the United States is weak. The Philippines, Indonesia, and Taiwan have entered the market for considerable amounts.

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

	1999		1998	Change from last year ^{2/}
	September	October ^{1/}	October	
	(..... US\$/tonne)			(. percentage .)
Urea				
eastern Europe	66-67	66-67	73-74	- 9.6
Near East	88-91	87-91	93-102	- 9.2
Ammonium Sulphate				
eastern Europe	42-45	42-45	28-36	+ 36.4
U.S. Gulf	35-37	35-37	45-55	- 28.0
western Europe	56-61	55-60	40-45	+ 35.3
Far East	65-66	65-66	53-54	+ 23.6
Diammonium Phosphate				
Jordan	187-191	165-177	213-220	- 21.3
North Africa	173-180	169-178	210-219	- 19.2
U.S. Gulf	162-165	154-156	205-208	- 25.2
Triple Superphosphate				
North Africa	138-141	138-141	160-163	- 13.8
U.S. Gulf	144-148	143-147	166-172	- 14.7
Muriate of Potash				
eastern Europe	98-113	98-113	93-105	+ 6.0
Vancouver	118-131	118-131	116-128	+ 1.9
western Europe	129-137	129-137	127-135	+ 1.2

SOURCE: Compiled from Fertilizer Week and Fertilizer Market Bulletin.

^{1/} Refers to first two weeks of month.

^{2/} From mid-point of given ranges.

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

	Wheat			Coarse Grains		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	(..... million tonnes)					
ASIA	265.7	255.0	258.3	198.3	222.5	220.6
Bangladesh	1.5	1.8	1.9	0.1	0.1	0.1
China ^{1/}	123.3	110.0	112.0	119.6	141.7	145.2
India	69.3	65.9	73.5	30.9	31.4	28.7
Indonesia	-	-	-	8.8	10.1	9.1
Iran, Islamic Rep. of	10.2	11.9	9.0	3.8	3.8	3.2
Japan	0.6	0.6	0.5	0.2	0.2	0.2
Kazakhstan	9.0	5.5	7.5	3.1	1.5	2.0
Korea, D. P. R.	-	0.1	0.2	1.2	1.8	1.9
Korea, Rep. of	-	-	-	0.4	0.4	0.4
Myanmar	0.1	0.1	0.1	0.5	0.5	0.5
Pakistan	16.4	18.7	18.2	1.9	1.9	1.8
Philippines	-	-	-	4.3	3.8	4.6
Saudi Arabia	1.3	1.8	1.5	0.6	0.6	0.7
Thailand	-	-	-	4.1	5.2	5.0
Turkey	18.7	21.0	18.0	10.8	10.9	9.7
Viet Nam	-	-	-	1.3	1.2	1.3
AFRICA	14.9	18.2	15.5	77.8	81.1	79.3
North Africa	10.0	14.0	11.6	9.1	10.7	9.1
Egypt	5.8	6.1	6.3	6.7	7.0	6.2
Morocco	2.3	4.4	2.2	1.7	2.2	1.6
Sub-Saharan Africa	5.0	4.2	3.9	68.8	70.3	70.2
Western Africa	0.1	0.1	0.1	29.3	32.7	30.2
Nigeria	0.1	0.1	0.1	18.5	19.3	18.3
Central Africa	-	-	-	2.4	2.7	2.5
Eastern Africa	2.2	2.2	1.9	19.9	20.0	22.1
Ethiopia	1.1	1.1	1.5	8.4	6.1	9.5
Sudan	0.6	0.5	0.2	3.9	5.0	4.7
Southern Africa	2.7	1.9	2.0	17.1	14.9	15.3
Madagascar	-	-	-	0.2	0.2	0.2
South Africa	2.3	1.5	1.5	9.6	8.1	7.5
Zimbabwe	0.3	0.3	0.3	2.4	1.6	1.7
CENTRAL AMERICA	3.7	3.3	3.2	27.0	28.9	29.0
Mexico	3.7	3.2	3.2	23.9	25.5	25.3
SOUTH AMERICA	20.1	16.0	17.8	63.7	62.9	59.1
Argentina	14.8	11.0	13.0	19.7	24.2	17.5
Brazil	2.4	2.2	2.3	35.6	30.6	33.6
Colombia	0.1	0.1	0.1	1.3	1.6	1.5
NORTH AMERICA	91.8	93.4	89.0	285.9	298.3	289.8
Canada	24.3	24.1	25.9	25.3	26.5	25.8
United States	67.5	69.3	63.1	260.6	271.7	264.0
EUROPE	197.3	187.8	176.5	241.7	201.7	202.0
Bulgaria	3.6	3.3	2.6	2.6	2.4	2.2
EC ^{2/}	95.1	102.7	97.6	110.6	105.9	101.6
Hungary	5.3	4.9	2.6	8.9	8.1	8.3
Poland	8.2	9.5	9.5	17.2	17.6	17.0
Romania	7.1	5.2	4.6	15.0	10.3	11.9
Russian Fed.	44.3	30.0	31.0	42.2	22.2	26.0
Ukraine	19.0	17.0	16.0	16.6	11.4	11.9
OCEANIA	19.7	21.3	22.2	10.7	9.5	8.7
Australia	19.4	21.1	21.9	10.0	8.9	8.1
WORLD	613.2	595.0	582.4	905.3	904.8	888.6
Developing countries	285.5	276.8	276.9	352.4	384.0	376.9
Developed countries	327.8	318.2	305.4	552.9	520.8	511.7

SOURCE: FAO

Note: Totals computed from unrounded data.

^{1/} Including Taiwan Province. ^{2/} Fifteen member countries.

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

	Rice (paddy)			Total Cereals 1/		
	1997	1998 estim.	1999 f'cast	1997	1998 estim.	1999 f'cast
	(..... million tonnes)					
ASIA	527.5	525.3	534.6	991.6	1 002.8	1 013.4
Bangladesh	28.3	29.5	30.8	29.8	31.4	32.7
China 2/	202.8	193.1	197.2	445.6	444.9	454.4
India	123.6	127.2	129.1	223.8	224.5	231.4
Indonesia	49.4	49.2	49.5	58.2	59.3	58.7
Iran, Islamic Rep. of	2.4	2.8	2.3	16.4	18.4	14.5
Japan	12.5	11.2	11.6	13.3	12.0	12.4
Kazakhstan	0.3	0.2	0.2	12.4	7.2	9.7
Korea, D. P. R.	1.7	2.1	2.1	2.9	3.9	4.2
Korea, Rep. of	7.5	7.0	7.1	7.9	7.4	7.4
Myanmar	16.7	17.8	17.5	17.2	18.4	18.0
Pakistan	6.5	7.1	7.3	24.8	27.7	27.3
Philippines	10.0	10.3	11.5	14.3	14.1	16.1
Saudi Arabia	-	-	-	1.9	2.4	2.2
Thailand	22.6	22.6	23.1	26.7	27.9	28.1
Turkey	0.3	0.3	0.3	29.7	32.3	28.0
Viet Nam	28.9	30.0	30.0	30.2	31.2	31.3
AFRICA	16.9	15.9	17.5	109.7	115.1	112.4
North Africa	5.5	4.5	6.0	24.6	29.2	26.7
Egypt	5.5	4.5	5.9	18.0	17.6	18.5
Morocco	-	-	-	4.1	6.6	3.8
Sub-Saharan Africa	11.4	11.4	11.5	85.1	85.9	85.7
Western Africa	7.4	7.1	7.2	36.8	39.9	37.4
Nigeria	3.8	3.4	3.4	22.3	22.8	21.7
Central Africa	0.4	0.4	0.4	2.9	3.1	3.0
Eastern Africa	0.8	1.2	1.0	22.8	23.4	25.0
Ethiopia	-	-	-	9.5	7.2	10.9
Sudan	-	-	-	4.5	5.5	4.9
Southern Africa	2.8	2.7	2.9	22.6	19.5	20.3
Madagascar	2.6	2.4	2.6	2.7	2.6	2.8
South Africa	-	-	-	11.9	9.7	9.1
Zimbabwe	-	-	-	2.7	1.9	2.0
CENTRAL AMERICA	2.3	2.2	2.3	33.0	34.3	34.5
Mexico	0.5	0.5	0.5	28.0	29.2	29.0
SOUTH AMERICA	18.1	17.0	21.2	102.0	95.9	98.1
Argentina	1.2	1.0	1.7	35.7	36.3	32.2
Brazil	9.5	8.5	11.5	47.6	41.3	47.4
Colombia	1.8	1.8	1.8	3.1	3.4	3.4
NORTH AMERICA	8.3	8.5	9.6	386.0	400.2	388.4
Canada	-	-	-	49.5	50.6	51.7
United States	8.3	8.5	9.6	336.5	349.6	336.7
EUROPE	3.2	3.1	3.1	442.3	392.6	381.6
Bulgaria	-	-	-	6.1	5.7	4.9
EC 3/	2.8	2.6	2.6	208.4	211.2	201.9
Hungary	-	-	-	14.2	13.0	10.9
Poland	-	-	-	25.4	27.1	26.5
Romania	-	-	-	22.1	15.4	16.5
Russian Fed.	0.3	0.4	0.4	86.8	52.6	57.3
Ukraine	0.1	0.1	0.1	35.7	28.5	27.9
OCEANIA	1.4	1.4	1.4	31.9	32.2	32.3
Australia	1.4	1.3	1.4	30.8	31.3	31.4
WORLD	577.8	573.3	589.8	2 096.4	2 073.1	2 060.7
Developing countries	551.6	548.3	563.2	1 189.5	1 209.2	1 217.0
Developed countries	26.2	25.0	26.5	906.9	864.0	843.7

SOURCE: FAO

Note: Totals computed from unrounded data.

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

Table A.2 a) - WORLD IMPORTS OF CEREALS

	Wheat (July/June) ^{1/}			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	48.8	45.8	48.3	54.2	52.7	53.7
Bangladesh	0.8	2.3	1.4	-	-	-
China ^{2/}	3.1	1.5	2.8	6.7	7.1	6.8
China, Hong Kong SAR	0.4	0.4	0.4	-	-	-
Georgia	0.6	0.6	0.5	-	-	-
India	2.3	1.4	1.0	0.2	0.2	0.2
Indonesia	4.0	3.3	2.8	1.3	0.1	0.2
Iran, Islamic Rep. of	4.0	3.2	5.8	1.7	1.5	2.1
Japan	6.0	6.0	6.1	21.0	20.5	20.8
Korea, Rep. of	3.9	4.6	3.9	8.0	7.6	8.3
Malaysia	1.1	1.2	1.3	2.3	2.2	2.3
Pakistan	4.3	2.9	3.4	-	-	-
Philippines	2.0	2.1	2.3	0.4	0.4	0.4
Saudi Arabia	-	-	-	6.0	6.0	6.0
Singapore	0.3	0.3	0.3	0.2	0.2	0.2
Sri Lanka	0.9	0.9	1.0	-	0.1	0.1
Syria	0.2	0.1	0.1	0.5	0.5	0.5
Thailand	0.7	0.7	0.8	0.3	0.1	0.1
Uzbekistan	0.9	0.5	0.4	-	-	-
Yemen	2.5	2.4	2.5	0.2	0.2	0.2
AFRICA	23.5	22.2	23.1	10.2	11.6	13.4
North Africa	17.0	15.6	16.4	5.9	7.8	8.1
Algeria	4.6	4.3	4.4	1.0	1.5	1.4
Egypt	7.1	7.0	7.0	2.9	3.6	3.8
Morocco	2.8	2.1	2.8	0.9	1.5	1.6
Tunisia	1.2	0.9	0.9	0.5	0.6	0.6
Sub-Saharan Africa ^{3/}	6.4	6.5	6.7	4.3	3.8	5.3
Cote d'Ivoire	0.3	0.3	0.3	-	-	-
Ethiopia	0.3	0.6	0.6	-	0.1	-
Kenya	0.5	0.3	0.3	1.1	0.4	0.8
Madagascar	0.1	0.1	0.1	-	-	-
Senegal	0.2	0.2	0.2	0.1	0.1	0.2
Sudan	0.5	0.5	0.4	-	0.1	-
CENTRAL AMERICA	4.7	5.6	5.7	9.5	11.6	11.6
Mexico	2.2	2.4	2.5	7.0	8.6	8.5
SOUTH AMERICA	9.8	12.1	11.7	5.8	7.0	6.5
Brazil	5.6	7.0	6.5	1.2	1.4	1.3
Colombia	0.9	1.1	1.1	1.5	1.5	1.6
Peru	1.1	1.2	1.2	0.9	1.1	1.1
Venezuela	1.2	1.3	1.3	1.0	1.4	1.3
NORTH AMERICA	2.5	2.9	2.7	4.3	3.2	3.5
EUROPE	9.8	8.2	10.0	5.1	6.2	7.2
EC ^{4/}	3.7	2.8	2.8	2.4	3.5	3.1
Russian Fed.	3.0	2.1	3.5	0.8	0.8	1.6
OCEANIA	0.4	0.4	0.5	0.1	0.1	0.1
WORLD	99.6	97.4	102.0	89.2	92.3	96.0
Developing countries	76.5	75.6	78.4	57.2	60.6	62.3
Developed countries	23.1	21.8	23.6	32.0	31.7	33.7

SOURCE: FAO

Note: Totals computed from unrounded data.

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

^{2/} Including Taiwan Province.

^{3/} Including the Republic of South Africa.

^{4/} Excluding trade between the fifteen EC member countries.

Table A.2 b) - WORLD IMPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	17.1	13.5	12.8	120.1	112.1	114.8
Bangladesh	2.5	1.8	1.1	3.3	4.1	2.5
China 2/	0.2	0.2	0.3	10.1	8.8	9.9
China, Hong Kong SAR	0.3	0.3	0.4	0.8	0.8	0.8
Georgia	-	-	-	0.6	0.6	0.5
India	-	-	-	2.5	1.6	1.2
Indonesia	6.0	3.5	3.0	11.3	6.9	6.0
Iran, Islamic Rep. of	0.5	0.9	1.0	6.2	5.6	8.9
Japan	0.5	0.7	0.7	27.4	27.2	27.6
Korea, Rep. of	0.1	0.1	0.1	12.0	12.3	12.3
Malaysia	0.7	0.7	0.7	4.1	4.1	4.3
Pakistan	-	-	-	4.3	2.9	3.4
Philippines	2.1	1.2	0.9	4.5	3.7	3.6
Saudi Arabia	0.8	0.8	0.9	6.8	6.8	6.9
Singapore	0.3	0.4	0.4	0.7	0.8	0.9
Sri Lanka	0.2	0.1	0.1	1.1	1.1	1.1
Syria	0.2	0.2	0.3	0.9	0.8	0.9
Thailand	-	-	-	1.0	0.8	0.9
Uzbekistan	-	-	-	0.9	0.5	0.4
Yemen	0.2	0.2	0.2	2.8	2.7	2.8
AFRICA	4.5	4.8	5.0	38.2	38.5	41.5
North Africa	0.2	0.2	0.2	23.1	23.6	24.7
Algeria	-	0.1	0.1	5.7	5.9	5.8
Egypt	-	-	-	10.0	10.6	10.8
Morocco	-	-	-	3.7	3.6	4.4
Tunisia	-	-	-	1.8	1.5	1.5
Sub-Saharan Africa 3/	4.3	4.5	4.7	15.0	14.8	16.7
Cote d'Ivoire	0.5	0.6	0.6	0.8	0.8	0.8
Ethiopia	-	-	-	0.3	0.6	0.6
Kenya	0.1	0.1	0.1	1.7	0.8	1.2
Madagascar	-	0.1	0.1	0.1	0.2	0.2
Senegal	0.5	0.5	0.5	0.8	0.8	0.9
Sudan	-	-	-	0.6	0.6	0.4
CENTRAL AMERICA	1.4	1.4	1.5	15.6	18.6	18.9
Mexico	0.3	0.3	0.4	9.4	11.3	11.3
SOUTH AMERICA	2.2	1.4	1.6	17.8	20.6	19.9
Brazil	1.5	0.9	1.0	8.2	9.3	8.8
Colombia	0.3	0.3	0.3	2.7	2.8	2.9
Peru	0.2	0.2	0.3	2.3	2.5	2.6
Venezuela	-	-	0.1	2.3	2.7	2.6
NORTH AMERICA	0.6	0.6	0.6	7.4	6.7	6.8
EUROPE	1.5	1.4	1.4	16.4	15.8	18.6
EC 4/	0.7	0.7	0.6	6.7	6.9	6.5
Russian Fed.	0.3	0.3	0.3	4.0	3.1	5.4
OCEANIA	0.3	0.3	0.3	0.8	0.9	0.8
WORLD	27.5	23.5	23.3 5/	216.3	213.2	221.3
Developing countries	24.3	20.1	19.8	157.9	156.3	160.5
Developed countries	3.2	3.4	3.5	58.4	56.9	60.9

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Including the Republic of South Africa.

4/ Excluding trade between the fifteen EC member countries.

5/ Highly tentative.

Table A.3 a) - WORLD EXPORTS OF CEREALS

	Wheat (July/June) ^{1/}			Coarse Grains (July/June)		
	1997/98	1998/99 estim.	1999/2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	7.7	7.3	6.2	9.6	6.0	7.0
China ^{2/}	0.5	0.3	0.2	7.0	3.4	5.2
India	-	0.1	0.5	-	-	-
Indonesia	-	-	-	0.5	0.4	0.2
Japan	0.3	0.3	0.3	-	-	-
Kazakhstan	3.4	2.1	2.6	0.8	0.4	0.6
Myanmar	-	-	-	0.1	0.1	0.1
Pakistan	0.1	0.3	0.3	-	-	-
Saudi Arabia	-	-	-	-	-	-
Thailand	-	-	-	-	0.2	0.2
Turkey	1.3	2.8	1.5	0.9	1.3	0.6
Viet Nam	-	-	-	0.2	0.2	0.2
AFRICA	0.3	0.2	0.1	3.5	2.2	1.8
Egypt	-	-	-	-	-	-
South Africa	0.2	0.1	0.1	1.3	0.9	0.2
Sudan	-	-	-	0.1	0.3	0.4
Zimbabwe	-	-	-	0.3	0.1	-
CENTRAL AMERICA	0.3	0.2	0.2	0.1	0.1	0.1
SOUTH AMERICA	9.0	8.4	8.1	13.7	11.3	12.1
Argentina	8.9	8.3	8.0	13.1	10.8	11.5
Suriname	-	-	-	-	-	-
Uruguay	-	-	-	0.1	0.1	0.1
NORTH AMERICA	49.2	42.9	50.5	47.9	55.3	55.6
Canada	21.1	13.9	18.5	3.5	2.5	2.6
United States	28.1	29.0	32.0	44.4	52.8	53.0
EUROPE	18.8	23.8	20.4	10.9	15.8	16.0
EC ^{3/}	12.9	14.0	16.3	4.0	10.4	10.8
Hungary	1.6	1.5	0.6	2.4	2.0	2.0
Poland	-	0.5	0.1	0.1	0.3	0.2
Romania	0.9	0.5	0.3	1.2	0.5	0.8
Russian Fed.	1.0	1.3	0.1	1.5	0.2	-
Ukraine	1.6	4.4	2.3	1.0	1.5	1.4
OCEANIA	15.3	16.1	16.5	3.0	4.9	3.4
Australia	15.2	16.1	16.5	3.0	4.9	3.4
WORLD	100.6	98.9	102.0	88.6	95.5	96.0
Developing countries	13.3	13.5	11.6	24.7	18.3	20.2
Developed countries	87.3	85.4	90.5	63.9	77.2	75.8

SOURCE: FAO

Note: Totals computed from unrounded data.

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

^{2/} Including Taiwan Province.

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

Table A.3 b) - WORLD EXPORTS OF CEREALS

	Rice (milled)			Total Cereals 1/		
	1998	1999 estim.	2000 f'cast	1997/98	1998/99 estim.	1999/2000 f'cast
	(..... million tonnes)					
ASIA	21.4	17.6	17.2	38.7	30.9	30.3
China 2/	3.8	2.1	2.1	11.3	5.8	7.5
India	4.5	2.5	2.5	4.5	2.6	3.0
Indonesia	-	-	-	0.5	0.4	0.2
Japan	0.8	0.5	0.4	1.1	0.8	0.7
Kazakhstan	-	-	-	4.2	2.5	3.2
Myanmar	0.1	0.2	0.2	0.2	0.3	0.3
Pakistan	2.0	2.1	2.0	2.1	2.4	2.3
Saudi Arabia	-	-	-	-	-	-
Thailand	6.4	5.7	5.7	6.4	5.9	5.9
Turkey	-	-	-	2.2	4.1	2.1
Viet Nam	3.8	4.3	4.1	4.0	4.5	4.3
AFRICA	0.4	0.3	0.4	4.1	2.7	2.3
Egypt	0.3	0.3	0.4	0.3	0.3	0.4
South Africa	-	-	-	1.5	1.0	0.2
Sudan	-	-	-	0.1	0.3	0.4
Zimbabwe	-	-	-	0.3	0.1	-
CENTRAL AMERICA	-	-	-	0.4	0.3	0.3
SOUTH AMERICA	1.7	1.9	1.9	24.4	21.6	22.1
Argentina	0.6	0.7	0.7	22.6	19.8	20.2
Suriname	0.1	0.1	0.1	0.1	0.1	0.1
Uruguay	0.7	0.8	0.7	0.8	0.9	0.8
NORTH AMERICA	3.2	2.8	3.0	100.3	101.0	109.1
Canada	-	-	-	24.6	16.4	21.1
United States	3.2	2.8	3.0	75.6	84.5	88.0
EUROPE	0.2	0.2	0.2	30.0	39.8	36.7
EC 3/	0.2	0.2	0.2	17.1	24.6	27.3
Hungary	-	-	-	4.0	3.5	2.6
Poland	-	-	-	0.1	0.8	0.3
Romania	-	-	-	2.1	1.0	1.1
Russian Fed.	-	-	-	2.5	1.5	0.1
Ukraine	-	-	-	2.6	5.8	3.7
OCEANIA	0.6	0.7	0.7	18.8	21.7	20.6
Australia	0.6	0.7	0.7	18.7	21.7	20.6
WORLD	27.5	23.5	23.3 4/	216.7	218.0	221.4
Developing countries	22.7	19.4	19.0	60.7	51.2	50.7
Developed countries	4.8	4.1	4.4	156.0	166.8	170.6

SOURCE: FAO

Note: Totals computed from unrounded data.

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

2/ Including Taiwan Province.

3/ Excluding trade between the fifteen EC member countries.

4/ Highly Tentative.

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

	Wheat ^{1/}			Coarse Grains ^{2/}			Rice (milled basis)		
	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast	1997/98	1998/989 estim.	1999/2000 f'cast
	(..... million tonnes)								
	UNITED STATES (June/May)			UNITED STATES			UNITED STATES (Aug./July)		
Opening stocks	12.1	19.7	25.7	27.0	38.2	51.6	0.9	0.9	0.7
Production	67.5	69.3	63.1	260.6	271.7	264.0	5.8	6.1	6.9
Imports	2.6	2.8	2.9	2.7	2.8	2.6	0.3	0.3	0.4
Total Supply	82.2	91.8	91.7	290.3	312.7	318.2	6.9	7.4	8.0
Domestic use	34.2	37.7	34.2	206.9	205.2	209.0	3.3	3.9	3.7
Exports	28.3	28.4	30.6	45.2	56.0	52.0	2.7	2.7	2.7
Closing stocks	19.7	25.7	26.9	38.2	51.6	57.2	0.9	0.7	1.6
	CANADA (August/July)			CANADA			THAILAND (Nov./Oct.) ^{3/}		
Opening stocks	9.0	6.0	7.1	4.9	4.4	5.1	1.1	0.8	1.0
Production	24.3	24.1	25.9	25.3	26.5	25.8	15.0	15.0	15.3
Imports	0.1	0.1	0.0	1.5	0.7	0.9	0.0	0.0	0.0
Total Supply	33.4	30.2	33.0	31.7	31.6	31.9	16.0	15.7	16.2
Domestic use	7.4	8.3	7.5	23.7	23.5	23.5	8.9	9.1	9.4
Exports	20.0	14.7	18.5	3.6	3.0	3.4	6.4	5.7	5.7
Closing stocks	6.0	7.1	7.0	4.4	5.1	5.0	0.8	1.0	1.2
	ARGENTINA (Dec./Nov.)			ARGENTINA			CHINA (Jan./Dec.) ^{3/ 4/}		
Opening stocks	1.2	0.7	0.4	0.1	0.4	1.9	12.3	14.5	12.2
Production	14.8	11.0	13.0	19.7	24.2	17.5	139.0	132.4	135.2
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3
Total Supply	16.0	11.8	13.4	19.8	24.6	19.4	151.5	147.0	147.7
Domestic use	4.9	4.9	5.0	7.6	9.1	8.8	133.2	132.6	133.2
Exports	10.4	6.5	8.0	11.7	13.6	10.1	3.8	2.1	2.1
Closing stocks	0.7	0.4	0.4	0.4	1.9	0.5	14.5	12.2	12.4
	AUSTRALIA (Oct./Sept.)			AUSTRALIA			PAKISTAN (Nov./Oct.) ^{3/}		
Opening stocks	2.9	1.5	2.0	1.1	2.1	1.6	0.4	0.4	0.5
Production	19.4	21.1	21.9	10.0	8.9	8.1	4.3	4.7	4.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	22.3	22.6	23.9	11.1	11.0	9.7	4.7	5.1	5.3
Domestic use	5.1	5.1	5.1	5.5	5.6	5.7	2.4	2.5	2.8
Exports	15.7	15.5	16.8	3.4	3.8	3.5	2.0	2.1	2.0
Closing stocks	1.5	2.0	2.0	2.1	1.6	0.4	0.4	0.5	0.5
	EC (July/June) ^{5/}			EC ^{5/}			VIET NAM (Nov./Oct.) ^{3/}		
Opening stocks	11.0	12.5	16.0	12.7	23.9	26.6	1.7	1.9	2.2
Production	95.1	102.7	97.6	110.6	105.9	101.6	18.8	19.5	19.5
Imports	3.7	2.8	2.8	2.4	3.5	3.1	0.0	0.0	0.0
Total Supply	109.8	118.0	116.4	125.7	133.2	131.3	20.5	21.4	21.7
Domestic use	84.1	87.8	85.9	97.8	96.3	99.3	14.8	14.9	15.4
Exports	13.2	14.2	16.5	4.0	10.4	10.8	3.8	4.3	4.1
Closing stocks	12.5	16.0	14.0	23.9	26.6	21.2	1.9	2.2	2.2
TOTAL ABOVE									
Opening stocks	36.2	40.4	51.2	45.7	68.9	86.7	16.3	18.3	16.6
Production	221.1	228.3	221.5	426.2	437.3	417.1	182.8	177.8	181.7
Imports	6.3	5.7	5.7	6.6	7.1	6.6	0.5	0.5	0.7
Total Supply	263.7	274.4	278.4	478.5	513.2	510.4	199.7	196.6	199.0
Domestic use	135.6	143.9	137.8	341.6	339.7	346.3	162.6	163.1	164.5
Exports	87.6	79.3	90.4	68.0	86.8	79.8	18.7	17.0	16.6
Closing stocks	40.4	51.2	50.2	68.9	86.7	84.3	18.3	16.6	17.9

SOURCE: FAO

Note: Totals computed from unrounded data.

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

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

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

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

Table A.5 - WORLD STOCKS: Estimated Total Carryovers of Cereals ^{1/}

	Crop Years ending in:						
	1994	1995	1996	1997	1998	1999 estim.	2000 forecast
	(..... million tonnes)						
TOTAL CEREALS	342.9	312.1	252.6	291.7	329.7	339.8	331.2
held by:							
- main exporters ^{2/}	119.5	110.8	74.6	98.2	127.7	154.5	152.4
- others	223.4	201.2	178.0	193.5	202.1	185.3	178.8
BY GRAINS							
Wheat	145.3	115.4	101.8	112.6	136.2	138.9	130.6
held by:							
- main exporters ^{2/}	46.9	32.6	28.7	36.2	40.4	51.2	50.2
- others	98.5	82.9	73.2	76.4	95.8	87.7	80.4
Coarse Grains	135.3	141.6	98.7	123.3	138.7	147.2	144.6
held by:							
- main exporters ^{2/}	53.5	63.8	31.6	45.7	68.9	86.7	84.3
- others	81.8	77.8	67.1	77.6	69.8	60.5	60.3
Rice (milled basis)	62.1	55.0	52.0	55.8	54.9	53.7	55.9
held by:							
- main exporters ^{2/}	19.1	14.5	14.3	16.3	18.3	16.6	17.9
- others	43.0	40.5	37.7	39.5	36.5	37.1	38.1
BY REGIONS							
Developed Countries	174.2	158.8	102.3	120.1	167.0	173.2	166.9
North America	59.9	69.3	35.2	53.9	69.1	90.3	97.7
Canada	16.2	9.2	9.8	14.0	10.4	12.3	12.0
United States	43.7	60.2	25.5	39.9	58.7	78.0	85.6
Others	114.3	89.5	67.1	66.2	97.9	82.9	69.3
Australia	4.6	2.6	3.0	4.0	3.8	3.8	2.6
EC ^{4/}	36.0	25.1	22.5	23.9	36.6	42.7	35.4
Japan	4.3	5.5	6.1	6.7	6.8	5.9	5.7
Russian Fed.	25.2	15.9	7.2	6.5	18.0	5.7	3.9
South Africa	2.3	3.2	1.3	1.8	3.4	1.6	1.5
Developing Countries	168.6	153.3	150.2	171.6	162.7	166.6	164.2
Asia	138.5	122.3	125.3	139.7	133.5	136.3	136.4
China ^{4/}	56.4	48.2	53.3	63.7	56.7	53.6	53.5
India ^{5/}	19.0	24.1	18.4	10.7	19.0	20.0	22.0
Indonesia	6.1	5.0	6.0	6.4	4.7	4.8	3.9
Iran, Islamic Rep. of	5.2	5.4	4.6	5.9	4.8	4.8	4.2
Korea, Rep. of	3.3	2.4	1.8	2.5	2.8	3.0	3.2
Pakistan	4.1	3.2	3.3	3.6	4.1	4.8	4.4
Philippines	2.1	1.2	1.9	2.0	2.0	2.6	2.8
Syria	2.8	3.0	3.3	3.2	2.2	2.1	1.0
Turkey	4.5	1.9	4.0	5.9	5.9	6.0	3.6
Africa	15.1	16.8	10.1	18.5	15.6	17.0	14.8
Algeria	2.3	2.7	1.5	2.0	1.0	1.7	1.3
Egypt	2.1	1.3	1.6	2.2	2.6	2.9	2.9
Morocco	0.2	2.9	0.6	3.8	2.3	3.1	1.9
Tunisia	1.4	1.5	1.0	2.1	1.8	1.7	1.7
Central America	4.6	4.6	6.3	6.9	6.9	7.0	6.9
Mexico	2.9	2.8	5.0	5.7	6.0	6.2	6.0
South America	10.3	9.5	8.4	6.4	6.6	6.3	6.1
Argentina	1.1	0.7	0.8	1.5	1.3	2.3	1.1
Brazil	5.2	5.8	5.0	2.5	2.8	1.6	3.0
WORLD STOCKS	(..... percentage)						
as % of consumption	19.0	17.4	13.6	15.6	17.7	18.1	17.3

SOURCE: FAO

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

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

Table A.6 - EXPORT PRICES OF CEREALS AND SOYBEANS

	Wheat			Maize		Sorghum	Soybeans
	U.S. No.2 Hard Winter Ord. Prot. 1/	U.S. Soft Red Winter No.2 2/	Argentina Trigo Pan 3/	U.S. No.2 Yellow 4/	Argentina 3/	U.S. No.2 Yellow 1/	U.S. No.2 Yellow 4/
	(..... US\$/tonne						
July/June							
1995/96	216	198	218	159	160	156	273
1996/97	181	158	157	135	133	125	299
1997/98	142	129	137	112	109	111	262
1998/99	120	100	118	95	98	92	203
1998 - October	129	109	129	95	96	92	210
1999 - March	119	101	112	97	92	92	184
April	115	100	115	94	90	88	183
May	112	97	123	93	97	89	179
June	112	93	129	94	97	91	180
July	105	92	126	80	93	79.0	163
August	115	98	130	72	97	77.0	162
September	119	89	130	71	93	75.0	171
October 5/ I	113	91	102	68	95	72	164
II	110	84	100	67	94	73	170
III	112	83	112	67	96	74	164

SOURCES: International Grain Council, USDA, and Reuters.

1/ F.o.b. U.S. Gulf ports. 2/ F.o.b. U.S. Atlantic ports. 3/ F.o.b. Argentine ports. 4/ Delivered U.S. Gulf ports.
5/ Weekly prices refer to Thursdays, except for U.S. No.2 Hard Winter Wheat which is based on Tuesday quotations.

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

	RICE						OILCROP PRODUCTS		
	Export prices			FAO Indices			FAO Indices		
	Thai 1/ 100% B	Thai broken 2/	U.S. Long grain 3/	Total	Quality		Marketing years	Edible/ soap fats and oils	Oilcakes and meals
				High	Low				
January/December	(.... US\$/tonne ...)			(... 1982-84=100 ...)			Oct./Sept.	(... 1990-92=100 ...)	
1995	336	268	371	129	124	146	1989/90	93	97
1996	352	234	430	136	136	136	1990/91	97	100
1997	316	214	439	127	129	120	1991/92	103	104
1998	315	215	413	127	128	126	1992/93	103	97
1998 - October	305	253	404	129	127	137	1993/94	127	93
1999 - May	252	185	334	113	115	109	1994/95	153	94
June	259	201	332	115	115	114	1995/96	140	128
July	257	209	323	116	116	115	1996/97 - Oct.-Mar.	135	134
August	249	204	322	116	116	114	- Apr.-Sep.	133	132
September	235	187	316	112	114	107	1997/98 - Oct.-Mar.	150	130
October I	213	166	308	)			- Apr.-Sep.	157	103
II	216	166	308	) 109	112	99	1998/99 - Oct.-Mar.	141	90
III	224	173	308	)			- Apr.-Sep.	109	74

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

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

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

Table A.8 - WHEAT AND MAIZE FUTURES PRICES ^{1/}

	December		March		May		July		
	this year	last year	this year	last year	this year	last year	this year	last year	
(..... US\$/tonne))									
WHEAT									
September	16	101	97	107	102	111	106	114	110
	23	100	101	107	106	110	110	114	114
	30	101	99	107	105	111	108	114	112
October	7	95	109	101	114	105	117	108	120
	14	94	108	100	114	103	117	107	120
	21	94	105	100	111	104	115	107	118
MAIZE									
September	16	84	82	88	87	91	91	92	93
	23	82	81	87	86	89	89	91	91
	30	82	82	86	87	89	90	91	93
October	7	80	86	85	90	87	93	89	95
	14	79	90	83	94	86	97	88	99
	21	79	86	83	91	85	94	88	96

SOURCE: Chicago Board of Trade

^{1/} Prices refer to Thursday quotations.

Table A.9 - OCEAN FREIGHT RATES FOR WHEAT

	From U.S. Gulf ports to:					From North Pacific ports to:	
	Rotterdam ^{1/}	CIS Black Sea ^{1/ 2/}	Egypt (Alexandria) ^{1/}	Bangladesh ^{1/}	East Africa Sudan ¹	China ^{1/}	Japan ^{1/}
(..... US\$/tonne))							
July/June							
1994/95	15.25	30.46	18.74	23.75	39.65	22.29	32.46
1995/96	12.95	30.00	16.83	21.67	41.65	25.94	35.00
1996/97	11.00	18.85	12.77	20.00	-	27.00	28.29
1997/98	9.60	18.1.0	11.70	20.17	-	27.00	28.00
1998/99	9.42	25.45	9.25	18.75	-	27.00	29.17
1998 - October	8.00	22.00	8.00	20.00	-	27.00	28.00
1999 - March	9.00	22.00	10.00	18.50	-	27.00	30.00
April	9.50	n.q.	10.00	18.50	-	27.00	30.00
May	14.75	40.97	12.00	18.50	-	27.00	30.00
June	14.75	40.97	11.00	18.50	-	27.00	30.00
July	14.75	40.97	11.00	18.50	-	27.00	30.00
August	14.75	40.97	12.10	18.50	-	27.00	31.00
September	12.00	40.97	17.50	18.50	-	27.00	31.50
October	12.00	40.97	12.75	18.50	-	27.00	32.00

SOURCE: International Grain Council

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

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

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

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

	1997	1998	1999	Change 1999 over 1998
	(..... million tons) (.. percentage ..)			
Wheat	67.5	69.3	63.1	-9.0
of which: winter	(50.2)	(51.2)	(46.2)	-9.8
Coarse grains	260.6	271.7	264.0	-2.8
of which: maize	(233.9)	(247.9)	(240.5)	-3.0
Rice (paddy)	8.3	8.5	9.6	12.8
Soybeans	73.2	74.6	73.4	-1.6

SOURCE: USDA: Crop Production, 8 October 1999.

Table A.11- CANADA: CEREALS AND OILSEEDS - PRODUCTION FOR 1999

	1997	1998	1999	Change 1999 over 1998
	(..... thousand tonnes) (.. percentage ..)			
Wheat	24 280	24 076	25 923	7.7
Oats	3 485	3 958	3 657	-7.6
Barley	13 527	12 709	12 968	2.0
Rye	320	398	402	1.0
Maize	7 200	8 670	8 123	-6.3
Mixed Grains	603	548	456	-16.8
Linseed	895	1 081	1 081	0.0
Rapeseed	6 393	7 643	8 634	13.0

SOURCE: Statistics Canada, 8 October 1999.

Table A.12- AUSTRALIA: CEREAL PRODUCTION FOR 1999

	1997	1998	1999	Change 1999 over 1998
	(..... thousand tonnes) (.. percentage ..)			
Wheat	19 417	21 108	21 924	3.9
Oats	1 580	1 560	1 340	-14.1
Barley	6 400	5 380	4 250	-21.0
Sorghum	1 210	1 070	1 660	55.1
Maize	370	340	320	-5.9
Triticale	410	480	470	-2.1
Rice (paddy)	1 380	1 331	1 390	4.3

SOURCE: Australian Bureau of Agricultural and Resources Economics, 14 September 1999.

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

	Currency and Unit	Effective Date	Latest Quotation	1 month ago	1 year ago	Average 1989-91
Sugar (I.S.A. daily price)	US cents per lb	15.10.99	6.6	6.5	7.7	11.4
Coffee (I.C.O. daily price)	US cents per lb	15.10.99	84.5	70.4	95.6	76.7
Cocoa (I.C.C.O. daily price)	US cents per lb	18.10.99	47.3	47.1	74.9	56.0
Tea (all tea, London, weekly)	US\$ per kg.	18.10.99	2.0	2.1	1.8	1.5
Bananas (Central America, f.o.r., Hamburg)	DM per tonne	15.10.99	1 494 ^{1/} 1 132 ^{2/}	1 498 ^{1/} 1 175 ^{2/}	1 512 ^{1/} 1 134 ^{2/}	1 107
Rubber (RSS 1, spot London)	Pence per kg.	13.10.99	44.8	42.8	49.3	54.5
Cotton (COTLOOK, index "A" 1-3/32")	US cents per lb	16.10.99	47.5	49.3	60.4	78.5
Wool (64's, London)	Pence per kg	16.10.99	277	279	279	466

SOURCE: FAO

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

STATISTICAL NOTE:

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

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

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Rice: S. Mbabaali; **Milk:** M. Griffin; **Cassava:** Ms A. Coccia; **Sugar:** K. Chang; **Fertilizer:** J. Poulisse

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