

Food Outlook

BIANNUAL REPORT ON GLOBAL FOOD MARKETS



November 2013



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HIGHLIGHTS

Food markets are becoming more balanced and less price volatile than in recent years. In 2013 the world food import bill is set to decline by 3 percent to USD 1.15 trillion, with cereals, sugar, vegetable oils and tropical beverages falling, but dairy, meat and fish remaining firm.

WHEAT

A record crop in 2013 helps world inventories to replenish. International prices have fallen in response but import demand remains strong while export availabilities are only just sufficient. As a result, any problems affecting the crops to be harvested will influence price movements for wheat more than for other cereals.

COARSE GRAINS

A strong recovery in production stemming mostly from a record maize crop in the United States lifts world stocks to comfortable levels and sharply depresses international prices. While trade expands, export availabilities are adequate, a factor which raises competition for markets and keeps prices under downward pressure.

RICE

After several months of stability, international rice prices plunged in September. Slowing import demand is likely to weigh on the market again in 2014. Despite limited growth in 2012 and again in 2013, world production is forecast to exceed utilization, resulting in yet another increase in world rice inventories.

CASSAVA

Global output is forecast to reach a new record in 2013, driven by expansion in Africa and Asia. However, in Africa, the presence of virulent cassava diseases casts some doubt on how robust future growth will be. In Asia, much depends on competitiveness of cassava substitutes, especially maize.

OILSEEDS

The supply and demand forecasts for 2013/14 point to a further improvement in oilseed/oil/meal fundamentals. Record global oilcrop production, combined with moderate growth in oil and meal consumption, should foster a replenishment in global inventories, especially of meals, thus reducing market tightness.

SUGAR

World sugar production is forecast to increase marginally from 2012/13, but enough to cover projected global consumption and prompt a build-up in global stocks. World sugar trade is anticipated to increase significantly in 2013/14, as falling international sugar prices boost demand from the traditional importing countries.

MEAT

World meat production is anticipated to grow by 1.4 percent in 2013. Prices have remained at historically high levels since the beginning of 2011 and, while there is some variation among the different types of meat, there is no sign of their decreasing overall, despite reduced feed costs.

DAIRY

International dairy products prices have declined from their April peak, but still remain at historically high levels. Although milk production continues to increase steadily in many countries, especially in Asia, output in some of the main exporting countries has been constrained.

FISHERIES

Aquaculture continues to boost overall fish supply, pushing quotations down from earlier levels. Fish consumption per capita keeps growing with aquaculture in the process of overtaking capture fisheries as the main source of supply for direct human consumption.

FAO FOOD PRICE INDEX REVISITED

This November 2013 release of the FAO Food Price Index (FFPI), also published in this report, introduces a number of revisions to the way the FFPI is calculated, including changes to its commodity coverage. The new approach did not significantly alter the values of the series. The revised FFPI has also been extended back to 1961. The FFPI averaged 205.8 points in October 2013, 2.7 points (1.3 percent) above September, but still 11 points (5.3 percent) below its level in October 2012.

MARKET SUMMARIES

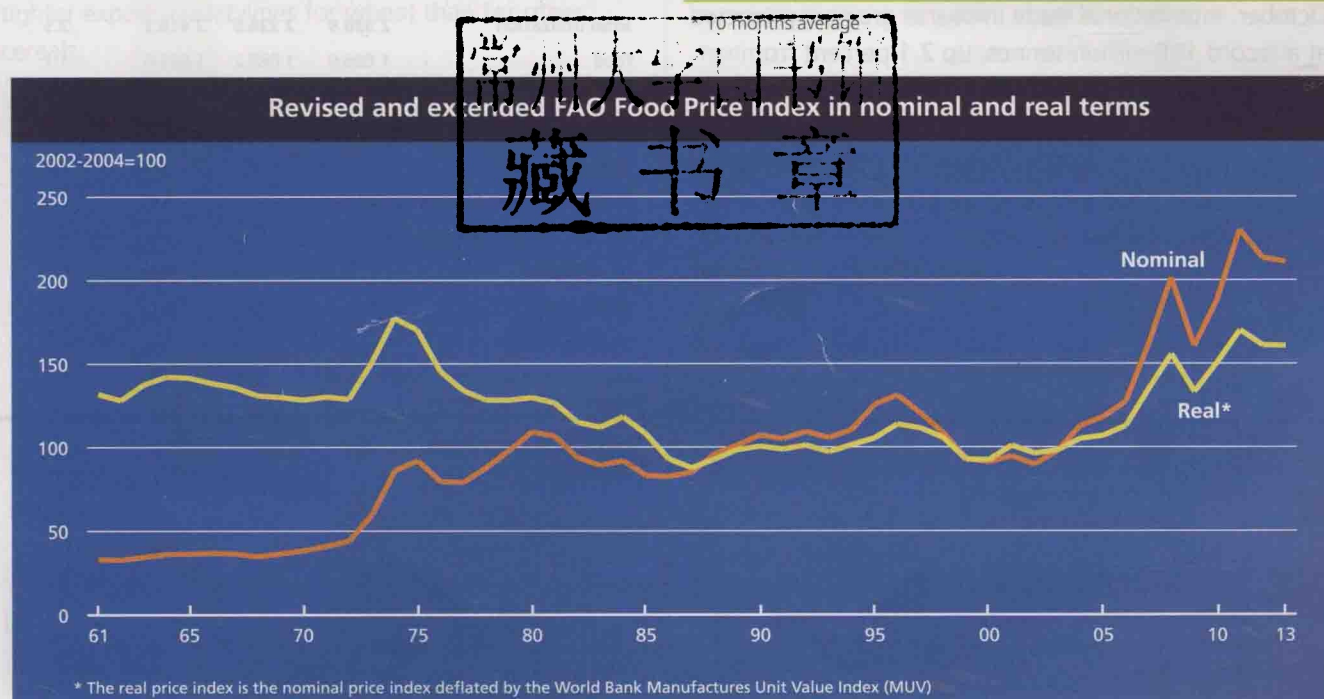
FAO'S FOOD PRICE INDEX REVISITED

The FAO Food Price Index (FFPI) was introduced in 1996 as a public good to help in monitoring developments in the global agricultural commodity markets. The only major modification made to it - until now- was in 2009, when its base period was updated to 2002-2004. During the significant price hikes in 2008, the FFPI gained prominence as an indicator of potential food security concerns for vulnerable developing countries. Since then, with the exception of 2009 and 2010, prices of agricultural commodities have remained at relatively high levels compared with those prior to 2008.

The analysis presented in the Special Feature of this report was designed to discover whether the changes in the global agricultural commodity markets and the improvements in information technology required the FFPI to be reviewed. Some changes were made to the commodity coverage and to the manner in which the agricultural commodity prices were used in the calculation of the index, but the base period and the form of the index were maintained. The changes introduced, moreover, did not significantly alter the values of the series. In addition, the FFPI was extended back to 1961 to allow long-term evaluation of market developments.

**FAO FOOD PRICE INDEX (2002-2004=100):
OLD AND REVISED**

	OLD	REVISED
1990	105.4	107.2
1991	103.6	105.0
1992	108.5	109.2
1993	104.6	105.5
1994	110.6	110.3
1995	123.2	125.3
1996	129.1	131.1
1997	118.5	120.4
1998	107.1	108.5
1999	92.4	93.2
2000	90.4	91.1
2001	93.4	94.6
2002	89.9	89.6
2003	97.7	97.7
2004	112.4	112.7
2005	117.3	117.9
2006	126.7	127.2
2007	158.7	161.6
2008	199.8	201.4
2009	156.9	160.6
2010	185.3	188.0
2011	227.6	230.1
2012	211.8	213.4
2013	208.2	210.5



CEREALS

World cereal production (including rice in milled equivalent) is expected to increase by 8 percent in 2013, to 2 498 million tonnes. This forecast is almost 10 million tonnes higher than foreseen in October¹, mostly reflecting upward adjustments to production estimates in Canada, China, the EU, the United States and Ukraine. The sharp increase in 2013 cereal production mostly stems from a recovery of maize crops in the United States and of wheat crops in CIS countries. World rice production in 2013 is expected to grow only modestly.

World cereal utilization in 2013/14 is put at 2 418 million tonnes, 3.5 percent higher than in 2012/13. Total food use of cereals is forecast at 1 099 million tonnes, up 1.7 percent from 2012/13. Larger supplies and lower prices are expected to boost feed use of cereals by 5.3 percent, to 847.6 million tonnes. Global stocks, ending in 2014, are also anticipated to increase, by 13 percent to 564 million tonnes, with coarse grains alone up by 30 percent, mostly in the United States. Wheat and rice stocks are also projected to rise, by 7 percent and 3 percent respectively. The expansion in world cereal stocks would result in the global cereal stocks-to-use ratio reaching 23.0 percent, well above the historical low of 18.4 percent in 2007/08.

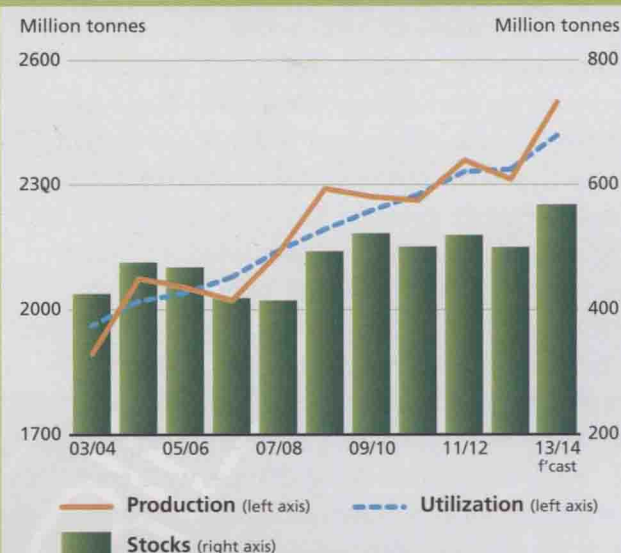
World cereal trade in 2013/14 is forecast to reach 314.4 million tonnes, 1.7 percent higher than in 2012/13 and slightly above the level expected in October. International trade in coarse grains is projected at a record 135 million tonnes, up 2.1 percent from 2012/13. Wheat trade is forecast to increase by 1.9 percent, to 142 million tonnes, still below its all-time high in 2011/12. By contrast, after falling by 2 percent in 2013, trade in rice could decline by a further 0.5 percent to 37.4 million tonnes in 2014.

¹ Refers to the October 2013 issue of FAO Cereal Supply and Demand Brief at: <http://www.fao.org/worldfoodsituation/csdb/>

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CEREAL PRODUCTION, UTILIZATION AND STOCKS



WORLD CEREAL MARKET AT A GLANCE ¹

	2011/12	2012/13 <i>estim.</i>	2013/14 <i>f'cast</i>	Change: 2013/14 over 2012/13
	<i>million tonnes</i>			<i>%</i>
WORLD BALANCE				
Production	2 357.5	2 312.0	2 497.6	8.0
Trade ²	319.7	309.1	314.4	1.7
Total utilization	2 330.9	2 336.6	2 418.2	3.5
Food	1 066.0	1 080.2	1 099.0	1.7
Feed	796.2	805.3	847.6	5.3
Other uses	468.7	451.2	471.5	4.5
Ending stocks	517.0	497.3	563.7	13.4
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	151.9	151.9	152.4	0.3
LIFDC ³ (kg/yr)	157.1	157.2	158.2	0.6
<i>World stock-to-use ratio (%)</i>	<i>22.1</i>	<i>20.6</i>	<i>23.0</i>	
<i>Major exporters stock-to-disappearance ratio (%)</i>	<i>18.0</i>	<i>16.4</i>	<i>18.6</i>	
<hr/>				
FAO CEREAL PRICE INDEX (2002-2004=100)	2011	2012	2013 <i>Jan-Oct</i>	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	241	236	224	-3.6

¹ Rice in milled equivalent.

² Trade refers to exports based on a July/June marketing season for wheat and coarse grains and on a January/December marketing season for rice.

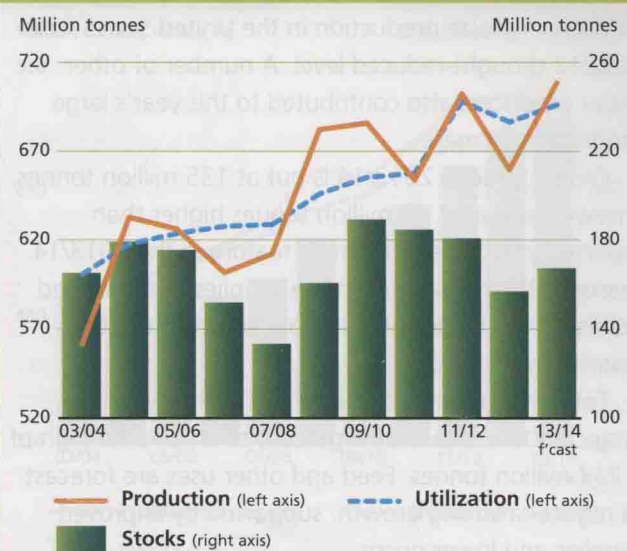
³ Low-income Food-Deficit countries.

Global wheat production in 2013 is expected to grow by 7.4 percent to a new record of 708.5 million tonnes. Most of the increase reflects the recovery of crops in the CIS countries from last year's drought-reduced levels. Looking into 2014, early indications point to larger wheat area in the United States while prospects are mixed in Europe, especially in the Russian Federation and Ukraine where unfavourable weather hampered plantings.

World trade in 2013/14 is forecast at 142 million tonnes, 1.9 percent higher than in 2012/13, mainly on larger anticipated imports in Asia more than offsetting declining purchases in Europe. Export supplies seem more abundant this season, especially among the major exporters, with shipments from the Russian Federation and Ukraine forecast to increase by 5 million tonnes and 3 million tonnes respectively.

Total wheat utilization in 2013/14 is put at 696.1 million tonnes, 1.4 percent higher than in 2012/13, with food use accounting for most of the expansion. World inventories are forecast to reach 167 million tonnes, an increase of about 6.7 percent from their sharply reduced opening levels and 3.4 million tonnes more than foreseen in October. At this level, the world wheat stocks-to-use ratio could rise to 23.6 percent in 2013/14. However, the ratio of major wheat exporters' closing stocks to their total disappearance is expected to remain low, at around 13.8 percent, which points to generally tighter export availabilities for wheat than for other cereals.

WHEAT PRODUCTION, UTILIZATION AND STOCKS



WORLD WHEAT MARKET AT A GLANCE

	2011/12	2012/13 <i>estim.</i>	2013/14 <i>f'cast</i>	Change: 2013/14 over 2012/13
	<i>million tonnes</i>			<i>%</i>
WORLD BALANCE				
Production	702.4	659.7	708.5	7.4
Trade¹	147.5	139.3	142.0	1.9
Total utilization	698.1	686.5	696.1	1.4
Food	470.8	474.9	482.3	1.6
Feed	147.3	133.1	133.9	0.6
Other uses	80.0	78.5	80.0	1.9
Ending stocks	180.1	156.3	166.7	6.7
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	67.1	66.8	66.9	0.1
LIFDC (kg/yr)	47.6	47.5	48.0	1.1
<i>World stock-to-use ratio (%)</i>	<i>26.2</i>	<i>22.5</i>	<i>23.6</i>	
<i>Major exporters stock-to-disappearance ratio² (%)</i>	<i>18.3</i>	<i>13.6</i>	<i>13.8</i>	
FAO WHEAT PRICE INDEX³ (2002-2004=100)				
	2011	2012	2013 <i>Jan-Oct</i>	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	214	204	196	-2.1

¹ Trade refers to exports based on a common July/June marketing season.

² Major exporters include Argentina, Australia, Canada, EU, Kazakhstan, Russian Fed., Ukraine and the United States.

³ Derived from the International Grains Council (IGC) wheat index.

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COARSE GRAINS

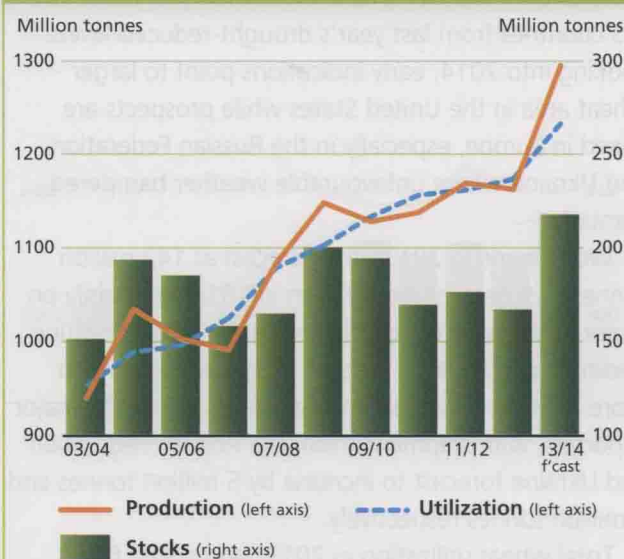
World production of coarse grains in 2013 is forecast at a record 1 295 million tonnes, 11.4 percent up from the previous year, largely driven by a strong recovery in maize production in the United States from its 2012 drought-reduced level. A number of other major producers also contributed to this year's large production increase.

Global trade in 2013/14 is put at 135 million tonnes, a new record and 1.5 million tonnes higher than reported in October. The main feature in the 2013/14 season is the recovery of maize supplies in the United States, which is forecast to boost exports from the country by 44 percent.

Total utilization of coarse grains in 2013/14 is projected to increase by 5 percent to an all-time high of 1 233 million tonnes. Feed and other uses are forecast to register a strong growth, supported by improved supplies and lower prices.

World inventories by the close of crop seasons in 2014 are forecast to reach 217 million tonnes, 30 percent, or 51 million tonnes, above their sharply reduced opening levels and 4.5 million tonnes higher than reported in October. As a result, the world stock-to-use ratio is expected to recover from its historically low level of 13.5 percent in 2012/13, to 17.4 percent. The major exporters' stock-to-disappearance ratio is also anticipated to rebound from only 7.6 percent in 2012/13 to 13.7 percent in 2013/14.

COARSE GRAIN PRODUCTION, UTILIZATION AND STOCKS



WORLD COARSE GRAIN MARKET AT A GLANCE

	2011/12	2012/13 estim.	2013/14 f'cast	Change: 2013/14 over 2012/13
	million tonnes			%
WORLD BALANCE				
Production	1 169.1	1 162.4	1 295.1	11.4
Trade ¹	133.8	132.2	135.0	2.1
Total utilization	1 162.2	1 173.6	1 233.0	5.1
Food	199.3	202.9	206.9	2.0
Feed	635.9	658.9	700.1	6.3
Other uses	327.1	311.8	326.1	4.6
Ending stocks	175.8	166.5	217.2	30.5
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	28.5	28.5	28.7	0.7
LIFDC (kg/yr)	39.5	39.6	39.7	0.3
World stock-to-use ratio (%)	15.0	13.5	17.4	
Major exporters stock-to-disappearance ratio ² (%)	10.5	7.6	13.7	
FAO COARSE GRAIN PRICE INDEX (2002-2004=100)				
	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	277	283	258	-7.6

¹ Trade refers to exports based on a common July/June marketing season.

² Major exporters include Argentina, Australia, Brazil, Canada, EU, Russian Fed., Ukraine and the United States.

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International rice prices tumbled in September, reflecting the imminent arrival of new crops on the market and the need to free storage space. The slide was also facilitated by a more lenient implementation of the high price policy in Thailand, which resulted in much lower Thai export quotations, but also weighed on those of its competitors.

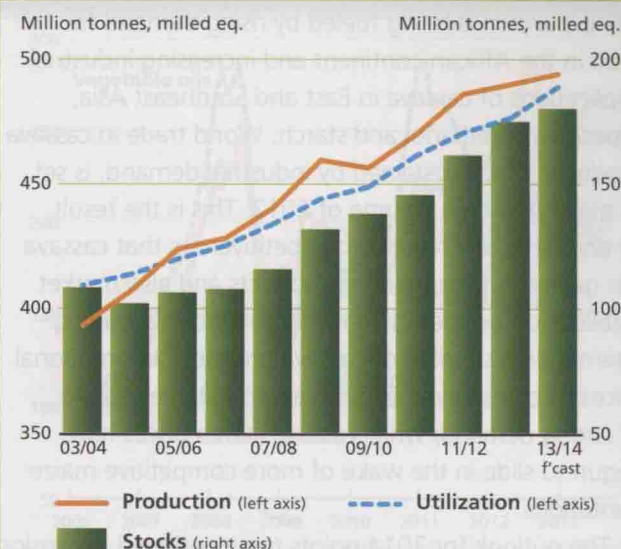
Contradicting earlier expectations of a bumper season, the outlook for 2013 world rice production was recently downgraded, amid a worsening of crop prospects in China and India, the two largest producers. As a result, the forecast for global rice production (in milled equivalent) was lowered to 494 million tonnes, implying only a modest expansion of 0.9 percent from the revised 2012 estimate.

International rice trade is expected to decline both in 2013 and 2014. Next year, Indonesia, the Islamic Republic of Iran, the Republic of Korea and the Philippines are anticipated to reduce their purchases, due to abundant domestic supplies. China's imports, on the other hand, are likely to remain high, especially if the gap between domestic and international prices widens. Among exporters, India is foreseen to curb shipments in 2013 and again in 2014, remaining nonetheless the leading rice exporter in both years. Expectations of lower international prices may depress 2014 deliveries from Pakistan, the United States and Viet Nam. Part of these shortfalls is expected to be filled by Thailand, where the recent fall of export quotations is helping the country recoup its competitive edge.

Rice utilization is forecast to rise by 2.6 percent in 2013/14, with the implementation of India's National Food Security Law contributing to lifting average per capita food consumption.

Despite its modest growth, world production is expected to exceed utilization in 2013/14, resulting in a further accumulation of stocks. As a result, the stock-to-use ratio is predicted to rise from 35.7 percent in 2013 to 36.0 percent in 2014.

RICE PRODUCTION, UTILIZATION AND STOCKS



WORLD RICE MARKET AT A GLANCE

	2011/12	2012/13 estim.	2013/14 f'cast	Change: 2013/14 over 2012/13
	million tonnes			%
WORLD BALANCE				
Production	486.1	489.9	494.1	0.9
Trade ¹	38.4	37.6	37.4	-0.5
Total utilization	470.6	476.6	489.0	2.6
Food	395.9	402.4	409.9	1.9
Ending stocks	161.0	174.5	179.8	3.0
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	56.4	56.6	56.9	0.5
LIFDC (kg/yr)	70.1	70.1	70.5	0.6
World stock-to-use ratio (%)	33.8	35.7	36.0	
Major exporters stock-to-disappearance ratio ² (%)	25.2	28.0	28.2	
FAO RICE PRICE INDEX (2002-2004=100)				
	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	251	240	235	2.2

¹ Calendar year exports (second year shown).

² Major exporters include India, Pakistan, Thailand, the United States and Viet Nam.

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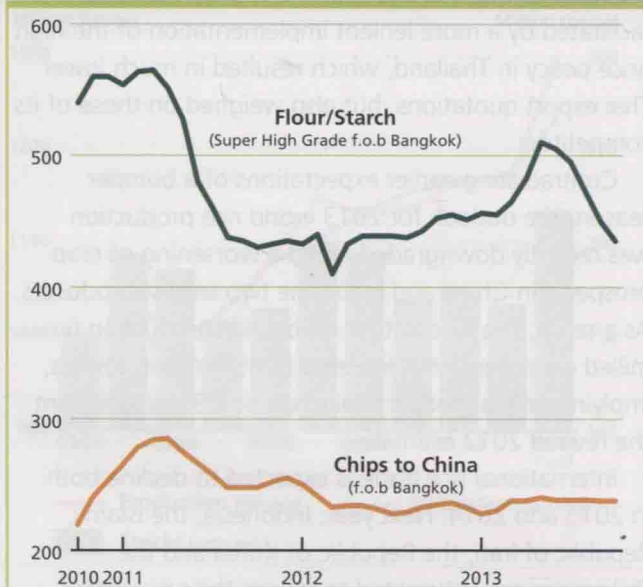
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CASSAVA

World cassava output in 2013 is expected to reach 256 million tonnes, a marginal increase from the level of 2012, but still the fifteenth annual rise in succession. The expansion is being fueled by rising demand for food in the African continent and increasing industrial applications of cassava in East and Southeast Asia, especially for ethanol and starch. World trade in cassava products, much sustained by industrial demand, is set to match the high volume of 2012. This is the result, by and large, of the price competitiveness that cassava has gained over competing products and also market stabilization policies in Thailand, the world's leading international supplier of cassava products. International prices of chips have been remarkably stable in spite of strong demand, while cassava starch prices have begun to slide in the wake of more competitive maize quotations.

The outlook for 2014 points to a continued expansion of production in Africa, where cassava remains a strategic crop for both food security and poverty alleviation. However, the increasingly rapid spread of cassava brown streak disease casts some doubt on how robust future growth can be in the region. In Asia, prospects for further expansion of the sector are far from certain, as much depends on how cassava fares with substitutes. In recent months, international quotations of maize have fallen precipitously, which has already begun to dampen demand for cassava. The outlook will also be heavily influenced by the degree of support that Thailand will accord to its domestic sector, either the reinstitution of the "price pledging scheme" or continued sales at a discount from official stockpiles.

INTERNATIONAL CASSAVA PRICES (October 2010 - October 2013)



WORLD CASSAVA MARKET AT A GLANCE

	2011	2012 estim.	2013 f'cast	Change: 2013 over 2012
<i>million tonnes, fresh root eq.</i>				
WORLD BALANCE				
Production	245.7	252.1	255.7	1.4
Trade	23.8	35.0	34.0	-2.8
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	17.6	18.1	18.3	1.4
Developing (kg/year)	22.1	22.7	23.0	1.4
LDC (kg/year)	62.8	63.9	64.5	0.9
Sub-Saharan Africa (kg/year)	111.6	115.2	116.7	1.3
Trade share of prod. (%)	9.7	13.9	13.3	-4.1
CASSAVA PRICES ¹				
	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012
Chips to China (f.o.b. Bangkok)	263.4	234.5	236.2	0.7
Starch (f.o.b. Bangkok)	489.3	439.2	472.6	8.3
Thai domestic root prices	79.6	80.7	90.3	13.7

¹ Source: Thai Tapioca Trade Association.

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World oilcrop production could climb to an all-time high, supported by record soybean crops in South America. While large soybean crops point to a healthy expansion in world supplies of meals/cakes, global supplies of oils/fats should also rise thanks to a recovery in high oil-yielding seed output and steady growth in palm oil. Moderate growth in world consumption of oils and meals is expected to continue.

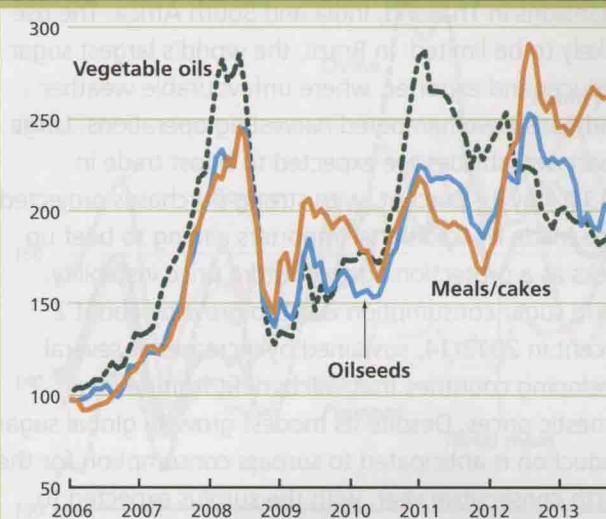
Global output of oilseed products should match world utilization for the second consecutive year, although a sizeable surplus is possible in the case of meals/cakes. As a result, further replenishments in world stocks should be achievable, especially with regard to oilmeals. Based on current prospects, the stock-to-use ratio is projected to improve significantly from last season for meals, but to remain unchanged for oils/fats.

The present 2013/14 outlook suggests there is scope for international meal prices to finally come down from their record high levels. Additional downward pressure on meal prices is likely to come from rising global supplies of feedgrains. As to the oils/fats market, adequate supplies and ample stocks are expected to keep prices stable at their current relatively low level.

This season's outlook relies heavily on the realization of bumper soybean harvests in South America. Any unexpected weather problem in the region would have a direct, strong impact on the global supply and demand situation. With traders closely monitoring weather developments in South America, prices in the oilseed complex are likely to remain volatile.

While international trade in oils/fats is expected to keep expanding moderately, growth in meal transactions should rebound after last season's slowdown. As meal prices become more affordable meal import demand should increase – although the abundance of feedgrains may temper such growth.

FAO MONTHLY INTERNATIONAL PRICE INDICES FOR OILSEEDS, VEGETABLE OILS AND OILMEALS/CAKES (2002-2004=100)



WORLD OILSEED AND PRODUCT MARKET AT A GLANCE

	2011/12	2012/13 estim.	2013/14 f'cast	Change: 2013/14 over 2012/13
	million tonnes			%
TOTAL OILSEEDS				
Production	454.7	481.4	502.5	4.4
OILS AND FATS				
Production	183.6	190.2	199.3	4.8
Supply	214.7	221.8	232.1	4.6
Utilization	184.5	190.1	197.9	4.1
Trade	98.2	101.9	105.2	3.2
Stock-to-utilization ratio (%)	17.1	17.2	17.2	
Major exporters stock-to-disappearance ratio (%)	10.2	9.9	10.1	
MEALS AND CAKES				
Production	111.2	119.5	126.0	5.4
Supply	132.3	136.9	143.8	5.1
Utilization	117.5	118.8	122.5	3.1
Trade	72.7	73.2	78.0	6.7
Stock-to-utilization ratio (%)	14.7	15.0	16.8	
Major exporters stock-to-disappearance ratio (%)	5.9	7.5	9.5	
FAO PRICE INDICES				
(Jan/Dec)	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012
(2002-2004=100)				%
Oilseeds	215	224	207	-7.5
Oilmeals/cakes	197	238	255	7.3
Vegetable oils	259	230	192	-16.5

NOTE: Refer to table 2 in the Oilseeds section of the Market Assessments chapter, for explanations regarding definitions and coverage.

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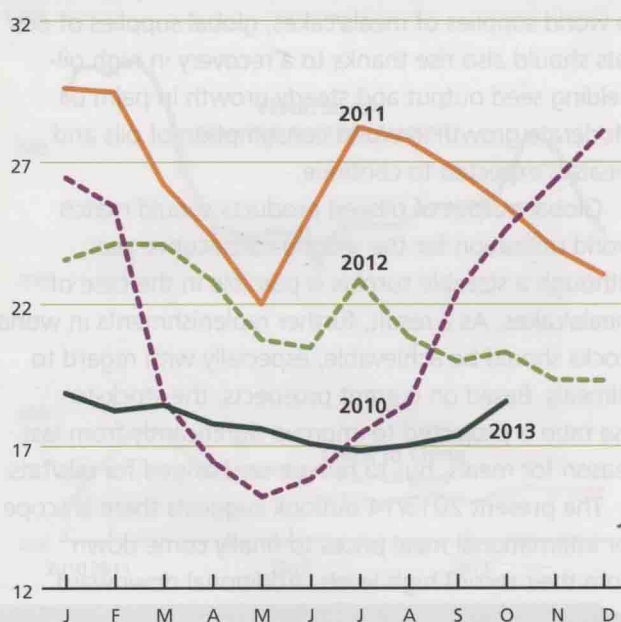
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SUGAR

World sugar production is forecast to increase only slightly in 2013/14, as falling outputs in the EU, the United States and the Russian Federation offset expansions in Thailand, India and South Africa. The rise is likely to be limited in Brazil, the world's largest sugar producer and exporter, where unfavourable weather conditions have hampered harvesting operations. Large export availabilities are expected to boost trade in 2013/14 by 12 percent, with strong purchases projected to be made by traditional importers aiming to beef up stocks as a protection against future price instability. World sugar consumption is set to grow by about 2 percent in 2013/14, sustained by increases in several developing countries that will benefit from falling domestic prices. Despite its modest growth, global sugar production is anticipated to surpass consumption for the fourth consecutive year, with the surplus expected to hover around 4.7 million tonnes, resulting in a further build up of stocks. However, at this early stage of the season, there are many uncertainties surrounding the size of the projected production surplus.

INTERNATIONAL SUGAR PRICES*

US cents per lb.



* As measured by the International Sugar Agreement (ISA)

WORLD SUGAR MARKET AT A GLANCE

	2011/12	2012/13 <i>estim.</i>	2013/14 <i>f'cast</i>	Change: 2013/14 over 2012/13
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	175.2	179.6	180.2	0.29
Trade	52.5	50.4	56.7	12.49
Total utilization	169.8	172.1	175.4	1.93
Ending stocks	66.1	72.0	74.59	3.53
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	24.20	24.35	24.55	0.81
LIFDC (kg/yr)	16.46	16.45	16.76	1.87
World stock-to-use ratio (%)	38.92	41.86	42.51	
ISA DAILY PRICE AVERAGE (US cents/lb)	2011	2012	2013 <i>Jan-Oct</i>	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	26.0	21.5	17.80	-19.03

Contact:

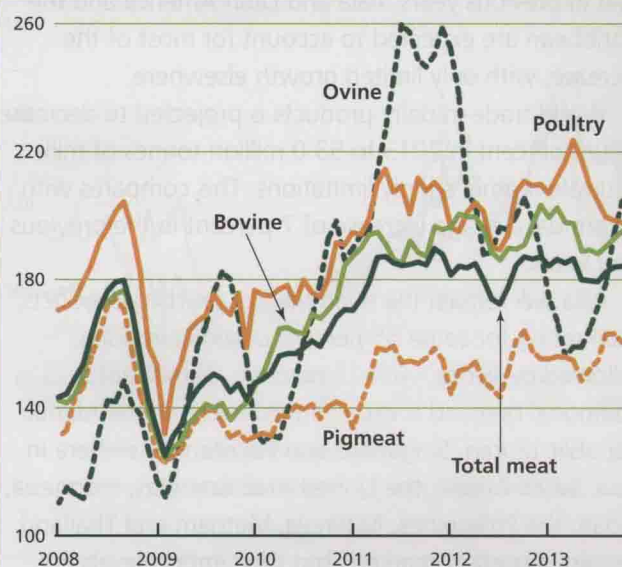
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MEAT AND MEAT PRODUCTS

At the international level, prices have remained high by historical standards for the past two years. The FAO Meat Price Index averaged 184 in October 2013, little changed when compared to a year earlier. So far this year, a reduction in feed costs has facilitated some price decrease for poultry, while prices of the other meat categories have remained either unchanged, in the case of bovine and ovine meat, or increased, in the case of pig meat.

Global meat trade is forecast to hover around 30 million tonnes in 2013 – or 10 percent of production. At this level, it would be 1.1 percent higher, representing a reduction in growth compared to 2012, and well below the rates of 6 and 7 percent seen in 2010 and 2011, respectively. The slowdown is a reflection of improved national supplies in a number of importing countries and a fall in production in some of the principal exporters. However, there are marked differences in trade in the different varieties of meat, with moderate growth forecast for bovine meat and a substantial increase for ovine meat, while trade in poultry may remain unchanged and pig meat decline.

FAO INTERNATIONAL MEAT PRICE INDICES (2002-2004 = 100)



WORLD MEAT MARKET AT A GLANCE

	2011	2012 estim.	2013 f'cast	Change: 2013 over 2012
	million tonnes			%
WORLD BALANCE				
Production	298.1	304.1	308.3	1.4
Bovine meat	67.3	67.4	67.5	0.2
Poultry meat	102.6	104.9	106.8	1.8
Pigmeat	109.2	112.7	114.6	1.7
Ovine meat	13.4	13.4	13.7	1.5
Trade	29.0	29.7	30.1	1.1
Bovine meat	7.9	8.1	8.4	4.9
Poultry meat	12.8	13.1	13.0	-0.4
Pigmeat	7.3	7.5	7.4	-2.1
Ovine meat	0.8	0.8	1.0	16.3
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	42.5	43.0	43.1	0.3
Developed (kg/yr)	78.8	79.0	78.8	-0.3
Developing (kg/yr)	32.5	33.1	33.5	1.0
FAO MEAT PRICE INDEX (2002-2004=100)				
	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	183	182	183	1.2

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MILK AND MILK PRODUCTS

World milk production in 2013 is forecast to grow by 1.9 percent to 780 million tonnes – a similar rate to that in previous years. Asia and Latin America and the Caribbean are expected to account for most of the increase, with only limited growth elsewhere.

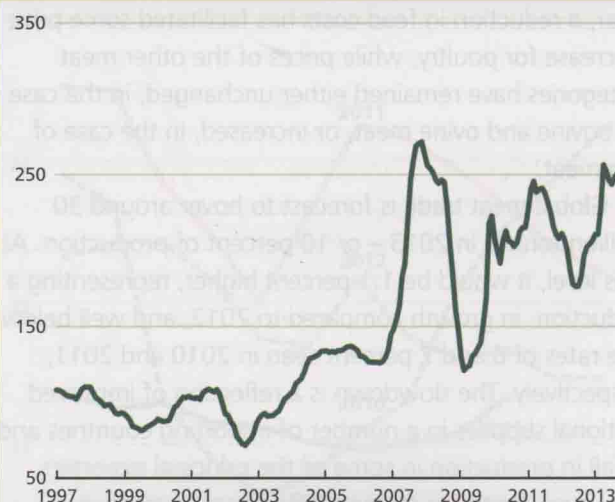
World trade in dairy products is projected to decrease by 0.9 percent in 2013 to 53.0 million tonnes of milk equivalent amid supply limitations. This compares with an annual average increase of 7 percent in the previous four years.

Asia will remain the main market for dairy products, accounting for some 55 percent of world imports, followed by Africa, with 15 percent. Significant additional demand is expected from China, the Islamic Republic of Iran, Singapore and Pakistan. Elsewhere in Asia, Saudi Arabia, the United Arab Emirates, Indonesia, Japan, the Philippines, Malaysia, Vietnam and Thailand remain important markets, but their import levels are not expected to change markedly and in some cases may decrease. In Africa, elevated international prices are projected to reduce imports as a whole. The principal importers that may be affected are Nigeria, Libya and South Africa. In Latin America and the Caribbean, a number of significant milk powder importing countries, including Venezuela, Cuba, Colombia, Brazil and Peru, may also see purchases constrained by high prices. By contrast, imports by the Russian Federation are anticipated to increase, stimulated by strong demand for butter and SMP.

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FAO INTERNATIONAL DAIRY PRICE INDEX (2002-2004 = 100)



The index is derived from a trade-weighted average of a selection of representative internationally traded dairy products.

WORLD DAIRY MARKET AT A GLANCE ¹

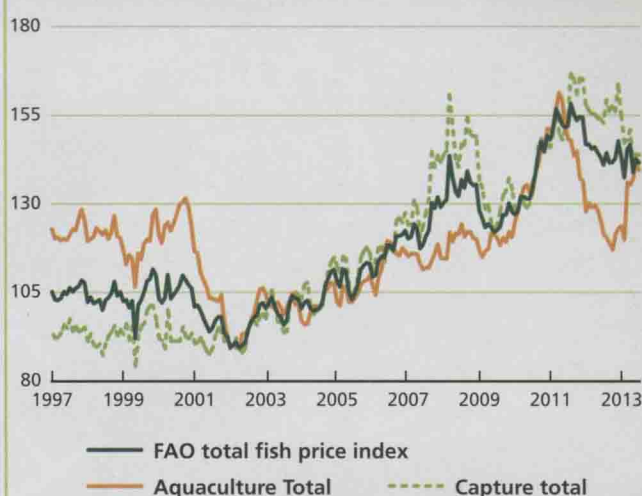
	2011	2012 estim.	2013 f'cast	Change: 2013 over 2012
	million tonnes			%
WORLD BALANCE				
Total milk production	742.2	765.6	780.3	1.9
Total trade	49.7	53.4	53.0	-0.9
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	105.2	107.3	108.2	0.8
Developed (kg/yr)	234.6	237.0	236.2	-0.3
Developing (kg/yr)	71.7	74.0	75.6	2.2
Trade share of prod. (%)	6.7	7.0	6.8	-2.7
FAO DAIRY PRICE INDEX (2002-2004=100)				
	2011	2012	2013 Jan-Oct	Change: Jan-Oct 2013 over Jan-Oct 2012 %
	230	194	240	25.0

FISH AND FISHERY PRODUCTS

Both values and volumes entering the international fish markets are showing moderate growth. The market situation overall continues to be difficult, in particular in traditional developed country markets. The slightly higher prices for some farmed species are more a symptom of supply shortages than strong demand.

The FAO Fish Price Index shows that overall price levels remain high, although they have receded from the top levels of late 2012. Supply problems for farmed salmon and shrimp have boosted aquaculture quotations whereas prices of wild-caught whitefish species, tuna and pelagic species have weakened. Prices of other farmed species, such as seabass and seabream, have fallen due to supply increases far exceeding immediate market requirements.

FAO FISH PRICE INDEX (2002-2004 = 100)



WORLD FISH MARKET AT A GLANCE

	2011	2012 <i>estim.</i>	2013 <i>f'cast</i>	Change: 2013 over 2012
	<i>million tonnes</i>			<i>%</i>
WORLD BALANCE				
Production	156.2	156.9	160.0	2.0
Capture fisheries	93.5	90.6	90.1	-0.6
Aquaculture	62.7	66.3	69.9	5.4
Trade value (exports USD billion)	128.2	129.3	132.2	2.2
Trade volume (live weight)	57.4	57.6	57.8	0.3
Total utilization	156.2	156.9	160.0	2.0
Food	131.8	135.1	140.4	4.0
Feed	18.3	16.1	15.6	-3.1
Other uses	6.0	5.8	4.0	-30.8
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
Food fish (kg/yr)	18.9	19.2	19.7	2.8
From capture fisheries (kg/year)	9.9	9.8	9.9	1.5
From aquaculture (kg/year)	9.0	9.4	9.8	4.3
FAO FISH PRICE INDEX (2002-2004=100)				
	2011	2012	2013 <i>Jan-July</i>	Change: Jan-July 2013 over Jan-July 2012 %
	154	145	142.0	-1.8

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MARKET ASSESSMENTS

WHEAT

Major Wheat Exporters and Importers



PRICES

Wheat prices rose sharply in recent weeks although they still remained below last year's levels

Following a relatively steep decline in July and August, international wheat prices have regained most of their losses. In October, the benchmark **US wheat, No.2 Hard Red Winter, f.o.b. Gulf**, averaged USD 333 per tonne, up 3 percent from June. Stronger pace in exports from the United States was supported by a weaker dollar, combined with worries over wet conditions delaying winter

plantings in the Russian Federation and Ukraine as well as deteriorating crop conditions in Argentina, due to cold weather and prolonged dryness. However, wheat prices in general still remained below the previous year's levels, with higher quality milling wheat values between 10 to 17 percent lower than last year, and feed quality wheat as much as 20 to 25 percent lower. A record wheat crop, pushing up world supplies to more comfortable levels, combined with a strong recovery in maize availabilities kept wheat prices from most origins below the previous year's levels. One exception has been Argentina, where an extremely tight domestic supply situation has driven export

Figure 1. Wheat export price (US No. 2 H.W. Gulf)

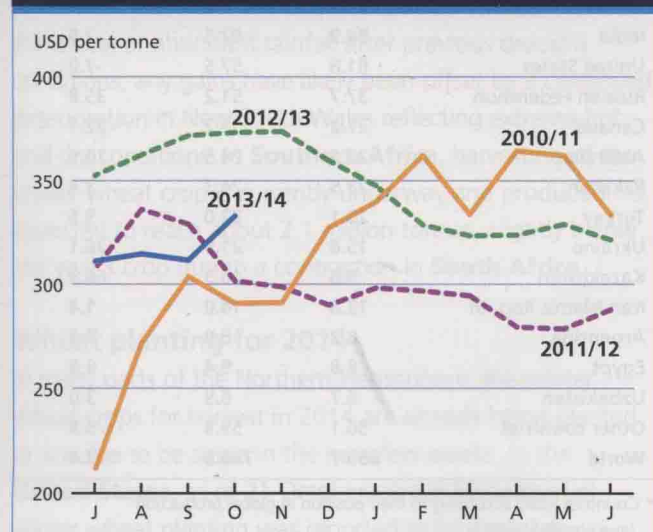


Figure 2. CBOT wheat futures for December

