



ACKNOWLEDGEMENTS

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HIGHLIGHTS

Food markets have been affected by weather concerns and political tensions in the Black Sea region, which have boosted the FAO Food Price Index since February. While the 2014 global food import bill could stabilize at USD 1.29 trillion, animal product bills are set to increase, sustained by rising volumes and prices.

WHEAT

In recent months, weather and geopolitical tensions pushed up wheat prices in international markets. However, the early supply and demand outlook for wheat in the 2014/15 marketing season points to a generally balanced situation, with world stocks remaining at relatively comfortable levels in spite of a forecast decline in world wheat production.

COARSE GRAINS

With world production of coarse grains headed towards a modest decline, inventories will have to be drawn down to meet the projected demand in the 2014/15 season. This tightening will not be a cause for concern if the current production forecasts materialize and trade flows are not negatively affected by tensions in the Black Sea region.

RICE

International trade in rice may reach a new record in 2014, as lower world prices induce traditional importers to return to the market to buy more. This, along with the potential of an El Niño event in the second part of 2014, may help reverse the slide of Indica prices witnessed in the past twelve months.

OILCROPS

Oil and meal market fundamentals are set to improve in 2013/14, thanks to record-high oilcrop production. Nonetheless, prices trended upward, reacting to a tight balance in the United States, to a slow production growth in palm oil, and to successive cuts in soybean production estimates.

SUGAR

World sugar production is forecast to decline marginally in 2013/14, but will still be enough to cover projected global consumption and enable a build-up in global stocks. On the other hand, world sugar trade is anticipated to increase significantly in 2013/14, reflecting greater demand from the traditional importing countries.

MEAT

World meat production is anticipated to grow moderately in 2014. International prices have remained at historically high levels since the beginning of 2011 and, while the price situation varies among the different types of meat, there is no sign of an overall decrease.

DAIRY

International dairy product prices declined in March and experienced a further, sharper fall in April, returning to a level similar to a year ago. Milk production continues to increase steadily in many countries.

FISHERIES

A combination of renewed demand in traditional markets and supply shortages for a number of farmed species has boosted overall price levels. The likely arrival of the El Niño phenomenon in 2014 could reduce South American catches of small pelagic species and lead to higher fishmeal and feed prices.



"An important milestone occurred recently that will likely have lasting effects on the global market for pulses. In December 2013, the UN General Assembly declared that 2016 will be the "International Year of Pulses". This will likely draw much needed attention to a commodity group which has, despite its many appreciable qualities, proven quite undervalued up until now."



"At the request of AMIS partners the GEOGLAM Crop Monitor developed a series of customized condition map and chart products. These include synthesis maps that provide information on all four crops within a single map, as well as crop specific condition maps and pie charts."

MARKET SUMMARIES

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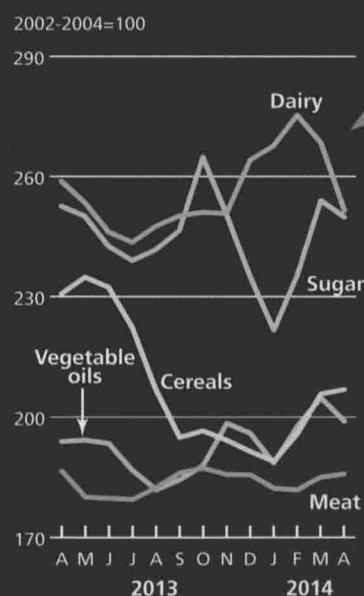
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**International
Year of Pulses
2016**

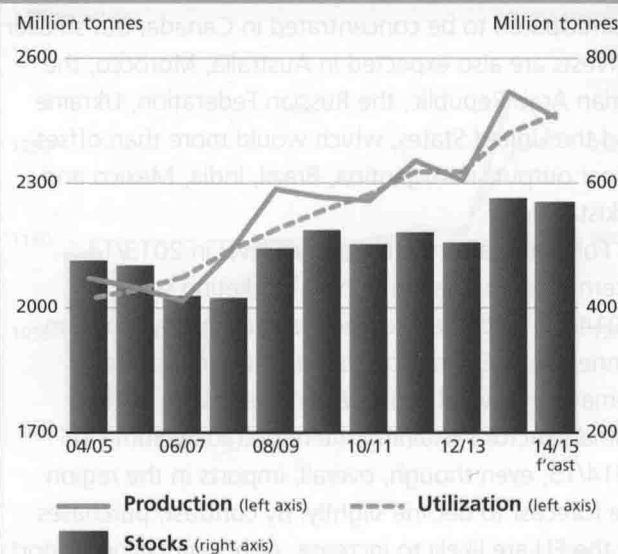
FAO Food Commodity Price
Indices
(April 2013 - April 2014)



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Early prospects for 2014 cereal crops point to a decline from the previous year's record level, but output is nevertheless expected to be the second largest ever. Based on conditions of crops already in the ground and planting intentions for those to be sown later this year and assuming normal weather for the remainder of the season, FAO's first forecast puts world cereal production in 2014 at around 2 458 million tonnes (including rice in milled terms), some 2.4 percent down from 2013. Wheat and coarse grains would account for the reduction. Total cereal utilization in the new season (2014/15) is forecast to increase by 1.9 percent, which compares with a 4.0 percent rise in 2013/14. The slowdown reflects a subdued expansion in the industrial use of cereals and only a modest rise in the use of coarse grains for feed. World cereal stocks at the close of crop seasons ending in 2015 are forecast to fall to 566 million tonnes, 1.4 percent lower than their relatively high opening levels. The decline involves coarse grains, as wheat stocks may increase slightly and rice will remain steady. The small anticipated decline in world reserves will not make much of a change to the stocks-to-use ratio in 2014/15 compared with 2013/14. FAO's first forecast of world trade in cereals in 2014/15 indicates a contraction of about 1.5 percent from the estimated record in 2013/14. Maize accounts for most of the decline, followed by barley and wheat. In spite of a generally favourable supply and demand situation, international prices of wheat and maize have increased significantly in recent weeks on weather concerns and tensions in the Black Sea region. The same factors are likely to be the main determinant of price movements over the second half of 2014. On the other hand, rice prices, especially Indica, have been sliding, amid large supplies and accrued competition among exporters.

CEREAL PRODUCTION, UTILIZATION AND STOCKS



WORLD CEREAL MARKET AT A GLANCE ¹

	2012/13	2013/14	2014/15	Change:
		estim.	f'cast	2014/15 over 2013/14
	million tonnes			%
WORLD BALANCE				
Production	2 307.3	2 518.8	2 458.2	-2.4
Trade ²	310.2	335.7	330.8	-1.5
Total utilization	2 327.3	2 420.6	2 465.7	1.9
Food	1 075.0	1 082.0	1 108.8	2.4
Feed	802.1	858.2	882.8	2.8
Other uses	49.9	80.4	47.8	-1.1
Ending stocks	1 022.7	973.9	565.8	-1.4
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	152.1	152.7	153.4	0.5
LIFDC ³ (kg/yr)	149.0	149.9	151.1	0.8
World stock-to-use ratio (%)	20.8	23.3	22.7	
Major exporters stock-to-disappearance ratio (%)	16.9	18.4	17.7	
FAO CEREAL PRICE INDEX (2002-2004=100)				
	2012	2013	2014 Jan-Apr	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	236	219	199	-16.6

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.

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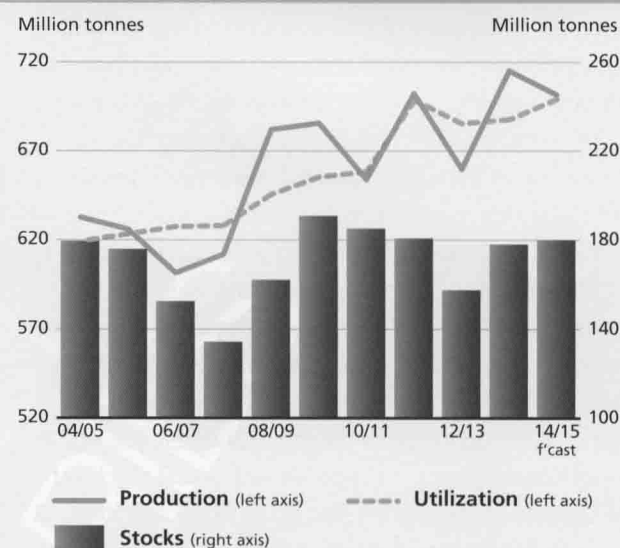
WHEAT

Global wheat production in 2014 is forecast at some 702 million tonnes, 1.9 percent below last year's record, but still the second largest ever. Much of the reduction is anticipated to be concentrated in Canada, but smaller harvests are also expected in Australia, Morocco, the Syrian Arab Republic, the Russian Federation, Ukraine and the United States, which would more than offset larger outputs in Argentina, Brazil, India, Mexico and Pakistan.

Following a surge to a record level in 2013/14, international trade in the new marketing season (2014/15) is forecast to decline, but only by 1 million tonnes, to 149.5 million tonnes. Continued strong demand in several countries in Asia is seen as the primary factor sustaining the high trade volume in 2014/15, even though, overall, imports in the region are forecast to decline slightly. By contrast, purchases by the EU are likely to increase. Although falling, export availabilities in major exporting countries are expected to be adequate to meet the projected import demand. An export recovery in Argentina is likely to compensate for a decline in shipments by the EU. Sparing any unpredictable turn of events in the Black Sea region, wheat exports from Ukraine are forecast to remain steady around the 2013/14 level.

World wheat utilization in 2014/15 is foreseen to grow by 1.7 percent to 699 million tonnes, underpinned by rising food and feed uses. Global wheat stocks are anticipated to reach almost 180 million tonnes by the close of the seasons in 2015, only slightly above their opening levels. As a result, the world stocks-to-use ratio is estimated to fall slightly, although staying at a relatively high level of 25.2 percent. Stocks held by the major exporters are also likely to decline, pointing to some tightening of supplies in the new season. To a large extent, this explains why concerns over weather conditions and political tensions have boosted international wheat prices in recent months.

WHEAT PRODUCTION, UTILIZATION AND STOCKS



WORLD WHEAT MARKET AT A GLANCE

	2012/13	2013/14 <i>estim.</i>	2014/15 <i>f'cast</i>	Change: 2014/15 over 2013/14
	<i>million tonnes</i>			<i>%</i>
WORLD BALANCE				
Production	659.7	715.1	701.7	-1.9
Trade¹	140.8	150.5	149.5	-0.7
Total utilization	685.6	687.9	699.2	1.6
Food	474.4	480.1	485.4	1.1
Feed	132.1	128.6	133.4	3.7
Other uses	79.0	79.1	80.5	1.8
Ending stocks	156.9	177.5	179.5	1.1
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	67.1	67.2	67.2	0.0
LIFDC (kg/yr)	46.1	46.1	46.1	0.0
<i>World stock-to-use ratio (%)</i>	<i>22.8</i>	<i>25.4</i>	<i>25.2</i>	
<i>Major exporters stock-to-disappearance ratio² (%)</i>	<i>14.1</i>	<i>15.3</i>	<i>14.2</i>	
<hr/>				
FAO WHEAT PRICE INDEX³ (2002-2004=100)	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	204	194	183	-11.7

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

FAO's first forecast for world production of coarse grains in 2014 points to a 3.9 percent decline from 2013, with most of the reduction in the United States, the world's largest producer. Following a 10 percent surge in 2013/14, FAO's first forecast for world trade in coarse grains in the new 2014/15 season stands at 142 million tonnes, down 2.7 percent from the 2013/14 record level. Smaller maize trade would account for most of the decline, but trade in barley is also expected to contract slightly. The anticipated rise in maize exports by Argentina and the United States will be offset by reduced sales from Canada, Brazil, the Russian Federation and Ukraine. Assuming that current territorial conflicts do not interfere with trade, Ukraine could still remain the fourth largest exporter of maize after the United States, Brazil and Argentina.

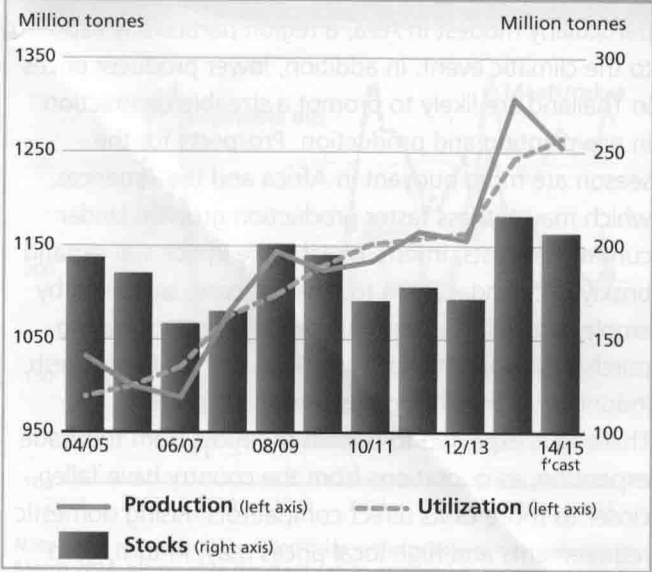
Total utilization of coarse grains in 2014/15 is likely to expand by 1.8 percent, outpacing the 10-year trend for the second consecutive season. The anticipated utilization growth is much lower than the 7 percent rise estimated for 2013/14. This is because of the high expected prices, unlike in 2013/14, when the strong rebound in production in the United States resulted in a sharp fall in prices that helped boost consumption. The increase in demand in 2014/15 would stem from a higher feed utilization in China, up 8 percent from 2013/14, as the expansion in the industrial use is expected to be less pronounced than in recent years.

World inventories are forecast to fall to 206 million tonnes by the close of the 2015 crop seasons, some 4 percent (9 million tonnes) below their opening levels, due to an anticipated decrease in the ending stock of maize in China and the United States. While the world stock-to-use ratio is estimated to decline slightly, the major exporters' stock-to-disappearance ratio would remain at around 12 percent, which points to a relatively comfortable situation with respect to export availabilities in the new season.

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COARSE GRAIN PRODUCTION, UTILIZATION AND STOCKS



WORLD COARSE GRAIN MARKET AT A GLANCE

	2012/13	2013/14 estim.	2014/15 f'cast	Change: 2014/15 over 2013/14
	million tonnes			%
WORLD BALANCE				
Production	1 156.4	1 306.7	1 255.4	-3.9
Trade ¹	132.2	146.0	142.0	-2.7
Total utilization	1 163.4	1 242.4	1 264.2	1.8
Food	198.4	201.7	205.7	2.0
Feed	656.6	715.6	735.2	2.7
Other uses	308.4	325.1	323.4	-0.5
Ending stocks	171.0	215.5	206.3	-4.3
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	28.1	28.2	28.5	1.1
LIFDC (kg/yr)	39.7	39.8	40.2	1.0
World stock-to-use ratio (%)	13.8	17.0	16.2	
Major exporters stock-to-disappearance ratio ² (%)	8.4	12.1	12.1	
FAO COARSE GRAIN PRICE INDEX (2002-2004=100)				
	2012	2013	2014 Jan-Apr	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	283	246	202	-28.7

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.

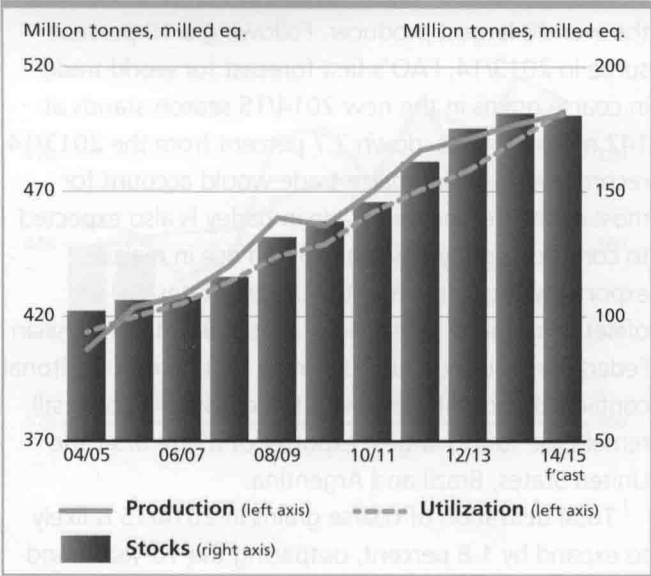
RICE

Less attractive prices and a possible recurrence of an El Niño weather anomaly may keep world rice production growth subdued again in 2014. The expansion should be particularly modest in Asia, a region particularly exposed to the climatic event. In addition, lower producer prices in Thailand are likely to prompt a sizeable contraction in rice planting and production. Prospects for the season are more buoyant in Africa and the Americas, which may witness faster production growth. Under current forecasts, international trade in rice will expand briskly in calendar 2014 to a new record, sustained by ample supplies in exporting countries and increasing purchases by traditional importers, such as Bangladesh, Indonesia or the Philippines. Among exporters, Thailand is expected to benefit the most from the trade expansion, as quotations from the country have fallen closer to those of its direct competitors. Rising domestic requirements and high local prices may, in turn, curb shipments from India, although not enough for the country to lose its prime position among exporters. The expected sluggish performance of the sector in 2014 may mean that, for the first time in ten years, world production could fall short of utilization, triggering a small contraction of world rice inventories carried over in 2015, the first in a decade. International rice prices have followed divergent trends in the past four months, rising in the case of Japonica rice, but remaining on a downward trend in the case of Indica. Prospects for the next few months remain highly uncertain, especially under a looming El Niño.

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RICE PRODUCTION, UTILIZATION AND STOCKS



WORLD RICE MARKET AT A GLANCE

	2012/13	2013/14 <i>estim.</i>	2014/15 <i>f'cast</i>	Change: 2014/15 over 2013/14
	<i>million tonnes, milled equivalent</i>			<i>%</i>
WORLD BALANCE				
Production	491.2	496.9	501.1	0.8
Trade ¹	37.2	39.3	39.2	-0.2
Total utilization	478.3	490.3	502.3	2.4
Food	402.4	410.1	417.1	1.7
Ending stocks	174.8	180.9	180.1	-0.4
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	56.9	57.4	57.7	0.5
LIFDC (kg/yr)	63.2	64.0	64.7	1.1
World stock-to-use ratio (%)	35.7	36.0	35.1	
Major exporters stock-to-disappearance ratio ² (%)	28.1	27.8	27.0	
FAO RICE PRICE INDEX (2002-2004=100)				
	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	231	233	235	-1.0

¹ Calendar year exports (second year shown).
² Major exporters include India, Pakistan, Thailand, the United States and Viet Nam.

OILCROPS

World oilseed production is forecast to rise to an all-time high in 2013/14, allowing output of meals and oils to expand at above-average rates. An important exception is palm oil, which may be subject to a significant slowdown in production growth.

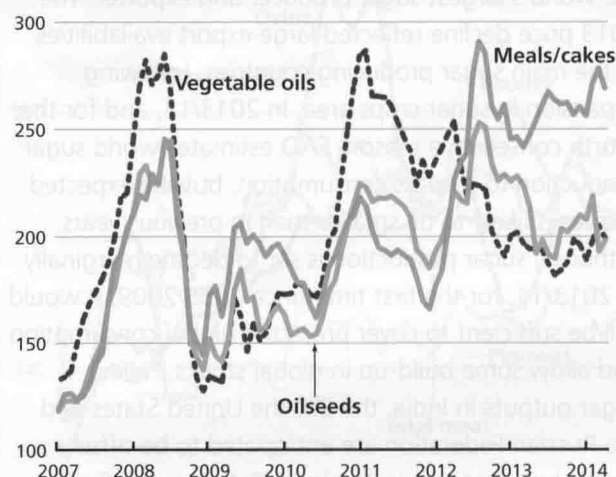
With regard to domestic availabilities, most of the key producing/exporting countries are forecast to see significant year-on-year improvements, except the United States, where supply is constrained by low carry-in stocks.

Global consumption of both oils and meals is set to continue expanding, stimulated by higher supplies and driven by growing demand in developing countries in Asia. However, global meal consumption could grow less than anticipated, given unexpectedly firm international meal prices and improved global availability of maize. As for vegetable oils, additional demand from the biodiesel sector is expected to contribute to consumption growth.

As the world supply and demand situation improves, world stocks, especially of oilmeals, are expected to be replenished. However, this will not apply to soymeal inventories in the United States, which are projected to continue falling, dragging the country's stock-to-use ratio to an all-time low. As for oils/fats, the global stock-to-use ratio is estimated to recover only partially from last season's low level. The recent appreciation of vegetable oil prices and the continued firmness in meal values have to be seen against this background. Concerning trade, global transactions in oils/fats are expected to grow only moderately, while trade in meals/cakes is set to increase sharply.

With South America's record soybean crop finally entering the market and a likely slowdown in China's import demand, the global supply and demand situation for oilseed and meals should ease substantially in the coming months. By contrast, the outlook for vegetable oil markets remains mixed.

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



Note: With regard to the sudden drop in the price index for oilseeds in March 2014, please note the clarification provided in appendix table 24

WORLD OILCROP AND PRODUCT MARKET AT A GLANCE

	2011/12	2012/13 estim.	2013/14 f'cast	Change: 2013/14 over 2012/13
	million tonnes			%
TOTAL OILCROPS				
Production	455.9	481.9	509.4	5.7
OILS AND FATS				
Production	184.6	189.4	201.1	6.2
Supply	216.0	221.6	232.7	5.0
Utilization	184.1	189.4	198.0	4.6
Trade	98.2	102.3	105.4	3.1
Global stock-to-use ratio (%)	17.5	16.7	17.3	
Major exporters stock-to-disappearance ratio (%)	10.3	9.0	9.6	
MEALS AND CAKES				
Production	111.3	119.6	126.9	6.1
Supply	132.4	137.2	145.0	5.7
Utilization	116.4	117.8	121.9	3.4
Trade	72.9	73.3	79.8	8.8
Global stock-to-use ratio (%)	15.2	15.4	18.0	
Major exporters stock-to-disappearance ratio (%)	5.9	7.9	9.6	
FAO PRICE INDICES (Jan/Dec) (2002-2004=100)				
	2012	2013	2014 Jan-Apr	Change: Jan-Apr 2014 over Jan-Apr 2013 %
Oilseeds	224	207	204	-8.4
Meals/cakes	241	255	268	9.6
Vegetable oils	224	193	198	-0.4

NOTE: Refer to footnote 1 on page 31 and to table 2 on page 34 for explanations regarding definitions and coverage.

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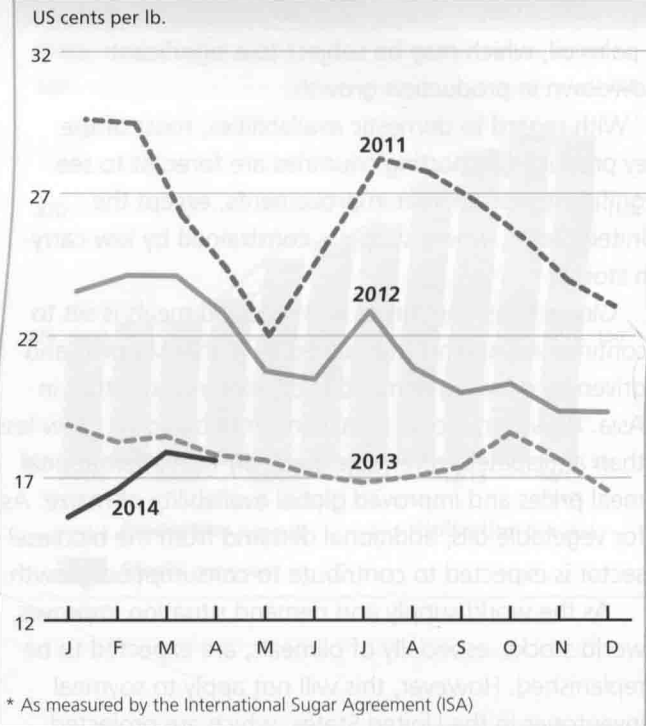
SUGAR

International sugar prices, on a downward trend for most of 2013, recovered modestly by the beginning of 2014, underpinned by drought conditions in Brazil, the world's largest sugar producer and exporter. The 2013 price decline reflected large export availabilities in the main sugar producing countries, following expansion in sugar crops area. In 2013/14, and for the fourth consecutive season, FAO estimates world sugar production to surpass consumption, but the expected surplus is likely to be smaller than in previous years. Although sugar production is set to decline marginally in 2013/14, for the first time since 2008/2009, it would still be sufficient to cover projected global consumption and allow some build-up in global stocks. Falling sugar outputs in India, the EU, the United States and the Russian Federation are anticipated to be offset mainly by expansion in Thailand, Pakistan and South Africa. Production in Brazil is expected to decline, as unfavourable weather reduced sugarcane yields, but only slightly. World sugar consumption is set to grow by about 2.3 percent in 2013/14, reflecting increases in several developing countries that should benefit from falling domestic sugar prices. Strong purchases by traditional importers, as a result of more affordable international sugar prices, are expected to lead to an expansion in trade in 2013/14. Early indications for the 2014/15 season indicate that the world sugar market is likely to be more balanced, or even display a small deficit, as producers adjust to lower international sugar prices by reducing production.

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INTERNATIONAL SUGAR PRICES*



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>			<i>%</i>
WORLD BALANCE				
Production	175.2	182.4	182.0	-0.2
Trade	52.5	53.5	56.8	6.2
Total utilization	169.8	173.9	178.0	2.3
Ending stocks	66.1	72.7	74.4	2.3
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	24.3	24.8	25.1	1.1
LIFDC (kg/yr)	12.6	13.2	13.4	1.7
World stock-to-use ratio (%)	38.9	41.8	41.8	
ISA DAILY PRICE AVERAGE (US cents/lb)	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	21.5	17.7	16.9	-7.7

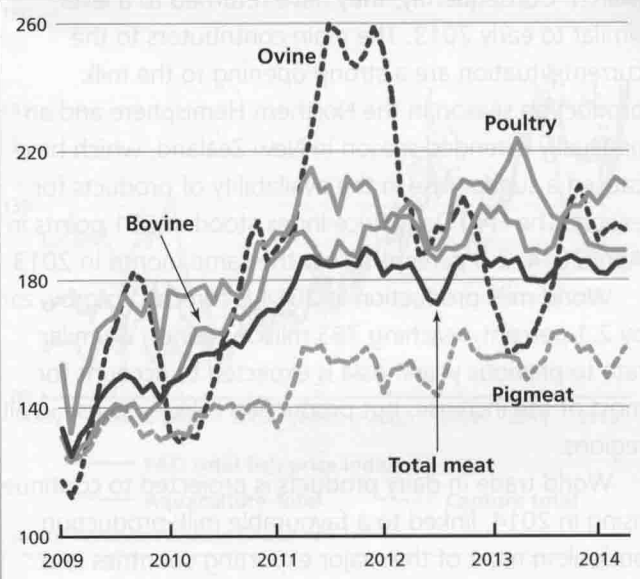
MEAT AND MEAT PRODUCTS

World meat production is anticipated to grow modestly in 2014 to 311.8 million tonnes, an increase of 3.3 million tonnes or 1.1 percent compared with 2013. Growth is anticipated to be concentrated in the developing countries, which are also the main centres of rising demand.

At the international level, prices have remained high by historical standards for the past three years. The FAO Meat Price Index averaged 186 in April 2014, unchanged when compared with a year earlier. Falling feed prices have facilitated some price decrease for poultry and pigmeat, while prices of bovine and ovine meat have remained firm, reflecting limited export availability.

Global meat trade is forecast to increase moderately, by 1.4 percent to 31.3 million tonnes. At this level, growth would be less than the average for recent years, reflecting production constraints in some of the principal exporting countries. There are marked differences in projected trade for the different varieties of meat, with growth forecast for bovine and poultry meat and a decline for ovine and pigmeat. Poultry remains the main product traded, representing 43 percent of the total, followed by bovine, pig and ovine meat, respectively.

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



WORLD MEAT MARKET AT A GLANCE

	2012	2013 estim.	2014 f'cast	Change: 2014 over 2013
	million tonnes			%
WORLD BALANCE				
Production	304.2	308.5	311.8	1.1
Bovine meat	67.0	67.7	68.0	0.5
Poultry meat	105.4	107.0	108.7	1.6
Pigmeat	112.4	114.3	115.5	1.1
Ovine meat	13.7	13.9	14.0	0.5
Trade	29.7	30.9	31.3	1.4
Bovine meat	8.0	9.1	9.4	3.5
Poultry meat	13.0	13.2	13.5	2.4
Pigmeat	7.5	7.4	7.2	-2.1
Ovine meat	0.8	1.0	1.0	-3.7
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	42.9	42.9	42.9	-0.1
Developed (kg/yr)	76.2	75.9	76.1	0.3
Developing (kg/yr)	33.5	33.7	33.7	0.0
FAO MEAT PRICE INDEX (2002-2004=100)				
	2012	2013	2014 Jan-Apr	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	182	184	184	-1.0

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MILK AND MILK PRODUCTS

Internationally, dairy product prices fell sharply in April 2014, following indications of market weakness in March. Consequently, they have returned to a level similar to early 2013. The main contributors to the current situation are a strong opening to the milk production season in the Northern Hemisphere and an unusually extended season in New Zealand, which have caused a sudden rise in the availability of products for export. The FAO Dairy Price Index stood at 251 points in April 2014, 2.8 percent below the same month in 2013.

World milk production in 2014 is forecast to grow by 2.1 percent, reaching 783 million tonnes, a similar rate to previous years. Asia is expected to account for most of the increase, but production is likely to rise in all regions.

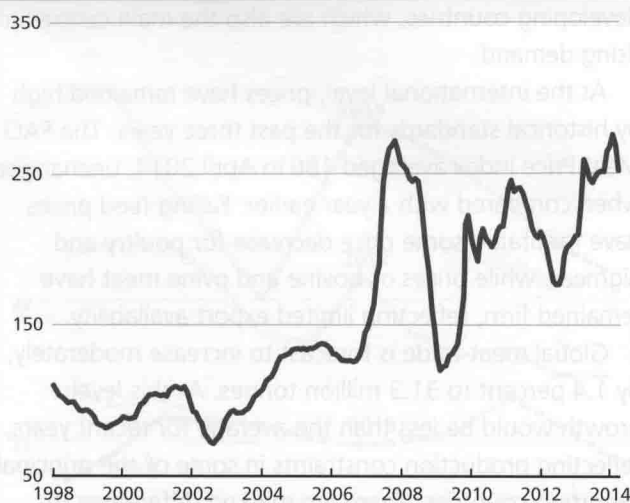
World trade in dairy products is projected to continue rising in 2014, linked to a favourable milk production outlook in most of the major exporting countries and continued strong demand. Trade is forecast to rise by 1.8 percent, a reduced rate of growth compared to recent years, to reach 69 million tonnes of milk equivalent.

Asia is expected to remain the main centre for rising international demand in 2014, with increased purchases forecast for China, the Islamic Republic of Iran, Indonesia and the Philippines. Elsewhere in Asia, Saudi Arabia, the United Arab Emirates, Japan, Singapore, Malaysia and Thailand remain important markets, but the level of their imports are not expected to change markedly and, in some cases, could decrease. Reduced international prices may stimulate import demand in Africa as a whole. The principal importers that may buy more are Algeria, South Africa and Ghana. In Europe, imports by the Russian Federation are anticipated to increase, stimulated by strong demand for butter and skimmed milk powder (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

	2012	2013 <i>estim.</i>	2014 <i>f'cast</i>	Change: 2014 over 2013
	<i>million tonnes</i>			%
WORLD BALANCE				
Total milk production	762.3	767.2	783.2	2.1
Total trade	65.4	67.9	69.1	1.8
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	107.7	107.2	108.2	0.9
Developed (kg/yr)	222.7	220.3	223.1	1.3
Developing (kg/yr)	75.3	75.4	76.3	1.1
Trade share of prod. (%)	8.6	8.8	8.8	-0.3
FAO DAIRY PRICE INDEX (2002-2004=100)				
	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	194	243	266	17.4

FISH AND FISHERY PRODUCTS

The economic recovery of traditional markets, such as the United States and the EU, is boosting overall demand for fish and fishery products adding to the already firm buying interest of many emerging economies, such as Mexico and Brazil. However, demand is weakening in other traditional destinations, such as the Russian Federation and Japan, where depreciating currencies and a higher VAT have made food and imports more expensive.

International prices overall have been rising, boosted by demand and, more importantly, by supply shortages for a number of both farmed and wild species. These include salmon, shrimp, pangasius and tilapia from aquaculture, and shrimp, squid, octopus and herring from capture fisheries. At the same time, however, prices have been softening for tuna, mackerel and cod. Shrimp remains the most valuable seafood category although, at the moment, importers seem reluctant to buy at current levels, indicating that some weakening of shrimp prices can be expected over the next few months.

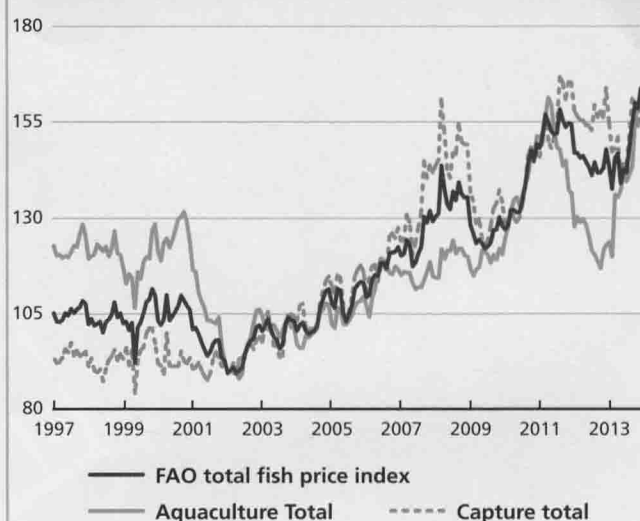
Overall supply continues to expand thanks to a growing aquaculture sector. With most wild stocks now regulated by annual quotas, overall catches are fairly stable from year to year. However, the expected arrival of El Niño during 2014 will reduce quotas for small pelagic species in South America and overall catches. As a result, prices of fishmeal and feed could rise, leading to higher input prices for the aquaculture, livestock and poultry sectors.

World per capita consumption of seafood continues to rise by around 2 percent annually and is fast approaching annual consumption of 20 kg per capita. However, there remain large regional differences in consumption levels which, in turn, provide important opportunities for local aquaculture producers who increasingly target domestic consumers rather than international markets. In particular, it is the freshwater aquaculture sectors in Asia, South and Central America and sub-Saharan Africa that are boosting overall output and consumption.

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FAO FISH PRICE INDEX (2002-2004 = 100)



WORLD FISH MARKET AT A GLANCE

	2012	2013 <i>estim.</i>	2014 <i>f'cast</i>	Change: 2014 over 2013
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	158.0	161.0	165.2	2.6
Capture fisheries	91.3	90.5	90.8	0.3
Aquaculture	66.6	70.5	74.4	5.6
Trade value (exports USD billion)	129.2	136.0	141.8	4.2
Trade volume (live weight)	58.1	59.0	59.9	0.3
Total utilization	158.0	161.0	165.2	2.6
Food	136.2	140.9	144.6	2.6
Feed	16.3	16.4	16.6	1.2
Other uses	5.4	3.7	4.0	9.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
Food fish (kg/yr)	19.2	19.7	20.0	1.4
From capture fisheries (kg/year)	9.8	9.8	9.7	-1.5
From aquaculture (kg/year)	9.4	9.8	10.3	4.4
FAO FISH PRICE INDEX ¹ (2002-2004=100)	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 %
	144	148	162	13.2

¹ Data source: Norwegian Seafood Council

MARKET ASSESSMENTS

WHEAT

Major Wheat Exporters and Importers



PRICES

Wheat prices firmer on weather and political tensions

A record wheat crop in 2013 boosted much needed world supplies and helped push international prices of wheat sharply below their previous year's levels. However, by the third week in February, export prices started to surge on worries about the impact of prolonged drought in major growing areas in the United States and escalating tensions in the Black Sea region. However, the strong rally in

international prices lost momentum in April as rain brought some relief and it also became increasingly evident that shipments from the Black Sea were not being disrupted by the territorial issues between Ukraine and the Russian Federation.

Similarly, wheat futures at the **Chicago Board of Trade (CBOT)** for nearby delivery strengthened in recent months, reflecting weather and geopolitical concerns. However, in April, a generally good prospect for global wheat production in 2014 started to weigh on the quotations for September delivery and prices averaged

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

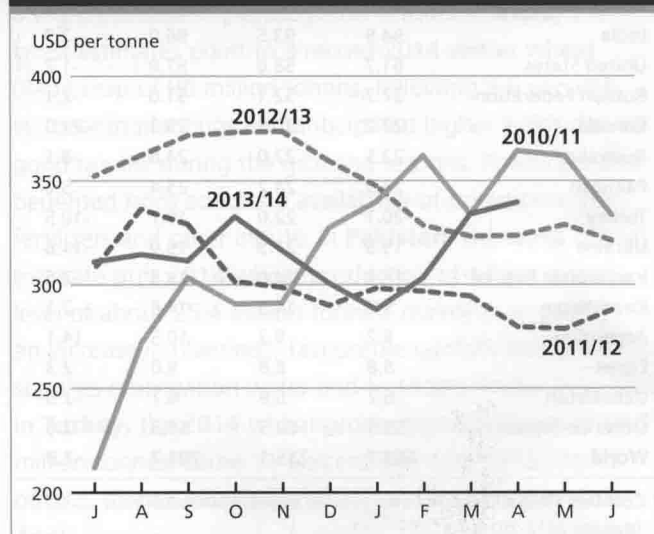
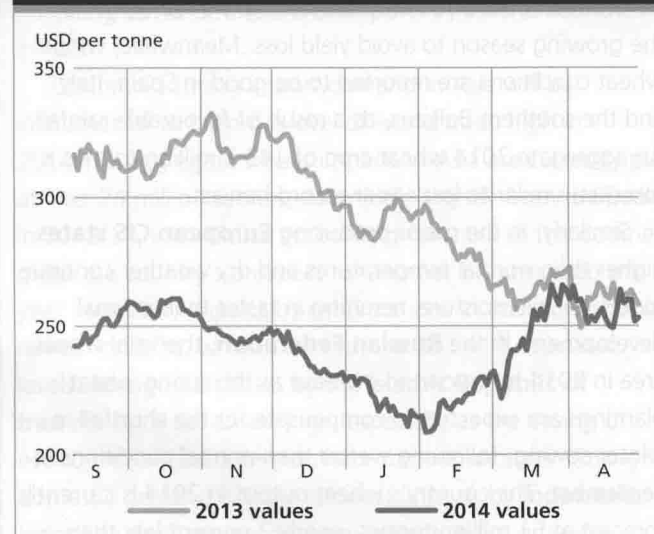


Figure 2. CBOT wheat futures for September



slightly below last year's values. Given a good supply outlook for coarse grains, the prospect for further gains in prices of lower quality wheat, which can also be used for animal feed, may be limited. In comparison, the price of higher quality (protein) wheat, traded at **Kansas City Board of Trade (KCBT)**, is likely to remain firm in view of tighter supplies (more detailed analysis of the futures markets can be found in the Market Indicators section of this report).

PRODUCTION

Global wheat output to decline only slightly in 2014

FAO's latest forecast for 2014 world wheat production stands at 702 million tonnes, down 13.4 million tonnes (1.9 percent) from last year's record harvest, but still the second largest crop ever. The bulk of the reduction is expected in **Canada**, where plantings are forecast to decrease due to lower domestic prices and yields to return to average after the record highs achieved in the previous season.

In the **United States**, although serious drought persists in the southern and central major wheat producing areas, crops are still in early stages of development and good rains in the growing season could still prevent a significant reduction in yield. FAO's latest forecast of total 2014 wheat output stands at 57 million tonnes. In the **EU**, the world's largest wheat producing area, the winter wheat crop generally benefitted from unseasonably warm weather throughout the winter. However, with the onset of spring, below average rains over most European countries have stressed vegetation conditions in some important growing areas, including the Benelux countries, the northern Balkans, most of Germany and the main agricultural regions of Central Europe. Good rainfall will be needed in the affected areas during the remainder of the growing season to avoid yield loss. Meanwhile, winter wheat conditions are reported to be good in Spain, Italy and the southern Balkans, as a result of favourable rainfall. An aggregate 2014 wheat crop of 143.7 million tonnes is forecast, similar to last's year record harvest.

Similarly, in the major producing **European CIS states**, higher than normal temperatures and dry weather continue to reduce soil moisture, resulting in faster than normal development. In the **Russian Federation**, the total wheat area in 2014 is forecast to increase as the spring wheat plantings are expected to compensate for the shortfall in winter sowing, following wetter than normal conditions in September. The country's wheat output in 2014 is currently forecast at 51 million tonnes, nearly 2 percent less than

Table 1. World wheat market at a glance

	2012/13	2013/14 <i>estim.</i>	2014/15 <i>f'cast</i>	Change: 2014/15 over 2013/14
	<i>million tonnes</i>			<i>%</i>
WORLD BALANCE				
Production	659.7	715.1	701.7	-1.9
Trade ¹	140.8	150.5	149.5	-0.7
Total utilization	685.6	687.9	699.2	1.6
Food	474.4	480.1	485.4	1.1
Feed	132.1	128.6	133.4	3.7
Other uses	79.0	79.1	80.5	1.8
Ending stocks	156.9	177.5	179.5	1.1
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	67.1	67.2	67.2	0.0
LIFDC (kg/yr)	46.1	46.1	46.1	0.0
World stock-to-use ratio (%)	22.8	25.4	25.2	
Major exporters stock-to-disappearance ratio ² (%)	14.1	15.3	14.2	
FAO WHEAT PRICE INDEX³ (2002-2004=100)				
	2012	2013	2014 <i>Jan-Apr</i>	Change: Jan-Apr 2014 over Jan-Apr 2013 <i>%</i>
	204	194	183	-11.7

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.

Table 2. Wheat production: leading producers^{*}

	2012	2013 <i>estim.</i>	2014 <i>f'cast</i>	Change: 2014 over 2013
	<i>million tonnes</i>			<i>%</i>
European Union	132.3	143.2	143.7	0.3
China (Mainland)	120.8	122.2	122.0	-0.2
India	94.9	93.5	96.0	2.7
United States	61.7	58.0	57.0	-1.7
Russian Federation	37.7	52.1	51.0	-2.1
Canada	27.2	37.5	29.3	-21.9
Australia	22.5	27.0	24.8	-8.1
Pakistan	23.5	24.2	25.4	5.0
Turkey	20.1	22.0	19.7	-10.5
Ukraine	15.8	21.5	19.0	-11.6
Iran Islamic Rep. of	13.8	14.0	13.5	-3.6
Kazakhstan	9.8	14.5	14.8	2.1
Argentina	8.2	9.2	10.5	14.1
Egypt	8.8	8.8	9.0	2.3
Uzbekistan	6.7	6.9	6.7	-2.9
Other countries	55.9	60.5	59.3	-2.0
World	659.7	715.1	701.7	-1.9

^{*} Countries listed according to their position in global production (average 2012-2014)