global information and early warning system on food and agriculture

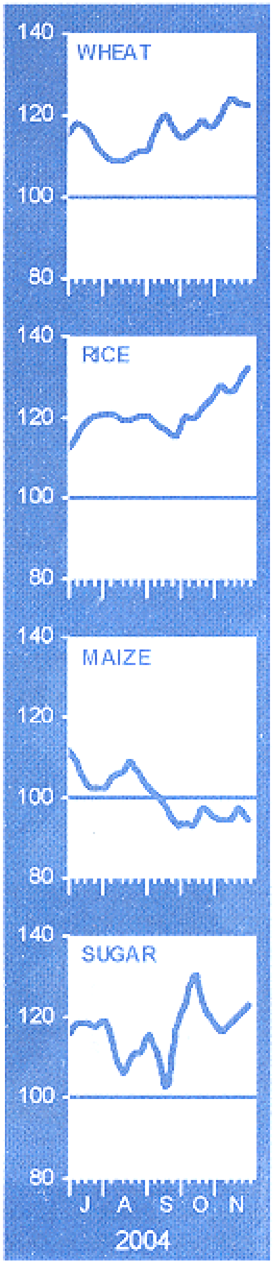
food outlook

No. 4 December 2004

highlights

EXPORT PRICES

(July 2003=100)



World cereal output in 2004 is estimated by FAO at a record 2 042 million tonnes, substantially more than the forecast in September and 8.4 percent up from 2003.

Cereal production is forecast to exceed utilization in 2004/05, which would lead to an increase in stocks for the first time in five years.

World cereal utilization in 2004/05 is forecast to rise by 2.4 percent from the previous season. Most of the increase is expected in feed usage of cereals, reflecting larger availabilities.

World cereal stocks are forecast to rise to 441 million tonnes by the close of the 2004/05 seasons. The bulk of the increase will be in maize and wheat reserves in the major exporting countries. By contrast, rice inventories are expected to decline again.

International wheat and coarse grains prices are generally lower than a year ago, but those for rice remain well above levels in 2003.

Global cereal trade is forecast to decline in 2004/05, mostly reflecting reduced demand in the EU, which would more than offset an expected increase in imports by developing countries, China in particular.

Global meat prices stabilized somewhat in late 2004, as import bans were lifted from previously disease afflicted areas and exportable supplies subsequently increased. Meat production and trade should continue to grow in 2005.

International prices for dairy products rose throughout 2004, and by November, the FAO dairy price index reached its highest level since 1990. Upward price pressure is largely the result of growing international demand, especially for whole milk powder in developing countries.

Oilseed prices attained record levels in the previous marketing season, but have fallen significantly since April, due mainly to a large crop in the United States.

Firm sugar prices prevail on international markets, reflecting continuing strong growth in world sugar consumption, relative to output.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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Appendix Tables

Contents and Release Dates[1/]	No. 1 8 April	No. 2 15 June	No. 3 16 September	No. 4 9 December
Cereal Supply/Demand Roundup	●	●	●	●
Cereal Production, Trade, Stocks & Prices	●	●	●	●
Cereal Utilization – extended report	●			
Food Aid and Cereal Import Bills	●			
Ocean Freight Rates		●	●	
Cassava		●		
Meat and Meat Products		●		●
Milk and Milk Products		●		●
Oilseeds, Oils and Oilmeals		●		●
Pulses		●		
Sugar			●	●

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