FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

CFS: 82/2 Sup. 2

April 1982

Item II of the
Provisional Agenda

COMMITTEE ON WORLD FOOD SECURITY

Seventh Session

Rome, 31 March - 7 April 1982

ASSESSMENT OF THE CURRENT WORLD FOOD SECURITY AND STOCK SITUATION, AND THE SHORT TERM OUTLOOK

UPDATING STATEMENT

1. Although there have been some changes in the cereal supply and demand situation since mid-January 1982 (when document CFS 82/2 was written), the overall position is basically the same and the conclusions of that document remain valid.

2. Global cereal imports in 1981/82 are now estimated at 209 million tons, 2 million tons more than the previous year. While imports of the developing countries as a whole are expected to remain at the same level as in 1980/81 (i.e. 98 million tons), those of the low income countries 1/ are expected to rise by 2.5 million tons to almost 27 million tons. Cereal prices on international markets have remained under pressure due to abundant supplies, and are currently substantially below the levels of the previous year.

3. World carryover stocks at the end of the 1981/82 seasons are now forecast at 273 million tons, 45 million tons more than at the end of 1980/81. Coarse grains would account for the bulk of the increase - 36 million tons out of the total rise of 45 million tons. Wheat and rice stocks are also expected to increase but carryovers of wheat are still likely to remain below the level reached at the end of 1979/80 (Table 1).

4. The first FAO forecast for 1982 indicates that world production of wheat and coarse grains could range from 1205 to 1320 million tons, depending on the area planted to spring grains and on the weather until crops are harvested. This forecast indicates that world wheat production could be in the range of 450 to 500 million tons, compared with last year's output of 460 million tons and the 1982 trend value of 474 million tons. To date, the weather has been generally favourable in main Northern Hemisphere producing countries. A normal area was sown to winter wheat and little frost damage occurred. However, weather conditions until harvest will be crucial for the outcome of the crop. In the United States, yield prospects are good for winter wheat which accounts for 75 percent of total United States wheat production. However, the size of the crop will also depend on the degree of farmer participation in the voluntary 15 percent acreage set-aside programme which will not be known before April. Insofar as spring wheat is concerned, US farmers plan to reduce acreage by 5.2 percent. Wheat acreage in Canada is also anticipated to decline, mainly reflecting an expectation of lower durum wheat plantings.

1/ The low income developing countries include all countries with a per caput income of US$370 or less in 1979, as defined by the World Bank.

Table 1 - World carryover stocks of cereals 1/

	Crop years ending in:			
	1973-74 average	1980	1981 prelim.	1982 forecast
	(. . . . . million tons . . . .)			
Total Cereals	178.5	253.1	228.1	273
Main Exporting Countries	82.6	135.4	114.5	155
Others	95.9	117.7	113.6	118
Developed Countries	119.4	156.4	133.6	172
Developing Countries	59.1	96.7	94.5	101
Wheat	76.0	102.0	94.8	101
Rice (milled)	26.4	42.0	42.3	45
Coarse Grains	76.1	109.1	91.0	127
	(. . . . . percent . . . .)			
World stocks as a proportion of apparent world consumption	14	17	15	18

Note: Stock data are an aggregation of figures giving national carryover stocks at the end of national crop years and should not be construed as representing world stock levels at a fixed point of time.

1/ Totals computed from unrounded data.

5. In western and eastern Europe, winter crop conditions in the major producing countries are generally satisfactory. The area sown to winter grains was lower in several countries but this decline is expected to be offset by larger spring sowings. In the USSR, a larger area has been planted to winter grain and yield prospects remain favourable.

6. In the Far East, the outlook for wheat is mixed. In India, another good crop is expected, despite some damage caused by recent wet weather. However, the condition of China's winter grain crops is less favourable than last year and the area has also probably declined further owing to poor weather at sowing time and a continuing shift to winter oilseeds. In Pakistan, wheat production will be below last year's record level. In the Near East, prospects for winter grain crops are poor in a number of countries as a result of unfavourable weather. In North Africa, the outlook for winter wheat is average in Tunisia but uncertain in Algeria and unfavourable in Morocco.

7. In the southern hemisphere, the 1982 wheat crops are still to be planted. In Australia, official indications point to an increase in the wheat area.

8. For coarse grains, the first FAO forecast places 1982 world production in the range of 755 to 820 million tons compared with last year's record harvest of 792 million tons and a trend value of 787 million tons. Only about one-third of the total coarse grain area has been planted so far.

9. In the southern hemisphere, prospects for coarse grains are good in Brazil, but production is expected to be lower than in Argentina. The outlook for 1982 coarse grains in southern Africa are unfavourable in several countries because of delayed or irregular rainfall and sharp crop reductions from 1981 levels are expected.

10. In the United States, which accounts for 25-30 percent of global production of coarse grains and over 70 percent of export supplies, the first survey of 1982 planting intentions indicated that the US coarse grain area could exceed last year's. However, the planting intention survey does not fully reflect the extent of US farmers' participation in the 10 percent acreage set-aside programme for coarse grains which was announced just before the survey was undertaken.

11. As regards rice, three quarters of the total area will not be planted until around the middle of the year, and the outcome of these crops will depend greatly on the behaviour of the monsoon. The outlook for the early crops, which account for about a quarter of annual world rice production, so far points to a harvest close to last year's level. The main crop in Indonesia may be as good as that in 1981 while production in southern hemisphere countries such as Argentina, Australia, Brazil and Chile is expected to be slightly higher than last year. In China conditions are favourable for planting early rice, which last year accounted for 35 percent of total rice output. But the main crop in Sri Lanka has been affected by drought and in Madagascar by floods. Regarding crops for harvest later this year, a higher production target has been set in the Republic of Korea whereas in the United States rice production is likely to fall in response to the 15 percent acreage set aside programme.