

	منظمة الأغذية والزراعة للأمم المتحدة	CFS: 83/2 Sup. 1 April 1983
	联合国粮食及农业组织	
	FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	
	ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE	
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Item II of the Provisional Agenda

COMMITTEE ON WORLD FOOD SECURITY

Eighth Session

Rome, 13-20 April 1983

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

UPDATING STATEMENT

1. The current food situation at the global level is still characterized by ample supplies of cereals, a declining volume of trade and record carryover stocks, but prices have strengthened somewhat, especially of maize. World cereal output in 1983 is virtually certain to decline, in which case carryover stocks at the end of 1983/84 will fall. Many countries are facing serious shortages, especially in Africa. The situation in a number of these countries has worsened since January, particularly in southern Africa where the 1983 crops are likely to be poor for the second successive year due to drought.

TABLE 1 - WORLD PRODUCTION, TRADE AND STOCKS OF CEREALS, 1980/81 TO 1982/83 ^{1/}

	PRODUCTION			IMPORTS			CLOSING STOCKS		
	1980	1981	1982 prelim.	1980/81	1981/82 prelim.	1982/83 forecast	1980/81	1981/82 prelim.	1982/83 forecast
	(..... million tons))								
Wheat	445	454	477	91	101	99	97	102	119
Coarse grains	722	785	806	104	102	90	94	132	171
Rice (milled)	265	274	273	13	11	12	41	41	39
Total cereals	1 433	1 513	1 557	208	214	201	232	275	329
Developing countries	644	680	690	98	97	104	98	98	98
Low-income food-deficit countries ^{2/}	(466)	(484)	(490)	(37)	(39)	(43)	(72)	(72)	(73)
Developed countries	788	833	866	110	117	97	134	177	231

^{1/} Totals computed from unrounded data.

^{2/} Includes all food deficit countries with per caput income below the level used by the World Bank to determine eligibility for IDA assistance (i.e. with a per caput income of US\$ 795 and below in 1981), which in accordance with the guidelines and criteria agreed by the CFA should be given priority in the allocation of food aid.

2. Since the main document (CFS: 83/2) was written in January 1983, some upward revisions have been made in cereal production estimates for 1982, principally for China, North America and Europe, and the forecast for closing stocks at the end of the current (1982/83) season has been increased further. Table 1 shows the revised estimates. No new information is available for other basic foods.

3. Food aid allocations for 1982/83 are currently estimated at about 9.2 million tons, marginally higher than reported in the main document 1/. Total cereal imports of low-income food-deficit countries are expected to increase by 12 percent in 1982/83. If these countries were to receive the same share of total food aid as during the past three years, food aid would account for only 16.5 percent of their total cereal imports, compared to 17.5 percent last year and 25 percent in 1977/78 (see Table 2.).

TABLE 2 - FOOD AID IN CEREALS AND ITS SHARE
IN THE IMPORTS OF LOW-INCOME FOOD-DEFICIT COUNTRIES
(LIFDC) (Revised)

	FOOD AID		Total imports of low-income food deficit countries	Share of LIFDC food aid in total cereal imports	Value of commercial cereal purchases
	Total	To low-income food deficit countries			
	(. million tons grain equivalent)			(. . percent . .)	(US\$ billion)
1977/78	9.2	7.2	28.8	25.0	4.0
1978/79	9.5	7.5	33.4	22.5	5.4
1979/80	9.1	7.2	33.7	21.4	6.1
1980/81	8.9	7.1	37.4	19.0	7.0
1981/82	9.0	6.9	39.5	17.5	7.0
1982/83	9.2 <u>1/</u>	7.3 <u>2/</u>	44.2 <u>3/</u>	16.5 <u>3/</u>	7.5 <u>3/</u>

1/ Allocations/commitments.

2/ Assuming that food aid to the low-income food-deficit countries is maintained at 79 percent of the total, as during the period 1979/80-1981/82.

3/ Forecast.

4. Despite the prospects for even larger world stocks of cereals and a lower volume of trade than had been earlier anticipated, cereal prices on international markets did not fall further during early 1983. Prices for wheat have remained relatively stable during the past two to three months, while those for maize have risen sharply in the light of deteriorating crop conditions in South Africa and Argentina and a decline in "free" stocks in the United States, i.e. in inventories neither owned by the government nor committed under government price support programmes. Rice prices have also shown some recovery. Since the middle of March cereal prices have also increased as a result of the larger than anticipated farmer participation in the Payment in Kind (PIK) acreage reduction programme in the United States, where 1983 cereal production is expected to decline by 71-119 million tons from a total of 337 million tons harvested in 1982.

Outlook for 1983 cereal crops

5. World cereal production in 1983 is virtually certain to fall below last year's 1 557 million tons as a result of the expected reduction in output in the United States, poor crops prospects in Africa and lower output of coarse grains in Argentina. In particular coarse grain production is anticipated to decline substantially.

6. World wheat production is forecast by FAO to be in the range of 430 to 485 million tons, compared with last year's record of 477 million tons and the 1983 trend value of 485 million tons. The weather has so far been generally satisfactory for the winter wheat crop in several countries in .

1/ Data on food aid shipments for 1979/80, 1980/81 and 1981/82 have also been revised.

the northern Hemisphere. A number of countries in Europe, the Far East, Near East and North Africa have succeeded in planting larger areas than last year. However, these increases are unlikely to have a substantial impact on global winter wheat production since the harvested area in the U.S.S.R., and more particularly in the United States, the two main producing countries, will be significantly lower than last year. In the United States where a significant amount of cropland will be kept out of production, wheat output is forecast to decline by 8 to 22 million tons from 76.4 million last year.

7. In the Far East, the wheat area is generally larger and crop conditions are satisfactory in major producing countries. In particular, Bangladesh, China, India and Pakistan are expected to harvest good crops. In the Near East, prospects for winter grain crops indicate a recovery from last year's drought affected levels. Production in North Africa is also likely to be slightly better this year, as output in Algeria is expected to recover.

8. Spring wheat in the northern Hemisphere and winter wheat in the southern Hemisphere which account for 25 percent of the total production, are yet to be sown. Planting intentions in the United States indicate that spring wheat producers intend to reduce plantings by 19 percent. However, as the PIK Programme had only just been announced when the survey was carried out, the actual area sown to spring wheat may be even lower. The wheat area may increase in Australia over the drought-reduced level of the previous year, as well as in Argentina, Canada, and the U.S.S.R.

9. For coarse grains only one-third of the total area has been planted so far and production estimates are available only for the southern Hemisphere, which normally accounts for 10 percent of world production. Nonetheless, it can already be anticipated that world coarse grain production will decline. Based on harvest prospects in the southern Hemisphere, crop conditions for winter coarse grains in the northern Hemisphere as well as planting intentions in some countries, the FAO's first forecast places world coarse grain production in the range of 715 to 775 million tons in 1983. This compares with last year's record harvest of 806 million tons and a trend value of 810 million tons.

10. In the southern Hemisphere, harvest prospects are again poor this year in most countries of southern Africa and in Australia. Brazil has harvested larger maize and sorghum crops, but output is expected to decline in Argentina. In the northern Hemisphere, where most of the crop is yet to be sown, a sharp decline in the sown area and subsequently in production is anticipated in the United States, by far the major producer and exporter. This expected large reduction in area will be the dominant factor influencing the outlook for world coarse grain production in 1983 and supplies in 1983/84.

11. As regards rice, three-quarters of the total area will be sown around the middle of the year, and the outcome of these crops will depend heavily on the behaviour of the monsoon in Asia. The outlook for the early crops which account for one quarter of annual rice production, points to a slightly lower level of production. The main crop in Indonesia may not be as good as in 1982, Brazil's output may be down somewhat and production in Argentina and Australia is expected to decline substantially. Moreover, India's summer crop, which accounts for 8-10 percent of the country's rice production, is reported to be suffering from drought. By contrast, conditions appear to be more favourable this year in Malaysia and a better outturn is expected in Uruguay and Venezuela. Japan plans to limit the area to be planted to rice to a level slightly higher than last year, and output in the United States will be sharply reduced as a result of heavy participation in the PIK Programme.

Food situation in low-income food-deficit countries

12. The food situation in many low income food deficit countries, particularly in Africa, appears to be deteriorating. As of end-March 1983, twenty countries in Africa ^{1/} were affected or threatened by food shortages and their food import needs to meet urgent human consumption requirements are expected to increase. In several cases, the presence of large numbers of refugees and displaced persons has made the situation even more difficult. In southern Africa, severe drought has affected cereal crops for the second consecutive year in many countries, particularly in Botswana, Lesotho, Mozambique, Swaziland, Zambia and Zimbabwe. In aggregate, southern Africa's cereal production in 1983 is forecast to fall by some 1 million tons, 14 percent below the poor 1982 crops and 27 percent below 1981, which was a good year. The 1983/84 cereal import requirements of southern African developing countries are tentatively forecast at 2.6 million tons. In East Africa, food shortages exist

^{1/} Angola, Botswana, Cape Verde, Central African Republic, Chad, Comoros, Ethiopia, Ghana, Lesotho, Madagascar, Mali, Mauritania, Mozambique, Sao Tome, Senegal, Somalia, Swaziland, Tanzania, Zambia, Zimbabwe.

in Ethiopia, Somalia and in parts of Tanzania as a result of drought-reduced 1982 cereal crops as well as of the presence of refugees and displaced persons. In several countries in West and Central Africa, abnormally dry weather has affected foodcrops and the food supply situation could become critical unless rains arrive soon.

13. In Asia, Nepal is likely to face food shortages by mid-1983 in areas affected by the failure of the southwest monsoon, unless additional food imports were available to cover the deficit. In India, the reduced 1982/83 rice crop could affect the food supply situation in the lean months of July-September 1983, although the satisfactory outlook for winter food crops together with the 4 million tons of wheat imports already arranged might help cope with the situation.

Outlook for cereal stocks

14. As regards the outlook for cereal stocks in 1983/84, official United States forecasts of supply and demand point to a sharp decline in the United States' stocks at the end of 1983/84 as a result of the acreage reduction programmes currently in effect. Assuming normal crops and unchanged carryovers in other countries, this would imply a decline in global cereal stocks, which would fall from their current levels of 21 percent of consumption to 17-18 percent at the end of the 1983/84 seasons. If, however, yields in the United States were to be lower than have been officially estimated, and/or production in other major producing countries were below normal, stocks could be even less than 17-18 percent of annual consumption, the minimum level needed to assure world food security, as estimated by the FAO Secretariat.

Conclusions

15. It is thus essential to carefully monitor crop developments during the coming months, particularly in view of the deterioration in the African food supply situation. If the 1983 crops turn out to be lower than officially estimated at present in the United States or output in other major cereal producing countries is below normal, the global food situation could become tight in 1983/84. In that event it would be necessary to carefully review and adjust supply management policies for 1984 crops in order to avoid shortages and to ensure that world stocks remain at safe levels.

16. The Committee may wish to bring this situation to the attention of the Council, so that governments, at the June 1983 Session of the Council, might consider the need for making recommendations regarding national policies for the 1984 cereal crops so as to meet world food security objectives, in the light of developments affecting supply and demand during the coming months. In addition, the Committee may wish to consider the remedial measures suggested in paras. 12-14 of document CFS 83/2.