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NOTE TO THE FILE

Subject: What caused the present boom in agricultural prices?

1. INTRODUCTION

The very rapid and dramatic increase in world agricultural prices has made its impact felt in a rather extensive list of other interrelated areas all the way to the final consumer. Yet the causality attributed to what is already termed as the "food crisis" generates one paradox:

- *Why were the largest increases in agricultural prices observed in wheat and rice, two commodities where the two major causes used to explain the recent price increases (demand for biofuels and demand in China/India) have had the smallest impact?*

The above observation may seem counterintuitive in the current context of the public debate, but is nonetheless indicative of the complexity in understanding the reasons behind the recent surge in commodity prices, and of assigning the appropriate weight and significance to the various factors involved. Demand growth in China and India explains of course developments in many sectors; so does the increased demand for biofuels.

Supply constraints from weather or from policies, exchange rates and increased speculation in commodity markets, all have also played a role in the recent price boom. But the degree by which each factor explains things, and the reasons for which some developments are even harder to explain at this stage, varies a lot by commodity and by region.

To identify the causes behind the recent price boom, this note looks at a list of agricultural commodities, described in the annex, and attempts to identify the causes of the recent price increase by comparing them to past developments and to the more recent path of price variation, focusing on supply and demand factors that affected price developments, and drawing the linkage of the recent agricultural price boom to developments in other commodity markets and macroeconomic factors.

2. WHAT LESSONS FROM THE PAST?

Price hikes are a normal feature of commodity, including agricultural, markets. Unpredictable in nature, when they occur generally draw wider publicity than the deep price troughs that almost always succeed them because the impact of high prices has more immediate implications. Yet such events occur in the context of a long-term declining trend of agricultural prices, and the present price surge is the 5th such event witnessed in grain markets since the oil crisis of 1973. Despite their significant increase, recent prices for all major agricultural commodities are, in real terms, below their comparative levels of either 1973 or 1979 oil crises.

One common feature of price surges is that they often lead to the conclusion that they represent a new situation expected to last in the foreseeable future. Yet ex-post analysis reveals that there is no common pattern in the emergence of such price surges or their duration. A boost in demand clearly plays a role in any price increase, but changes in consumption patterns are generally smooth in nature.

As a result, demand growth could explain why in some commodities and regions prices may reverse their generally downward long-term trend, but cannot explain why price surges occur in the span of a few months.

It is generally on the supply side that the reasons for price surges are to be found. An abrupt climatic shock that affects supply in a major producing region widens the gap between demand and supply of basic staple food commodities. Stocks, whose role is to bridge this gap, are consequently drawn down, and prices fall. Other times, policy changes also impact upon prices of certain commodities by limiting supply. In both cases, the resulting price surges usually are short-lived, as high prices act as a natural "cure" for high prices by providing the best incentive for an increase in supply (either domestically or among competitors).

Macroeconomic shocks (such as oil price crises or exchange rate fluctuations) also impact upon the cost of food commodities, and thus their price, often regardless of the level of their supply. During the three decades after the 1973 oil shock and interrupted the post-WWII long period of declining commodity prices, all previous agricultural price surges found their own path of adjustment towards more normal price levels mainly through a supply response.

3. WHAT REASONS AT PRESENT?

Is their evidence enough to suggest that the recent price surge could follow a similar path with previous ones? The answer this time around seems so uncertain because the recent price boom is characterised by several parallel developments that simultaneously push in the same direction – that of adding pressures to increase prices:

- Supply has been lagging behind demand in a series of agricultural markets
- Energy and fertiliser prices are increasing faster than agricultural prices
- The dollar decline and/or export bans reduce supply response by major exporters
- Bio-energy policies increase demand for agricultural commodities.

4. SUPPLY AND DEMAND DEVELOPMENTS IN MAIN AGRICULTURAL MARKETS

4.1. Food grains – recent supply shocks but slow demand growth

World wheat production has stayed below world consumption in wheat during the last 6 years. This development is not due to changes in demand, which has continued increasing at a rather constant pace (while the combined consumption of China and India even declined since 2000) but to the significant production shortfall in major suppliers (Australia faced 3 severe droughts in the last 6 years, but EU Russia and Ukraine we also affected more recently).

As a result, world stock declined significantly during the same period, thus contributing to the increase in prices. Yet prospects for recovery in world production are already evident in all major players, and especially among the main exporters. Positive policy contributions could come from the abolition of set-aside in the EU and of export taxes in Argentina, Russia and Ukraine, but climate patterns introduce a source of uncertainty mainly in another major exporter, Australia.

World rice production and consumption of rice increased at a similar, slow pace during the 1995-07 period, and there has been no recent market shock explaining the price hike. Population and economic growth remain strong in the main consuming countries, but while consumption is growing in some (Vietnam, Philippines, India), it is declining in others (China, Thailand). The significant supply shock in the rice market, due to the poor harvests in India (2002) and China (2003) has had an impact then in the level of stocks by 2004, but stocks have remained stable at these lower levels during the last 4 years. Production has also recovered to meet consumption growth. Current extremely high price levels are thus difficult to explain by rice market developments, and seem to be affected more by the overall commodity price boom and export bans that accentuate price variability in a very "thin" market (only 7% of rice is traded).

4.2. Maize and oilseeds – the impact from biofuel demand

In maize, an acceleration of world consumption is evident since 2003, driven by the increased use of maize for ethanol in the US and increasing maize imports in developing countries, mainly China and Mexico. In the US, growth in non-feed use of maize jumped by 63 mio mt during the last seven years (2001-2007), while it had grown by just 10 mio mt during the preceding five years (1995-2001), with the corresponding increase in US biofuel from maize equalling the annual maize production of Brazil.

The subsequent price increase led to a strong supply response in the US, China, Brazil and Argentina, where production seems to be following demand growth. Trade has not been affected much, with the US even exporting more maize (at the expense of much lower stocks).

But most of the impact has been felt in the rapid decline of stocks, which have reached such a low level that leaves no space for buffering future shocks. From the other exporters, only recently have Brazil and Argentina responded to world demand, while China's exports have been fluctuating on a downward path, depending on whether its annual production met its growing internal demand.

Developments in maize are also linked to developments in the oilseed complex, with significant annual variations in the area maize/soybean rotation in the US. A 10% decline in US maize area from 2007 levels, with a parallel shift to soybeans, could represent a similar part of world production (roughly 4% for each commodity), but has a completely different impact on consumption (with the corresponding 33 million mt of maize clearly impacting both feed and biofuel demand more than their equivalent 10 mio mt of soybeans).

This takes place at a time of strong demand coming both from feed use of soybeans and soybean meal in China, and also from strong demand for vegetable oils and palm oil, mainly for human consumption but recently also some for biodiesel. Both production and consumption for soybeans, the dominant crop in the complex, grew very fast during the 1995-2007 period, at a pace of around 5% annually. With demand in the EU and Japan stable, the rapid increase in Chinese imports has been met by increased export from US, but especially from Brazil and Argentina.

In vegetable oils, use for domestic rapeseed oil production for biodiesel and its impact on food oil consumption has turned the EU into a net importer of rapeseed and sunflower oil. In total, vegetable oil use for biodiesel represents close to 8% of world consumption of the four main food oils (soybean, rapeseed, sunflower, and palm oil)

Part of the gap in the food oil demand created by biodiesel has been filled by palm oil, whose production and consumption have also increased significantly in recent years, with total palm oil imports in China and India increasing threefold within a decade. Yet total exports of Malaysia and Indonesia to the world increased by 250 % over the same period, and production is increasing faster than consumption.

4.3. Sugar and cotton – long-term downward price trends mainly unaffected

Despite their significance for developing countries, sugar and cotton have been left out of the price hike, with their annual price variations following a more traditional path. In sugar, developments are dominated by Brazil, where strong production growth, driven partly by ethanol, continues to put downward pressure on world sugar prices even when the EU is gradually withdrawing as an exporter.

In cotton, US production has been declining rapidly (by more than a quarter) in recent years, but the US exportable surplus has increased because domestic use declined even faster. As a result, additional demand from China has been met by US cotton exports, and increased Chinese production. India has also increased consumption, but its production kept pace thanks to strong productivity growth.

4.4. Meats – strong demand, but stronger supply growth

In beef, consumption growth in Russia, China and India is strong, but production response is even stronger in Brazil and Argentina, while other major exporters also increase their exports replacing the gap left by declining production in the EU. Thus growth in this market does not generate major price pressures, especially because a significant part of the growth in the cattle herd is grass fed and the overall level of world production and consumption growth is moderate at around 1.3%.

The growth in pork and poultry consumption, on the other hand, is stronger, particularly in China. Exporters have in general responded to this growth, thus

keeping price increases at more moderate levels. But the price impact is felt in feed costs, which are increasing both because of the general increase in production costs and because of the additional demand for feed (mainly maize and soybean meal). In both of these meats, production has clearly kept pace with consumption, with an implied annual increase in feed of around 20 mio mt.

4.5. Dairy – first sector to phase price spike, and to witness supply response

The dairy sector was the first to face a significant increase in prices, driven by strong demand growth in a rather “thin” world market (less than 10% of dairy products are trade), and has become the first sector to witness a significant supply response. In the EU, and especially in the US (less constrained because of the absence of quotas), strong production recovery has led domestic prices to return towards more normal levels. In other main exporters, the impact from drought in Australia, and to a lesser extent from area constraints in New Zealand, is still felt to some extent, and has resulted in sustaining world prices at high levels.

The sector is also characterised by significant structural changes. In general, dairy products continue their shift away from fat towards protein, with the EU continuously losing export market share to Oceania, which exports most of its milk production in the form of dairy products. In cheese and butter, production generally follows consumption in the main producer countries, while milk powder production is concentrated in developed countries and consumption in the developing ones.

5. SOME TENTATIVE CONCLUSIONS ON THE RELEVANCE OF DIFFERENT FACTORS

Although their simultaneous impact complicates the attribution of the recent price spike to any individual factor, the following tentative conclusions, summarising the results of the present analysis, identify what seems to be the role of different factors in different agricultural markets:

- supply (mainly weather) factors played a major role in the recent increase of prices in food grains (namely wheat and rice) and in the dairy sector;
- supply response in several sectors (meats, cotton, sugar) is stronger than demand pressures, and explains why price increases in these sectors were more moderate;
- demand factors explain upward price pressures in maize and vegetable oils;
- the annual increase in maize and soybean meal production appears to be twice as high than the implied increase in feed use stemming from the annual increase in meat consumption;
- bio-energy policies have an impact on the prices of maize (ethanol use in the US) and vegetable oils (biodiesel use in the EU), which are accentuated by parallel effects from other factors (feed demand for maize, decline of US soybean oil use);
- the increase in energy, fertilizer, and in some cases land prices, is stronger than output prices, complicating farmers supply response;
- the appreciation of the US dollar limits price increases in many exporters' currencies, thus mitigating to some extent the required supply response;

- policy responses have given a mixed signal – positive from EU (dairy quota, set-aside), negative (from export restrictions) in several developing world exporters, neutral (with unchanged policies) from the US.

6. HOW COULD THIS END?

The present situation differs from normal, agricultural price hikes in that it is taking place in parallel with a generalized boom in all commodity prices and a depreciation of the dollar, the currency at which all commodities are traded. These factors, together with the additional impact from the new role of index funds, whose current long positions have put additional upward price pressure in those markets more open to trading, have exacerbated the upward trend in agricultural prices beyond what is explained by developments in these markets.

When this will change is, of course, unclear. There are indications that production is already responding in food grains, exactly the markets that have had either the biggest supply shocks (wheat) or the most dramatic responses (rice). It will take more than one harvest to replenish world stocks, and nominal prices may stay higher than in the recent past. In other commodities, such as sugar and cotton, as well as beef, the impact on prices has been clearly more limited.

There are also clear signs that in other agricultural markets, such as sugar and cotton, meats, or dairy, developments are not characterized by any drastic long-term shifts that differ from what has been observed in the recent past. Some supply shocks (such as the impact of the Australian drought on world dairy prices) have been observed, but supply is recovering, especially in the EU and the US. Meat markets face a much more robust supply response, mainly from Brazil.

But the maize/soybean complex needs more time to readjust before markets clear at lower levels than today because of the simultaneous impact that developments in biofuels policies have put on US area use and to a lesser extent on world vegetable oils from the impact of EU biodiesel growth. The recent annual shifts between US maize and soybeans, in particular, seem to add to price variability.

Policy responses have played a mixed role in the present price hike. The removal of EU supply controls in cereals (set-aside) and dairy (increase and phasing-out of quotas) will certainly mitigate pressures in these markets. The removal of export bans would also help, particularly in markets where such measures are applied abruptly, with the opposite price effect in world markets than in domestic markets

Finally, significant uncertainties surround the potential impact from developments outside agriculture. The increase in energy and fertilizer costs, the increasing impact of higher land values on farm debt, the appreciation of the dollar, all act in the direction of hampering supply response. So does the long-term decline of investment in agricultural productivity. The combined impact of these factors may, at the end of the day, may explain much more of the price spikes than any market fundamentals.



European Commission
Agriculture and Rural Development



What causes the commodity price boom?

AGRI-G1

Agricultural Policy Analysis and Perspectives

DG for Agriculture and Rural Development

European Commission

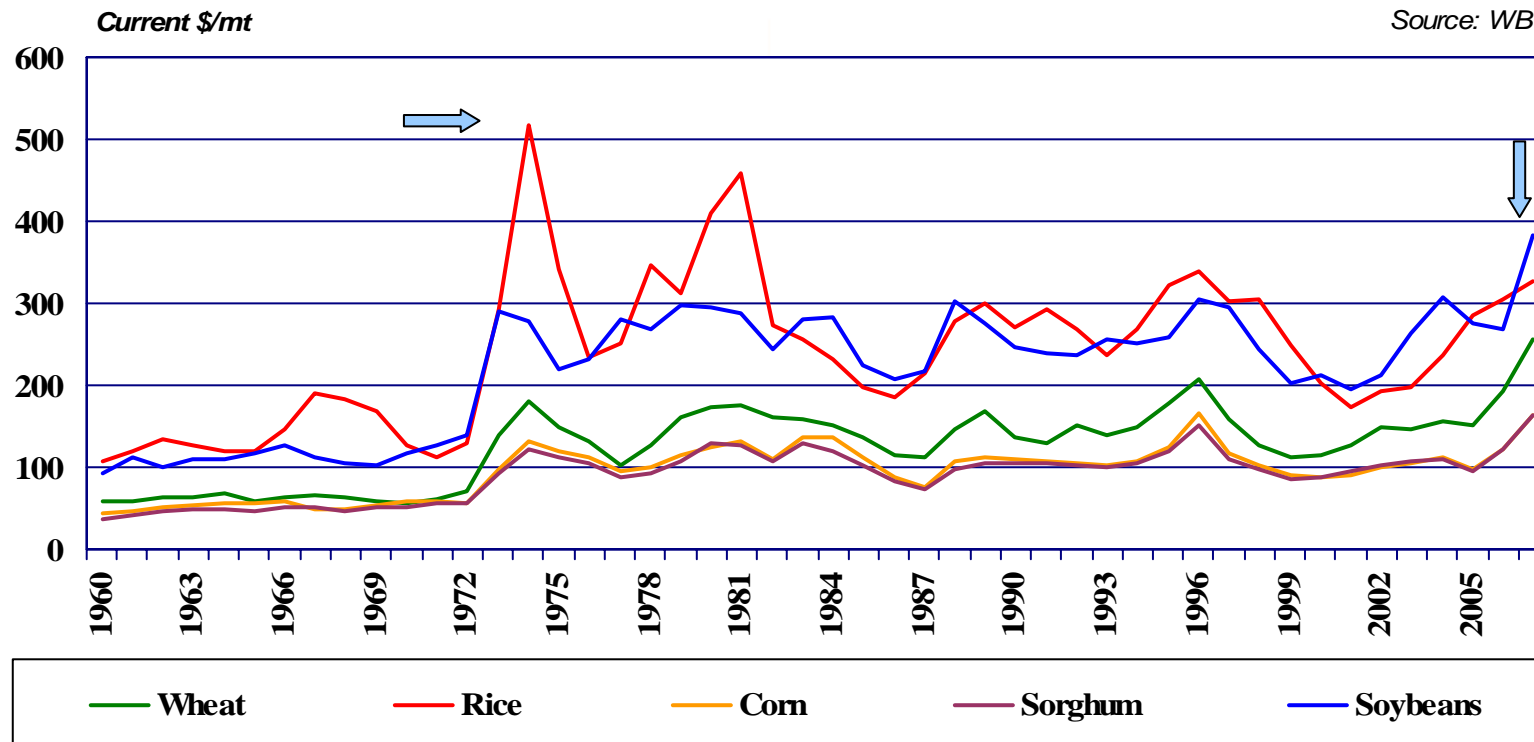


Is the commodity price boom a new phenomenon?

- ***Agricultural commodity price booms have happened in the past***
 - The post-1973 period is the most characteristic, caused by the oil shock
 - Grain markets have faced 4 other price surges post-1973
 - In all previous cases, supply adjustments subsequently lowered prices

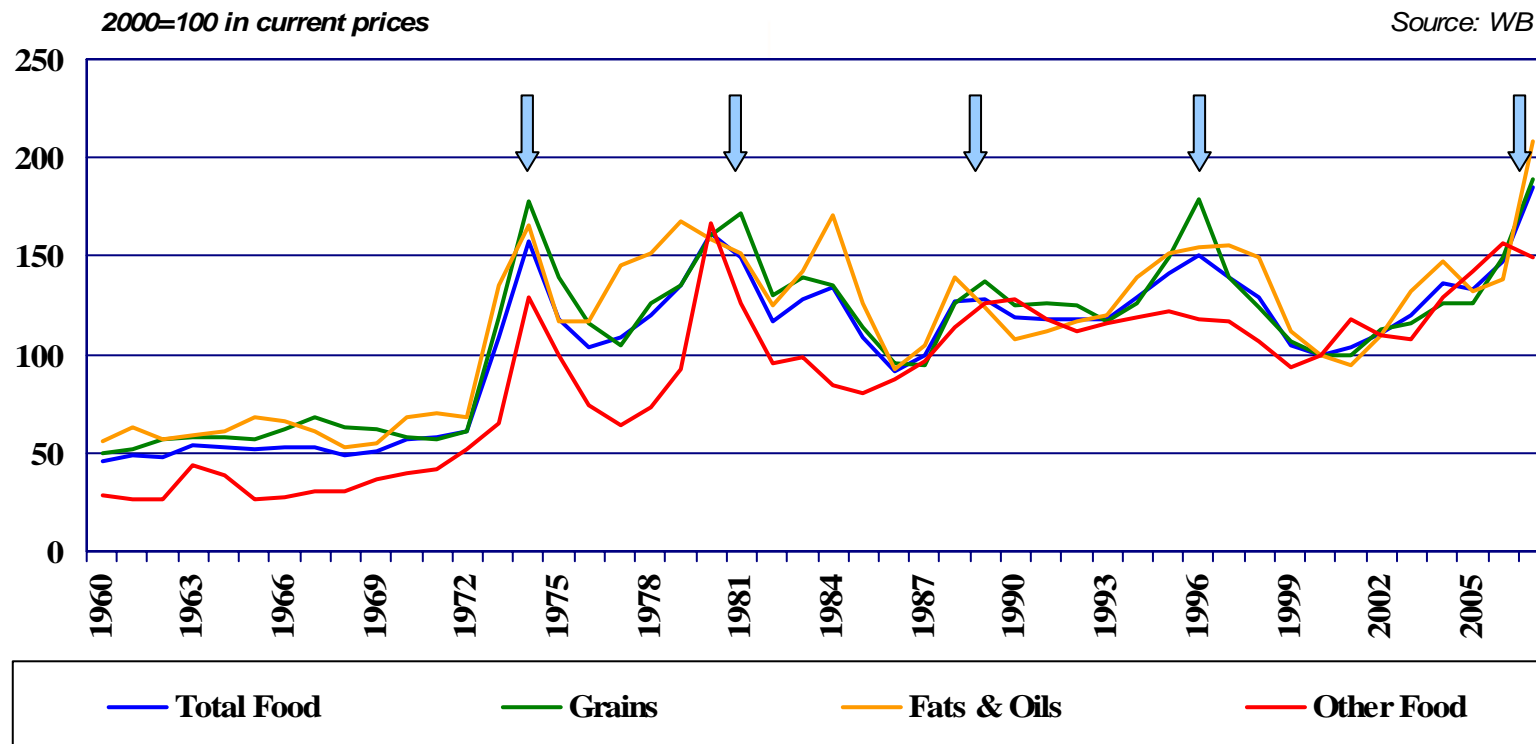


Nominal crop price evolution (1960-2007)





Nominal food price indexes (1960-2007)



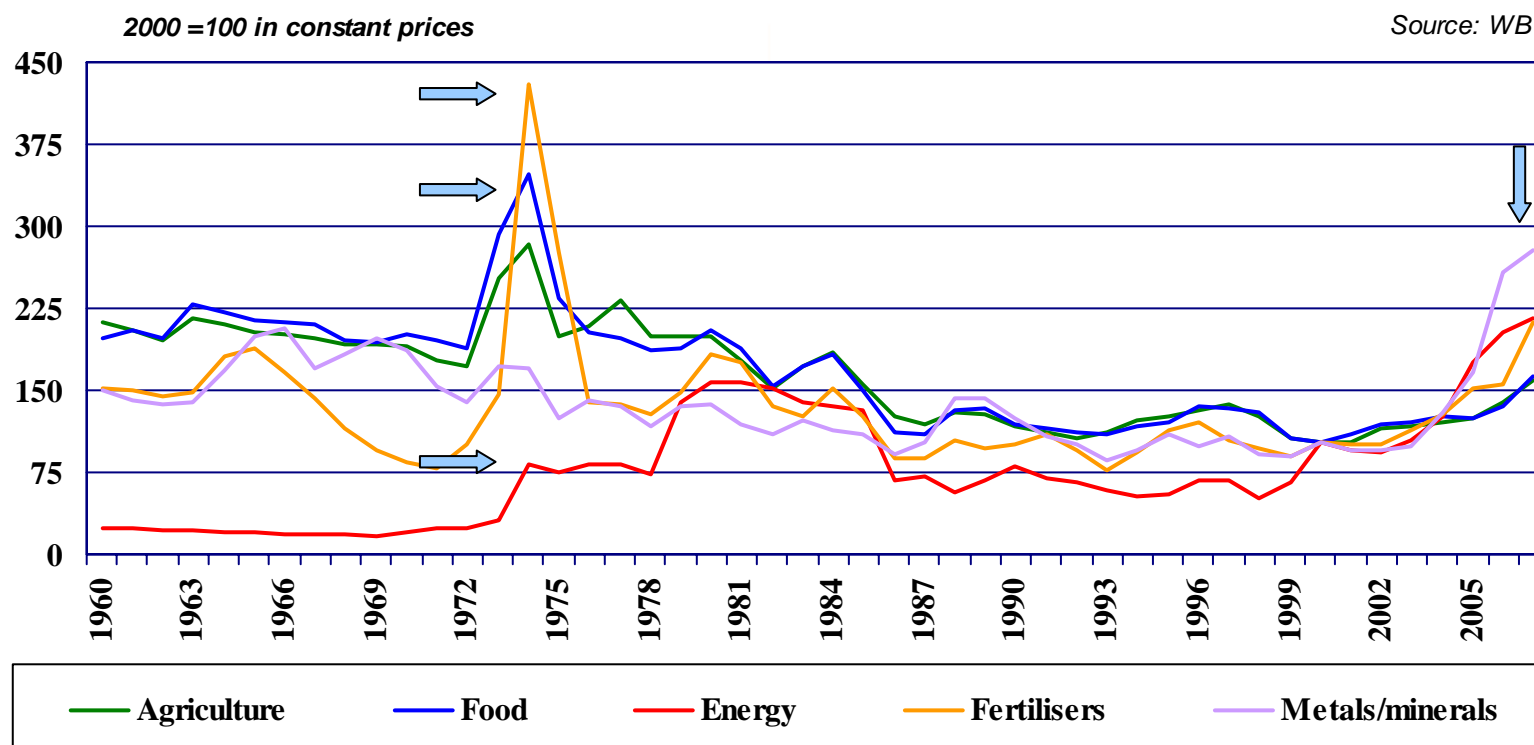


How do prices compare in real terms?

- ***In real terms, agricultural prices are below their previous peaks***
 - Energy, metals and minerals have long exceeded their post-1973 peaks
 - Food and agricultural commodities follow a downward trend in real terms
 - Different agricultural commodities reflect very different patterns

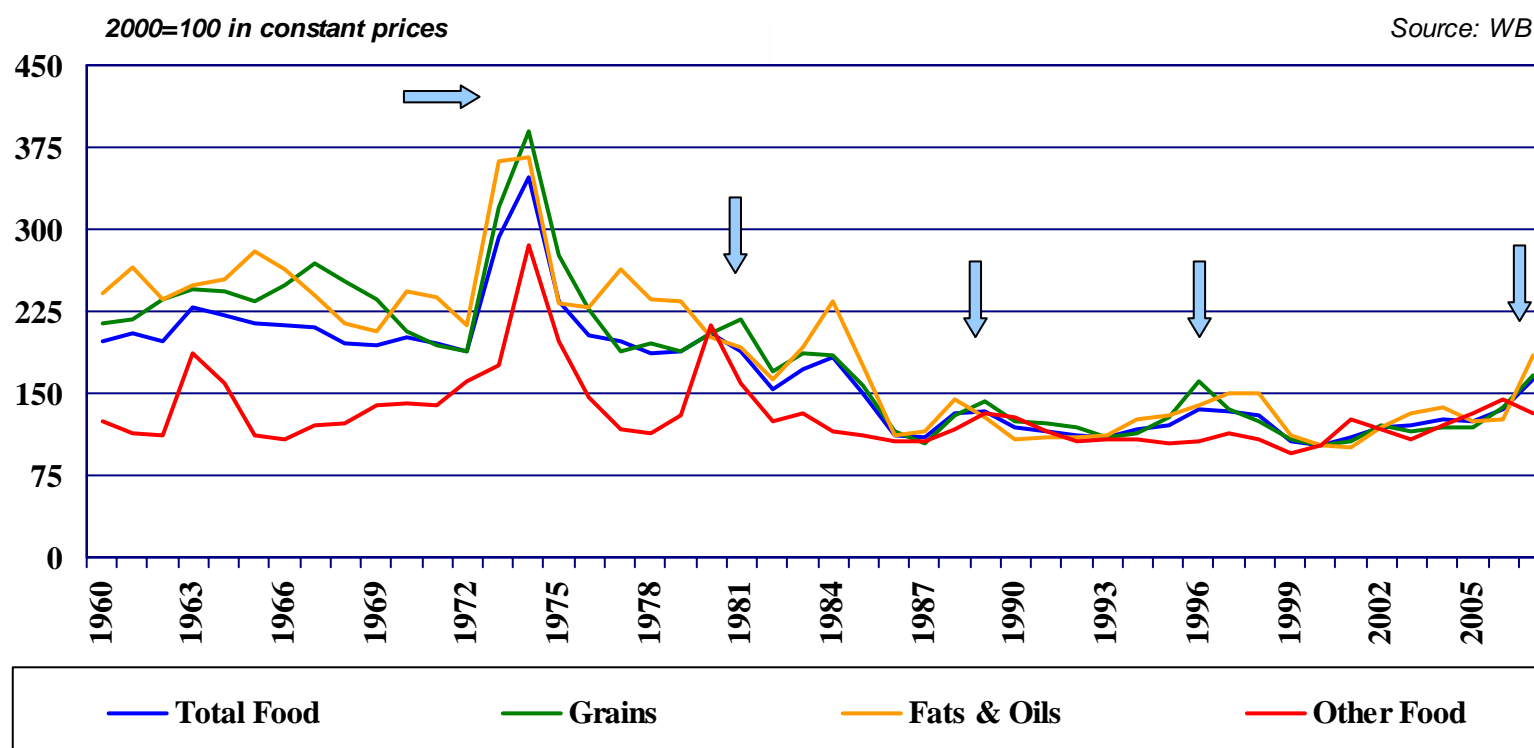


Real commodity price indexes (1960-2007)



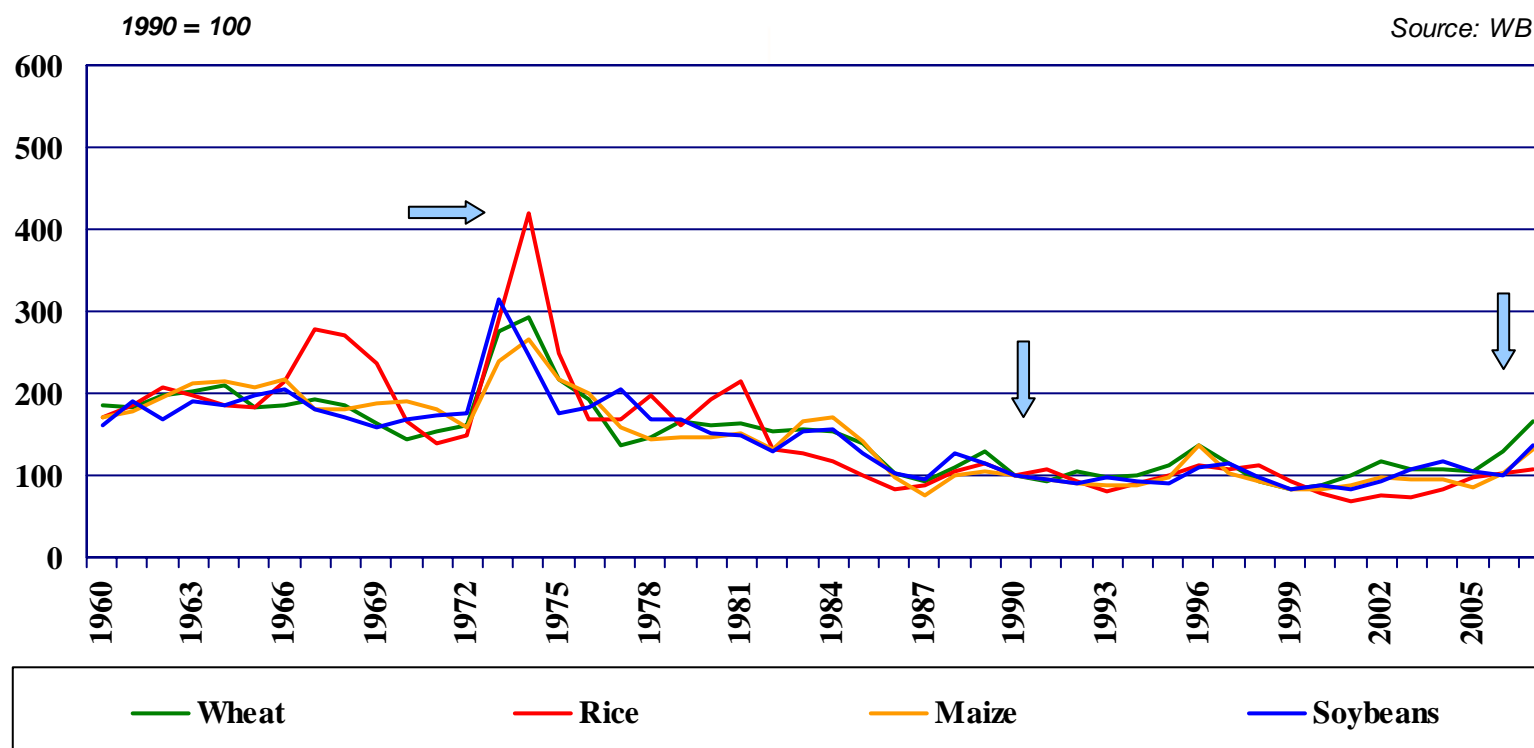


Real food price indexes (1960-2007)



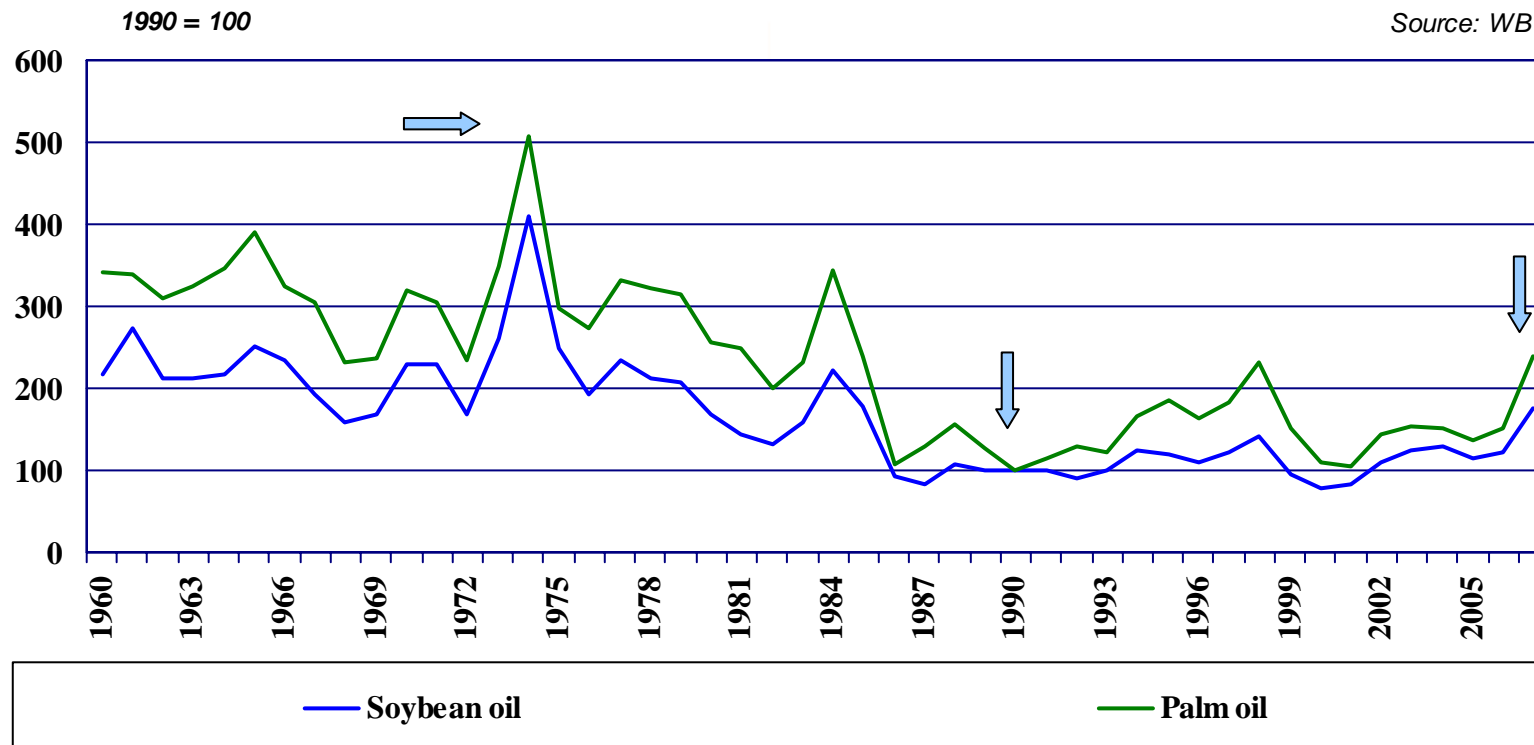


Real crop price indexes (1960-2007)



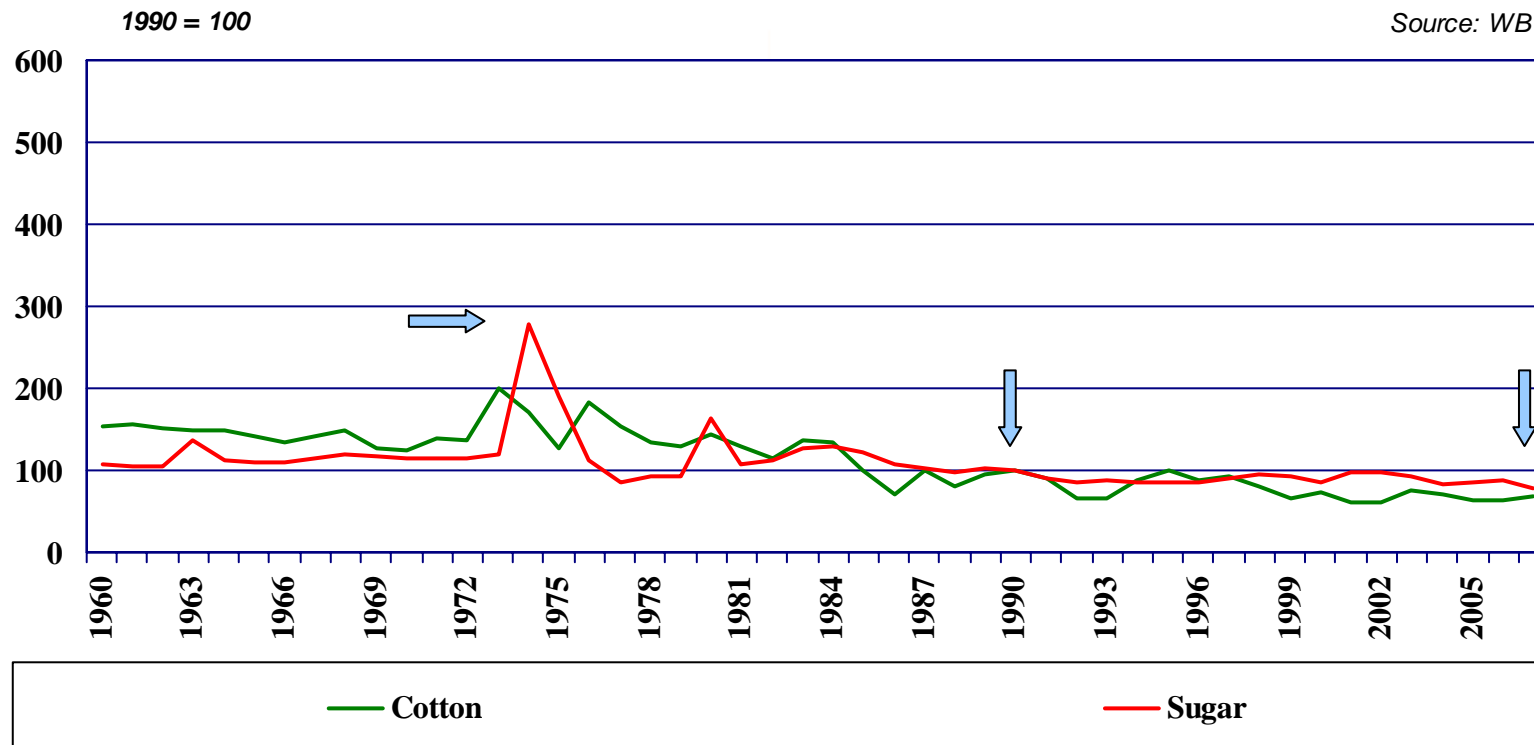


Real food oil price indexes (1960-2007)





Real cotton/sugar price indexes (1960-2007)



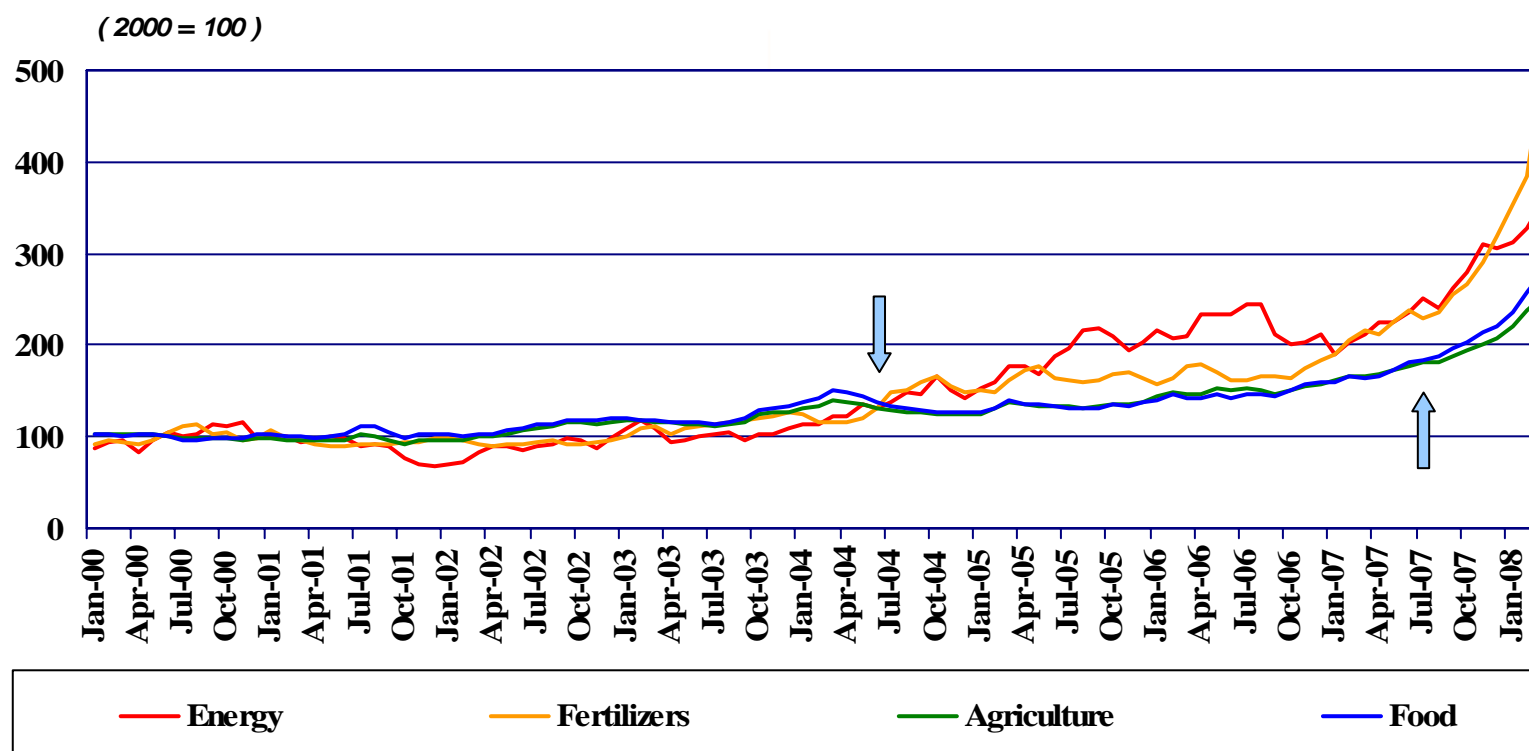


What is new in the recent price boom?

- ***Agriculture and food are following, not leading the "price boom"***
 - Since early 2004, agriculture and food indexes lag behind other indexes
 - The terms of trade for agriculture have deteriorated
 - Energy and fertiliser costs affect production costs
 - Evidence emerges that land value increases also impact on farm assets
 - The depreciation of the dollar distorts market signals

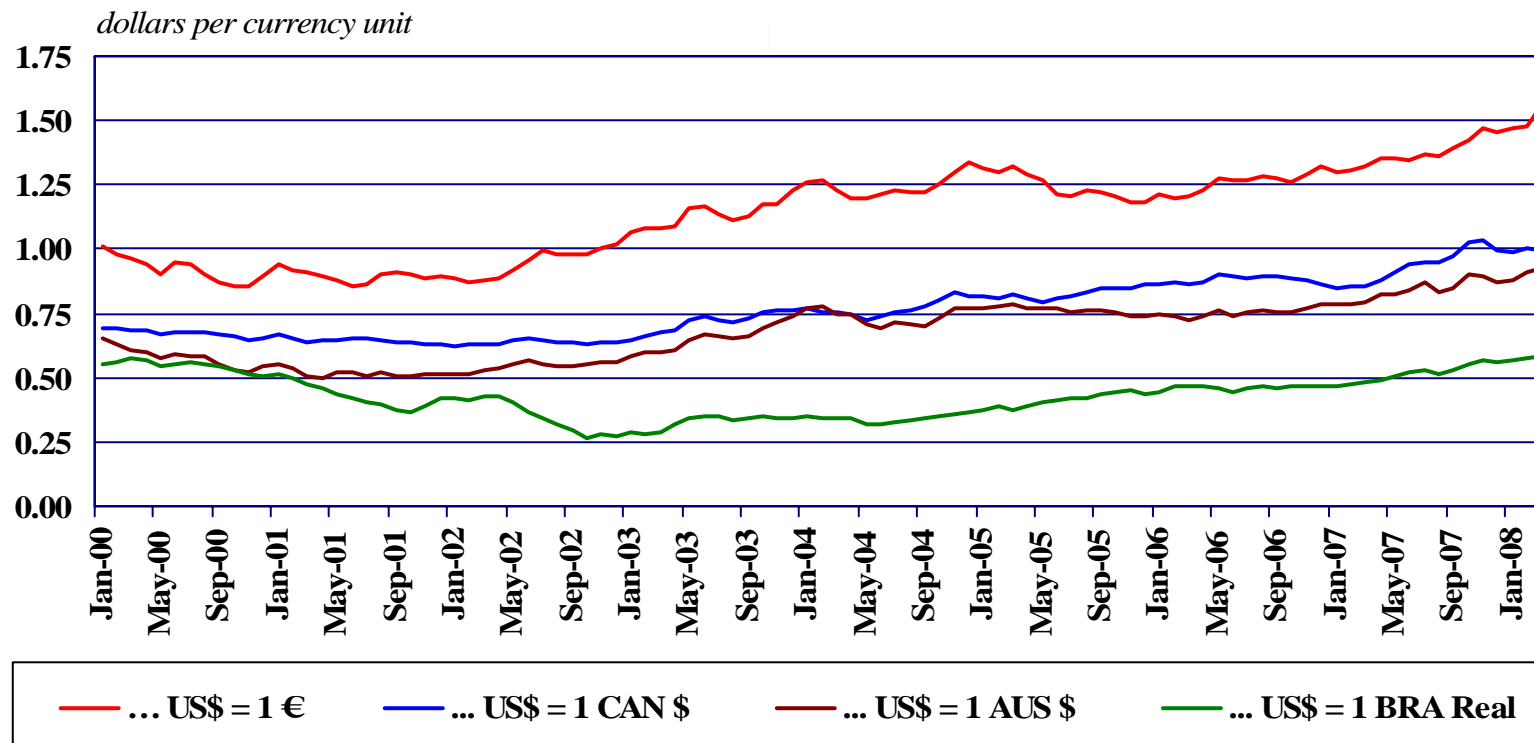


More recent trend of commodity prices (2000-2007)



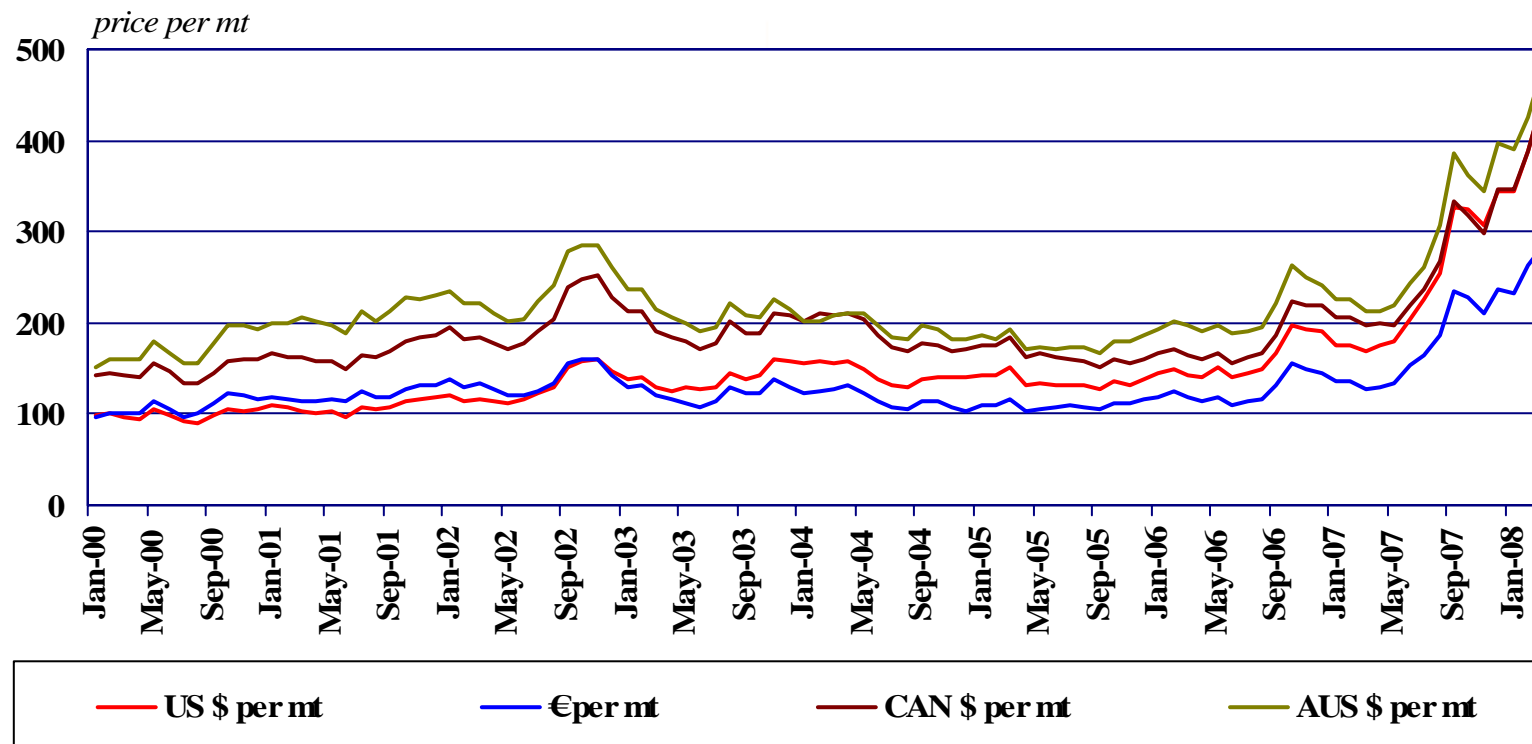


Monthly exchange rates (2000-2007)





Wheat price and exchange rates (2000-2007)





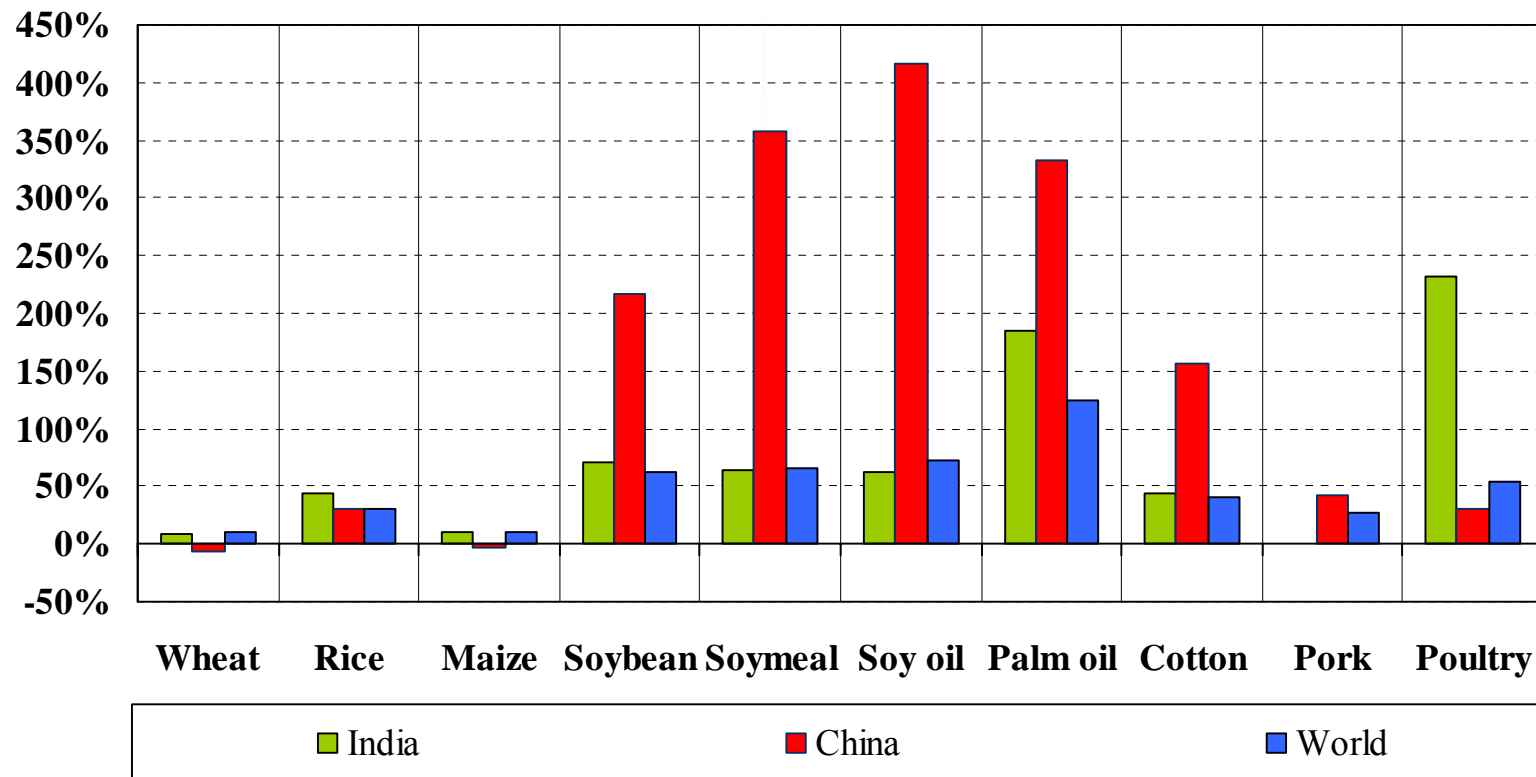
What is the role of demand factors?

- ***Food price boom is partially attributed to demand factors***
 - Role of strong economic growth in China/India has been ongoing for years
 - Clear impact in upward price pressure in certain markets
 - Yet highest price increases occur where global demand stagnates



Demand growth in China, India and the world

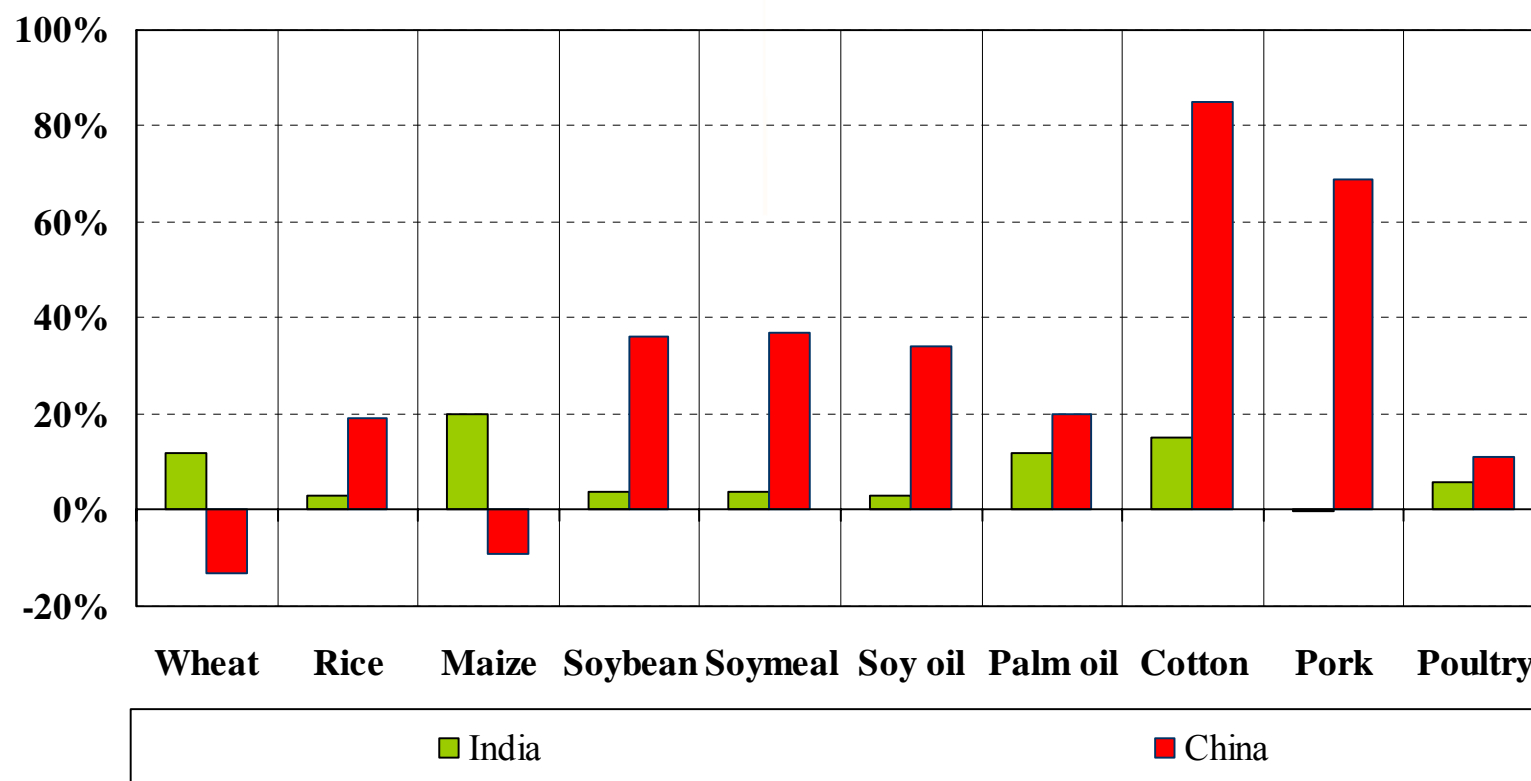
cumulative percentage change 1995-2007





Share of China and India in world demand growth

cumulative percentage change 1995-2007



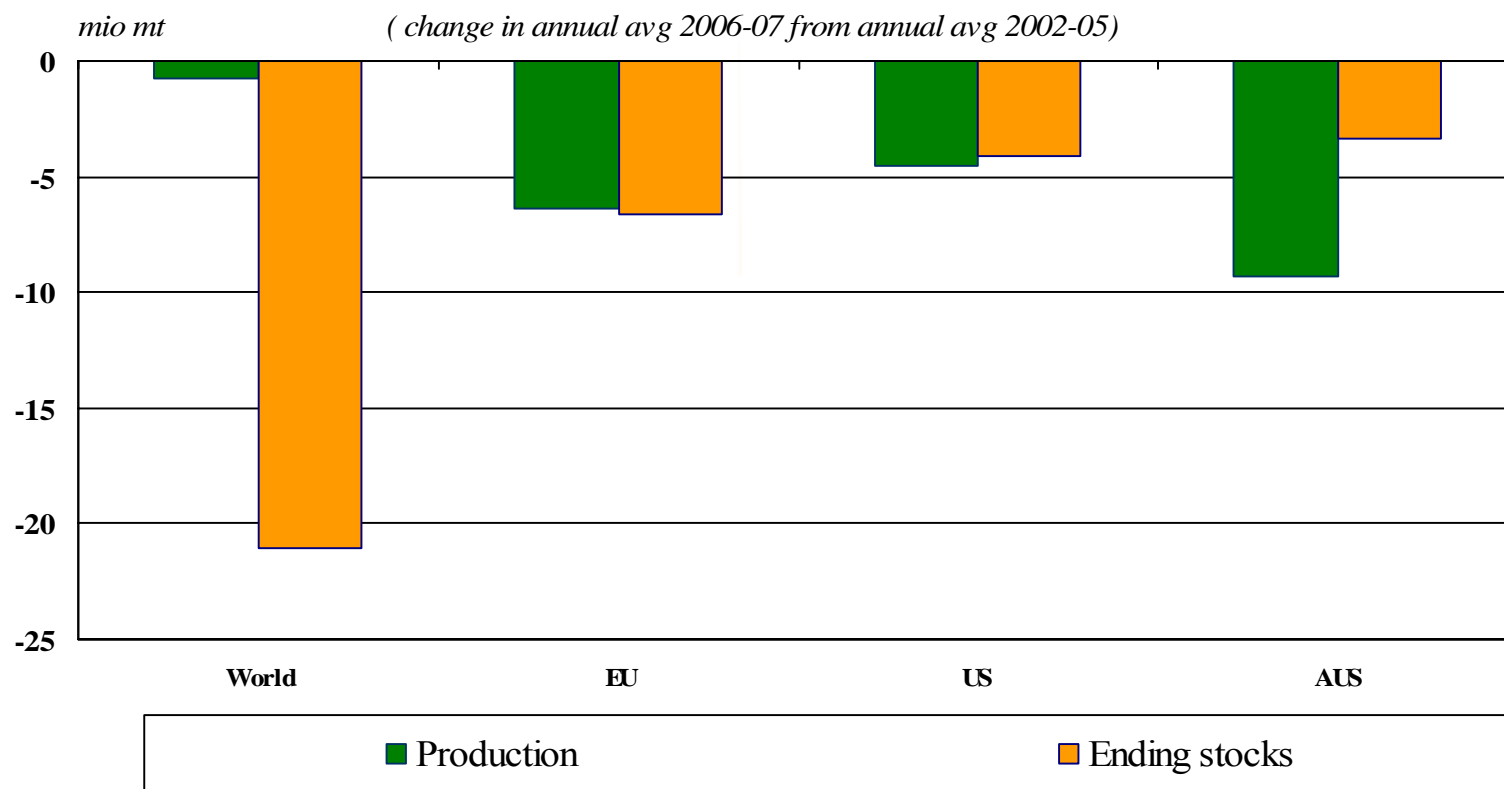


What supply factors behind the recent price hike?

- ***Supply factors seem to have played a major role in a few markets***
 - Adverse weather affects food grains and (partly) dairy...
 - ...but food grains and dairy already show signs of supply recovery
 - Supply in meat markets has been growing faster than demand

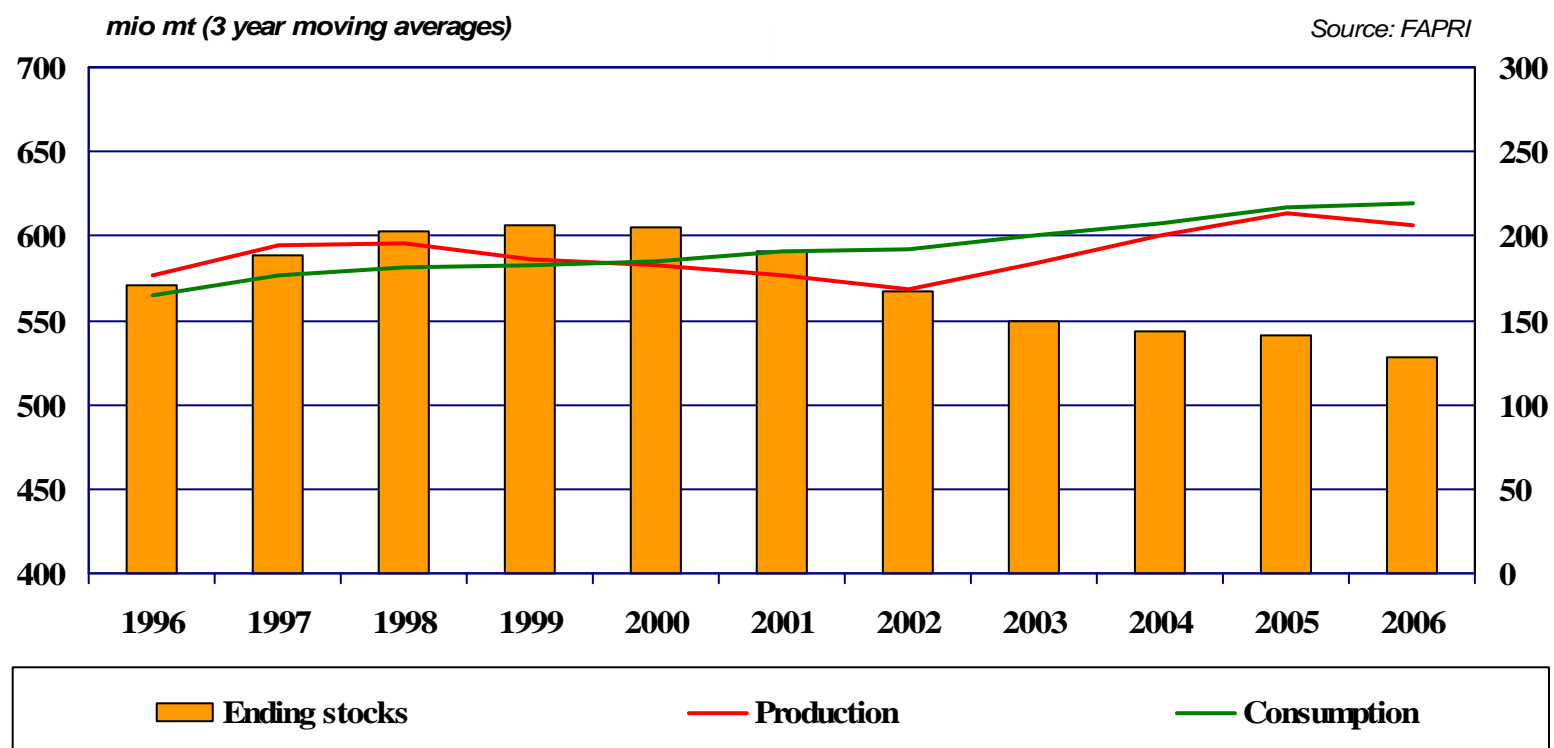


Decline in wheat production and ending stocks



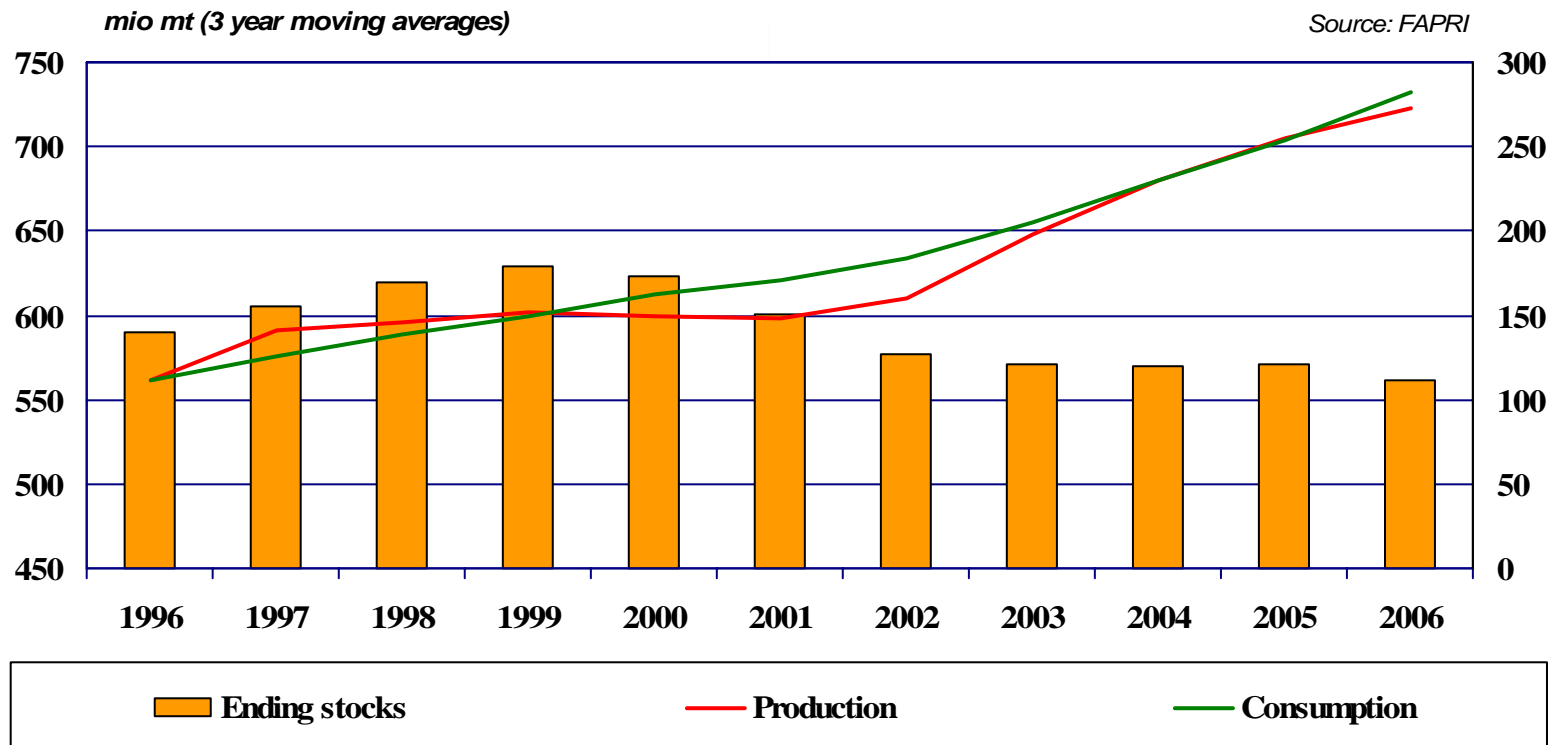


Is wheat production responding to demand?





Is world maize production responding to demand?



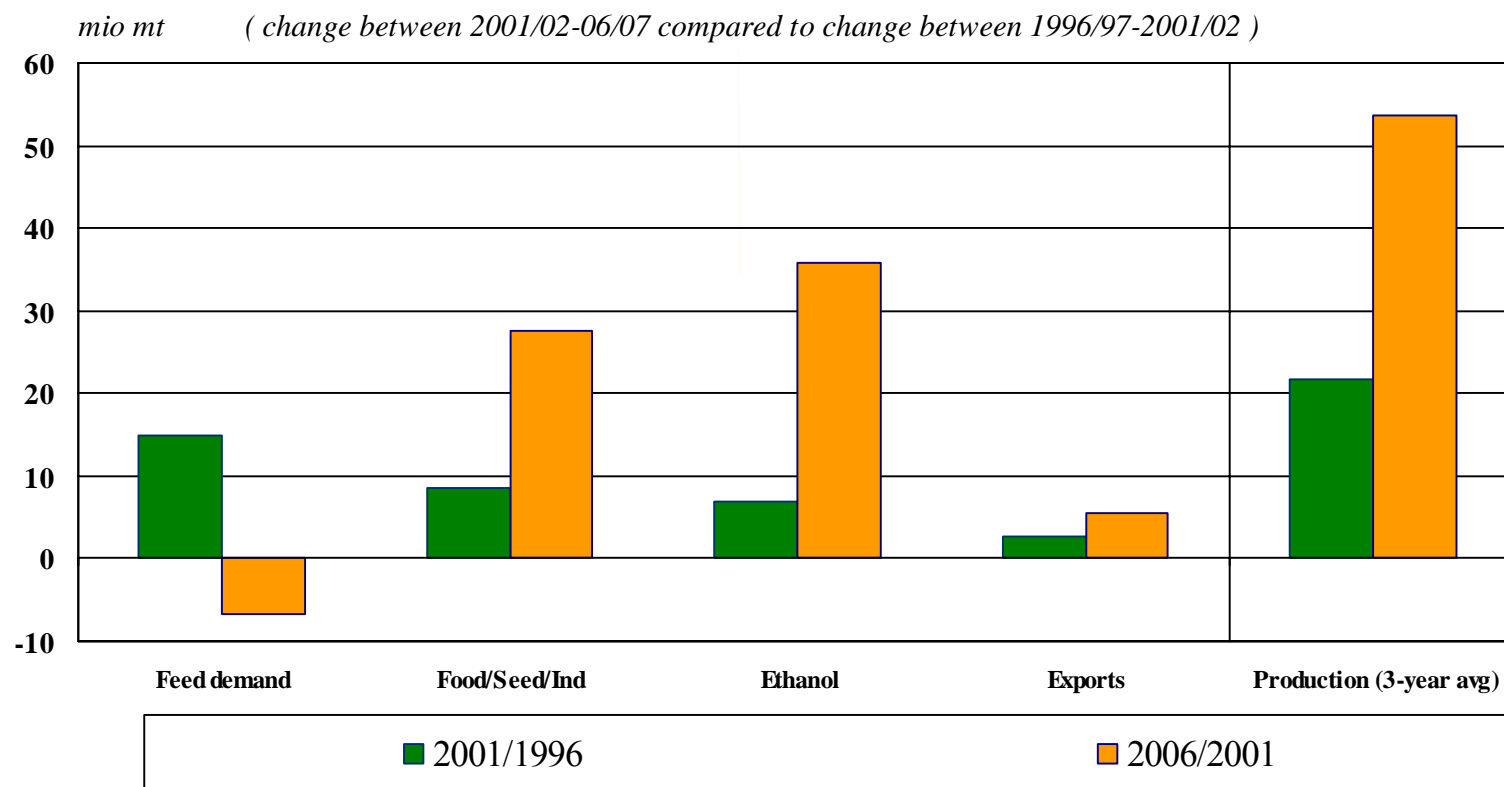


What policy factors behind the recent price hike?

- ***Policy factors have also played a role***
 - Growth in maize ethanol accelerated in recent years
 - Growth in biodiesel demand coincides with strong food oil growth
 - Export restrictions give the wrong signal when supply lags behind
 - US maize/oilseed area shifts crucial for future market price prospects

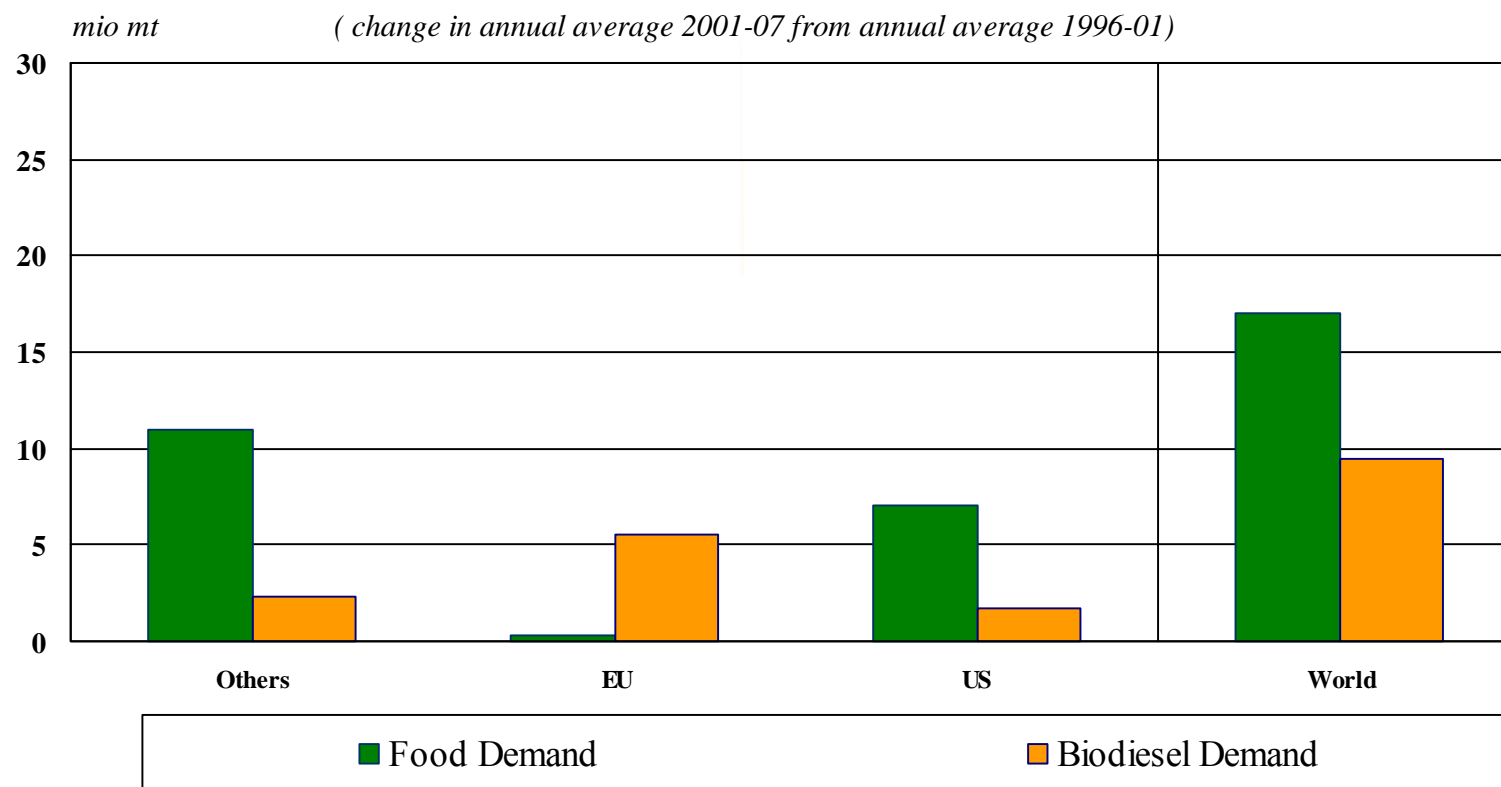


Changes in the US maize market



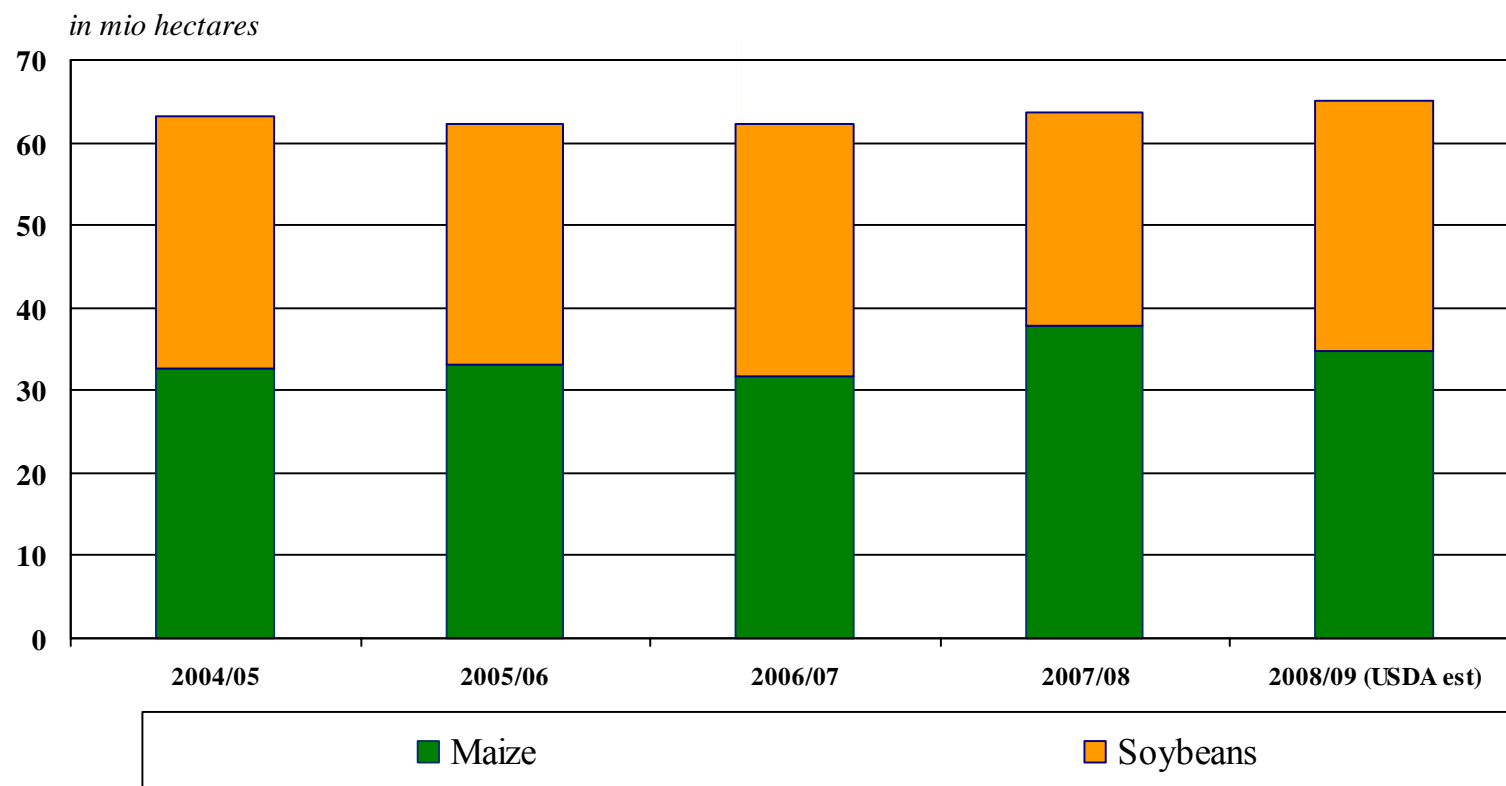


Bio-diesel and vegetable oils





US maize and soybean area



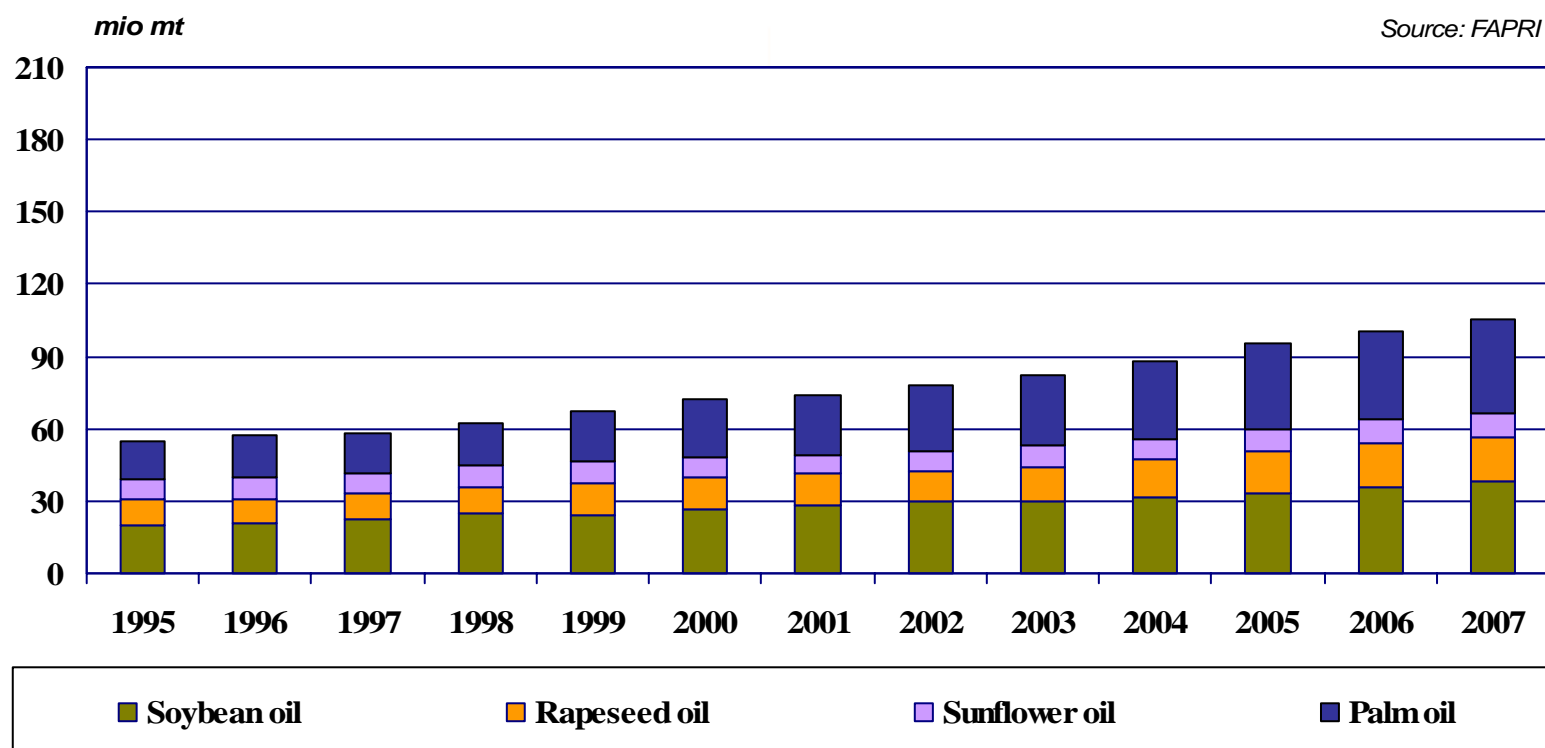


Do other demand factors play a role?

- ***What linkages between various factors?***
 - Vegetable oil demand grows, and shifts more to palm oil
 - Feed supply response to meat demand seems adequate

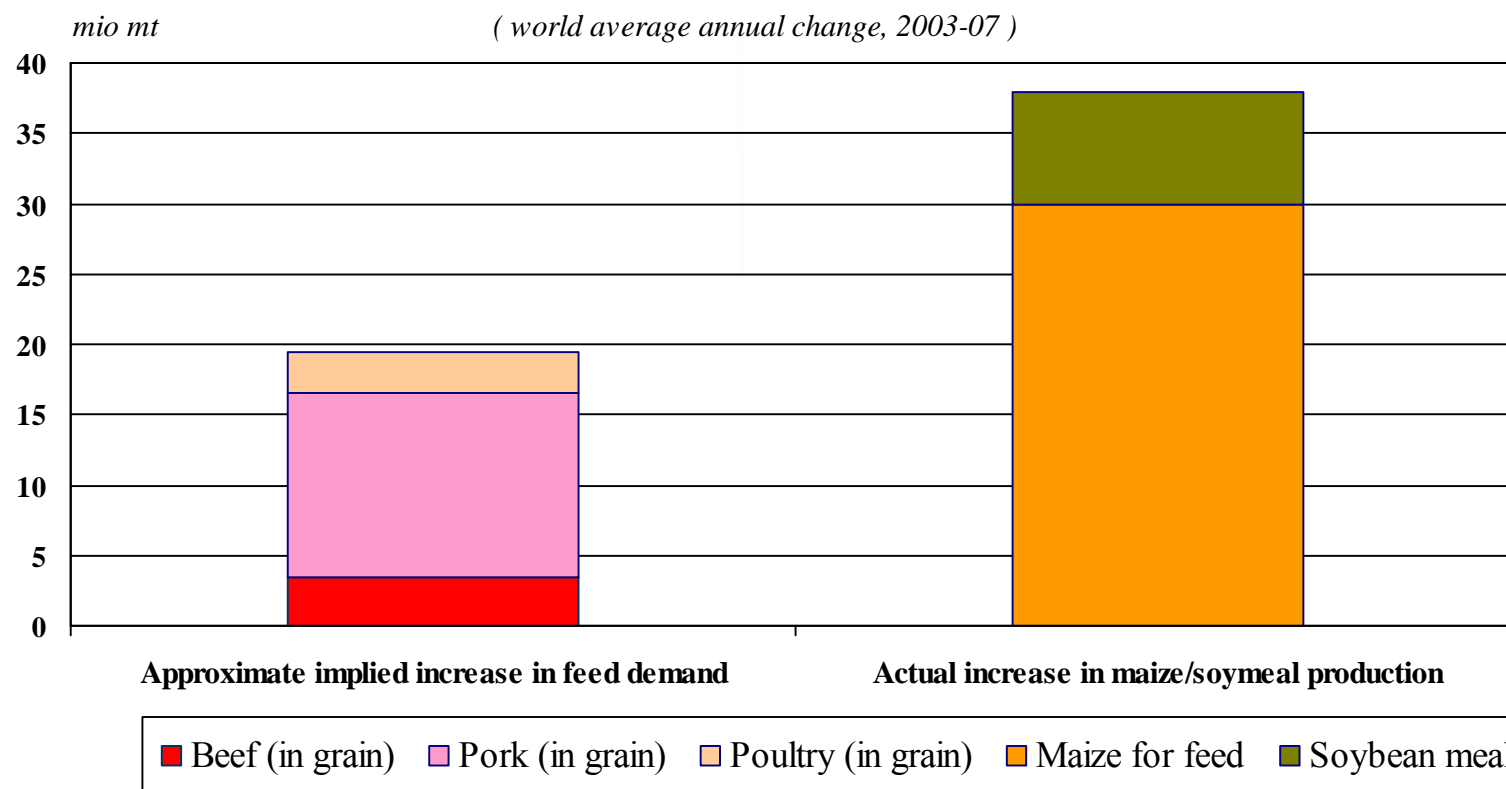


World demand in oilseed oils





What impact from additional meat production?



THE CAUSES OF THE FOOD PRICE CRISIS: METHODOLOGICAL BACKGROUND

Analytical approach

Supply, demand, trade and price variables for 14 agricultural commodities and their products are analysed over the 1995-2007 period. This period was chosen because it is the first period after the 1973 oil crisis during which the long-term declining trend in agricultural prices is reversed. This period is characterised by 4 distinct sub-periods:

- 1995-97 high prices: mainly due to supply failures, ending with the SE Asian crisis
- 1998-01 low prices: strong supply response (partly linked to increased US subsidies)
- 2002-2005 high prices: a combination of factors, including the impact of low prices
- 2006-2007 exceptionally high prices: multiple causes are the focus of this analysis

The aim of the analysis is to identify the extent to which the recent price hike is explained by supply and/or demand factors. Tables and graphs include annual data, the annual rate of change over the whole period, averages during each sub-period, and graphs based on 3-year moving averages to smoothen out annual sharp annual variations.

Commodities analysed

- Wheat, maize, rice
- Sugar, cotton
- Soybeans & products, rape seed & products, sunflower seed & products, palm oil
- Beef, sheep meat, pork and poultry
- Milk and dairy products (butter, skimmed milk and whole milk powder, cheese)

Countries/regions analysed

- World totals
- EU, US, China, India (in all commodities)
- Other major exporters (depending on commodity)
- Other major importers (depending on commodity)

Variables

- Area, yields and production
- Total consumption and its components (food, feed, other)
- Ending stocks and prices
- Net trade (exports-imports)

THE CAUSES OF THE FOOD PRICE CRISIS: COTTON

SUMMARY OF WORLD COTTON MARKET DEVELOPMENTS

World production has kept pace with the increasing world consumption, thus limiting any sustained price increase. Area has been stagnant, but production has increased due to the stronger yields, which have resulted in an acceleration of production growth since 2002.

The most important change of recent years has been the continuing shift of consumption to Asia, which has also brought changes in trade patterns. Despite the strong decline in US production, the even stronger decline in US domestic use led to increased US exports to China. EU imports have also declined, reflecting the decline of the EU textile industry. On the other hand, India has increased production even faster than its cotton use, thanks to strong productivity gains. Brazil is also emerging as an exporter, replacing some of the decline in drought-stricken Australia, while Africa seems to be missing the opportunities of higher Asian demand.

MAIN WORLD MARKET TRENDS

Production

- Production saw a steep increase from 2003, which reflects mostly the increase in yields (due to GMO varieties) in the main key players (China, US and India). Overall area has been rather stagnant, with declines in the developed world compensated by increases in developing countries.

Consumption

- Cotton continues to lose share to synthetic fibres, but has managed to participate in the strong demand growth of textiles since 2003. Annual growth in consumption has been 3.4%, mainly driven by the leading textile producers (China, India and Pakistan). Since the 2000s that Chinese consumption is increasing at a faster pace than production, while consumption in the US and the EU is strongly shrinking, reflecting the delocalisation of their textile industry.

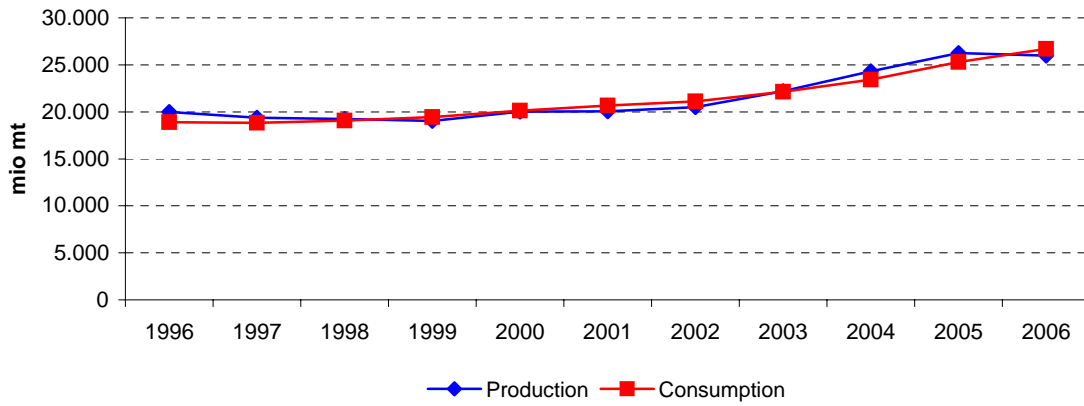
Trade

- World trade has expanded following the expiry of multi-fibre agreement (2005), mainly through the shift of a (recently declining) US production from domestic use to exports to China. Brazil and India have shifted from net importers to net exporters, while Australian exports are at lower levels than the 90s and Africa rather stagnant.

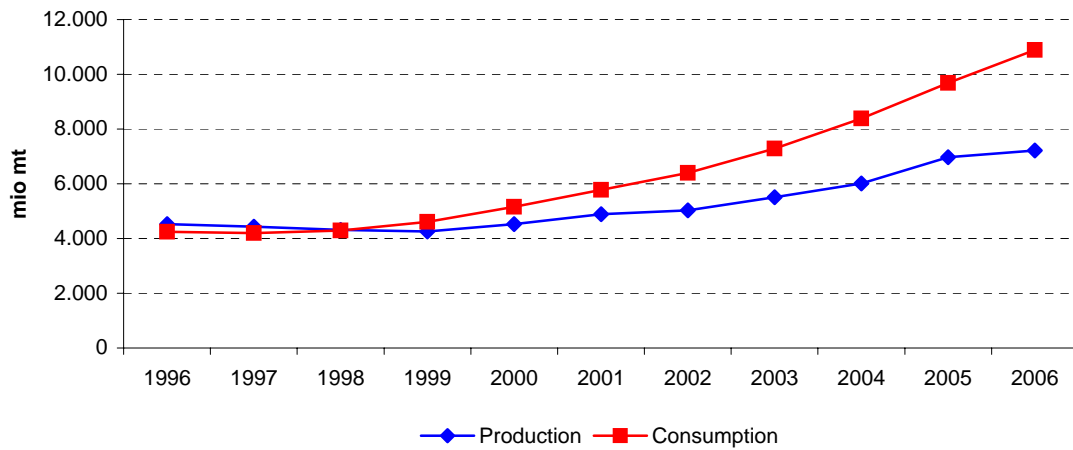
Ending stocks / Prices

- The main factor in the variability of cotton prices is the varying gap between the increasing export surplus of the US production and import deficit in China, which affects disproportionately world price developments.

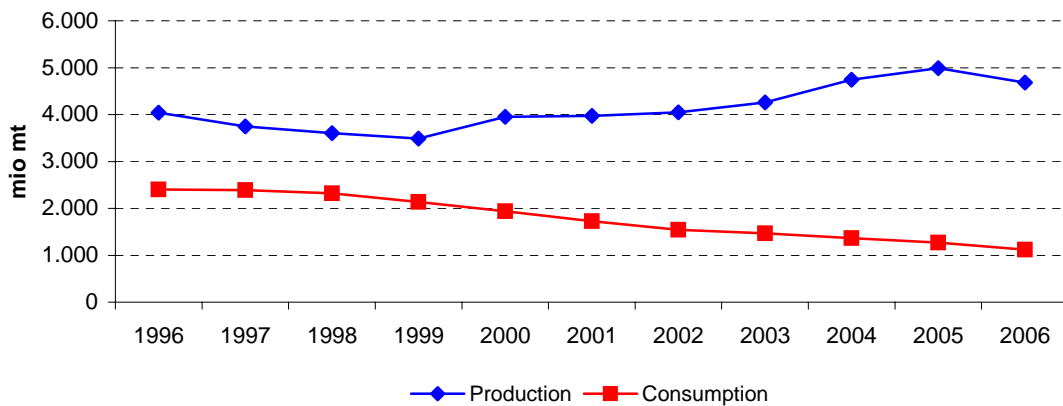
World cotton - 3 year moving average 1995-2007



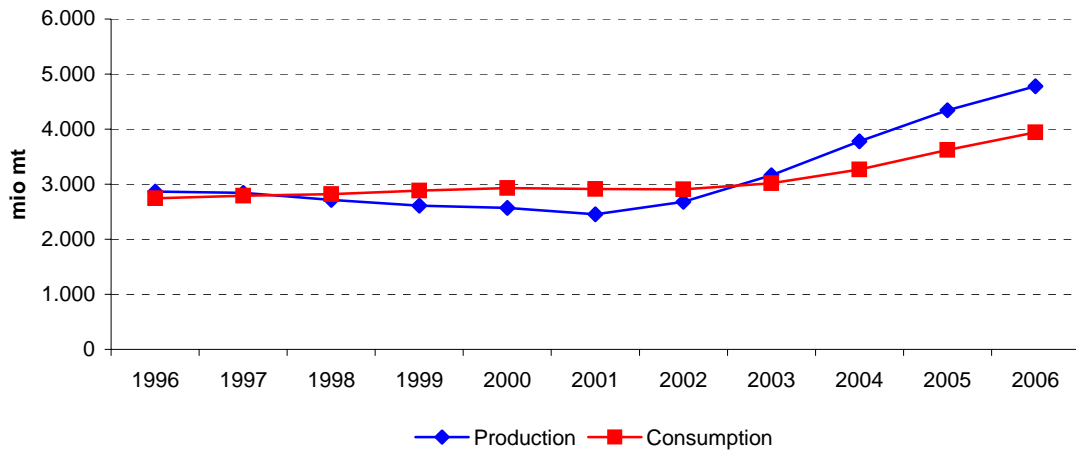
China cotton - 3 year moving average 1995-2007



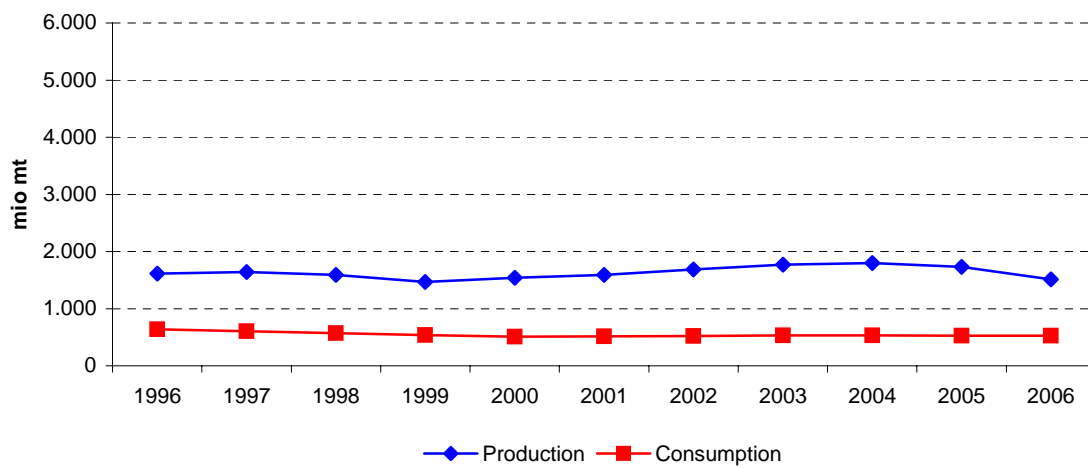
US cotton - 3 year moving average 1995-2007



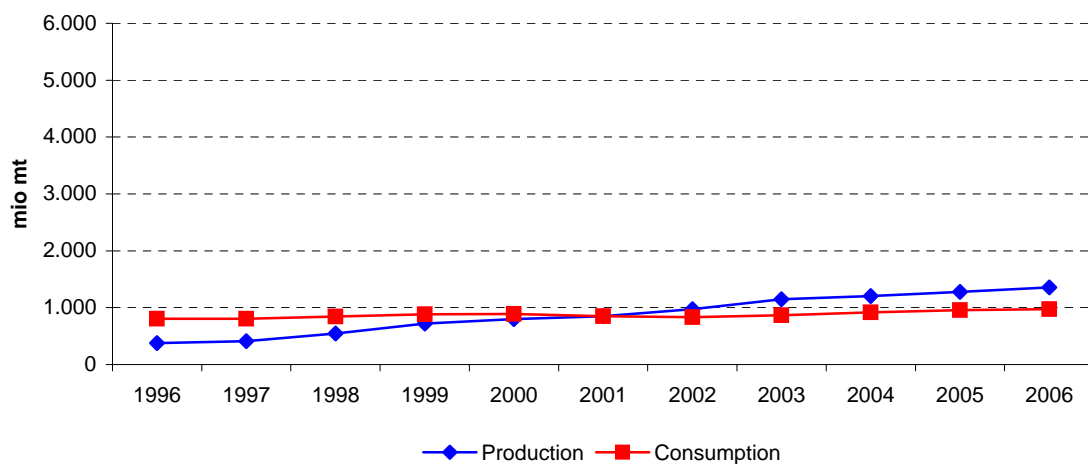
India cotton - 3 year moving average 1995-2007



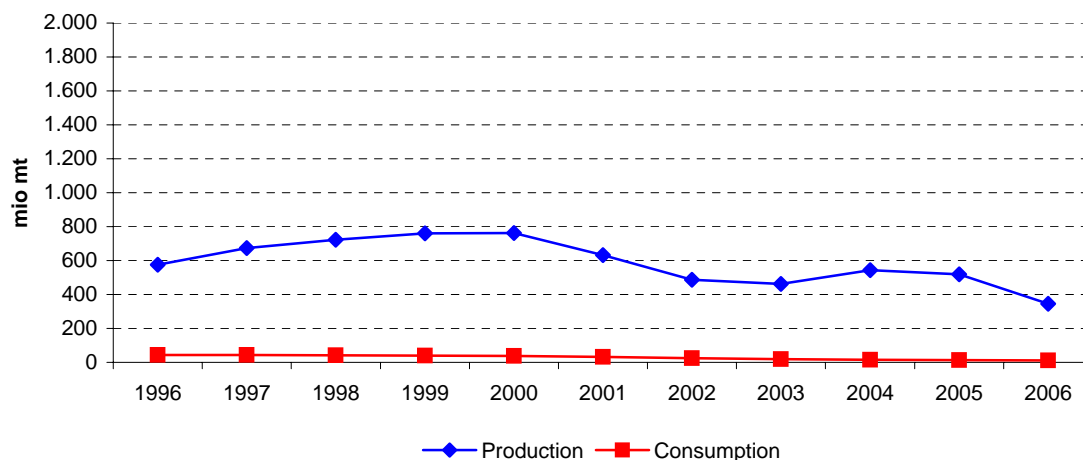
Africa cotton - 3 year moving average 1995-2007



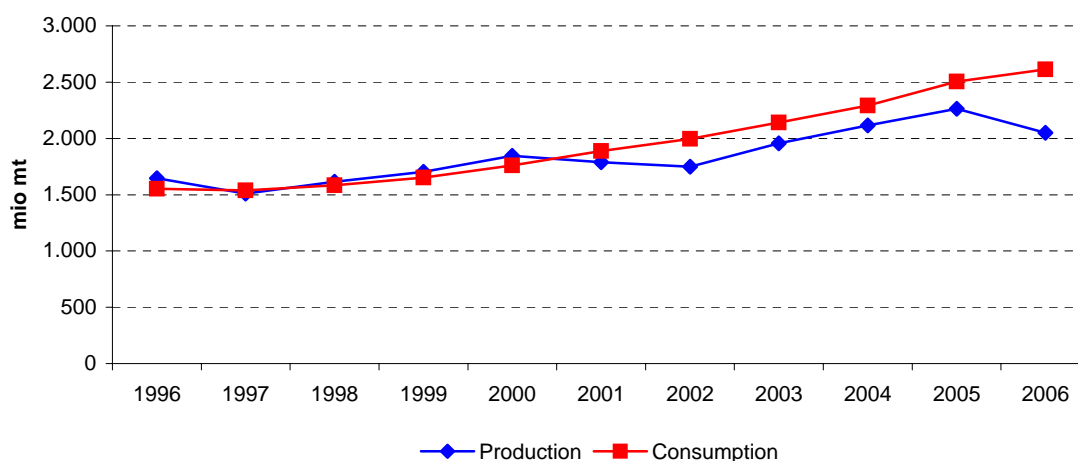
Brazil cotton - 3 year moving average 1995-2007



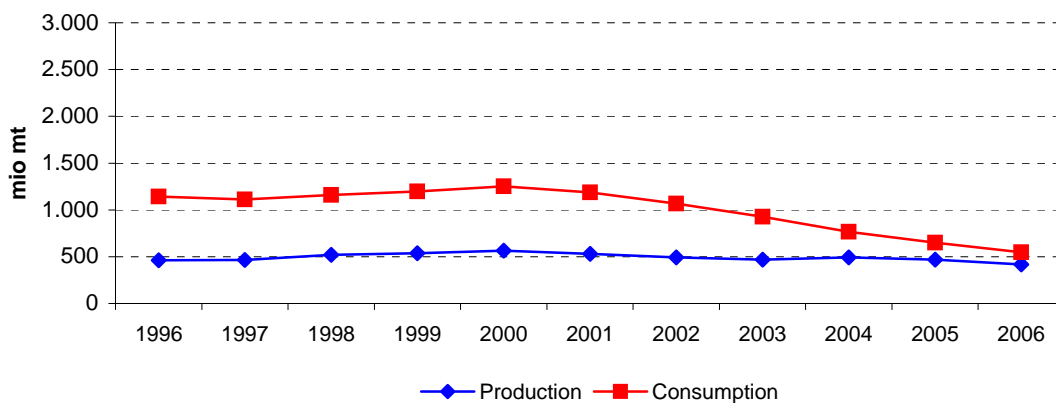
Australia cotton - 3 year moving average 1995-2007



Pakistan cotton - 3 year moving average 1995-2007



EU cotton - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Area (mio Ha)	35.947	33.752	33.785	32.843	32.344	32.012	33.730	30.447	32.129	35.793	34.884	34.716	33.733	-0,5%
Yield (kg/ha)	565,82	580,10	592,93	565,21	591,91	605,96	637,33	632,15	645,96	742,87	734,55	765,58	763,43	2,5%
Production (mio mt)	20.340	19.579	20.032	18.563	19.145	19.398	21.497	19.247	20.754	26.590	25.624	26.578	25.753	2,0%
Ending Stocks (mio mt)	8.150	9.071	9.976	10.465	11.121	10.744	11.934	9.868	9.643	12.486	13.102	13.227	11.882	3,2%
Total Trade (mio mt)	7	9	26	-85	-131	-297	-170	-153	-205	-255	-366	-470	-763	:
Consumption (mio mt)	18.644	19.078	18.971	18.429	19.826	20.065	20.531	21.420	21.354	23.657	25.323	26.907	27.845	3,4%
Price (\$/mt)*	212,79	177,34	174,78	144,47	117,11	130,22	105,81	101,92	139,91	136,57	121,70	126,66	139,52	-3,5%
European Union														
Area (mio Ha)	472	497	497	510	555	511	515	447	458	467	444	385	377	-1,8%
Yield (kg/ha)	1.024,51	838,93	982,18	967,82	1.043,12	1.061,78	1.111,45	1.059,88	936,98	1.079,76	1.233,77	918,40	924,61	-0,9%
Production (mio mt)	484	417	488	494	579	543	572	474	429	504	548	354	349	-2,7%
Ending Stocks (mio mt)	288	256	285	278	379	334	406	347	224	262	265	185	147	-5,5%
Net Import (mio mt)	-666	-705	-699	-558	-771	-683	-719	-585	-347	-339	-90	-118	-109	-14,0%
Consumption (mio mt)	1.131	1.145	1.148	1.042	1.292	1.255	1.206	1.105	886	792	621	540	485	-6,8%
United States														
Area (mio Ha)	6.478	5.216	5.425	4.324	5.433	5.282	5.596	5.025	4.858	5.284	5.586	5.153	4.246	-3,5%
Yield (kg/ha)	601,63	790,71	754,18	700,88	679,96	708,43	789,92	745,63	818,21	958,02	931,19	912,19	976,22	4,1%
Production (mio mt)	3.897	4.124	4.092	3.030	3.694	3.742	4.420	3.747	3.975	5.062	5.201	4.700	4.145	0,5%
Ending Stocks (mio mt)	568	865	846	858	852	1.306	1.621	1.149	751	1.196	1.317	2.061	1.724	9,7%
Net Export (mio mt)	1.582	1.407	1.630	840	1.449	1.464	2.390	2.576	2.986	3.137	3.832	2.828	3.478	6,8%
Consumption (mio mt)	2.318	2.422	2.471	2.265	2.219	1.929	1.676	1.584	1.364	1.457	1.278	1.077	1.004	-6,7%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
China														
Area (mio Ha)	5.422	4.722	4.491	4.459	3.726	4.058	4.820	4.184	5.110	6.000	5.500	6.000	6.101	1,0%
Yield (kg/ha)	879,42	889,90	1.022,94	1.010,75	1.028,44	1.089,16	1.102,17	1.176,04	950,15	1.124,91	1.167,79	1.288,20	1.231,39	2,8%
Production (mio mt)	4.768	4.202	4.594	4.507	3.832	4.420	5.312	4.921	4.855	6.749	6.423	7.729	7.513	3,9%
Ending Stocks (mio mt)	3.190	3.833	4.650	5.015	4.872	4.304	4.125	3.266	3.257	3.280	4.422	4.074	3.380	0,5%
Net Import (mio mt)	-658	-784	-392	70	343	46	-23	-517	-1.885	-1.384	-4.191	-2.286	-3.008	13,5%
Consumption (mio mt)	4.224	4.344	4.169	4.071	4.638	5.117	5.715	6.510	6.967	8.382	9.798	10.886	11.976	9,1%
India														
Area (mio Ha)	9.063	9.122	8.904	9.287	8.791	8.576	8.730	7.667	7.630	8.786	8.873	9.166	9.500	0,4%
Yield (kg/ha)	318,31	332,20	301,67	302,03	301,66	277,51	306,76	301,01	399,49	470,84	467,45	517,83	572,96	5,0%
Production (mio mt)	2.885	3.030	2.686	2.805	2.652	2.380	2.678	2.308	3.048	4.137	4.148	4.746	5.443	5,4%
Ending Stocks (mio mt)	1.100	1.019	909	1.034	1.070	821	1.116	781	911	1.908	1.756	1.538	1.623	3,3%
Net Export (mio mt)	105	255	36	-68	-333	-321	-507	-253	-22	-82	664	958	1.180	22,3%
Consumption (mio mt)	2.608	2.857	2.760	2.748	2.950	2.949	2.890	2.896	2.939	3.222	3.636	4.006	4.178	4,0%
Pakistan														
Area (mio Ha)	3.048	3.148	2.960	2.923	2.983	2.928	3.116	2.794	2.989	3.192	3.101	3.250	3.250	0,5%
Yield (kg/ha)	585,75	506,48	527,77	469,27	640,55	623,06	578,97	621,22	571,44	759,72	713,70	663,22	549,34	-0,5%
Production (mio mt)	1.785	1.594	1.562	1.372	1.911	1.824	1.804	1.736	1.708	2.425	2.213	2.155	1.785	0,0%
Ending Stocks (mio mt)	296	396	331	373	763	794	891	714	682	1.077	1.069	942	838	9,1%
Net Import (mio mt)	285	-35	57	-199	-13	24	-149	-140	-356	-261	-289	-444	-728	:
Consumption (mio mt)	1.568	1.524	1.565	1.524	1.666	1.764	1.851	2.047	2.090	2.286	2.504	2.722	2.613	4,3%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Australia														
Area (mio Ha)	301	396	448	534	464	505	404	220	196	314	336	145	75	-10,9%
Yield (kg/ha)	1.424,99	1.535,08	1.538,67	1.356,51	1.622,61	1.595,21	1.800,00	1.662,62	1.888,43	2.080,17	1.814,37	2.027,09	1.741,80	1,7%
Production (mio mt)	429	608	689	724	753	806	727	366	370	653	610	294	131	-9,4%
Ending Stocks (mio mt)	238	315	394	454	501	455	496	283	195	426	422	257	87	-8,1%
Net Export (mio mt)	317	518	590	662	699	850	681	578	470	435	628	464	306	-0,3%
Consumption (mio mt)	42	46	42	40	41	38	33	27	16	14	13	12	11	-10,7%
Brazil														
Area (mio Ha)	1.130	695	765	685	752	853	748	735	1.100	1.172	850	1.094	1.133	0,0%
Yield (kg/ha)	363,01	440,15	537,91	759,98	931,12	1.100,62	1.024,29	1.152,31	1.190,56	1.096,05	1.203,89	1.393,12	1.348,74	11,6%
Production (mio mt)	410	306	412	521	700	939	766	847	1.310	1.285	1.023	1.524	1.529	11,6%
Ending Stocks (mio mt)	300	324	373	379	521	646	526	616	996	1.095	831	1.237	1.340	13,3%
Net Export (mio mt)	-363	-519	-410	-285	-337	-63	92	-16	91	293	362	171	481	:
Consumption (mio mt)	818	811	789	822	922	914	827	806	871	925	958	980	978	1,5%
Africa														
Area (mio Ha)	3.624	3.980	4.488	4.447	4.427	4.127	4.931	4.819	4.943	5.445	5.112	4.536	4.239	1,3%
Yield (kg/ha)	393,94	415,87	391,45	340,62	337,87	336,27	353,15	342,87	337,75	364,11	341,32	322,36	315,65	-1,8%
Production (mio mt)	1.428	1.655	1.757	1.515	1.496	1.388	1.741	1.652	1.670	1.983	1.745	1.462	1.338	-0,5%
Ending Stocks (mio mt)	285	420	553	514	506	469	763	732	683	930	844	732	645	7,0%
Net Export (mio mt)	707	892	988	971	987	897	955	1.132	1.173	1.197	1.294	1.040	894	2,0%
Consumption (mio mt)	664	621	627	574	520	519	484	535	540	529	531	528	525	-1,9%

Source:

Fapri - World Agricultural Outlook; (*) World Bank

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	34.495	32.732	33.313	34.224	34.495	33.460	32.991	32.400	32.695	32.063	32.102	32.790	34.269	35.131	34.444
Yield (kg/ha)	579,62	600,10	688,88	764,51	579,62	579,41	583,35	587,69	611,73	625,15	638,48	673,66	707,80	747,67	754,52
Production (mio mt)	19.984	19.651	23.054	26.165	19.984	19.392	19.247	19.035	20.013	20.047	20.499	22.197	24.323	26.264	25.985
Ending Stocks (mio mt)	9.065,76	11.065,94	11.274,77	12.554,63	9.065,76	9.837,24	10.520,58	10.776,74	11.266,39	10.848,53	10.481,37	10.665,69	11.743,83	12.938,48	12.737,08
Total Trade (mio mt)	14	-171	-244	-616	14	-17	-63	-171	-199	-206	-176	-204	-275	-363	-533
Consumption (mio mt)	18.897	19.713	22.938	27.376	18.897	18.826	19.075	19.440	20.141	20.672	21.102	22.144	23.445	25.296	26.692
Price (\$/mt)*	188	124	125	133	188	166	145	131	118	113	116	126	133	128	129

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	489	523	454	381	489	501	521	525	527	491	473	457	456	432	402
Yield (kg/ha)	948,54	1.046,04	1.077,60	921,50	948,54	929,64	997,70	1.024,24	1.072,12	1.077,70	1.036,10	1.025,54	1.083,50	1.077,31	1.025,59
Production (mio mt)	463	547	489	351	463	466	520	538	565	530	492	469	494	469	417
Ending Stocks (mio mt)	276,37	349,45	274,44	165,88	276,37	272,88	314,11	330,43	373,32	362,51	325,79	277,53	250,24	237,32	198,99
Net Import (mio mt)	-690	-683	-340	-114	-690	-654	-676	-671	-724	-662	-550	-424	-259	-182	-106
Consumption (mio mt)	1.142	1.198	851	513	1.142	1.112	1.160	1.196	1.251	1.189	1.066	928	767	651	549

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	5.706	5.159	5.188	4.700	5.706	4.988	5.061	5.013	5.437	5.301	5.160	5.056	5.243	5.341	4.995
Yield (kg/ha)	715,51	719,80	863,26	944,20	715,51	748,59	711,67	696,42	726,10	747,99	784,59	840,62	902,47	933,80	939,87
Production (mio mt)	4.038	3.722	4.496	4.423	4.038	3.749	3.605	3.489	3.952	3.970	4.047	4.261	4.746	4.988	4.682
Ending Stocks (mio mt)	759,64	1.159,40	1.103,55	1.892,51	759,64	856,16	852,10	1.005,45	1.259,99	1.359,01	1.173,95	1.032,33	1.088,25	1.524,78	1.700,75
Net Export (mio mt)	1.540	1.536	3.133	3.153	1.540	1.292	1.306	1.251	1.768	2.144	2.651	2.900	3.318	3.266	3.380
Consumption (mio mt)	2.404	2.022	1.421	1.040	2.404	2.386	2.318	2.138	1.942	1.730	1.541	1.468	1.366	1.271	1.120

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	4.878	4.266	5.199	6.051	4.878	4.557	4.225	4.081	4.201	4.354	4.705	5.098	5.537	5.833	5.867
Yield (kg/ha)	930,75	1.057,63	1.104,72	1.259,80	930,75	974,53	1.020,71	1.042,78	1.073,26	1.122,46	1.076,12	1.083,70	1.080,95	1.193,64	1.229,13
Production (mio mt)	4.521	4.518	5.737	7.621	4.521	4.434	4.311	4.253	4.521	4.884	5.029	5.508	6.009	6.967	7.222
Ending Stocks (mio mt)	3.890,92	4.579,03	3.556,04	3.726,80	3.890,92	4.499,17	4.845,56	4.730,22	4.433,74	3.898,21	3.549,27	3.267,32	3.652,83	3.925,21	3.958,60
Net Import (mio mt)	-612	109	-1.994	-2.647	-612	-369	7	153	122	-165	-809	-1.262	-2.487	-2.620	-3.161
Consumption (mio mt)	4.246	4.885	7.914	11.431	4.246	4.195	4.293	4.609	5.156	5.781	6.397	7.287	8.382	9.689	10.887

India	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	9.030	8.846	8.239	9.333	9.030	9.104	8.994	8.885	8.699	8.324	8.009	8.028	8.430	8.942	9.180
Yield (kg/ha)	317,40	296,99	409,70	545,39	317,40	311,97	301,79	293,73	295,31	295,10	335,76	390,45	445,93	485,37	519,41
Production (mio mt)	2.867	2.629	3.410	5.095	2.867	2.840	2.714	2.612	2.570	2.455	2.678	3.164	3.778	4.344	4.779
Ending Stocks (mio mt)	1.009,24	1.010,35	1.339,01	1.580,73	1.009,24	987,25	1.004,22	975,12	1.002,40	906,10	936,07	1.200,10	1.525,09	1.733,96	1.639,06
Net Export (mio mt)	132	-307	77	1.069	132	74	-122	-241	-387	-360	-260	-119	187	513	934
Consumption (mio mt)	2.741	2.884	3.173	4.092	2.741	2.788	2.819	2.882	2.930	2.912	2.908	3.019	3.266	3.621	3.940

Pakistan	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	3.052	2.988	3.019	3.250	3.052	3.010	2.955	2.945	3.009	2.946	2.966	2.992	3.094	3.181	3.200
Yield (kg/ha)	540,00	577,96	666,52	606,28	540,00	501,17	545,86	577,62	614,19	607,75	590,55	650,79	681,62	712,21	642,08
Production (mio mt)	1.647	1.728	2.020	1.970	1.647	1.509	1.615	1.702	1.846	1.788	1.749	1.956	2.115	2.265	2.051
Ending Stocks (mio mt)	340,89	704,88	885,59	889,88	340,89	366,51	488,79	642,94	815,67	799,41	762,33	824,30	942,82	1.029,40	949,74
Net Import (mio mt)	102	-84	-261	-586	102	-59	-52	-63	-46	-88	-215	-252	-302	-331	-487
Consumption (mio mt)	1.552	1.701	2.232	2.667	1.552	1.538	1.585	1.651	1.760	1.887	1.996	2.141	2.293	2.504	2.613

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Australia																
Area (mio Ha)	382	477	267	110	382	459	482	501	458	376	273	243	282	265	185	
Yield (kg/ha)	1.499,58	1.593,58	1.861,40	1.884,44	1.499,58	1.476,75	1.505,93	1.524,78	1.672,61	1.685,94	1.783,68	1.877,07	1.927,66	1.973,88	1.861,08	
Production (mio mt)	575	753	500	212	575	674	722	761	762	633	488	463	544	519	345	
Ending Stocks (mio mt)	315,70	476,38	331,49	171,75	315,70	387,63	449,60	470,00	483,86	411,21	324,48	301,33	347,56	368,24	255,15	
Net Export (mio mt)	475	723	528	385	475	590	650	737	743	703	576	494	511	509	466	
Consumption (mio mt)	43	38	18	11	43	43	41	40	37	33	25	19	15	13	12	
Brazil																
Area (mio Ha)	863	760	964	1.114	863	715	734	763	784	779	861	1.002	1.041	1.039	1.026	
Yield (kg/ha)	447,02	954,00	1.160,70	1.370,93	447,02	579,35	743,00	930,57	1.018,68	1.092,41	1.122,39	1.146,31	1.163,50	1.231,02	1.315,25	
Production (mio mt)	376	731	1.116	1.526	376	413	544	720	802	851	974	1.147	1.206	1.277	1.359	
Ending Stocks (mio mt)	332,32	518,08	884,72	1.288,50	332,32	358,81	424,35	515,43	564,41	596,13	712,83	902,61	974,24	1.054,51	1.136,01	
Net Export (mio mt)	-431	-148	183	326	-431	-405	-344	-228	-103	4	56	123	249	275	338	
Consumption (mio mt)	806	871	890	979	806	808	844	886	888	849	835	867	918	954	972	
Africa																
Area (mio Ha)	4.031	4.483	5.080	4.388	4.031	4.305	4.454	4.334	4.495	4.626	4.898	5.069	5.167	5.031	4.629	
Yield (kg/ha)	400,42	341,98	346,52	319,01	400,42	382,65	356,65	338,25	342,43	344,10	344,59	348,25	347,73	342,60	326,44	
Production (mio mt)	1.613	1.535	1.762	1.400	1.613	1.642	1.589	1.466	1.542	1.594	1.688	1.768	1.799	1.730	1.515	
Ending Stocks (mio mt)	419,27	563,04	797,20	688,33	419,27	495,62	524,36	496,34	579,36	654,77	725,97	781,63	818,86	835,34	740,18	
Net Export (mio mt)	862	953	1.199	967	862	950	982	952	946	995	1.087	1.167	1.221	1.177	1.076	
Consumption (mio mt)	637	524	533	526	637	607	574	538	508	513	519	534	533	529	528	

Source:

Fapri - World Agricultural Outlook; (*) World Bank

THE CAUSES OF THE FOOD PRICE CRISIS: DAIRY PRODUCTS

SUMMARY OF WORLD DAIRY MARKET DEVELOPMENTS

- The dairy sector was the first to face a significant increase in prices, driven by strong demand growth in a rather “thin” world market (less than 10% of dairy products are trade), and has become the first sector to witness a significant supply response. In the EU, and especially in the US (less constrained because of the absence of quotas), strong production recovery has led domestic prices to return to more normal levels. In other main exporters, the impact from drought (Australia, and to a lesser extent New Zealand) is still felt to some extent, and has resulted in sustaining world prices at high levels.
- The sector is also characterised by significant structural changes. In general, dairy products continue their shift away from fat towards protein, with the EU continuously losing export market share to Oceania, which exports most of its milk production in the form of dairy products. In cheese and butter, production generally follows consumption in the main producer countries, while milk powder production is concentrated in developed countries and consumption in the developing ones.

MAIN WORLD MARKET TRENDS

Production

- Mixed trends characterise the sector. Cheese production has been increasing in all major producing countries, but the constraint of the quota system and shifts in consumption patterns have led to declines in EU production of butter and milk powders. The gap has been covered by increased production in other main exporters, especially New Zealand (while Australia has been slowly recovering from drought).

Consumption

- Consumption growth has been steady, and exceeds population growth, but the rate of growth (between 2-3%) has been met by increased production, which broadly follows consumption. For milk powders, production is concentrated in developed countries and, due to their declining consumption, results in an increase in exportable surplus.

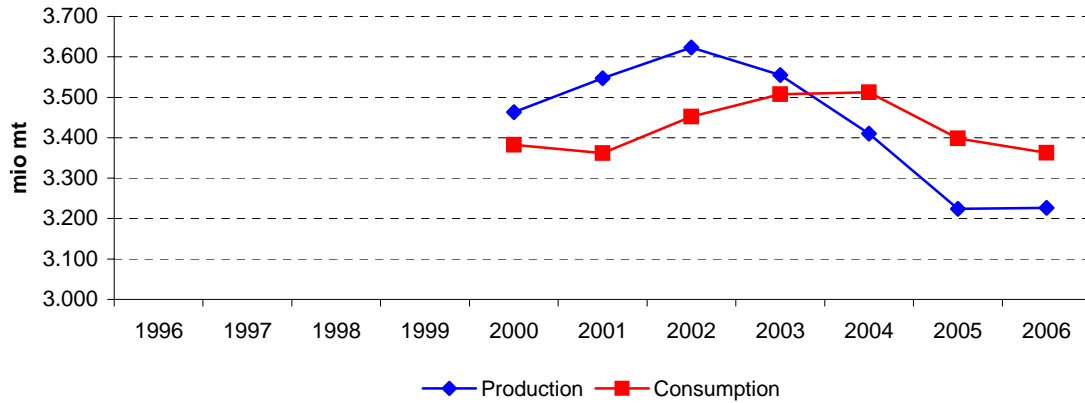
Trade

- Overall, for most products the level of trade is low compared to production. Exports of the EU have been falling (except for cheese), generally increasing in New Zealand and Australia generally, and for whole milk powder and cheese in Argentina, with Russia, Japan and China increasing mainly their cheese imports.

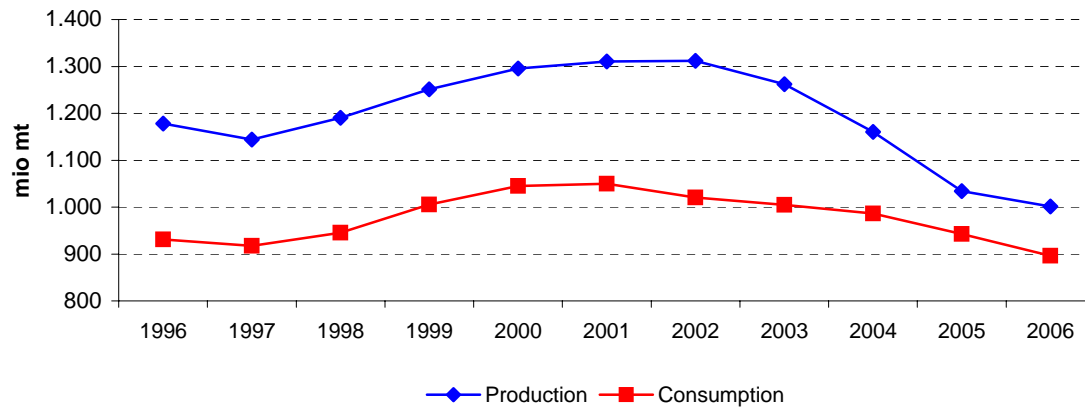
Ending stocks / Prices

- Stocks have been decreasing (except for US butter and cheese), but the biggest impact on prices comes from the concentration of production and exports in a few countries; thus any supply shock increases price volatility in a “thin” (low trade) market.

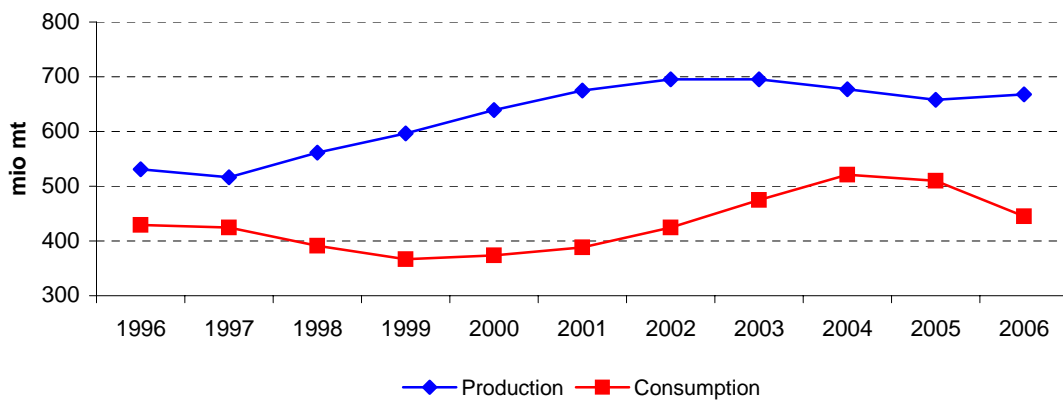
World skimmed milk - 3 year moving average 1995-2007



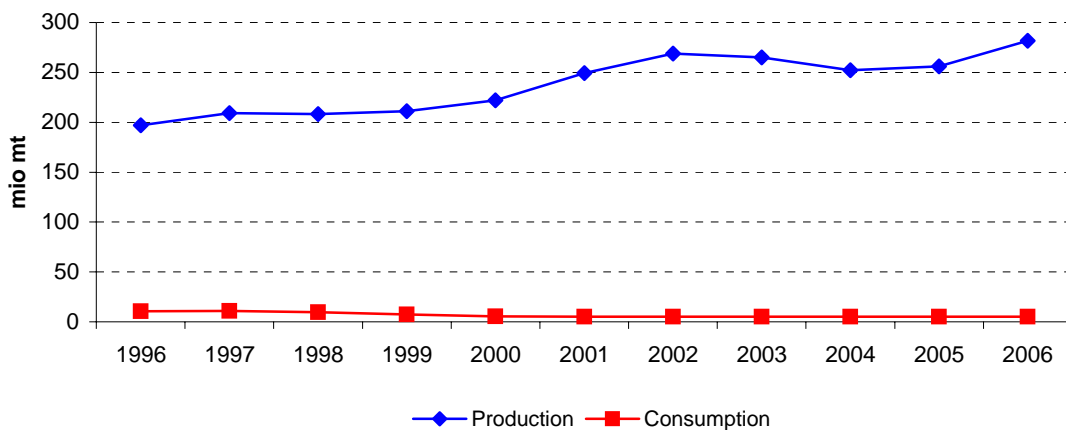
EU skimmed milk - 3 year moving average 1995-2007



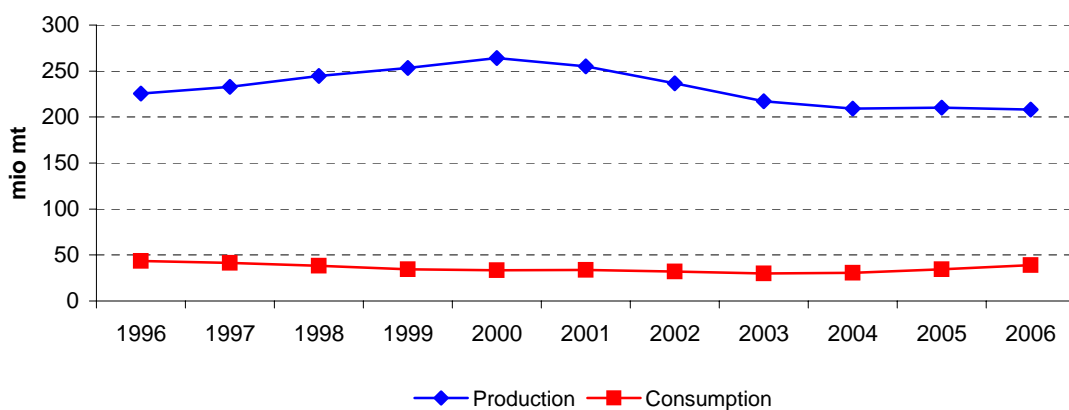
US skimmed milk - 3 year moving average 1995-2007



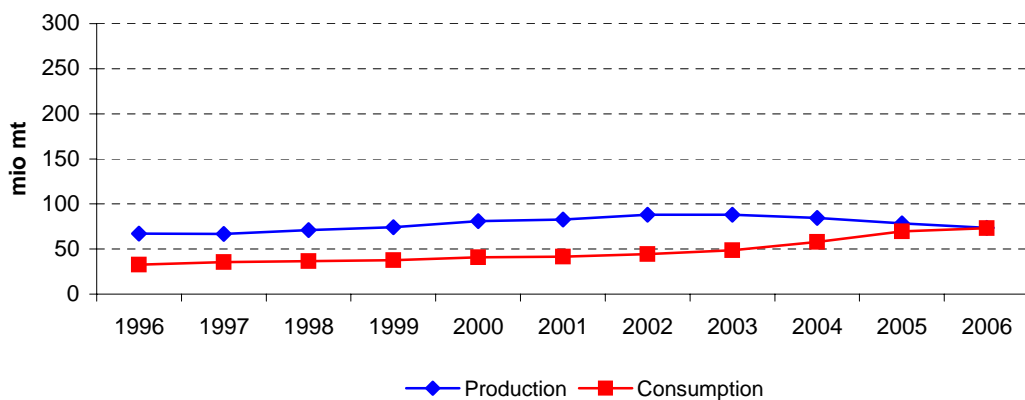
New Zealand skimmed milk - 3 year moving average 1995-2007



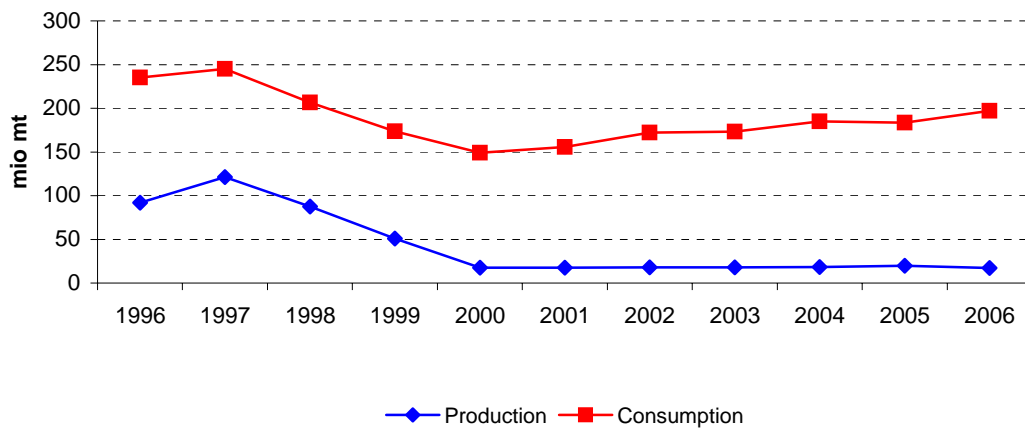
Australia skimmed milk - 3 year moving average 1995-2007



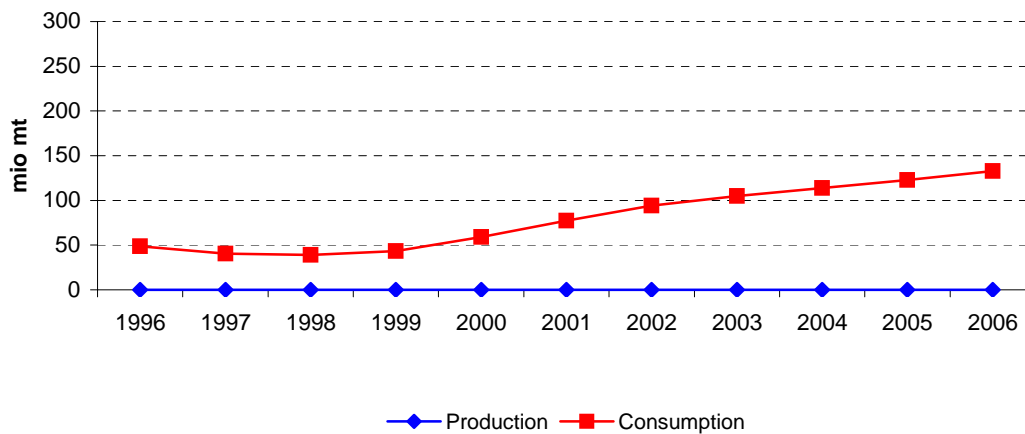
Canada skimmed milk - 3 year moving average 1995-2007



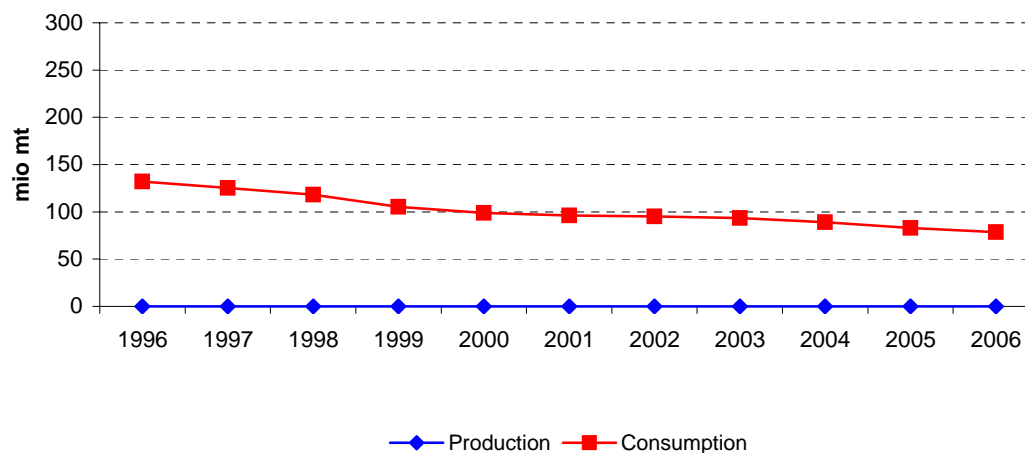
Mexico skimmed milk - 3 year moving average 1995-2007



Indonesia skimmed milk - 3 year moving average 1995-2007



Philippines skimmed milk - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World*														
Production (mio mt)	..	..	..	..	3.485	3.456	3.448	3.738	3.683	3.245	3.303	3.124	3.251	-0,6%
Ending Stocks (mio mt)														
Total Trade (mio mt)	..	..	..	..	-21	91	-21	-18	38	93	-32	-148	-145	17,5%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>														
Consumption (mio mt)	..	..	..	..	3.525	3.341	3.282	3.465	3.609	3.448	3.481	3.266	3.341	-0,4%
Price (\$/mt)	214,30	197,90	173,80	144,00	133,20	189,60	197,50	132,60	171,79	203,57	223,04	234,93	259,40	1,6%
European Union														
Production (mio mt)	1.193	1.195	1.146	1.092	1.333	1.329	1.224	1.378	1.334	1.074	1.074	955	975	-1,7%
Ending Stocks (mio mt)	93	205	203	271	209	51	45	188	218	77	8	0	0	:
Net export (mio mt)	341	163	211	128	346	370	215	218	275	247	180	67	145	-6,9%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	937	920	937	896	1.004	1.117	1.015	1.017	1.029	968	963	896	830	-1,0%
Consumption (mio mt)	937	920	937	896	1.004	1.117	1.015	1.017	1.029	968	963	896	830	-1,0%
United States														
Production (mio mt)	559	482	552	515	617	659	641	724	721	641	670	664	670	1,5%
Ending Stocks (mio mt)	39	32	57	69	113	288	408	521	445	232	83	49	71	5,2%
Net export (mio mt)	164	29	114	98	214	142	95	122	141	232	274	286	270	4,3%
<i>Feed Demand (mio mt)</i>	3	2	2	1	2	2	2	2	1	2	1	2	0	:
<i>Food Demand (mio mt)</i>	413	456	411	401	357	336	420	402	446	571	543	412	377	-0,7%
Consumption (mio mt)	416	458	413	402	359	338	423	404	447	573	544	414	377	-0,8%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
New Zealand														
Production (mio mt)	178	202	211	215	199	220	248	281	278	237	242	290	314	4,8%
Ending Stocks (mio mt)	34	75	60	67	67	91	100	78	44	35	35	15	8	-11,4%
Net export (mio mt)	167	150	215	197	183	190	235	298	307	241	237	305	316	5,4%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	10	11	11	11	7	5	5	5	5	5	5	5	5	-5,6%
Consumption (mio mt)	10	11	11	11	7	5	5	5	5	5	5	5	5	-5,6%
Australia														
Production (mio mt)	210	229	238	231	265	265	263	238	209	205	214	213	198	-0,5%
Ending Stocks (mio mt)	20	40	31	29	11	10	17	12	6	22	39	36	26	2,0%
Net export (mio mt)	187	166	203	196	245	233	222	209	187	161	161	177	170	-0,8%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	43	43	44	37	34	33	34	35	28	28	37	39	41	-0,4%
Consumption (mio mt)	43	43	44	37	34	33	34	35	28	28	37	39	41	-0,4%
Canada														
Production (mio mt)	71	65	65	70	78	75	90	83	91	90	73	72	75	0,5%
Ending Stocks (mio mt)	12	7	11	12	6	17	19	8	23	41	38	23	25	6,3%
Net export (mio mt)	42	30	30	34	40	30	43	48	34	14	2	10	5	-16,3%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	27	40	31	35	44	34	45	46	42	58	74	77	68	8,0%
Consumption (mio mt)	27	40	31	35	44	34	45	46	42	58	74	77	68	8,0%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Mexico														
Production (mio mt)	30	119	127	118	18	18	18	18	18	18	18	22	11	-7,7%
Ending Stocks (mio mt)	60	55	65	42	49	44	42	37	25	21	20	20	20	-8,7%
Net import (mio mt)	-180	-127	-133	-93	-125	-129	-140	-132	-173	-141	-172	-174	-192	0,6%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	205	251	250	234	136	152	160	155	201	163	191	197	204	-0,1%
Consumption (mio mt)	205	251	250	234	136	152	160	155	201	163	191	197	204	-0,1%
Indonesia														
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks (mio mt)	0	0	0	0	4	15	15	15	12	10	14	12	9	:
Net import (mio mt)	-60	-44	-43	-35	-44	-66	-82	-95	-102	-113	-125	-130	-142	7,5%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	60	44	43	35	40	55	82	95	105	115	121	132	145	7,7%
Consumption (mio mt)	60	44	43	35	40	55	82	95	105	115	121	132	145	7,7%
Philippines														
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks (mio mt)	0	0	0	0	5	14	4	2	2	12	4	3	2	:
Net import (mio mt)	-138	-120	-138	-118	-87	-108	-89	-88	-96	-104	-69	-77	-80	-4,4%
<i>Feed Demand (mio mt)</i>														
<i>Food Demand (mio mt)</i>	138	120	138	118	99	99	99	90	96	94	77	78	81	-4,3%
Consumption (mio mt)	138	120	138	118	99	99	99	90	96	94	77	78	81	-4,3%

Source:

Fapri - World Agricultural Outlook; (*) OECD

World*	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)		3.463	3.492	3.188					3.463	3.547	3.623	3.555	3.410	3.224	3.226	
Ending Stocks (mio mt)																
Total Trade (mio mt)		16	20	-146					16	17	0	38	33	-29	-108	
<i>Feed Demand (mio mt)</i>																
<i>Food Demand (mio mt)</i>																
Consumption (mio mt)		3.382	3.501	3.304					3.382	3.362	3.452	3.507	3.513	3.398	3.363	
Price (\$/mt)		195	166	183	247	195	172	150	156	173	173	167	169	199	221	239

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	1.178	1.245	1.215	965	1.178	1.144	1.190	1.251	1.295	1.310	1.312	1.262	1.161	1.034	1.001
Ending Stocks (mio mt)	167	144	123	0	167	226	228	177	102	95	150	161	101	28	3
Net export (mio mt)	238	265	230	106	238	167	228	281	310	268	236	247	234	165	131
<i>Feed Demand (mio mt)</i>															
<i>Food Demand (mio mt)</i>	931	1.008	994	863	931	918	946	1.006	1.045	1.050	1.020	1.005	987	942	896
Consumption (mio mt)	931	1.008	994	863	931	918	946	1.006	1.045	1.050	1.020	1.005	987	942	896

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	531	608	689	667	531	516	561	597	639	675	695	695	677	658	668
Ending Stocks (mio mt)	43	220	320	60	43	53	80	157	270	406	458	399	253	121	68
Net export (mio mt)	102	137	192	278	102	81	142	151	150	120	119	165	216	264	277
<i>Feed Demand (mio mt)</i>	2	2	2	1	2	2	2	2	2	2	2	2	1	2	1
<i>Food Demand (mio mt)</i>	427	379	490	394	427	423	390	365	371	386	423	473	520	509	444
Consumption (mio mt)	429	381	492	395	429	424	391	367	373	388	425	475	521	510	445

New Zealand	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	197	220	259	302	197	209	208	211	222	249	269	265	252	256	282
Ending Stocks (mio mt)	56	81	48	11	56	67	65	75	86	89	74	52	38	28	19
Net export (mio mt)	177	201	270	310	177	187	198	190	202	241	280	282	261	261	286
Feed Demand (mio mt)															
Food Demand (mio mt)	11	7	5	5	11	11	10	8	6	5	5	5	5	5	5
Consumption (mio mt)	11	7	5	5	11	11	10	8	6	5	5	5	5	5	5

Australia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	226	256	216	205	226	233	245	253	264	255	237	217	209	210	208
Ending Stocks (mio mt)	30	17	20	31	30	33	24	17	13	13	12	13	22	32	33
Net export (mio mt)	185	224	179	173	185	188	215	224	233	221	206	186	170	166	169
Feed Demand (mio mt)															
Food Demand (mio mt)	43	34	32	40	43	41	38	34	33	34	32	30	31	34	39
Consumption (mio mt)	43	34	32	40	43	41	38	34	33	34	32	30	31	34	39

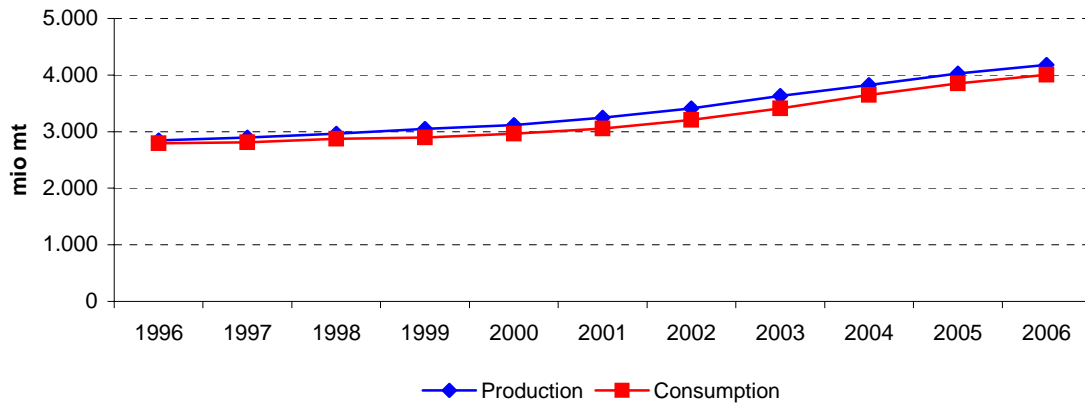
Canada	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	67	78	84	74	67	67	71	74	81	83	88	88	85	78	73
Ending Stocks (mio mt)	10	14	28	24	10	10	10	12	14	15	17	24	34	34	29
Net export (mio mt)	34	37	25	8	34	31	35	35	38	40	42	32	17	9	6
Feed Demand (mio mt)															
Food Demand (mio mt)	33	40	55	73	33	35	37	38	41	42	44	49	58	70	73
Consumption (mio mt)	33	40	55	73	33	35	37	38	41	42	44	49	58	70	73

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Mexico																
Production (mio mt)	92	43	18	17	92	121	88	51	18	18	18	18	18	20	17	
Ending Stocks (mio mt)	60	44	26	20	60	54	52	45	45	41	35	28	22	20	20	
Net import (mio mt)	-147	-122	-154	-183	-147	-118	-117	-116	-132	-134	-149	-149	-162	-162	-179	
<i>Feed Demand (mio mt)</i>																
<i>Food Demand (mio mt)</i>	235	170	178	200	235	245	207	174	149	156	172	173	185	183	197	
Consumption (mio mt)	235	170	178	200	235	245	207	174	149	156	172	173	185	183	197	
Indonesia																
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Stocks (mio mt)	0	9	13	11	0	0	1	6	11	15	14	12	12	12	12	
Net import (mio mt)	-49	-57	-109	-136	-49	-40	-40	-48	-64	-81	-93	-103	-113	-123	-132	
<i>Feed Demand (mio mt)</i>																
<i>Food Demand (mio mt)</i>	49	53	109	139	49	40	39	43	59	77	94	105	114	123	133	
Consumption (mio mt)	49	53	109	139	49	40	39	43	59	77	94	105	114	123	133	
Philippines																
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Stocks (mio mt)	0	6	5	3	0	0	2	6	8	7	3	5	6	6	3	
Net import (mio mt)	-132	-101	-89	-79	-132	-125	-114	-104	-95	-95	-91	-96	-90	-83	-75	
<i>Feed Demand (mio mt)</i>																
<i>Food Demand (mio mt)</i>	132	104	89	80	132	125	118	105	99	96	95	93	89	83	79	
Consumption (mio mt)	132	104	89	80	132	125	118	105	99	96	95	93	89	83	79	

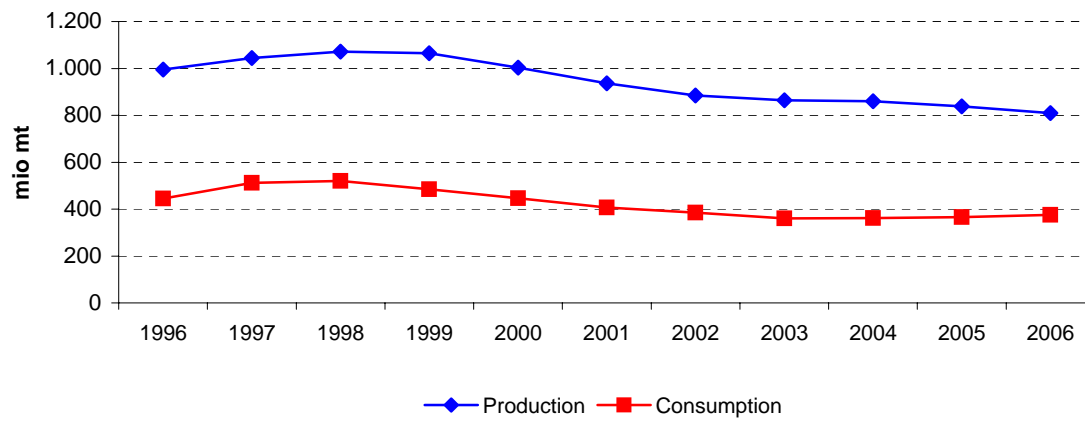
Source:

Fapri - World Agricultural Outlook; (*) OECD

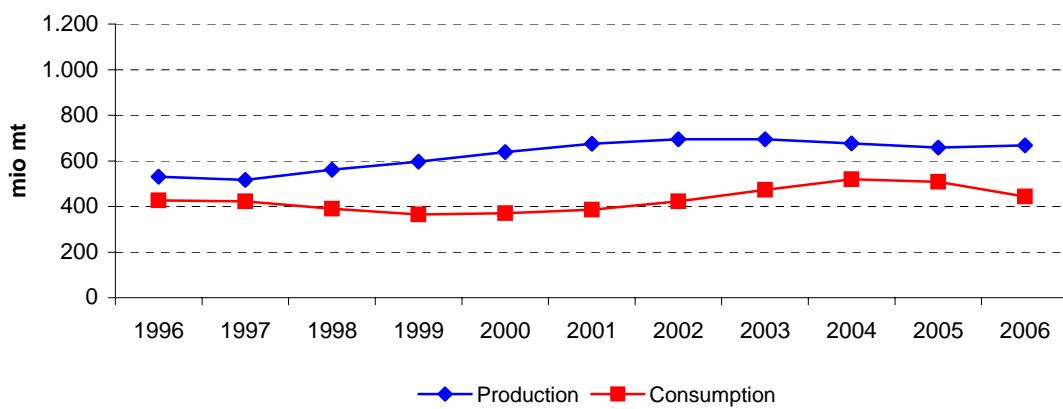
World whole powder milk - 3 year moving average 1995-2007



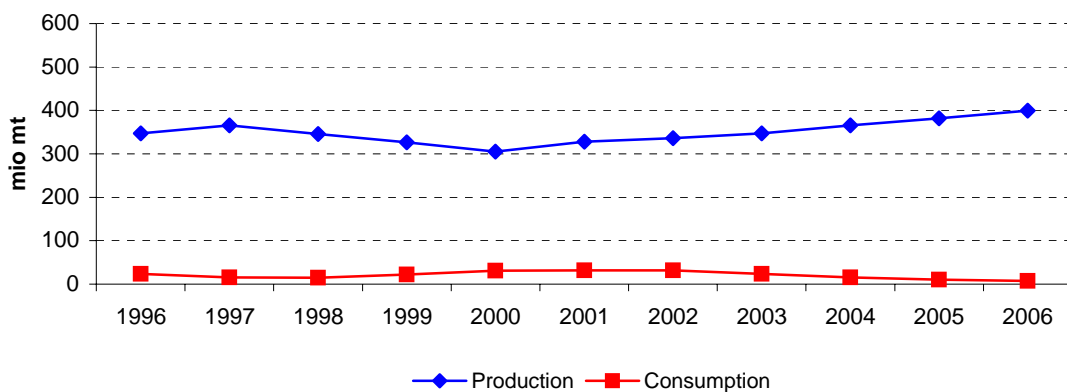
EU whole milk powder- 3 year moving average 1995-2007



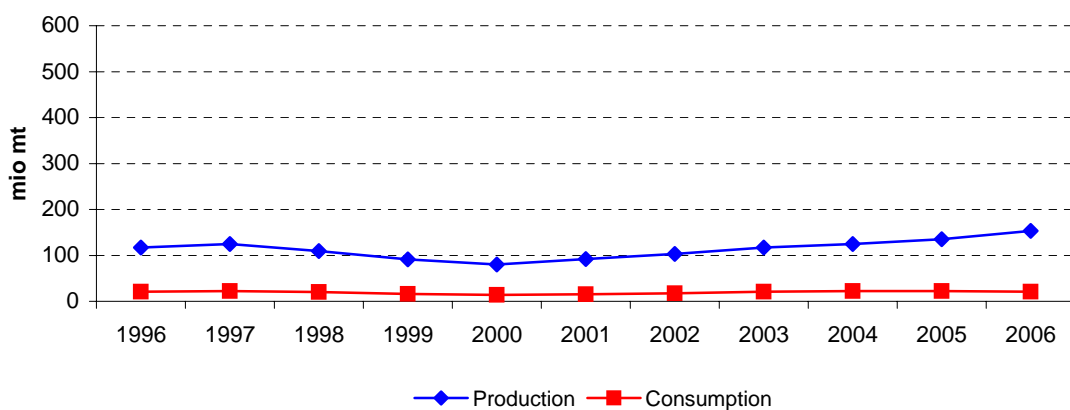
US whole milk powder - 3 year moving average 1995-2007



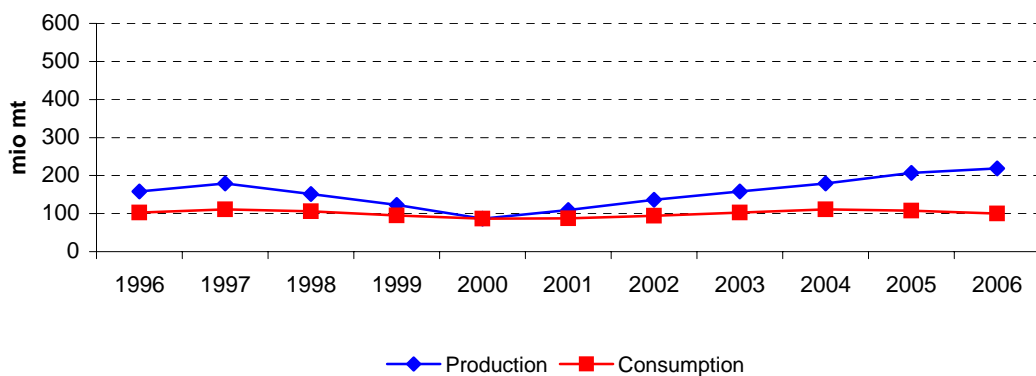
New Zealand whole milk powder - 3 year moving average 1995-2007



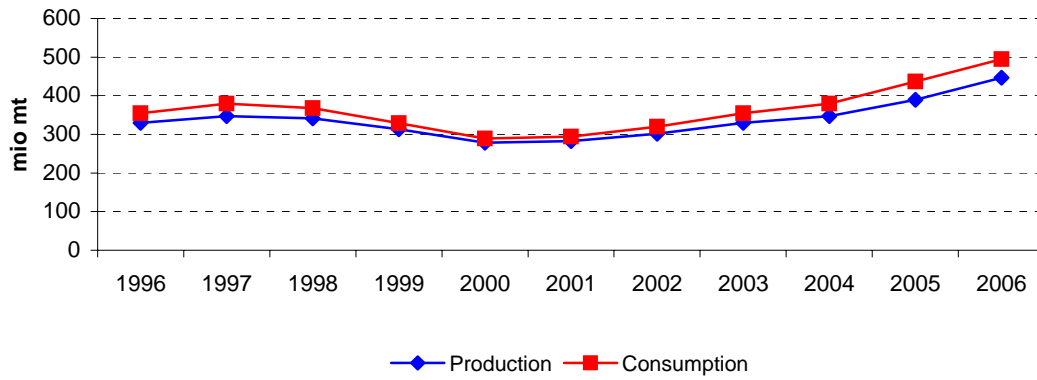
Australia whole milk powder - 3 year moving average 1995-2007



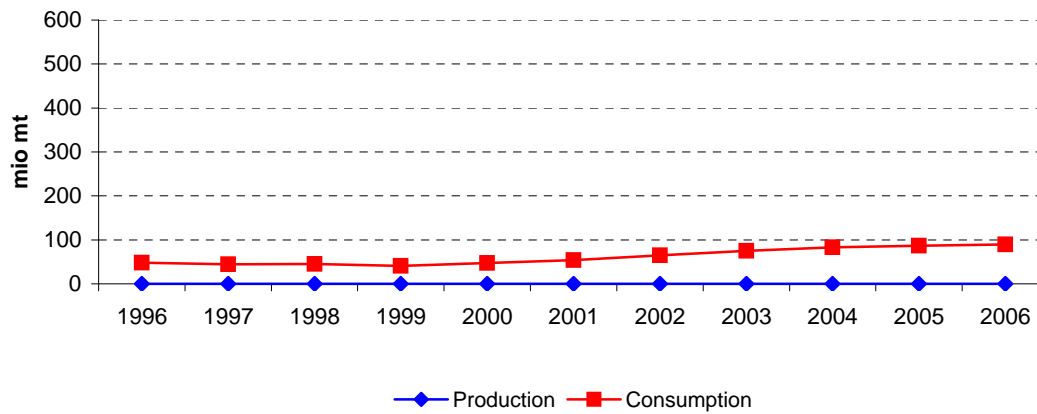
Argentina whole milk powder - 3 year moving average 1995-2007



China whole milk powder- 3 year moving average 1995-2007



Malaysia whole milk powder - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World*														
Production (mio mt)	2.846	2.822	2.866	2.997	3.030	3.116	3.210	3.418	3.606	3.867	3.996	4.223	4.321	4%
Ending Stocks (mio mt)														
<i>Total Trade (mio mt)</i>	0	125	12	114	132	190	156	279	204	202	133	196	198	:
Consumption (mio mt)	2.824	2.675	2.885	2.867	2.870	2.946	3.080	3.138	3.410	3.676	3.857	4.030	4.133	3%
Price (\$/mt)	214,30	197,90	173,80	144,00	133,20	189,60	197,50	132,60	171,79	203,57	223,04	234,93	259,40	2%
European Union														
Production (mio mt)	955	990	1.040	1.102	1.073	1.021	918	870	865	857	858	800	770	-1,8%
Ending Stocks (mio mt)	46	41	38	65	0	0	0	0	0	0	0	0	0	:
<i>Net Trade (mio mt)</i>	606	537	500	539	591	586	497	506	496	510	489	419	392	-3,6%
Consumption (mio mt)	335	458	543	536	482	435	421	364	369	347	369	381	378	1,0%
United States														
Production (mio mt)	559	482	552	515	617	659	641	724	721	641	670	664	670	1,5%
Ending Stocks (mio mt)	39	32	57	69	113	288	408	521	445	232	83	49	71	5,2%
<i>Net export (mio mt)</i>	164	29	114	98	214	142	95	122	141	232	274	286	270	4,3%
Food Demand (mio mt)	413	456	411	401	357	336	420	402	446	571	543	412	377	-0,7%
New Zealand														
Production (mio mt)	342	333	366	397	274	308	333	342	333	366	397	382	420	1,7%
Ending Stocks (mio mt)	31	58	47	54	28	43	38	31	58	47	54	40	52	4,4%
<i>Net export (mio mt)</i>	318	275	368	383	257	262	306	318	275	368	383	382	407	2,1%
Food Demand (mio mt)	31	31	9	7	29	31	32	31	31	9	7	14	1	-24,9%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Australia														
Production (mio mt)	104	113	134	127	67	80	93	104	113	134	127	145	187	5,0%
Ending Stocks (mio mt)	14	16	19	18	9	14	20	14	16	19	18	3	6	-6,8%
Net export (mio mt)	92	91	107	106	53	62	73	92	91	107	106	139	164	4,9%
Food Demand (mio mt)	18	20	24	22	14	13	14	18	20	24	22	21	20	0,9%
Argentina														
Production (mio mt)	146	162	166	210	78	81	102	146	162	166	210	244	202	2,7%
Ending Stocks (mio mt)	11	22	20	19	13	11	6	11	22	20	19	20	27	7,8%
Net export (mio mt)	51	49	53	96	-15	0	17	51	49	53	96	149	103	6,0%
Food Demand (mio mt)	90	102	115	115	88	83	90	90	102	115	115	94	92	0,2%
China														
Production (mio mt)	317	322	350	369	306	265	265	317	322	350	369	450	522	4,2%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-11	-26	-37	-35	-7	-5	-19	-11	-26	-37	-35	-68	-41	11,6%
Food Demand (mio mt)	328	348	387	404	313	270	284	328	348	387	404	518	563	4,6%
Malaysia														
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-44	-42	-59	-32	-43	-47	-53	-62	-50	-83	-86	-90	-93	6,5%
Food Demand (mio mt)	44	42	59	32	43	47	53	62	80	83	86	90	93	6,5%

Source:

Fapri - World Agricultural Outlook; (*) OECD

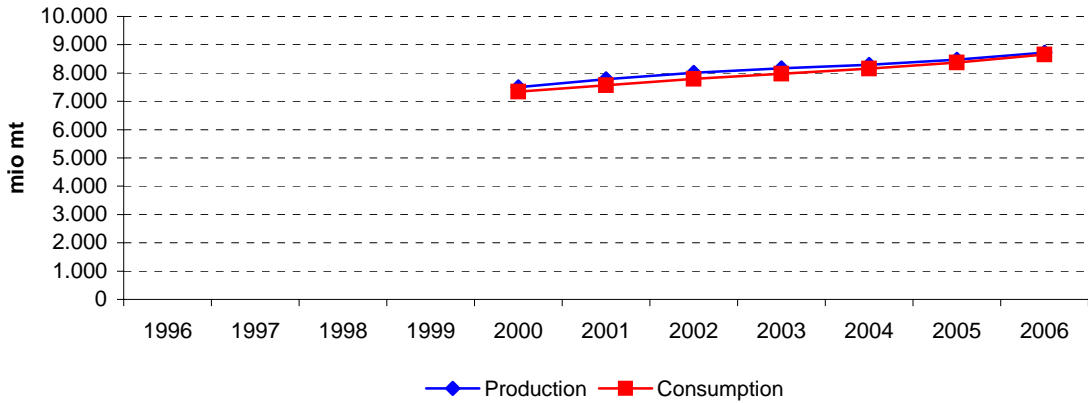
	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World*															
Production (mio mt)	2.845	3.088	3.722	4.272	2.845	2.895	2.965	3.048	3.119	3.248	3.412	3.631	3.823	4.029	4.180
Ending Stocks (mio mt)															
Total Trade (mio mt)	45	148	205	197	45	84	86	145	159	208	213	228	180	177	176
Consumption (mio mt)	2.795	2.941	3.520	4.082	2.795	2.809	2.874	2.894	2.965	3.055	3.209	3.408	3.647	3.854	4.007
Price (\$/mt)	195	166	183	247	195	172	150	156	173	173	167	169	199	221	239
European Union															
Production (mio mt)	995	1.029	863	785	995	1.044	1.072	1.065	1.004	936	884	864	860	838	809
Ending Stocks (mio mt)	42	16	0	0	42	48	34	22	0	0	0	0	0	0	0
Net Trade (mio mt)	548	553	500	406	548	525	543	572	558	530	500	504	498	473	433
Consumption (mio mt)	445	469	362	380	445	512	520	484	446	407	385	360	362	366	376
United States															
Production (mio mt)	531	608	689	667	531	516	561	597	639	675	695	695	677	658	668
Ending Stocks (mio mt)	43	220	320	60	43	53	80	157	270	406	458	399	253	121	68
Net export (mio mt)	102	137	192	278	102	81	142	151	150	120	119	165	216	264	277
Food Demand (mio mt)	427	379	490	394	427	423	390	365	371	386	423	473	520	509	444
New Zealand															
Production (mio mt)	347	328	360	401	347	365	346	326	305	328	336	347	365	382	400
Ending Stocks (mio mt)	45	41	48	46	45	53	43	42	36	37	42	45	53	47	49
Net export (mio mt)	320	302	336	395	320	342	336	301	275	295	300	320	342	378	391
Food Demand (mio mt)	24	25	20	8	24	16	15	22	31	31	31	24	16	10	7

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Australia																
Production (mio mt)	117	92	120	166	117	125	109	91	80	92	103	117	125	135	153	
Ending Stocks (mio mt)	16	15	17	5	16	18	15	14	14	16	17	16	18	13	9	
Net export (mio mt)	97	74	99	152	97	101	89	74	63	76	85	97	101	117	136	
Food Demand (mio mt)	21	16	21	21	21	22	20	16	14	15	17	21	22	22	21	
Argentina																
Production (mio mt)	158	118	171	223	158	179	151	123	87	110	137	158	179	207	219	
Ending Stocks (mio mt)	18	12	18	24	18	20	17	14	10	9	13	18	20	20	22	
Net export (mio mt)	51	25	62	126	51	66	45	27	1	23	39	51	66	99	116	
Food Demand (mio mt)	102	94	106	93	102	111	106	95	87	88	94	102	111	108	100	
China																
Production (mio mt)	330	301	340	486	330	347	342	313	279	282	301	330	347	390	447	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net import (mio mt)	-25	-17	-27	-55	-25	-33	-26	-16	-10	-12	-19	-25	-33	-47	-48	
Food Demand (mio mt)	354	318	367	541	354	380	368	329	289	294	320	354	380	436	495	
Malaysia																
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net import (mio mt)	-48	-44	-70	-92	-48	-44	-45	-41	-48	-54	-55	-65	-73	-86	-90	
Food Demand (mio mt)	48	44	78	92	48	44	45	41	48	54	65	75	83	86	90	

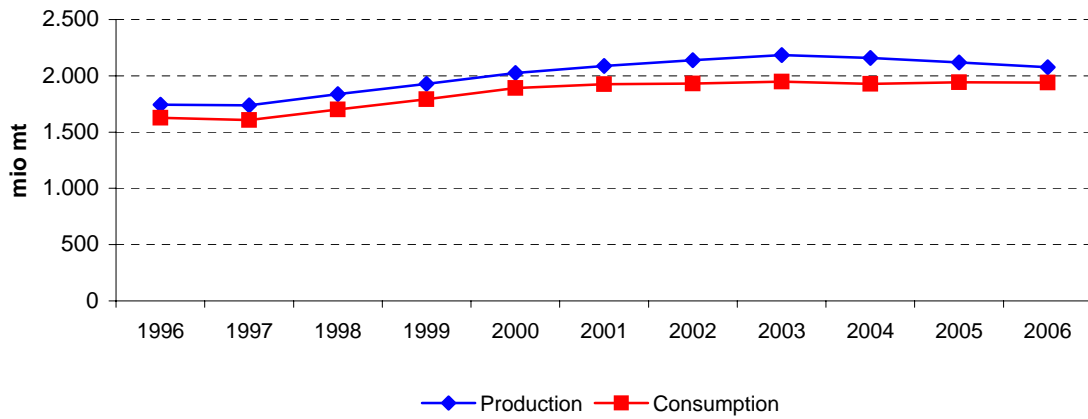
Source:

Fapri - World Agricultural Outlook; (*) OECD

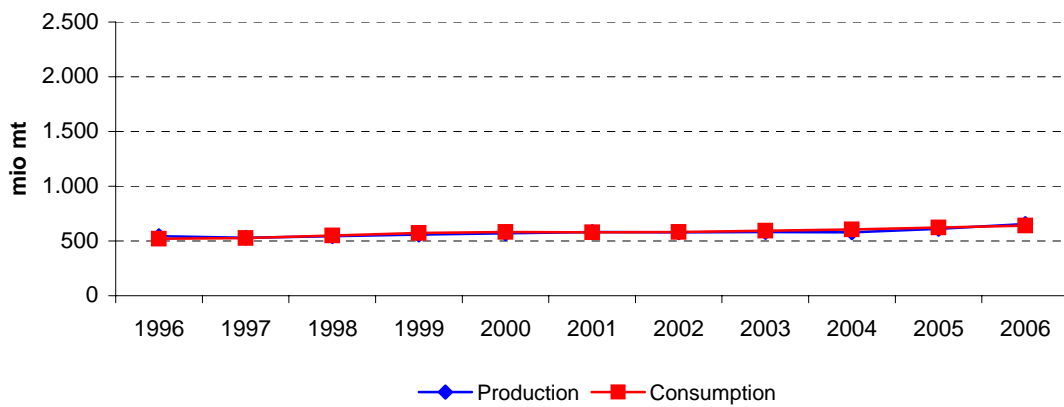
World butter - 3 year moving average 1995-2007



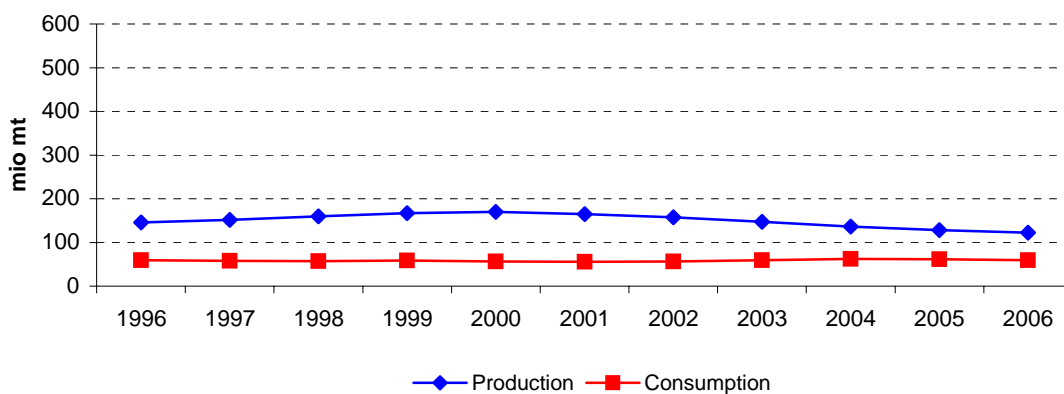
EU butter - 3 year moving average 1995-2007



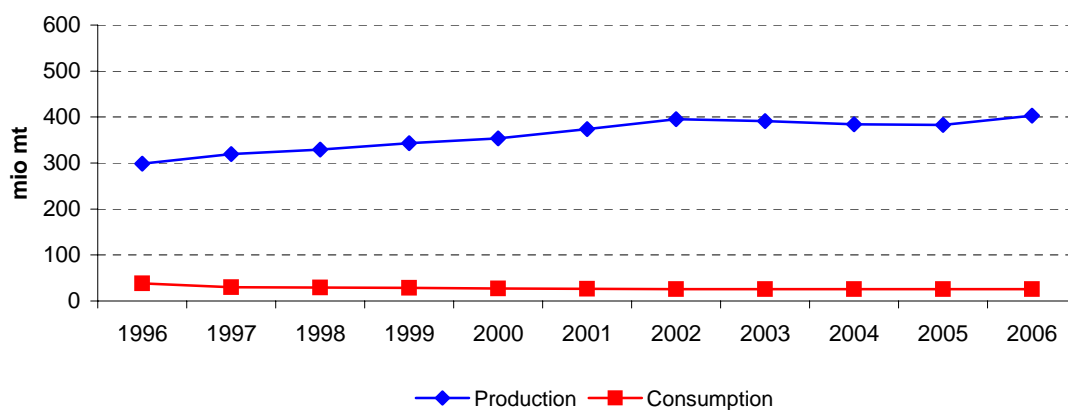
US butter - 3 year moving average 1995-2007



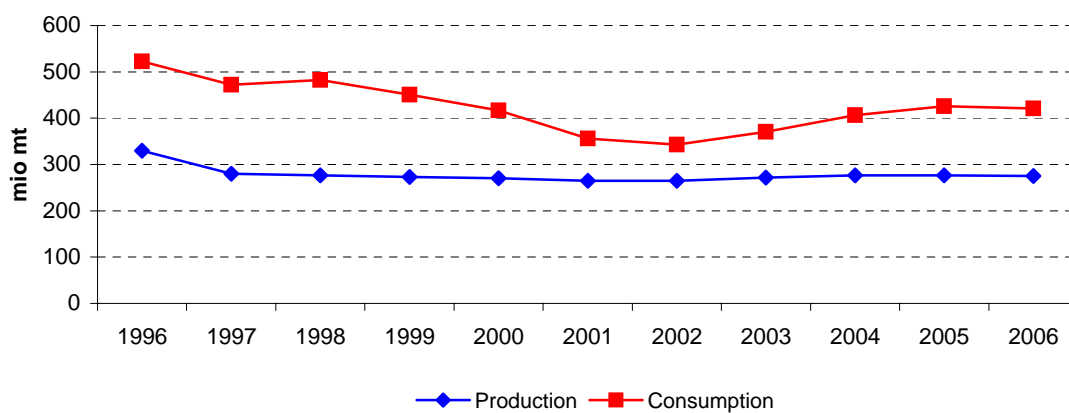
Australia butter - 3 year moving average 1995-2007



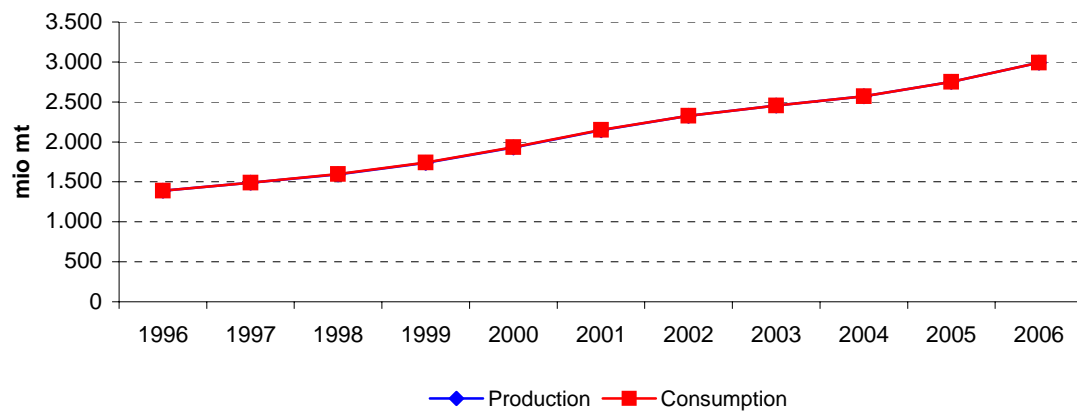
New Zealand butter - 3 year moving average 1995-2007



Russia butter - 3 year moving average 1995-2007



India butter - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World*														
Production (mio mt)	..	..	..	..	7.249	7.459	7.790	8.087	8.139	8.275	8.448	8.696	9.014	1,8%
Ending Stocks (mio mt)														
<i>Total Trade (mio mt)</i>	..	..	..	..	95	157	165	100	190	241	131	107	-10	:
Consumption (mio mt)	..	..	..	..	7.090	7.307	7.612	7.779	7.983	8.163	8.308	8.642	9.029	2,0%
Price (\$/mt)	225,10	183,70	186,10	190,80	150,60	136,70	133,60	114,50	140,65	187,30	203,45	186,48	196,17	-1,1%
European Union														
Production (mio mt)	1.750	1.752	1.729	1.736	2.047	2.002	2.028	2.233	2.153	2.164	2.155	2.035	2.040	1,3%
Ending Stocks (mio mt)	164	214	191	247	115	136	151	248	276	232	185	122	50	-9,4%
<i>Net export (mio mt)</i>	109	88	141	80	101	98	117	137	228	260	259	164	172	3,9%
Consumption (mio mt)	1.652	1.614	1.611	1.600	1.892	1.883	1.896	1.999	1.897	1.948	1.943	1.934	1.940	1,3%
United States														
Production (mio mt)	573	533	522	530	579	570	559	615	563	565	611	657	699	1,7%
Ending Stocks (mio mt)	9	6	10	12	11	11	25	72	45	20	27	49	64	18,1%
<i>Net trade (mio mt)</i>	62	14	12	-22	-13	-9	-29	-13	-2	-22	-11	-8	18	-9,6%
Consumption (mio mt)	538	521	506	548	593	579	573	581	591	612	616	642	666	1,8%

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
Australia														
Production (mio mt)	138	153	147	154	178	170	162	164	148	132	130	123	114	-1,6%
Ending Stocks (mio mt)	9	33	20	16	18	10	4	2	5	11	12	7	4	-7,6%
Net export (mio mt)	81	69	106	99	120	120	115	111	85	63	66	70	62	-2,3%
Consumption (mio mt)	65	60	54	59	59	58	54	55	60	63	64	59	55	-1,4%
New Zealand														
Production (mio mt)	280	309	307	343	337	350	373	399	415	360	378	412	419	3,4%
Ending Stocks (mio mt)	85	126	88	86	77	56	51	36	25	22	21	17	17	-12,8%
Net export (mio mt)	238	238	315	315	323	345	352	388	400	336	353	391	399	4,4%
Consumption (mio mt)	54	30	30	30	28	27	26	26	26	26	26	26	26	-5,9%
Russia														
Production (mio mt)	419	290	280	270	280	270	260	265	270	280	280	270	275	-3,4%
Ending Stocks (mio mt)	125	40	50	45	50	45	40	30	27	22	17	15	10	-19,0%
Net import (mio mt)	-236	-108	-244	-144	-244	-144	-52	-57	-107	-115	-155	-165	-105	-6,5%
Consumption (mio mt)	570	483	514	419	514	419	317	332	380	400	440	437	385	-3,2%
India														
Production (mio mt)	1.300	1.400	1.470	1.600	1.713	1.900	2.175	2.363	2.438	2.563	2.712	2.975	3.283	8,0%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-4	-1	1	-3	-3	-7	-3	1	1	-6	3	-2	-1	-9,2%
Consumption (mio mt)	1.304	1.401	1.469	1.603	1.716	1.907	2.178	2.362	2.437	2.568	2.709	2.977	3.284	8,0%

Source:

Fapri - World Agricultural Outlook; (*) OECD

World*	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	7.499	8.237	8.855						7.499	7.778	8.005	8.167	8.287	8.473	8.719
Ending Stocks (mio mt)															
<i>Total Trade (mio mt)</i>	<i>139</i>	<i>166</i>	<i>48</i>						<i>139</i>	<i>141</i>	<i>152</i>	<i>177</i>	<i>187</i>	<i>159</i>	<i>76</i>
Consumption (mio mt)	7.336	8.058	8.835						7.336	7.566	7.791	7.975	8.151	8.371	8.659
Price (\$/mt)	198	153	161	191	198	187	176	159	140	128	130	147	177	192	195

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	1.744	1.953	2.176	2.038	1.744	1.739	1.837	1.928	2.026	2.088	2.138	2.183	2.157	2.118	2.077
Ending Stocks (mio mt)	190	162	235	86	190	217	184	166	134	178	225	252	231	180	119
<i>Net export (mio mt)</i>	<i>113</i>	<i>99</i>	<i>221</i>	<i>168</i>	<i>113</i>	<i>103</i>	<i>107</i>	<i>93</i>	<i>105</i>	<i>117</i>	<i>161</i>	<i>208</i>	<i>249</i>	<i>228</i>	<i>198</i>
Consumption (mio mt)	1.626	1.818	1.947	1.937	1.626	1.608	1.701	1.792	1.890	1.926	1.931	1.948	1.929	1.942	1.939

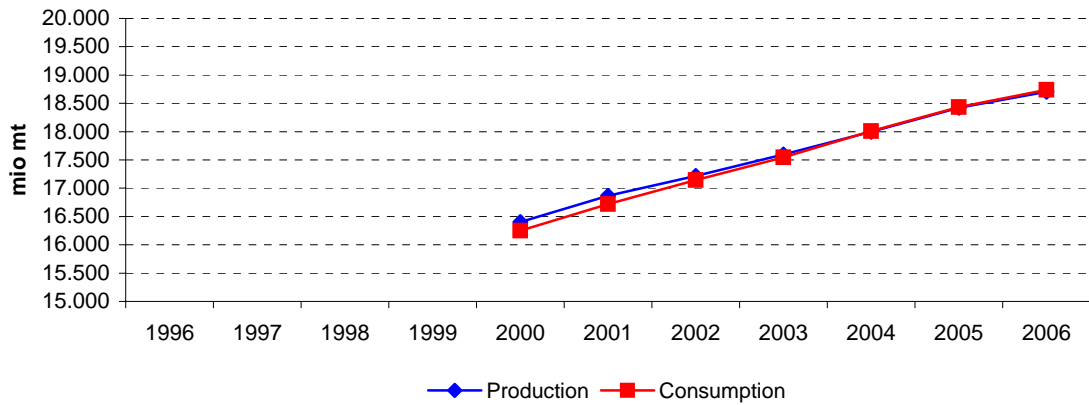
United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	543	559	589	678	543	528	544	560	569	581	579	581	580	611	656
Ending Stocks (mio mt)	8	15	41	56	8	9	11	11	16	36	47	46	31	32	46
<i>Net trade (mio mt)</i>	<i>29</i>	<i>-18</i>	<i>-12</i>	<i>5</i>	<i>29</i>	<i>1</i>	<i>-8</i>	<i>-15</i>	<i>-17</i>	<i>-17</i>	<i>-15</i>	<i>-12</i>	<i>-12</i>	<i>-14</i>	<i>0</i>
Consumption (mio mt)	522	573	600	654	522	525	549	573	582	578	582	595	607	624	641

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Australia															
Production (mio mt)	146	166	143	118	146	151	160	167	170	165	158	148	136	128	122
Ending Stocks (mio mt)	21	12	7	5	21	23	18	15	11	5	4	6	9	10	7
Net export (mio mt)	85	113	81	66	85	91	108	113	118	115	103	86	71	66	66
Consumption (mio mt)	60	57	60	57	60	58	57	59	57	55	56	59	62	62	59
New Zealand															
Production (mio mt)	299	351	388	415	299	320	329	343	353	374	396	391	384	383	403
Ending Stocks (mio mt)	100	67	26	17	100	100	84	73	61	47	37	28	23	20	18
Net export (mio mt)	264	334	369	395	264	289	318	328	340	361	380	375	363	360	381
Consumption (mio mt)	38	28	26	26	38	30	29	28	27	26	26	26	26	26	26
Russia															
Production (mio mt)	330	270	274	273	330	280	277	273	270	265	265	272	277	277	275
Ending Stocks (mio mt)	72	45	24	13	72	45	48	47	45	38	32	26	22	18	14
Net import (mio mt)	-196	-146	-109	-135	-196	-165	-211	-177	-147	-84	-72	-93	-126	-145	-142
Consumption (mio mt)	522	417	388	411	522	472	482	451	417	356	343	371	407	426	421
India															
Production (mio mt)	1.390	1.847	2.519	3.129	1.390	1.490	1.594	1.738	1.929	2.146	2.325	2.454	2.571	2.750	2.990
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net import (mio mt)	-1	-4	0	-2	-1	-1	-2	-4	-4	-3	0	-1	-1	-2	0
Consumption (mio mt)	1.391	1.851	2.519	3.130	1.391	1.491	1.596	1.742	1.933	2.149	2.325	2.456	2.571	2.752	2.990

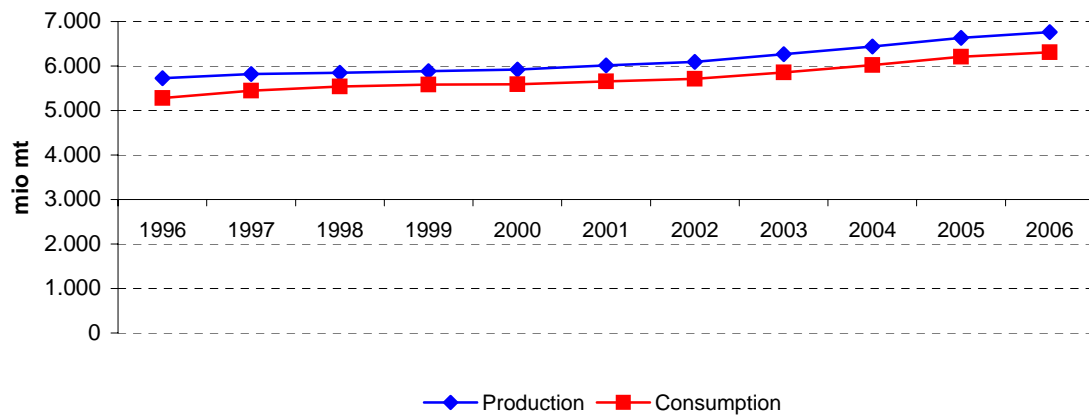
Source:

Fapri - World Agricultural Outlook; (*) OECD

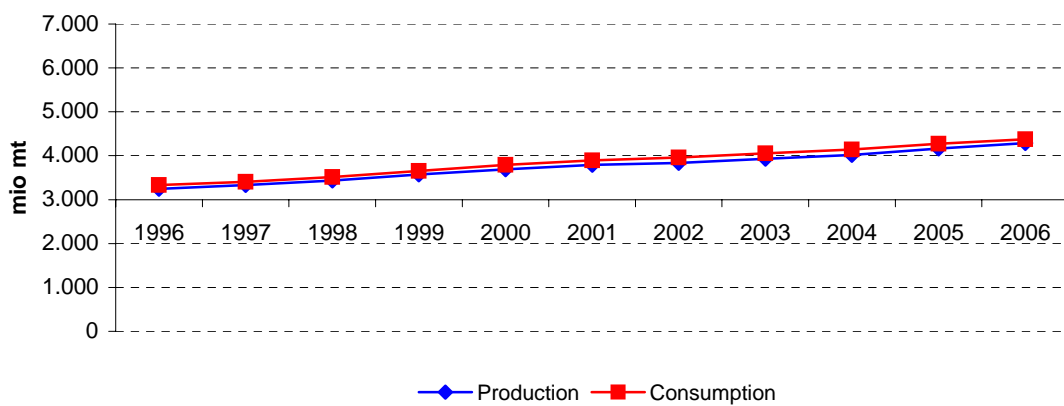
World cheese - 3 year moving average 1995-2007



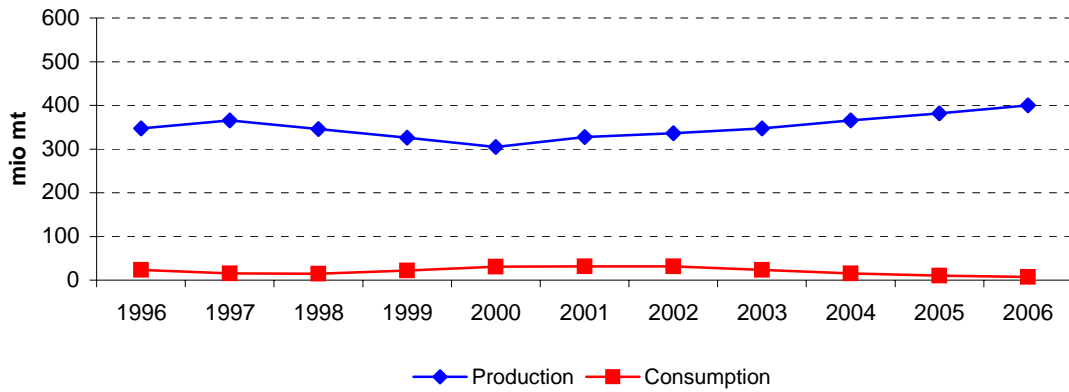
EU cheese - 3 year moving average 1995-2007



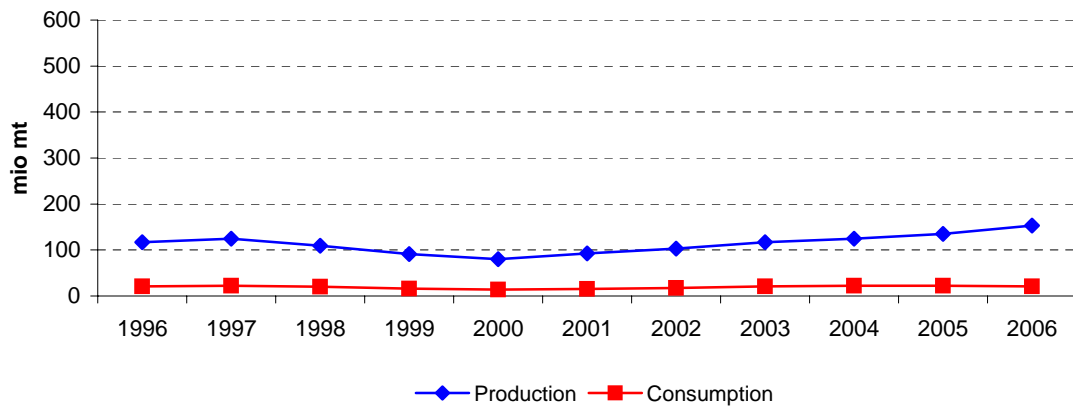
US cheese - 3 year moving average 1995-2007



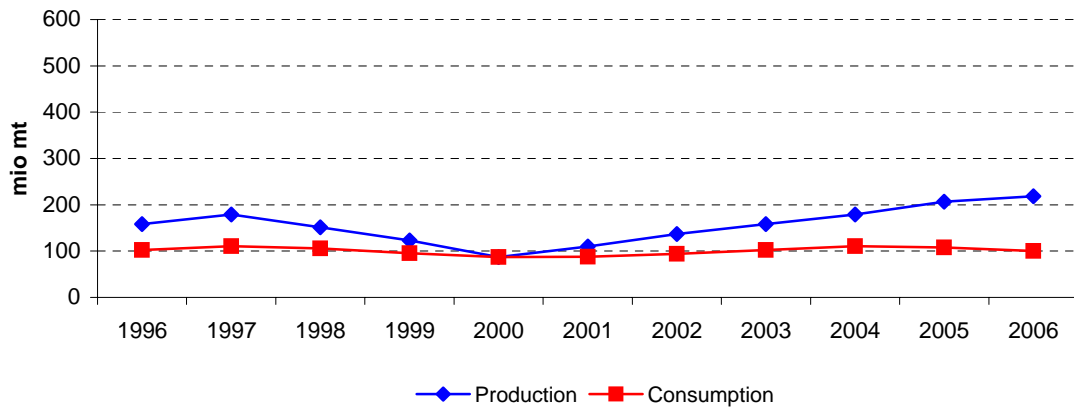
New Zealand cheese - 3 year moving average 1995-2007



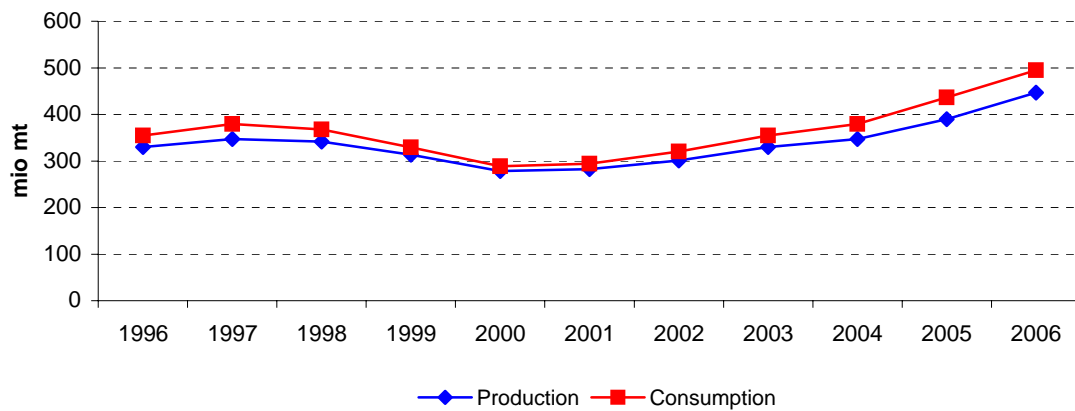
Australia cheese - 3 year moving average 1995-2007



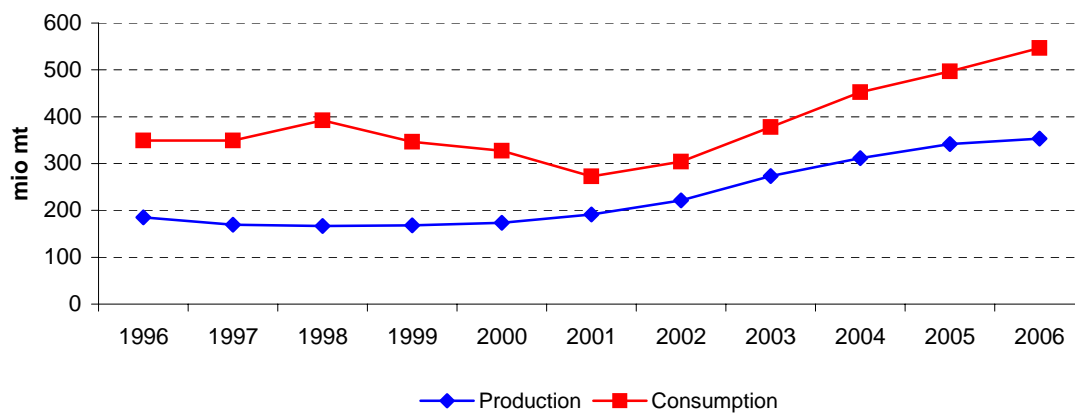
Argentina cheese - 3 year moving average 1995-2007



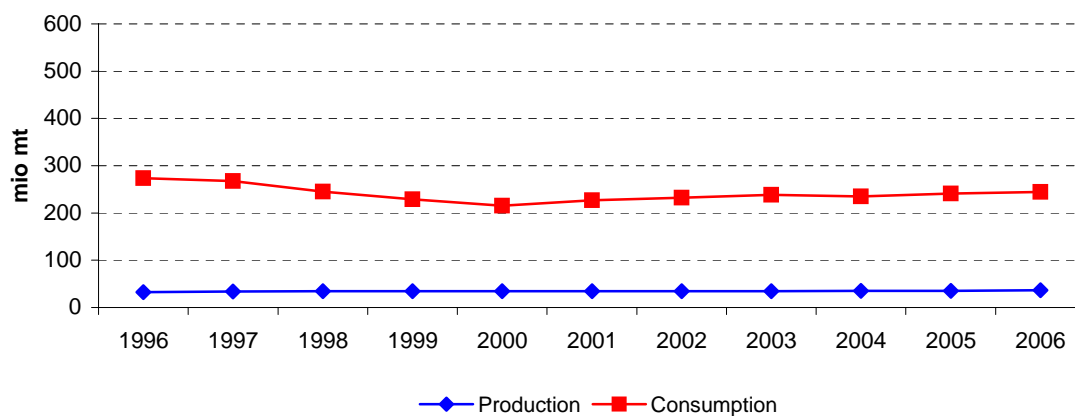
China cheese - 3 year moving average 1995-2007



Russia cheese - 3 year moving average 1995-2007



Japan cheese - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
World*														
Production (mio mt)	..	..	..	..	15.895	16.413	16.897	17.287	17.473	18.029	18.494	18.749	18.864	1,4%
Ending Stocks (mio mt)														
<i>Total Trade (mio mt)</i>	..	..	..	..	22	81	15	30	12	85	55	26	-25	:
Consumption (mio mt)	..	..	..	..	15.744	16.172	16.842	17.147	17.441	18.050	18.543	18.709	18.960	1,6%
Price (\$/mt)	224,87	224,58	210,83	185,93	174,75	186,08	217,20	174,00	188,33	272,71	304,17	272,81	300,44	
European Union														
Production (mio mt)	5.596	5.730	5.857	5.866	5.818	5.976	5.965	6.106	6.205	6.481	6.625	6.801	6.870	1,7%
Ending Stocks (mio mt)	1.360	1.412	1.397	1.388	0	0	0	0	0	0	0	0	0	:
<i>Net export (mio mt)</i>	450	419	367	295	284	347	348	384	412	420	406	462	495	0,8%
Consumption (mio mt)	5.078	5.259	5.505	5.580	5.534	5.629	5.617	5.722	5.793	6.061	6.219	6.339	6.375	1,9%
United States														
Production (mio mt)	3.138	3.274	3.325	3.398	3.581	3.746	3.747	3.877	3.882	4.025	4.150	4.325	4.385	2,8%
Ending Stocks (mio mt)	187	221	218	235	282	321	301	332	337	322	344	371	368	5,8%
<i>Net import (mio mt)</i>	-125	-119	-103	-119	-134	-108	-117	-137	-143	-119	-112	-113	-81	-3,6%
Consumption (mio mt)	3.254	3.340	3.407	3.475	3.668	3.814	3.884	3.983	4.021	4.159	4.240	4.411	4.468	2,7%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
New Zealand														
Production (mio mt)	342	333	366	397	274	308	333	342	333	366	397	382	420	1,7%
Ending Stocks (mio mt)	31	58	47	54	28	43	38	31	58	47	54	40	52	4,4%
Net export (mio mt)	318	275	368	383	257	262	306	318	275	368	383	382	407	2,1%
Consumption (mio mt)	31	31	9	7	29	31	32	31	31	9	7	14	1	-24,9%
Australia														
Production (mio mt)	104	113	134	127	67	80	93	104	113	134	127	145	187	5,0%
Ending Stocks (mio mt)	14	16	19	18	9	14	20	14	16	19	18	3	6	-6,8%
Net export (mio mt)	92	91	107	106	53	62	73	92	91	107	106	139	164	4,9%
Consumption (mio mt)	18	20	24	22	14	13	14	18	20	24	22	21	20	0,9%
Argentina														
Production (mio mt)	146	162	166	210	78	81	102	146	162	166	210	244	202	2,7%
Ending Stocks (mio mt)	11	22	20	19	13	11	6	11	22	20	19	20	27	7,8%
Net export (mio mt)	51	49	53	96	-15	0	17	51	49	53	96	149	103	6,0%
Consumption (mio mt)	90	102	115	115	88	83	90	90	102	115	115	94	92	0,2%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
China														
Production (mio mt)	317	322	350	369	306	265	265	317	322	350	369	450	522	4,2%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
<i>Net import (mio mt)</i>	-11	-26	-37	-35	-7	-5	-19	-11	-26	-37	-35	-68	-41	11,6%
Consumption (mio mt)	328	348	387	404	313	270	284	328	348	387	404	518	563	4,6%
Russia														
Production (mio mt)	217	173	165	170	165	170	185	220	260	340	335	350	375	4,7%
Ending Stocks (mio mt)	14	8	12	8	12	8	7	7	8	8	10	12	12	-1,3%
<i>Net import (mio mt)</i>	-77	-130	-277	-127	-277	-127	-57	-55	-135	-125	-165	-180	-240	9,9%
Consumption (mio mt)	300	309	438	301	438	301	243	275	394	465	498	528	615	6,2%
Japan														
Production (mio mt)	31	33	34	35	34	35	35	34	34	36	35	35	39	1,9%
Ending Stocks (mio mt)	15	15	15	15	15	15	15	15	15	15	15	15	15	0,0%
<i>Net import (mio mt)</i>	-103	-75	-74	-57	-171	-184	-187	-205	-202	-204	-194	-219	-212	6,2%
Consumption (mio mt)	282	271	268	263	205	219	222	239	236	240	229	254	251	-1,0%

Source:

Fapri - World Agricultural Outlook; (*) OECD

World*	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	16.402	17.821	18.807						16.402	16.866	17.219	17.596	17.999	18.424	18.703
Ending Stocks (mio mt)															
<i>Total Trade (mio mt)</i>	39	46	1						39	42	19	42	51	55	19
Consumption (mio mt)	16.253	17.795	18.835						16.253	16.721	17.143	17.546	18.011	18.434	18.737
Price (\$/mt)															

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	5.728	5.906	6.354	6.836	5.728	5.818	5.847	5.887	5.920	6.016	6.092	6.264	6.437	6.636	6.765
Ending Stocks (mio mt)	1.390	347	0	0	1.390	1.399	928	463	0	0	0	0	0	0	0
<i>Net export (mio mt)</i>	412	319	406	479	412	360	315	309	326	360	381	405	413	429	454
Consumption (mio mt)	5.281	5.590	5.949	6.357	5.281	5.448	5.540	5.581	5.593	5.656	5.711	5.859	6.024	6.206	6.311

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	3.245	3.618	3.983	4.355	3.245	3.332	3.435	3.575	3.691	3.790	3.835	3.928	4.019	4.167	4.287
Ending Stocks (mio mt)	209	285	334	370	209	225	245	279	301	318	323	330	334	346	361
<i>Net import (mio mt)</i>	-116	-119	-128	-97	-116	-114	-119	-120	-120	-121	-133	-133	-125	-115	-102
Consumption (mio mt)	3.334	3.710	4.101	4.440	3.334	3.408	3.517	3.652	3.789	3.894	3.963	4.054	4.140	4.270	4.373

New Zealand	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	347	328	360	401	347	365	346	326	305	328	336	347	365	382	400
Ending Stocks (mio mt)	45	41	48	46	45	53	43	42	36	37	42	45	53	47	49
<i>Net export (mio mt)</i>	<i>320</i>	<i>302</i>	<i>336</i>	<i>395</i>	<i>320</i>	<i>342</i>	<i>336</i>	<i>301</i>	<i>275</i>	<i>295</i>	<i>300</i>	<i>320</i>	<i>342</i>	<i>378</i>	<i>391</i>
Consumption (mio mt)	24	25	20	8	24	16	15	22	31	31	31	24	16	10	7

Australia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	117	92	120	166	117	125	109	91	80	92	103	117	125	135	153
Ending Stocks (mio mt)	16	15	17	5	16	18	15	14	14	16	17	16	18	13	9
<i>Net export (mio mt)</i>	<i>97</i>	<i>74</i>	<i>99</i>	<i>152</i>	<i>97</i>	<i>101</i>	<i>89</i>	<i>74</i>	<i>63</i>	<i>76</i>	<i>85</i>	<i>97</i>	<i>101</i>	<i>117</i>	<i>136</i>
Consumption (mio mt)	21	16	21	21	21	22	20	16	14	15	17	21	22	22	21

Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	158	118	171	223	158	179	151	123	87	110	137	158	179	207	219
Ending Stocks (mio mt)	18	12	18	24	18	20	17	14	10	9	13	18	20	20	22
<i>Net export (mio mt)</i>	<i>51</i>	<i>25</i>	<i>62</i>	<i>126</i>	<i>51</i>	<i>66</i>	<i>45</i>	<i>27</i>	<i>1</i>	<i>23</i>	<i>39</i>	<i>51</i>	<i>66</i>	<i>99</i>	<i>116</i>
Consumption (mio mt)	102	94	106	93	102	111	106	95	87	88	94	102	111	108	100

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	330	301	340	486	330	347	342	313	279	282	301	330	347	390	447
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net import (mio mt)	-25	-17	-27	-55	-25	-33	-26	-16	-10	-12	-19	-25	-33	-47	-48
Consumption (mio mt)	354	318	367	541	354	380	368	329	289	294	320	354	380	436	495

Russia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	185	173	289	363	185	169	167	168	173	192	222	273	312	342	353
Ending Stocks (mio mt)	11	9	8	12	11	9	11	9	9	7	7	8	9	10	11
Net import (mio mt)	-161	-147	-120	-210	-161	-178	-227	-177	-154	-80	-82	-105	-142	-157	-195
Consumption (mio mt)	349	321	408	572	349	349	392	347	327	273	304	378	452	497	547

Japan	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	33	35	35	37	33	34	34	35	35	35	34	35	35	35	36
Ending Stocks (mio mt)	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Net import (mio mt)	-84	-150	-201	-216	-84	-69	-101	-137	-181	-192	-198	-204	-200	-206	-208
Consumption (mio mt)	274	227	236	253	274	267	245	229	215	227	232	238	235	241	245

Source:

Fapri - World Agricultural Outlook; (*) OECD

THE CAUSES OF THE FOOD PRICE CRISIS: MEAT

SUMMARY OF WORLD MEAT MARKET DEVELOPMENTS

In beef, consumption growth in Russia, China and India is strong, but production response is even stronger in Brazil and Argentina, while other major exporters also increase their exports replacing the gap left by declining production in the EU. Thus growth in this market does not generate major price pressures, especially because a significant part of the growth in the cattle herd is grass fed and the overall level of world production and consumption growth is moderate at around 1.3%.

The growth in pork and poultry consumption, on the other hand, is stronger, particularly in China. Exporters have in general responded to this growth, and in some cases with a speed that readjusts prices at lower levels. But the price impact is felt in feed costs, which are increasing both because of the general increase in production costs and because of the additional demand for feed (mainly maize and soybean meal). In both of these meats, production has clearly kept pace with consumption, with an implied annual increase in feed at between 15-18 mio mt.

MAIN WORLD MARKET TRENDS

Production

- Meat world production met consumption growth in all meat sectors. Beef production grew at a modest (1.3%) annual rate, with production declining in the EU since the mid 1990s and more recently, but temporarily, in the US (disease outbreaks). Despite the increase in the combined level of the EU and US deficit, Brazil has added an exportable surplus currently standing at 2 mio mt, and growing. Similar impressive production growth by Brazil was witnessed in pork and poultry. From the other players, China has also increased its production, but starting from much lower levels.

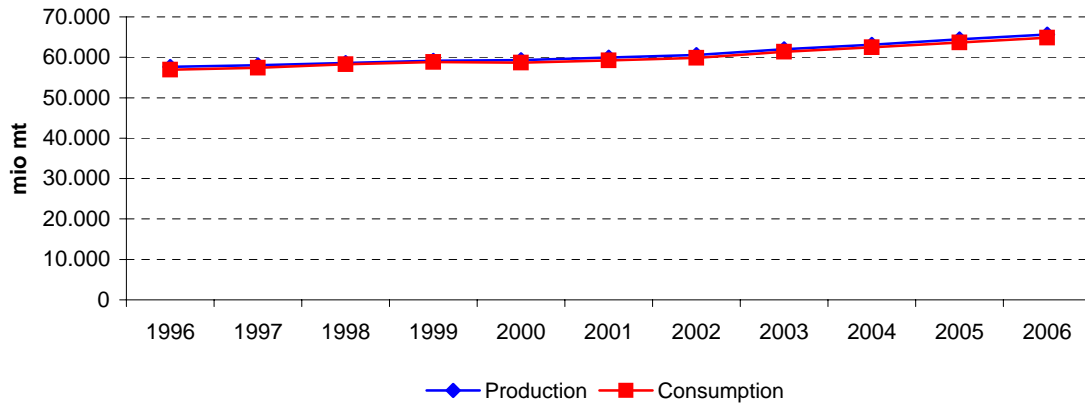
Consumption

- Meat consumption is strongly increasing in all three sectors in China and the US, beef in India (a net exporter), and at more moderate levels in the EU to impact on world consumption in the EU and other major exporters.

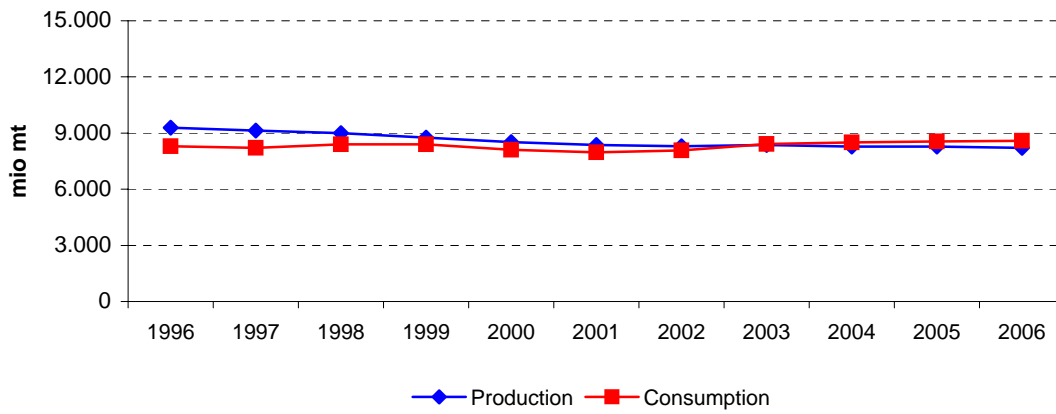
Trade

- Beef exports in the US and the EU have dropped because of BSE. Both are now net importers of 1, with their trade deficit (amounting to a combined 1.5 mio mt) compensated by Brazil which has increased its trade surplus from 1.5 mio mt in 2004 to 2.3 in 2007. Pork exporters responded strongly to consumption growth (EU, US, Canada and in particular Brazil). In poultry, Brazil increased its exports remarkably compensating the US and the EU.

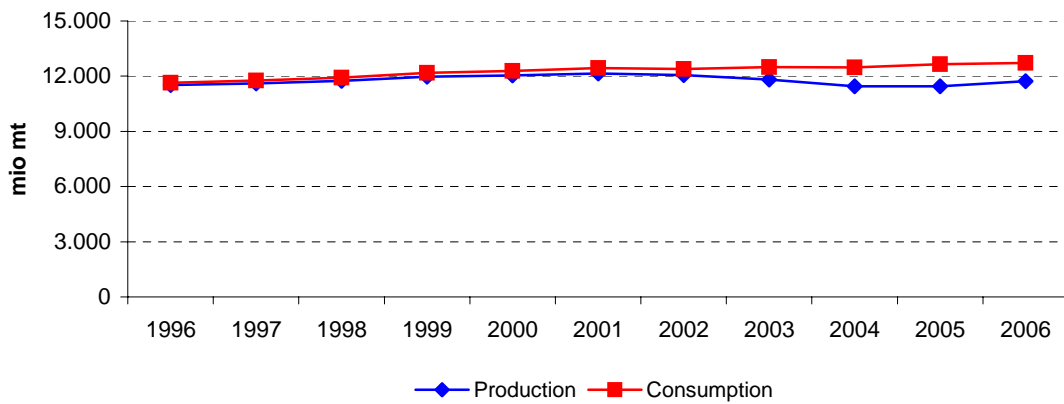
World beef - 3 year moving average 1995-2007



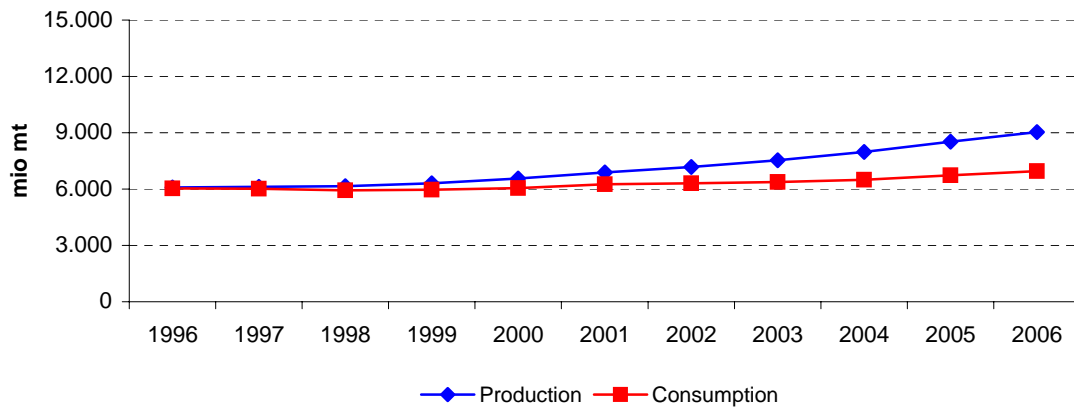
EU beef - 3 year moving average 1995-2007



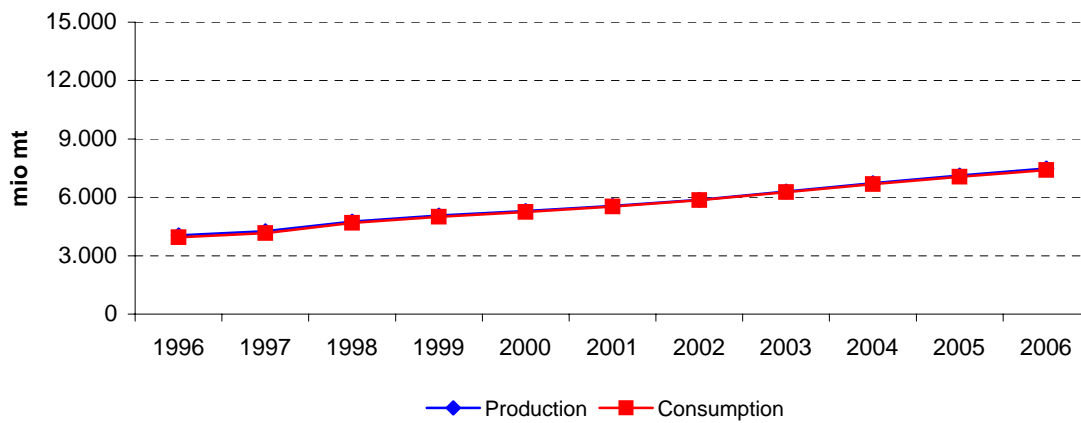
US beef - 3 year moving average 1995-2007



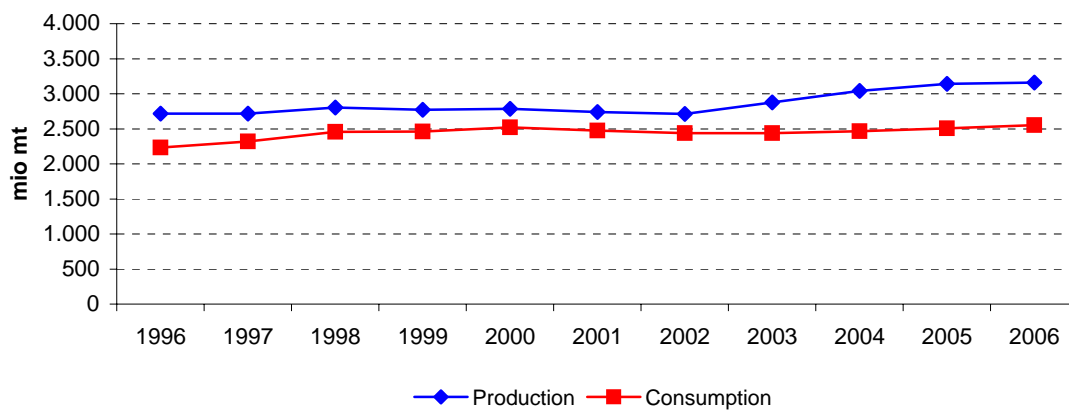
Brazil beef - 3 year moving average 1995-2007



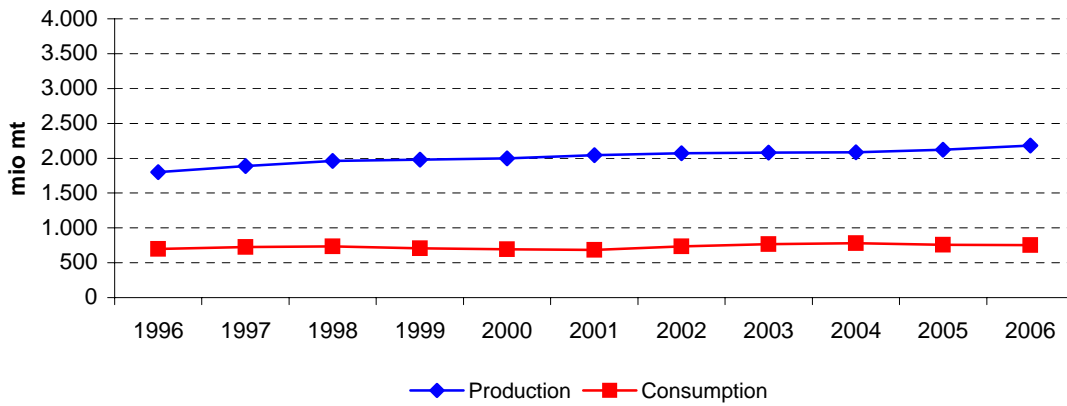
China beef - 3 year moving average 1995-2007



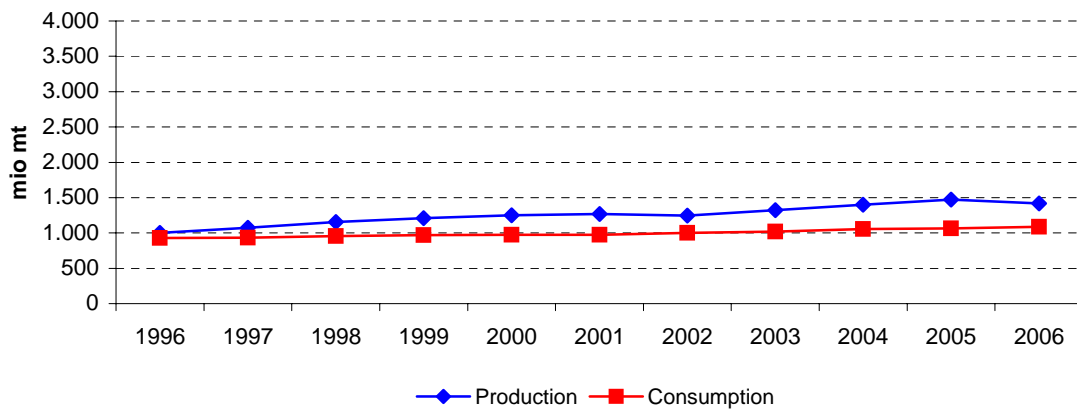
Argentina beef - 3 year moving average 1995-2007



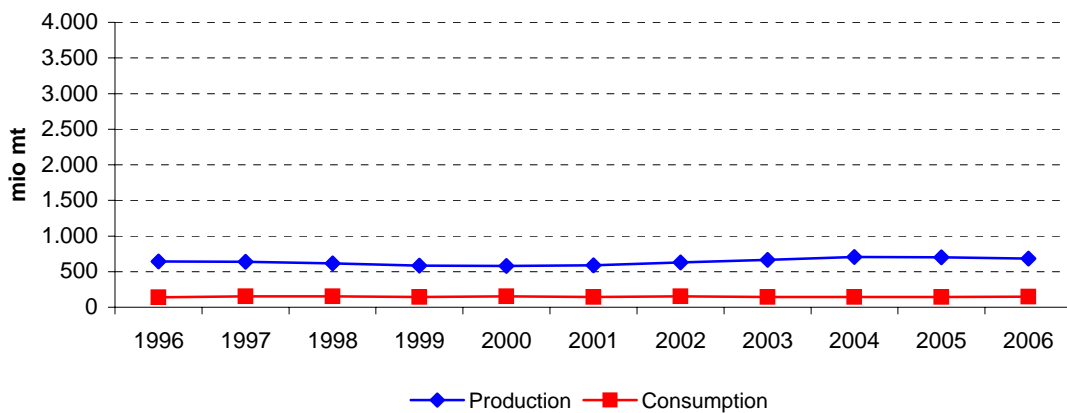
Australia beef - 3 year moving average 1995-2007



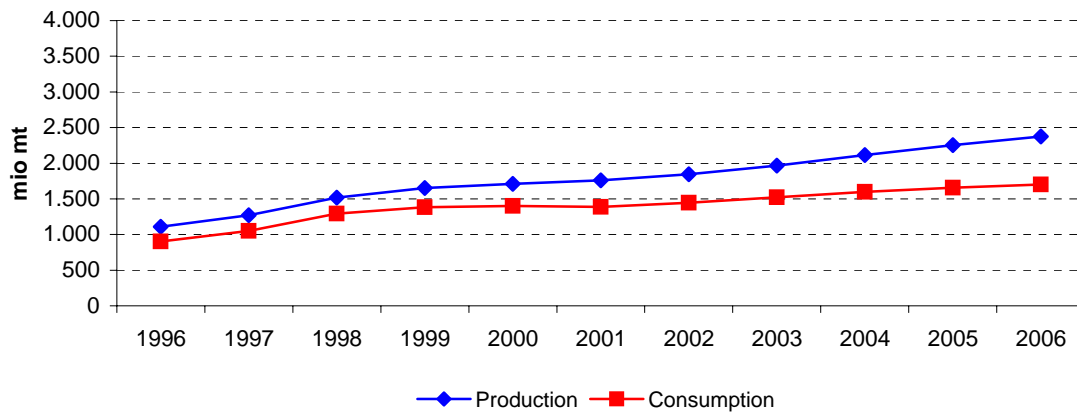
Canada beef - 3 year moving average 1995-2007



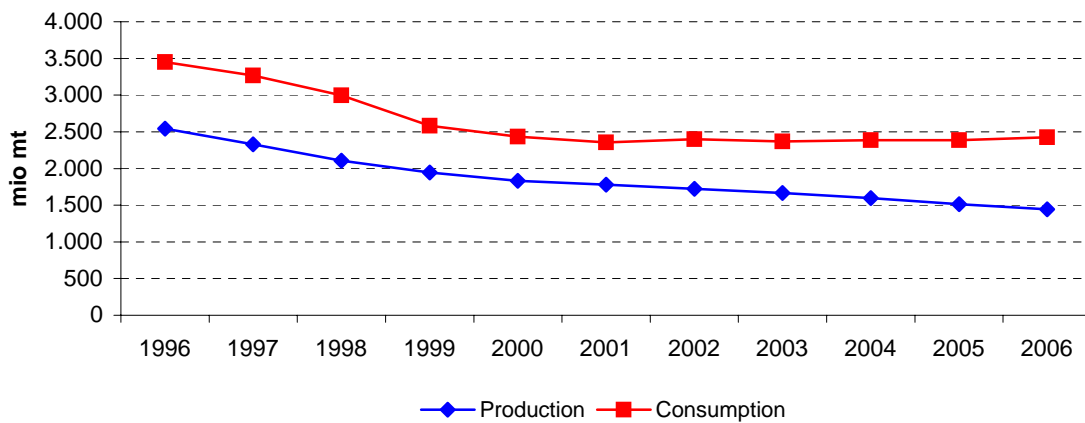
New Zealand beef - 3 year moving average 1995-2007



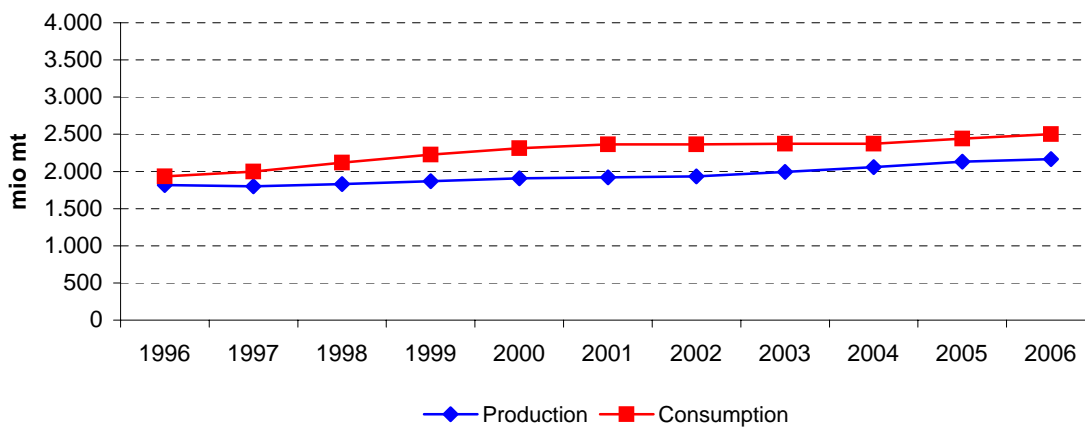
India beef - 3 year moving average 1995-2007



Russia beef - 3 year moving average 1995-2007



Mexico beef - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Production (mio mt)	57.335	57.226	58.344	58.477	59.015	59.868	58.934	60.983	61.704	63.286	64.350	65.686	66.896	1,3%
Ending Stocks (mio mt)	837	1.228	1.512	1.427	1.039	1.066	1.354	1.279	1.003	964	893	942	931	0,9%
Total Trade (mio mt)	618	489	398	319	503	509	565	607	671	880	804	841	750	1,6%
Consumption (mio mt)	56.855	56.317	57.651	58.234	58.877	59.302	57.942	60.422	61.294	62.444	63.619	64.889	66.155	1,3%
Price (\$/mt)*	190,70	178,52	185,62	172,57	184,34	193,21	212,93	210,48	197,97	251,26	261,69	254,73	260,30	2,6%
European Union**														
Production (mio mt)	9.352	9.237	9.249	8.925	8.824	8.518	8.221	8.373	8.276	8.418	8.163	8.270	8.206	-1,1%
Ending Stocks (mio mt)	96	546	766	686	282	270	606	564	330	330	330	330	330	10,8%
Net import (mio mt)	827	752	841	589	629	365	249	190	36	-123	-302	-361	-456	:
Consumption (mio mt)	8.658	8.036	8.188	8.416	8.598	8.166	7.536	8.206	8.474	8.540	8.465	8.631	8.663	0,0%
United States														
Production (mio mt)	11.441	11.578	11.562	11.685	12.017	12.196	11.890	12.334	11.947	11.181	11.243	11.910	12.027	0,4%
Ending Stocks (mio mt)	235	171	211	178	187	238	275	314	235	289	259	286	272	1,2%
Net import (mio mt)	-128	-88	-95	-214	-209	-256	-406	-349	-221	-1.460	-1.316	-880	-778	16,2%
Consumption (mio mt)	11.582	11.730	11.617	11.932	12.218	12.400	12.259	12.645	12.247	12.587	12.589	12.764	12.819	0,8%
New Zealand														
Production (mio mt)	630	631	664	620	562	575	609	589	693	720	705	678	660	0,4%
Ending Stocks (mio mt)	89	80	75	67	53	27	0	0	0	0	0	0	0	:
Net export (mio mt)	490	494	503	481	427	462	471	457	536	584	569	521	503	0,2%
Consumption (mio mt)	112	146	166	147	149	139	165	132	157	136	136	157	157	2,9%
Australia														
Production (mio mt)	1.717	1.736	1.942	1.989	1.956	1.988	2.049	2.089	2.073	2.081	2.102	2.183	2.261	2,3%
Ending Stocks (mio mt)	22	34	43	57	26	36	38	70	100	50	16	31	91	12,6%
Net export (mio mt)	1.100	1.019	1.178	1.263	1.245	1.312	1.372	1.339	1.235	1.360	1.377	1.421	1.444	2,3%
Consumption (mio mt)	639	705	755	712	742	666	675	718	808	771	759	747	757	1,4%

	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Argentina														
Production (mio mt)	2.600	2.580	2.975	2.600	2.840	2.880	2.640	2.700	2.800	3.130	3.200	3.100	3.175	1,7%
Ending Stocks (mio mt)	27	26	20	27	27	26	0	0	0	0	0	0	0	:
Net export (mio mt)	530	486	446	263	336	336	151	336	370	611	749	547	520	-0,2%
Consumption (mio mt)	2.064	2.095	2.535	2.330	2.504	2.545	2.515	2.364	2.430	2.519	2.451	2.553	2.655	2,1%
Brazil														
Production (mio mt)	6.080	6.150	6.050	6.140	6.270	6.520	6.895	7.240	7.385	7.975	8.592	9.020	9.470	3,8%
Ending Stocks (mio mt)	60	20	10	5	2	0	0	0	0	0	0	0	0	:
Net export (mio mt)	77	43	87	204	408	417	697	795	1.100	1.558	1.797	2.056	2.375	33,1%
Consumption (mio mt)	5.993	6.147	5.973	5.941	5.865	6.105	6.198	6.445	6.285	6.417	6.795	6.964	7.095	1,4%
Canada														
Production (mio mt)	928	998	1.075	1.150	1.238	1.246	1.262	1.294	1.184	1.496	1.523	1.391	1.345	3,1%
Ending Stocks (mio mt)	25	23	23	26	32	26	33	33	49	42	41	49	49	5,8%
Net export (mio mt)	0	91	138	196	250	273	289	317	109	480	445	297	255	:
Consumption (mio mt)	934	909	937	951	982	979	966	977	1.059	1.023	1.079	1.086	1.090	1,3%
India														
Production (mio mt)	1.100	925	1.300	1.593	1.660	1.700	1.770	1.810	1.960	2.130	2.250	2.375	2.500	7,1%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	196	204	215	245	220	344	365	411	432	492	617	681	725	11,5%
Consumption (mio mt)	904	721	1.085	1.348	1.440	1.356	1.405	1.399	1.528	1.638	1.633	1.694	1.775	5,8%
China														
Production (mio mt)	4.154	3.557	4.409	4.799	5.054	5.328	5.488	5.846	6.305	6.759	7.115	7.492	7.850	5,4%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	103	99	93	77	43	38	47	21	24	47	74	83	94	-0,8%
Consumption (mio mt)	4.051	3.458	4.316	4.722	5.011	5.290	5.441	5.825	6.281	6.712	7.041	7.409	7.756	5,6%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Russia														
Production (mio mt)	2.734	2.570	2.326	2.090	1.900	1.840	1.760	1.740	1.670	1.590	1.525	1.430	1.380	-5,5%
Ending Stocks (mio mt)	203	180	75	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-607	-871	-1.055	-680	-764	-400	-632	-701	-699	-710	-967	-931	-1.042	4,6%
Consumption (mio mt)	3.402	3.464	3.486	2.845	2.664	2.240	2.392	2.441	2.369	2.300	2.492	2.361	2.422	-2,8%
Mexico														
Production (mio mt)	1.850	1.800	1.795	1.800	1.900	1.900	1.925	1.930	1.950	2.099	2.125	2.175	2.200	1,5%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-54	-98	-197	-301	-361	-421	-428	-493	-369	-277	-303	-344	-355	17,0%
Consumption (mio mt)	1.904	1.898	1.992	2.101	2.261	2.321	2.353	2.423	2.319	2.376	2.428	2.519	2.555	2,5%

Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World															
Production (mio mt)	57.635	59.073	62.581	66.291	57.635	58.015	58.612	59.120	59.272	59.928	60.540	61.991	63.113	64.441	65.644
Ending Stocks (mio mt)	1.192	1.221	1.035	937	1.192	1.389	1.326	1.177	1.153	1.233	1.212	1.082	954	933	922
Total Trade (mio mt)	502	474	741	795	502	402	407	444	526	561	615	720	785	842	798
Consumption (mio mt)	56.941	58.589	61.945	65.522	56.941	57.401	58.254	58.805	58.707	59.222	59.886	61.387	62.452	63.651	64.887
Price (\$/mt)*	185	191	230	258	185	179	181	183	197	206	207	220	237	256	259
European Union**															
Production (mio mt)	9.279	8.622	8.308	8.238	9.279	9.137	8.999	8.756	8.521	8.371	8.290	8.356	8.286	8.283	8.213
Ending Stocks (mio mt)	470	461	388	330	470	666	578	413	386	480	500	408	330	330	330
Net import (mio mt)	807	458	-50	-409	807	727	686	528	414	268	158	34	-130	-262	-373
Consumption (mio mt)	8.294	8.179	8.422	8.647	8.294	8.213	8.401	8.393	8.100	7.969	8.072	8.407	8.493	8.546	8.586
United States															
Production (mio mt)	11.527	11.947	11.676	11.969	11.527	11.608	11.755	11.966	12.034	12.140	12.057	11.821	11.457	11.445	11.727
Ending Stocks (mio mt)	206	219	274	279	206	187	192	201	233	275	274	279	261	278	272
Net import (mio mt)	-104	-271	-837	-829	-104	-132	-173	-226	-290	-337	-325	-677	-999	-1.219	-991
Consumption (mio mt)	11.643	12.202	12.517	12.791	11.643	11.760	11.922	12.183	12.292	12.435	12.383	12.493	12.474	12.647	12.724
New Zealand															
Production (mio mt)	642	592	677	669	642	638	615	586	582	591	630	667	706	701	681
Ending Stocks (mio mt)	81	37	0	0	81	74	65	49	27	9	0	0	0	0	0
Net export (mio mt)	496	460	537	512	496	493	470	457	453	463	488	526	563	558	531
Consumption (mio mt)	141	150	140	157	141	153	154	145	151	145	151	142	143	143	150
Australia															
Production (mio mt)	1.798	1.996	2.086	2.222	1.798	1.889	1.962	1.978	1.998	2.042	2.070	2.081	2.085	2.122	2.182
Ending Stocks (mio mt)	33	39	59	61	33	45	42	40	33	48	69	73	55	32	46
Net export (mio mt)	1.099	1.298	1.328	1.433	1.099	1.153	1.229	1.273	1.310	1.341	1.315	1.311	1.324	1.386	1.414
Consumption (mio mt)	700	699	764	752	700	724	736	707	694	686	734	766	779	759	754

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Argentina															
Production (mio mt)	2.718	2.740	2.958	3.138	2.718	2.718	2.805	2.773	2.787	2.740	2.713	2.877	3.043	3.143	3.158
Ending Stocks (mio mt)	24	20	0	0	24	24	25	27	18	9	0	0	0	0	0
Net export (mio mt)	487	272	517	534	487	398	348	312	274	274	286	439	577	636	605
Consumption (mio mt)	2.231	2.474	2.441	2.604	2.231	2.320	2.456	2.460	2.521	2.475	2.436	2.438	2.467	2.508	2.553
Brazil															
Production (mio mt)	6.093	6.456	7.798	9.245	6.093	6.113	6.153	6.310	6.562	6.885	7.173	7.533	7.984	8.529	9.027
Ending Stocks (mio mt)	30	2	0	0	30	12	6	2	1	0	0	0	0	0	0
Net export (mio mt)	69	432	1.313	2.216	69	111	233	343	507	636	864	1.151	1.485	1.804	2.076
Consumption (mio mt)	6.038	6.027	6.486	7.030	6.038	6.020	5.926	5.970	6.056	6.249	6.309	6.382	6.499	6.725	6.951
Canada															
Production (mio mt)	1.000	1.224	1.374	1.368	1.000	1.074	1.154	1.211	1.249	1.267	1.247	1.325	1.401	1.470	1.420
Ending Stocks (mio mt)	24	29	41	49	24	24	27	28	30	31	38	41	44	44	46
Net export (mio mt)	76	252	338	276	76	142	195	240	271	293	238	302	345	407	332
Consumption (mio mt)	927	970	1.035	1.088	927	932	957	971	976	974	1.001	1.020	1.054	1.063	1.085
India															
Production (mio mt)	1.108	1.681	2.038	2.438	1.108	1.273	1.518	1.651	1.710	1.760	1.847	1.967	2.113	2.252	2.375
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net export (mio mt)	205	294	488	703	205	221	227	270	310	373	403	445	514	597	674
Consumption (mio mt)	903	1.387	1.550	1.735	903	1.051	1.291	1.381	1.400	1.387	1.444	1.522	1.600	1.655	1.701
China															
Production (mio mt)	4.040	5.167	6.506	7.671	4.040	4.255	4.754	5.060	5.290	5.554	5.880	6.303	6.726	7.122	7.486
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net export (mio mt)	98	51	42	89	98	90	71	53	43	35	31	31	48	68	84
Consumption (mio mt)	3.942	5.116	6.465	7.583	3.942	4.165	4.683	5.008	5.247	5.519	5.849	6.273	6.678	7.054	7.402

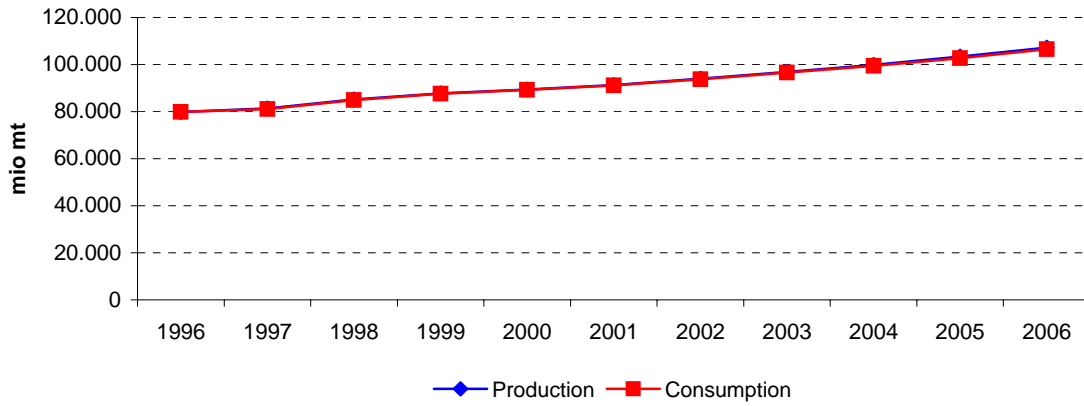
Russia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	2.543	1.898	1.631	1.405	2.543	2.329	2.105	1.943	1.833	1.780	1.723	1.667	1.595	1.515	1.445
Ending Stocks (mio mt)	153	0	0	0	153	85	25	0	0	0	0	0	0	0	0
<i>Net import (mio mt)</i>	-844	-619	-769	-987	-844	-869	-833	-615	-599	-578	-677	-703	-792	-869	-980
Consumption (mio mt)	3.451	2.535	2.401	2.392	3.451	3.265	2.998	2.583	2.432	2.358	2.401	2.370	2.387	2.384	2.425

Mexico	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (mio mt)	1.815	1.881	2.026	2.188	1.815	1.798	1.832	1.867	1.908	1.918	1.935	1.993	2.058	2.133	2.167
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Net import (mio mt)</i>	-116	-378	-361	-350	-116	-199	-286	-361	-403	-447	-430	-380	-316	-308	-334
Consumption (mio mt)	1.931	2.259	2.387	2.537	1.931	1.997	2.118	2.228	2.312	2.366	2.365	2.373	2.374	2.441	2.501

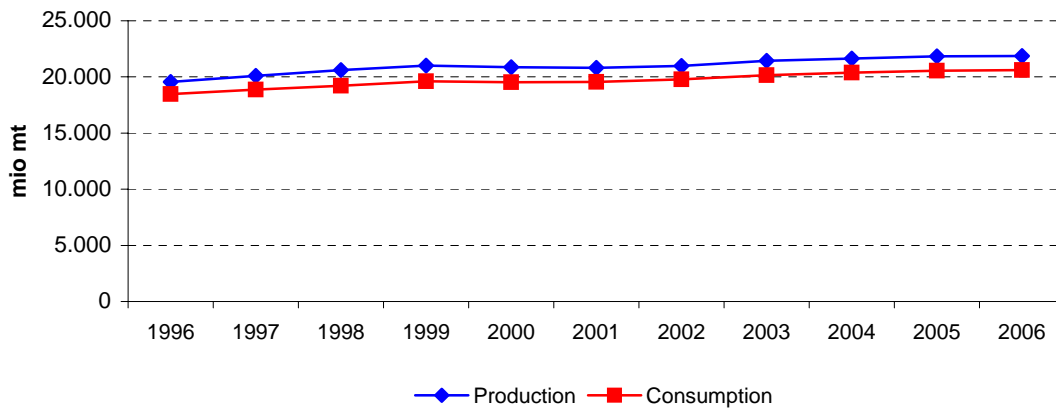
Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD

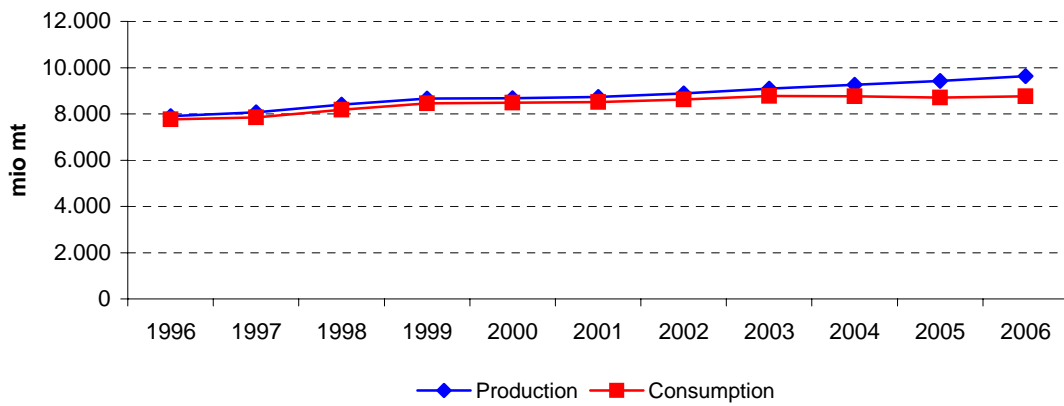
World pork - 3 year moving average 1995-2007



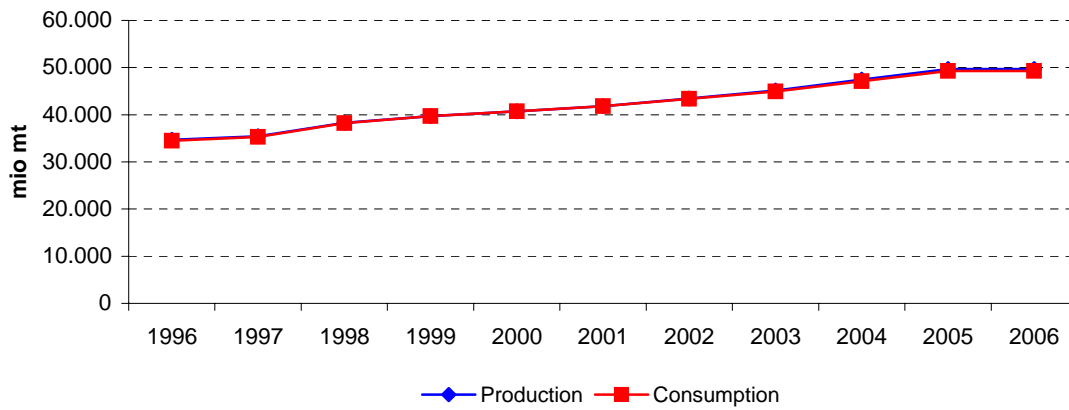
EU pork - 3 year moving average 1995-2007



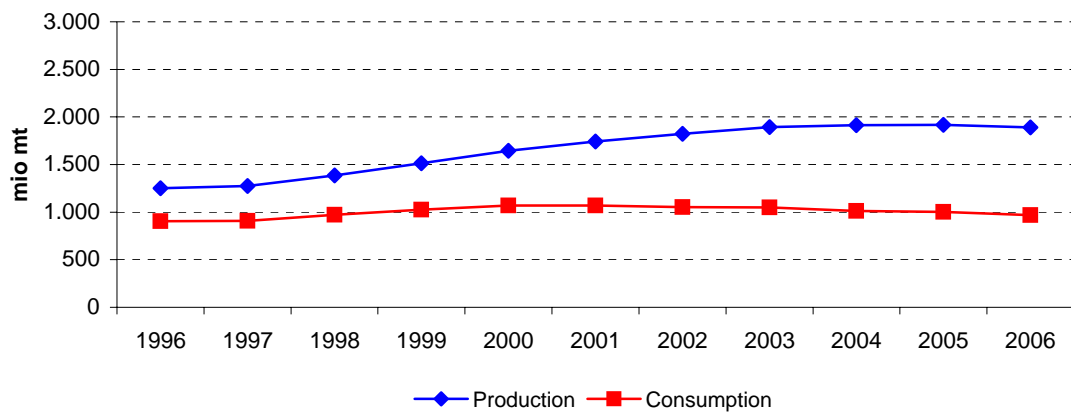
US pork - 3 year moving average 1995-2007



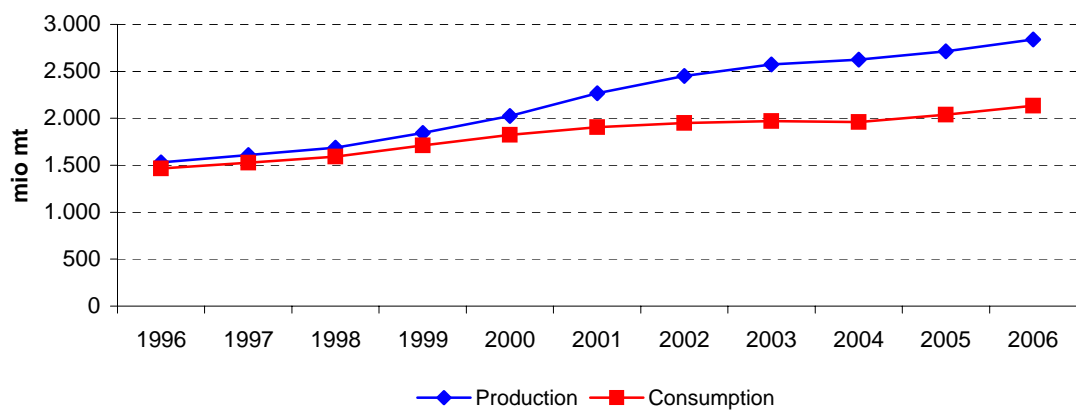
China pork - 3 year moving average 1995-2007



Canada pork - 3 year moving average 1995-2007



Brazil pork - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Production (mio mt)	81.726	77.063	80.841	86.240	88.326	88.852	90.982	94.240	96.797	99.514	103.336	107.423	110.816	2,6%
Ending Stocks (mio mt)	654	731	702	710	681	724	786	846	802	815	912	882	878	2,5%
Total Trade (mio mt)	363	568	753	338	474	374	157	345	562	884	1.248	1.213	58	-14,2%
Consumption (mio mt)	82.081	76.834	80.498	86.103	88.136	88.677	90.802	94.013	96.519	99.087	102.593	106.621	110.576	2,5%
Price (\$/mt)														
European Union*														
Production (mio mt)	19.395	19.806	19.498	20.990	21.344	20.729	20.524	21.134	21.323	21.813	21.809	21.858	21.912	1,0%
Ending Stocks (mio mt)	215	215	215	215	215	215	215	215	215	215	215	215	215	0,0%
Net export (mio mt)	856	1.069	1.384	1.259	1.545	1.385	1.098	1.211	1.297	1.326	1.217	1.245	1.266	3,3%
Consumption (mio mt)	18.538	18.737	18.114	19.732	19.800	19.345	19.426	19.923	20.026	20.487	20.592	20.613	20.646	0,9%
United States														
Production (mio mt)	8.096	7.764	7.835	8.623	8.758	8.596	8.691	8.929	9.056	9.312	9.392	9.559	9.960	1,7%
Ending Stocks (mio mt)	180	166	185	265	222	217	243	242	241	246	224	233	254	:
Net export (mio mt)	357	440	473	558	204	145	276	246	241	490	744	900	979	8,8%
Consumption (mio mt)	8.059	7.619	7.631	8.305	8.597	8.456	8.388	8.684	8.816	8.817	8.670	8.650	8.960	0,9%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Canada														
Production (mio mt)	1.272	1.225	1.257	1.337	1.564	1.640	1.731	1.858	1.882	1.936	1.920	1.898	1.850	3,2%
Ending Stocks (mio mt)	15	13	20	34	33	33	45	54	49	50	59	50	50	:
Net export (mio mt)	335	342	361	368	489	592	637	773	884	867	944	936	880	8,4%
Consumption (mio mt)	937	885	889	955	1.076	1.048	1.082	1.076	1.003	1.068	967	971	970	0,3%
Brazil														
Production (mio mt)	1.450	1.600	1.540	1.690	1.835	2.010	2.230	2.565	2.560	2.600	2.710	2.830	2.980	6,2%
Ending Stocks (mio mt)	14	5	0	5	5	26	0	0	0	0	0	0	0	:
Net export (mio mt)	36	79	77	104	108	162	337	590	603	621	761	639	715	28,3%
Consumption (mio mt)	1.400	1.530	1.468	1.581	1.727	1.827	1.919	1.975	1.957	1.979	1.949	2.191	2.265	4,1%
China														
Production (mio mt)	36.484	31.580	35.963	38.837	40.056	40.314	41.845	43.266	45.186	47.016	50.106	51.972	47.000	2,1%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net trade (mio mt)	206	174	158	143	34	-75	53	73	132	368	403	505	310	3,5%
Consumption (mio mt)	36.280	31.408	35.819	38.740	40.022	40.389	41.792	43.193	45.054	46.648	49.703	51.467	46.690	2,1%

Source:

Fapri - World Agricultural Outlook; (*) OECD

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	79.877	88.600	98.472	109.120	79.877	81.382	85.136	87.806	89.387	91.358	94.006	96.850	99.883	103.424	107.192	
Ending Stocks (mio mt)	696	725	844	880	696	714	698	705	730	785	811	821	843	870	890	
<i>Total Trade (mio mt)</i>	<i>561</i>	<i>335</i>	<i>760</i>	<i>636</i>	<i>561</i>	<i>553</i>	<i>521</i>	<i>395</i>	<i>335</i>	<i>292</i>	<i>355</i>	<i>597</i>	<i>898</i>	<i>1.115</i>	<i>840</i>	
Consumption (mio mt)	79.804	88.429	98.053	108.599	79.804	81.145	84.912	87.639	89.205	91.164	93.778	96.539	99.399	102.767	106.597	
Price (\$/mt)																

European Union*	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	19.566	20.897	21.520	21.885	19.566	20.098	20.611	21.021	20.866	20.796	20.994	21.424	21.648	21.827	21.860	
Ending Stocks (mio mt)	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215	
<i>Net export (mio mt)</i>	<i>1.103</i>	<i>1.322</i>	<i>1.263</i>	<i>1.256</i>	<i>1.103</i>	<i>1.237</i>	<i>1.396</i>	<i>1.396</i>	<i>1.342</i>	<i>1.231</i>	<i>1.202</i>	<i>1.278</i>	<i>1.280</i>	<i>1.263</i>	<i>1.243</i>	
Consumption (mio mt)	18.463	19.575	20.257	20.629	18.463	18.861	19.215	19.625	19.523	19.565	19.792	20.145	20.368	20.564	20.617	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	7.899	8.667	9.172	9.760	7.899	8.074	8.405	8.659	8.682	8.739	8.892	9.099	9.253	9.421	9.637	
Ending Stocks (mio mt)	177	237	238	244	177	205	224	234	227	234	242	243	237	234	237	
<i>Net export (mio mt)</i>	<i>424</i>	<i>296</i>	<i>430</i>	<i>940</i>	<i>424</i>	<i>490</i>	<i>412</i>	<i>302</i>	<i>208</i>	<i>222</i>	<i>254</i>	<i>326</i>	<i>492</i>	<i>712</i>	<i>875</i>	
Consumption (mio mt)	7.770	8.437	8.747	8.805	7.770	7.851	8.177	8.453	8.481	8.510	8.630	8.772	8.767	8.712	8.760	

Canada	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	1.251	1.568	1.899	1.874	1.251	1.273	1.386	1.514	1.645	1.743	1.824	1.892	1.913	1.918	1.889	
Ending Stocks (mio mt)	16	36	53	50	16	22	29	33	37	44	49	51	53	53	53	
<i>Net export (mio mt)</i>	346	522	867	908	346	357	406	483	573	667	765	841	898	916	920	
Consumption (mio mt)	904	1.040	1.029	971	904	910	973	1.026	1.069	1.069	1.054	1.049	1.013	1.002	969	

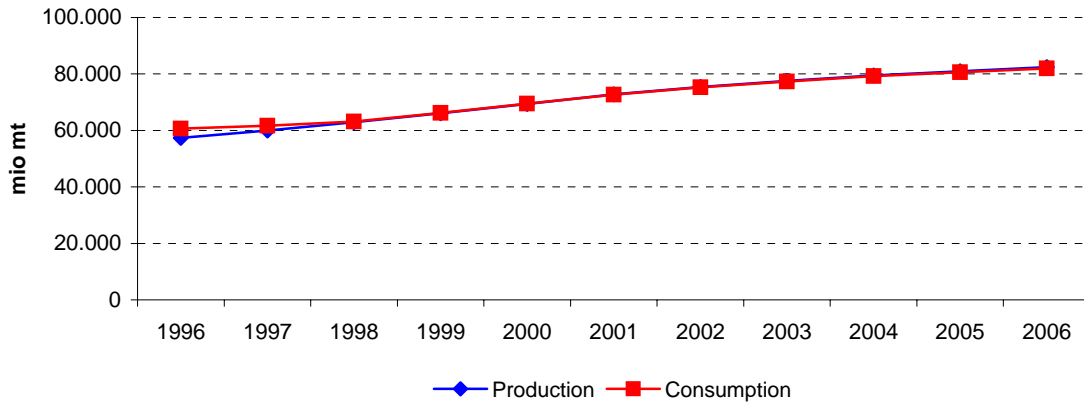
Brazil	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	1.530	1.941	2.609	2.905	1.530	1.610	1.688	1.845	2.025	2.268	2.452	2.575	2.623	2.713	2.840	
Ending Stocks (mio mt)	6	9	0	0	6	3	3	12	10	9	0	0	0	0	0	
<i>Net export (mio mt)</i>	64	178	644	677	64	87	96	125	202	363	510	605	662	674	705	
Consumption (mio mt)	1.466	1.764	1.965	2.228	1.466	1.526	1.592	1.712	1.824	1.907	1.950	1.970	1.962	2.040	2.135	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	34.676	40.263	46.394	49.486	34.676	35.460	38.285	39.736	40.738	41.808	43.432	45.156	47.436	49.698	49.693	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Net trade (mio mt)</i>	179	39	244	408	179	158	112	34	4	17	86	191	301	425	406	
Consumption (mio mt)	34.502	40.236	46.150	49.079	34.502	35.322	38.194	39.717	40.734	41.791	43.346	44.965	47.135	49.273	49.287	

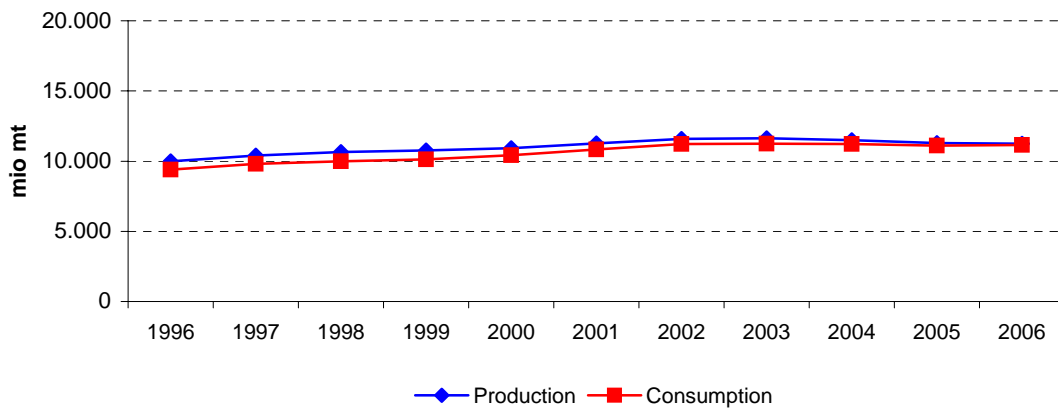
Source:

Fapri - World Agricultural Outlook; (*) OECD

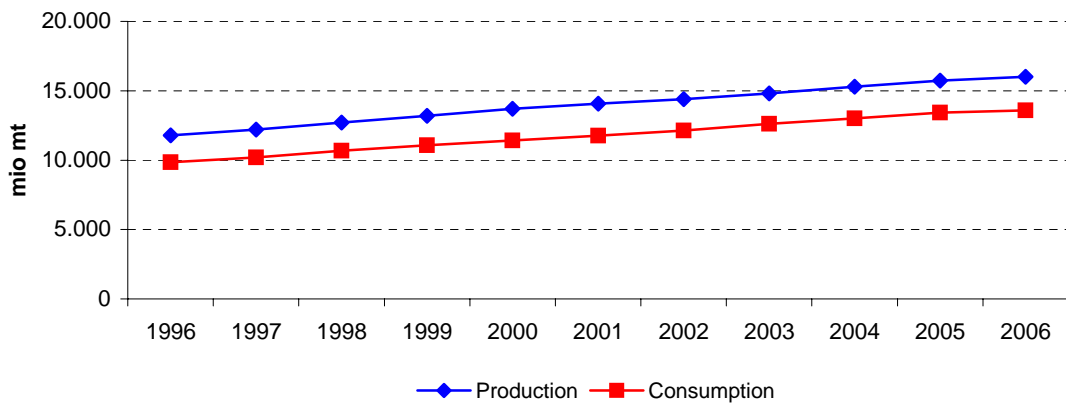
World poultry - 3 year moving average 1995-2007



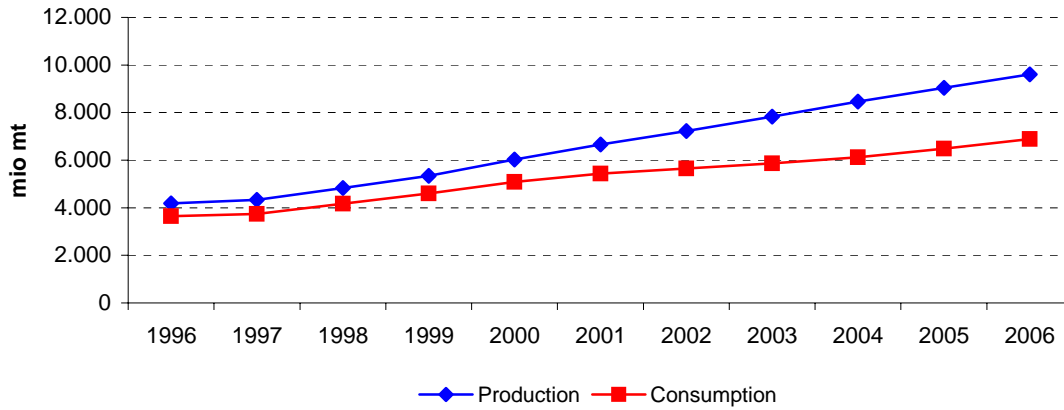
EU poultry - 3 year moving average 1995-2007



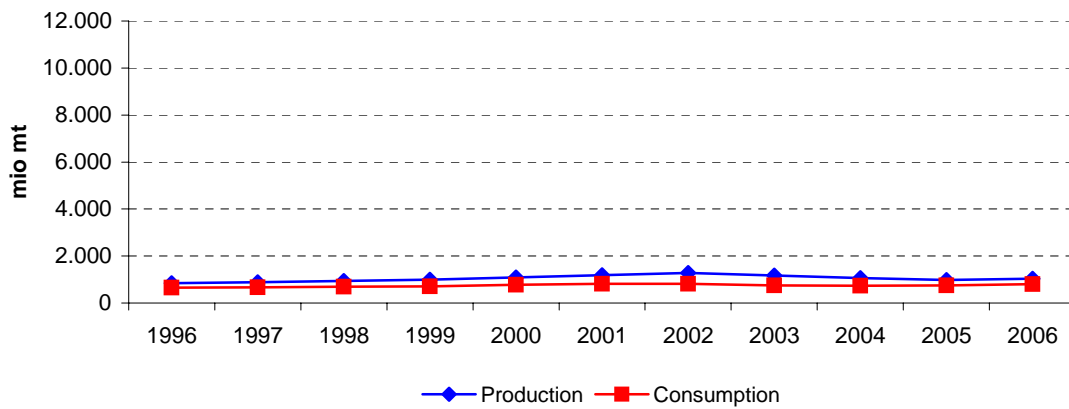
US poultry - 3 year moving average 1995-2007



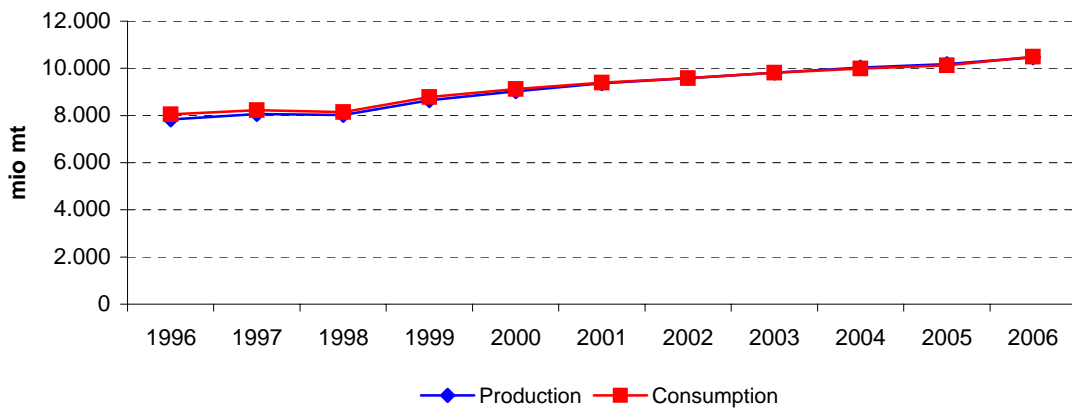
Brazil poultry - 3 year moving average 1995-2007



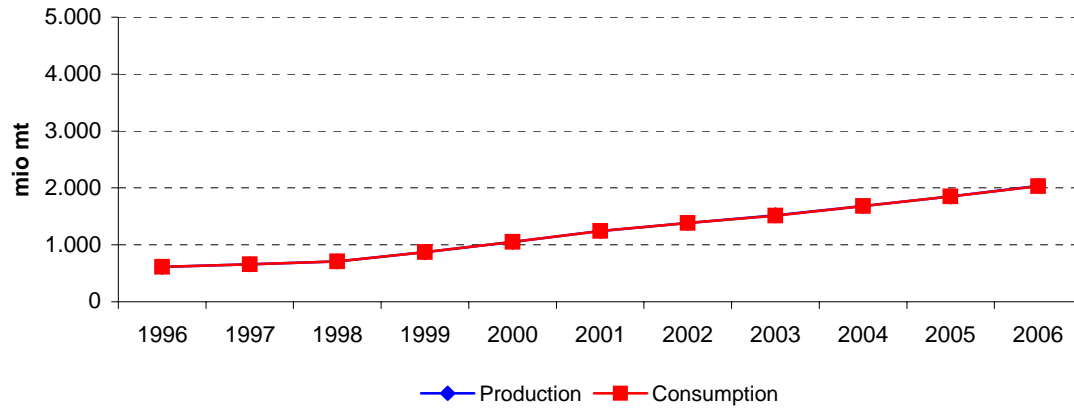
Thailand poultry - 3 year moving average 1995-2007



China poultry - 3 year moving average 1995-2007



India poultry - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
World															
Production (mio mt)	54.963	56.795	60.291	62.760	65.844	69.545	72.706	75.971	77.594	79.002	81.920	81.940	83.269	3,5%	
Ending Stocks (mio mt)	1.079	1.109	1.124	1.146	1.223	1.284	1.325	1.427	1.319	1.395	1.391	1.270	1.336	1,8%	
Total Trade (mio mt)						-397	-192	147	102	127	240	203	471	196	:
Consumption (mio mt)			60.626	62.765	66.168	69.679	72.520	75.770	77.576	78.685	81.433	81.590	83.007	:	
Price (\$/mt)															
European Union*														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
Production (mio mt)	9.525	10.035	10.433	10.758	10.725	10.815	11.239	11.765	11.736	11.358	11.397	11.081	11.220	1,4%	
Ending Stocks (mio mt)	500	500	500	500	500	500	500	500	500	500	500	500	500	0,0%	
Net export (mio mt)					682	582	261	454	351	327	160	45	50	:	
Consumption (mio mt)	8.888	9.485	9.838	10.070	10.043	10.233	10.978	11.311	11.385	11.031	11.237	11.035	11.171	1,9%	
United States														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
Production (mio mt)	11.261	11.850	12.266	12.525	13.367	13.703	14.033	14.467	14.696	15.286	15.869	16.043	16.099	3,0%	
Ending Stocks (mio mt)	254	291	275	323	361	362	323	346	276	324	419	338	306	1,6%	
Net export (mio mt)	1.766	2.005	1.997	1.978	2.078	2.228	2.514	2.175	2.226	2.158	2.345	2.340	2.558	3,1%	
Consumption (mio mt)	9.449	9.810	10.286	10.502	11.251	11.474	11.558	12.269	12.540	13.080	13.430	13.784	13.572	3,1%	
Brazil														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
Production (mio mt)	4.050	4.052	4.461	4.498	5.526	5.980	6.567	7.449	7.645	8.408	9.350	9.355	10.105	7,9%	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:	
Net export (mio mt)	428	560	628	594	735	870	1.226	1.576	1.903	2.416	2.738	2.502	2.905	17,3%	
Consumption (mio mt)	3.622	3.492	3.833	3.904	4.791	5.110	5.341	5.873	5.742	5.992	6.612	6.853	7.200	5,9%	
Price (\$/mt)															

Thailand	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	Production (mio mt)	780	840	900	930	980	1.070	1.230	1.275	1.340	900	950	1.100	1.050	2,5%
Ending Stocks (mio mt)	10	25	33	31	0	0	0	0	90	140	63	91	31	9,9%
Net export (mio mt)	177	171	195	274	259	304	392	427	485	197	240	261	315	4,9%
Consumption (mio mt)	593	654	697	658	721	766	838	848	765	653	787	811	795	2,5%

China	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	Production (mio mt)	7.419	8.673	7.406	8.120	8.550	9.269	9.278	9.558	9.898	9.998	10.200	10.350	10.850	3,2%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	-284	-315	-66	-104	-181	-125	40	2	-65	67	112	-21	-160	-4,7%
Consumption (mio mt)	7.703	8.988	7.472	8.224	8.731	9.394	9.238	9.556	9.963	9.931	10.088	10.371	11.010	3,0%

India	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	Production (mio mt)	578	665	596	710	820	1.080	1.250	1.400	1.500	1.650	1.900	2.000	2.200	11,8%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net Trade (mio mt)	0	0	0	0	0	0	0	0	4	2	1	0	0	:
Consumption (mio mt)	578	665	596	710	820	1.080	1.250	1.400	1.496	1.648	1.899	2.000	2.200	11,8%

Source:

Fapri - World Agricultural Outlook; (*) OECD

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	57.350	67.714	78.622	82.605	57.350	59.949	62.965	66.050	69.365	72.741	75.424	77.522	79.505	80.954	82.376	
Ending Stocks (mio mt)	1.104	1.245	1.383	1.303	1.104	1.126	1.164	1.218	1.277	1.345	1.357	1.380	1.368	1.352	1.332	
<i>Total Trade (mio mt)</i>		<i>-147</i>	<i>168</i>	<i>334</i>			<i>-397</i>	<i>-295</i>	<i>-147</i>	<i>19</i>	<i>125</i>	<i>156</i>	<i>190</i>	<i>305</i>	<i>290</i>	
Consumption (mio mt)	60.626	67.783	78.366	82.298	60.626	61.695	63.186	66.204	69.456	72.656	75.289	77.344	79.232	80.569	82.010	
Price (\$/mt)																

European Union*	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	9.998	10.884	11.564	11.151	9.998	10.409	10.639	10.766	10.926	11.273	11.580	11.620	11.497	11.279	11.233	
Ending Stocks (mio mt)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	
<i>Net export (mio mt)</i>		<i>508</i>	<i>323</i>	<i>48</i>			<i>682</i>	<i>632</i>	<i>508</i>	<i>432</i>	<i>355</i>	<i>377</i>	<i>279</i>	<i>177</i>	<i>85</i>	
Consumption (mio mt)	9.404	10.331	11.241	11.103	9.404	9.798	9.984	10.115	10.418	10.841	11.225	11.243	11.218	11.101	11.148	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	11.792	13.407	15.079	16.071	11.792	12.213	12.719	13.198	13.701	14.068	14.399	14.816	15.284	15.733	16.004	
Ending Stocks (mio mt)	273	342	341	322	273	296	320	348	348	344	315	315	340	360	354	
<i>Net export (mio mt)</i>	<i>1.923</i>	<i>2.199</i>	<i>2.226</i>	<i>2.449</i>	<i>1.923</i>	<i>1.993</i>	<i>2.018</i>	<i>2.095</i>	<i>2.273</i>	<i>2.306</i>	<i>2.305</i>	<i>2.186</i>	<i>2.243</i>	<i>2.281</i>	<i>2.414</i>	
Consumption (mio mt)	9.848	11.196	12.830	13.678	9.848	10.199	10.679	11.075	11.428	11.767	12.122	12.630	13.016	13.431	13.595	

Brazil	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	4.188	5.643	8.213	9.730	4.188	4.337	4.828	5.335	6.024	6.665	7.220	7.834	8.468	9.038	9.603	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Net export (mio mt)</i>	<i>539</i>	<i>856</i>	<i>2.158</i>	<i>2.704</i>	<i>539</i>	<i>594</i>	<i>652</i>	<i>733</i>	<i>944</i>	<i>1.224</i>	<i>1.568</i>	<i>1.965</i>	<i>2.352</i>	<i>2.552</i>	<i>2.715</i>	
Consumption (mio mt)	3.649	4.787	6.055	7.027	3.649	3.743	4.176	4.602	5.081	5.441	5.652	5.869	6.115	6.486	6.888	
Price (\$/mt)																

Thailand	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	840	1.053	1.116	1.075	840	890	937	993	1.093	1.192	1.282	1.172	1.063	983	1.033	
Ending Stocks (mio mt)	23	8	73	61	23	30	21	10	0	0	30	77	98	98	62	
Net export (mio mt)	181	307	337	288	181	213	243	279	318	374	435	370	307	233	272	
Consumption (mio mt)	648	746	763	803	648	670	692	715	775	817	817	755	735	750	798	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	7.833	8.804	9.914	10.600	7.833	8.066	8.025	8.646	9.032	9.368	9.578	9.818	10.032	10.183	10.467	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net export (mio mt)	-222	-93	29	-91	-222	-162	-117	-137	-89	-28	-8	1	38	53	-23	
Consumption (mio mt)	8.054	8.897	9.885	10.691	8.054	8.228	8.142	8.783	9.121	9.396	9.586	9.817	9.994	10.130	10.490	

India	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	613	965	1.613	2.100	613	657	709	870	1.050	1.243	1.383	1.517	1.683	1.850	2.033	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Trade (mio mt)	0	0	2	0	0	0	0	0	0	0	1	2	2	1	0	
Consumption (mio mt)	613	965	1.611	2.100	613	657	709	870	1.050	1.243	1.382	1.515	1.681	1.849	2.033	

Source:

Fapri - World Agricultural Outlook; (*) OECD

THE CAUSES OF THE FOOD PRICE CRISIS: MAIZE

SUMMARY OF WORLD MAIZE MARKET DEVELOPMENTS

An acceleration of world consumption occurs since 2003, mainly driven by the increased use of maize for ethanol in the US and increasing maize imports in China and Mexico. Most of the impact has been felt in the rapid decline of stocks. The subsequent price increase led to a strong supply response in the US, China, Brazil and Argentina, and production seems to be recovering. Trade has not been affected much, with the US even exporting more maize (at the expense of much lower stocks).

MAIN WORLD MARKET TRENDS

Production

- Production increased in most major exporters; in the US through an increase in both yields and area, in Argentina and Brazil mainly through improved yields. In China yields are rather stable, but harvested area expanded. On the contrary, in the EU yields and area remain rather stable (when enlargement is taken into account).

Consumption

- A path of annual increase of 3% over the whole period masks a much steeper increase from 2002 onwards. Maize consumption has been increasing at a faster pace during the last decade in US, Brazil China, Argentina and EU, but this increase has slowed down during the last two year in all countries except in the US. In the US, growth in non-feed use of maize jumped by 63 mio mt during the last seven years (2001-2007), while it had grown by just 10 mio mt during the preceding five years (1995-2001), with the corresponding biofuel use increase equalling the production level of Brazil.

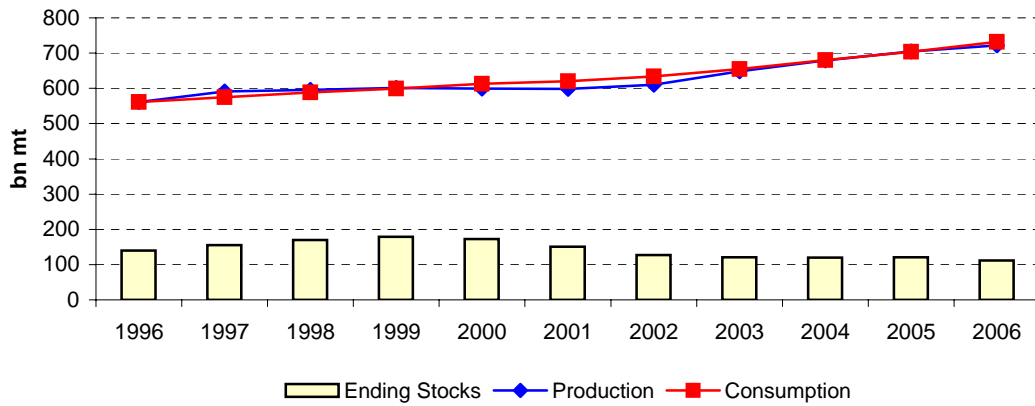
Trade

- Among the main payers, US exports have been increasing over time, and have not been influenced by the increased use for ethanol. From the other exporters, only recently have Brazil and Argentina responded to world demand, while China's exports have been fluctuating on a downward path, depending on whether its annual production met its growing internal demand. Among the major importers, the only clear sign of strong increase has been in Mexico, with EU has been worsening following a steady feed demand, and a less dynamic production (stable after decoupling). Egypt's and Japan's import demand appear stable, while Mexico's has been increasing since 2002.

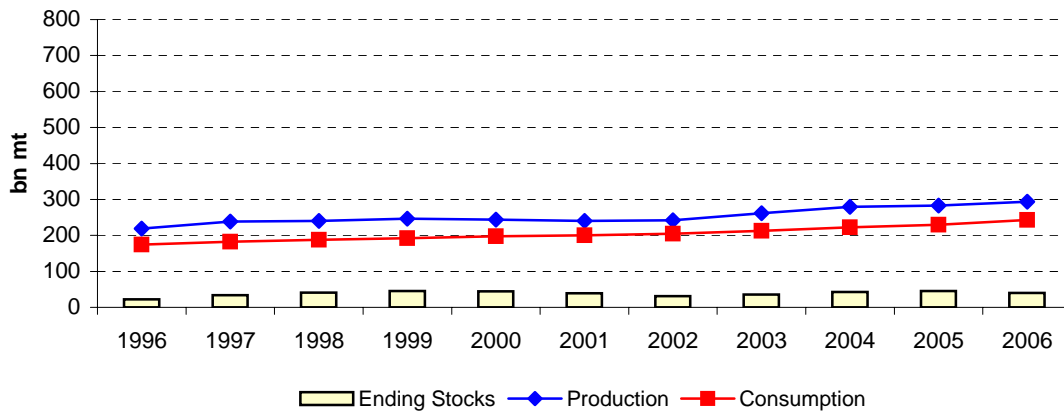
Ending stocks / Prices

- Price fluctuations in maize can be attributed to changes in ending stocks, which up to 2002 were mainly driven by supply factors. The strongest recent influence (since 2002) comes from increased consumption in the US (mainly for ethanol) and in China (mainly for feed demand), and the delayed response of production.

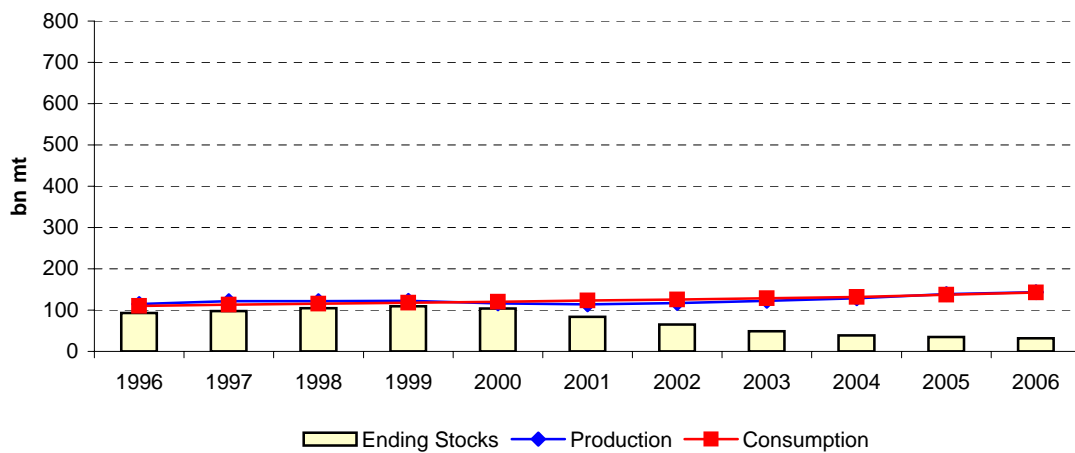
World maize - 3 year moving average 1995-2007



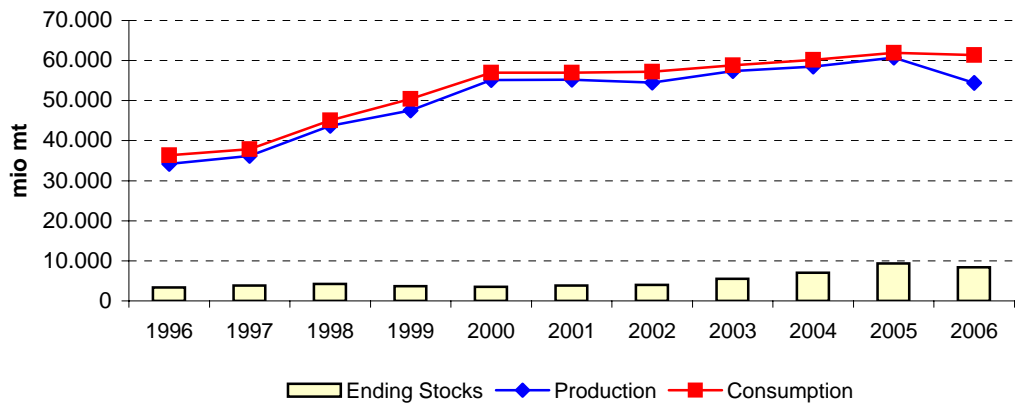
US maize - 3 year moving average 1995-2007



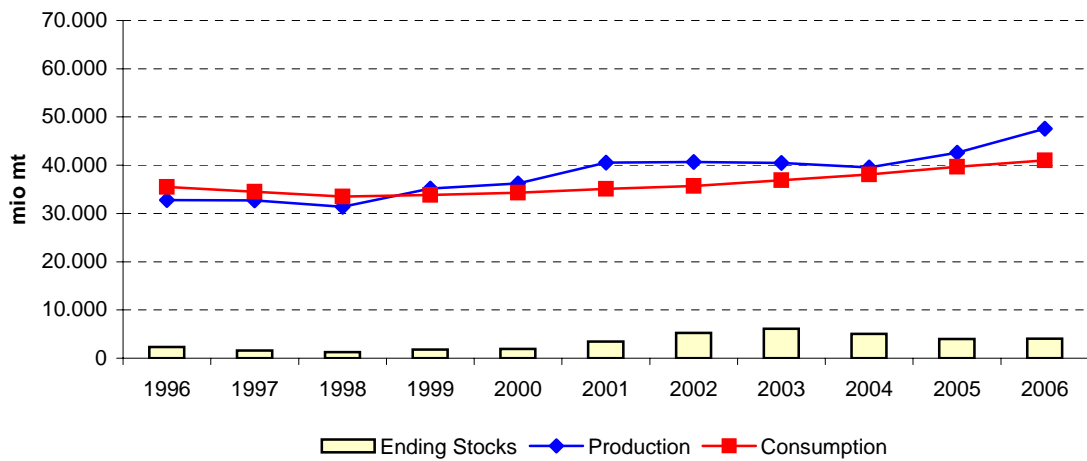
China maize - 3 year moving average 1995-2007



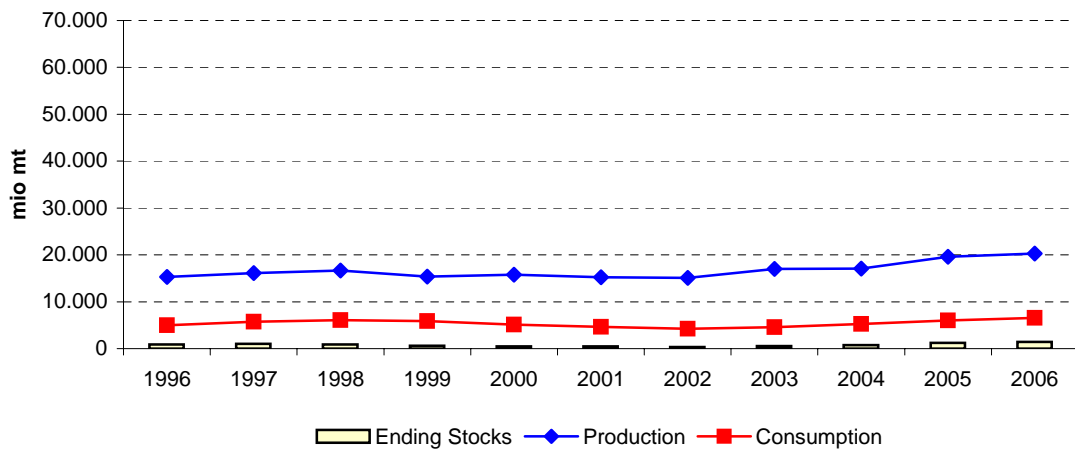
EU maize - 3 year moving average 1995-2007



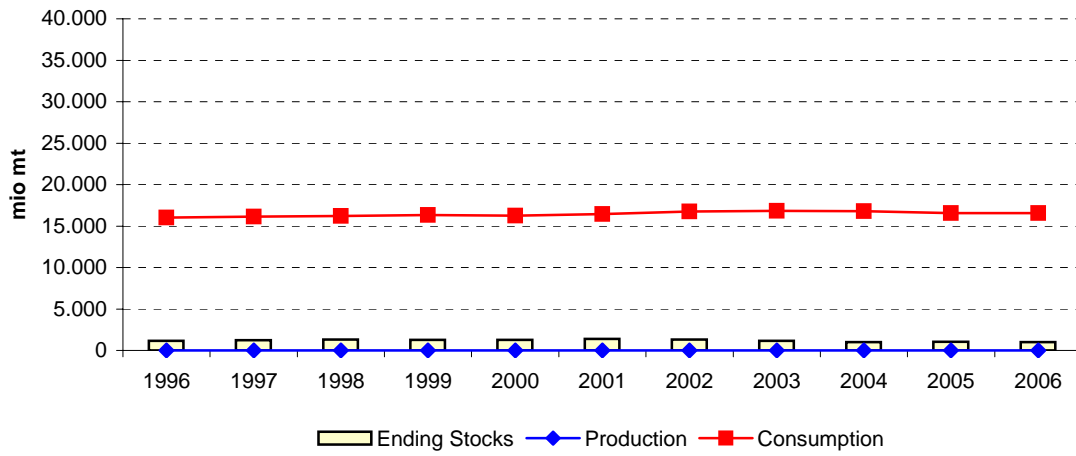
Brazil maize - 3 year moving average 1995-2007



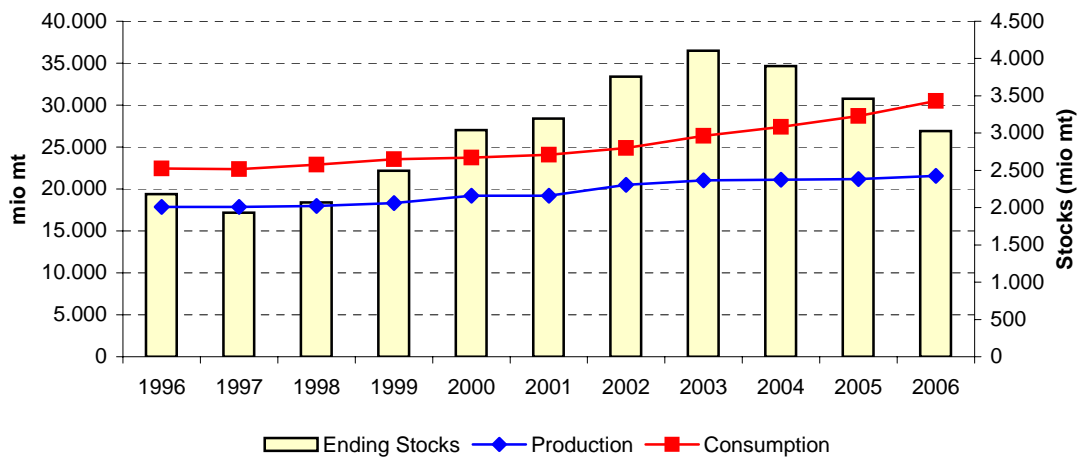
Argentina maize - 3 year moving average 1995-2007



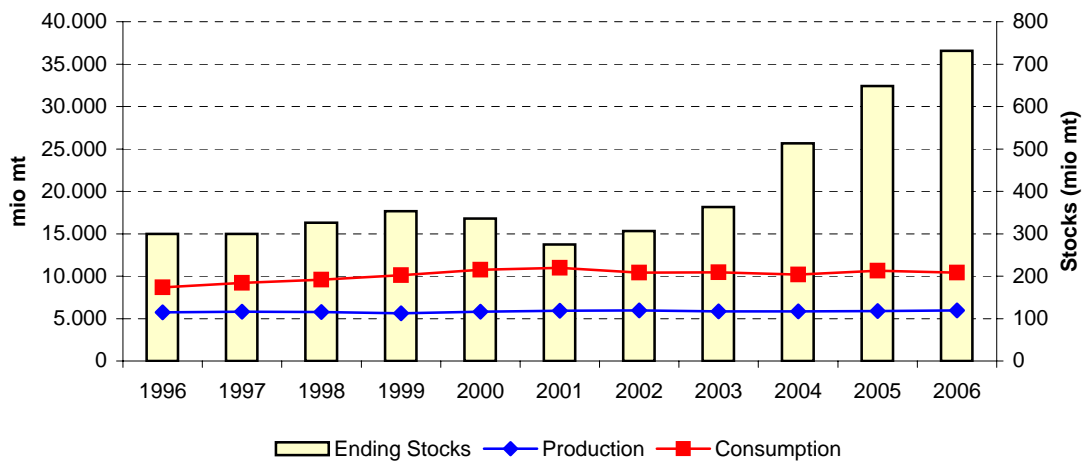
Japan maize - 3 year moving average 1995-2007



Mexico maize - 3 year moving average 1995-2007



Egypt maize - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		1995-07
World														
Area (mio Ha)	134.676	141.528	135.979	138.890	139.006	137.210	137.884	137.873	141.985	144.959	145.547	148.582	157.103	1,3%
Yield (mt/ha)	3,84	4,18	4,23	4,36	4,37	4,31	4,35	4,38	4,42	4,93	4,78	4,74	4,88	2,0%
Production (mio mt)	517.196	592.036	574.855	605.616	607.630	590.721	600.164	603.257	627.245	714.762	696.369	703.851	766.716	3,3%
Ending Stocks (mio mt)	122.483	149.412	146.464	169.555	193.578	174.321	151.007	126.214	104.578	131.359	123.699	107.333	102.715	-1,5%
Total Trade (mio mt)	64.401	62.004	57.068	61.867	72.053	73.557	70.116	71.988	74.086	73.146	74.306	84.567	89.077	2,7%
-Feed Demand (mio mt)	368.787	391.033	404.119	404.089	422.949	427.896	436.169	433.062	445.088	473.405	476.309	472.187	491.825	2,4%
-Food Demand (mio mt)	173.068	174.074	173.684	178.436	181.971	182.082	187.309	194.988	203.793	214.576	227.720	248.030	279.509	4,1%
-Other Demand (mio mt)														
Consumption (mio mt)	541.855	565.107	577.803	582.525	604.920	609.978	623.478	628.050	648.881	687.981	704.029	720.217	771.334	3,0%
Price (\$/mt)*	123,49	165,81	117,09	101,99	90,22	88,53	89,64	99,27	105,37	111,80	98,67	121,85	163,66	2,4%
European Union														
Area (mio Ha)	3.732	4.095	4.267	4.132	8.917	8.914	9.457	8.995	9.138	9.677	9.227	8.601	7.680	6,2%
Yield (mt/ha)	7,83	8,50	9,03	8,54	6,43	5,62	6,13	6,41	5,24	6,87	6,63	6,35	6,17	-2,0%
Production (mio mt)	29.224	34.794	38.522	35.295	57.329	50.079	58.012	57.660	47.905	66.471	61.158	54.652	47.369	4,1%
Ending Stocks (mio mt)	2.320	3.281	4.405	3.739	4.577	2.652	3.349	5.501	3.046	8.108	9.951	9.895	5.364	7,2%
Net Imports (mio mt)	-4.098	-2.185	-1.673	-2.617	-976	-3.104	-943	-2.068	-5.404	-1.791	-2.185	-6.392	-9.700	-7,4%
-Feed Demand (mio mt)	25.705	27.260	30.005	29.862	46.228	42.948	45.478	45.059	43.514	50.550	47.000	46.500	46.600	5,1%
-Food Demand (mio mt)	8.231	8.758	9.066	8.716	11.354	12.160	12.780	12.517	12.250	12.650	14.500	14.600	15.000	5,1%
-Other Demand (mio mt)														
Consumption (mio mt)	33.936	36.018	39.071	38.578	57.582	55.108	58.258	57.576	55.764	63.200	61.500	61.100	61.600	5,1%
United States														
Area (mio Ha)	26.390	29.398	29.409	29.376	28.525	29.316	27.830	28.057	28.710	29.798	30.399	28.590	35.022	2,4%
Yield (mt/ha)	7,12	7,98	7,95	8,44	8,40	8,59	8,67	8,12	8,93	10,06	9,29	9,36	9,48	2,4%
Production (mio mt)	187.970	234.518	233.864	247.882	239.549	251.854	241.377	227.767	256.278	299.914	282.311	267.598	332.092	4,9%
Ending Stocks (mio mt)	10.819	22.433	33.220	45.391	43.628	48.240	40.551	27.603	24.337	53.697	49.968	33.114	37.903	11,0%
Net Exports (mio mt)	56.170	45.318	37.990	49.923	48.816	49.140	48.125	39.967	47.900	45.906	53.977	53.666	61.852	0,8%
-Feed Demand (mio mt)	119.196	134.042	139.243	138.890	143.896	148.396	148.958	141.303	147.197	156.428	156.337	142.191	151.069	2,0%
-Food Demand (mio mt)														
-Other Demand (mio mt)	41.356	43.544	45.844	46.898	48.600	49.706	51.983	59.445	64.447	68.220	75.726	88.595	114.382	8,8%
Consumption (mio mt)	160.552	177.586	185.087	185.788	192.496	198.102	200.941	200.748	211.644	224.648	232.063	230.786	265.451	4,3%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Argentina														
Area (mio Ha)	2.700	3.400	3.175	2.605	3.100	2.818	2.450	2.450	2.300	2.780	2.440	2.800	3.000	0,9%
Yield (mt/ha)	4,11	4,56	6,10	5,18	5,55	5,46	6,00	6,33	6,52	7,37	6,48	8,04	7,50	5,1%
Production (mio mt)	11.100	15.500	19.360	13.500	17.200	15.400	14.700	15.500	15.000	20.500	15.800	22.500	22.500	6,1%
Ending Stocks (mio mt)	400	750	1.540	710	490	637	325	529	220	956	1.156	1.656	1.456	11,4%
Net Exports (mio mt)	7.492	10.827	12.220	7.880	11.900	9.653	10.862	11.196	10.909	14.564	9.400	15.300	16.000	6,5%
-Feed Demand (mio mt)	2.807	2.777	4.700	4.850	4.000	3.900	2.650	2.500	2.800	3.500	4.400	4.800	4.800	4,6%
-Food Demand (mio mt)	1.501	1.546	1.650	1.600	1.520	1.700	1.500	1.600	1.600	1.700	1.800	1.900	1.900	2,0%
-Other Demand (mio mt)														
Consumption (mio mt)	4.308	4.323	6.350	6.450	5.520	5.600	4.150	4.100	4.400	5.200	6.200	6.700	6.700	3,7%
China														
Area (mio Ha)	22.767	24.498	23.775	25.239	25.904	23.056	24.282	24.634	24.068	25.446	26.358	26.970	28.000	1,7%
Yield (mt/ha)	4,92	5,20	4,39	5,27	4,94	4,60	4,70	4,92	4,81	5,12	5,29	5,39	5,18	0,4%
Production (mio mt)	112.000	127.470	104.309	132.954	128.086	106.000	114.088	121.300	115.830	130.290	139.365	145.480	145.000	2,2%
Ending Stocks (mio mt)	89.640	102.293	87.716	102.092	123.799	102.372	84.788	64.973	44.852	36.555	35.255	32.482	28.582	-9,1%
Net Trade (mio mt)	-1.308	3.817	5.886	3.078	9.864	7.187	8.572	15.215	7.551	7.587	3.665	5.253	900	:
-Feed Demand (mio mt)	79.000	83.000	86.000	87.000	89.500	92.000	94.000	96.000	97.000	98.000	101.000	103.000	105.000	2,4%
-Food Demand (mio mt)	27.000	28.000	27.000	28.500	27.800	28.240	29.100	29.900	31.400	33.000	36.000	40.000	43.000	4,0%
-Other Demand (mio mt)														
Consumption (mio mt)	106.000	111.000	113.000	115.500	117.300	120.240	123.100	125.900	128.400	131.000	137.000	143.000	148.000	2,8%
Brazil														
Area (mio Ha)	13.767	13.877	11.365	12.100	12.578	12.972	11.827	12.956	12.440	11.561	12.900	14.000	14.000	0,1%
Yield (mt/ha)	2,36	2,57	2,65	2,68	2,52	3,20	3,00	3,43	3,38	3,03	3,23	3,64	3,57	3,5%
Production (mio mt)	32.480	35.700	30.100	32.393	31.641	41.536	35.501	44.500	42.000	35.000	41.700	51.000	50.000	3,7%
Ending Stocks (mio mt)	3.222	2.633	1.100	1.000	1.667	2.686	1.500	6.258	7.878	4.192	3.015	4.715	4.465	2,8%
Net Trade (mio mt)	-182	-154	-1.822	-1.122	-1.410	6.017	1.687	3.942	4.080	186	3.377	8.300	7.750	:
-Feed Demand (mio mt)	31.457	31.252	28.500	28.200	28.500	29.500	29.500	30.000	30.500	32.100	33.000	34.500	36.000	1,1%
-Food Demand (mio mt)	5.200	5.191	4.955	5.415	5.000	5.000	5.500	5.800	5.800	6.400	6.500	6.500	6.500	1,9%
-Other Demand (mio mt)														
Consumption (mio mt)	36.657	36.443	33.455	33.615	33.500	34.500	35.000	35.800	36.300	38.500	39.500	41.000	42.500	1,2%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Japan														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2	1	1	1	1	1	1	1	1	1	1	1	1	-5,6%
Ending Stocks (mio mt)	1.067	931	1.454	1.355	1.156	1.297	1.393	1.457	1.039	1.025	937	1.149	950	-1,0%
Net Imports (mio mt)	-15.976	-15.963	-16.422	-16.336	-16.117	-16.340	-16.395	-16.863	-16.781	-16.485	-16.611	-16.711	-16.300	-0,2%
-Feed Demand (mio mt)	12.350	12.000	11.800	12.100	12.150	11.900	12.000	12.300	12.200	12.000	12.000	11.900	11.800	-0,4%
-Food Demand (mio mt)	3.750	4.100	4.100	4.336	4.167	4.300	4.300	4.500	5.000	4.500	4.700	4.600	4.700	1,9%
-Other Demand (mio mt)														
Consumption (mio mt)	16.100	16.100	15.900	16.436	16.317	16.200	16.300	16.800	17.200	16.500	16.700	16.500	16.500	0,2%
Mexico														
Area (mio Ha)	7.800	8.234	7.208	7.900	7.225	7.144	7.780	7.030	7.690	7.690	6.640	7.400	7.750	-0,1%
Yield (mt/ha)	2,28	2,30	2,35	2,25	2,66	2,51	2,62	2,74	2,83	2,87	2,94	2,97	2,99	2,3%
Production (mio mt)	17.780	18.922	16.934	17.788	19.240	17.917	20.400	19.280	21.800	22.050	19.500	22.000	23.200	2,2%
Ending Stocks (mio mt)	2.600	2.450	1.500	1.850	2.856	2.773	3.485	3.327	4.461	4.529	2.707	3.151	3.226	1,8%
Net Imports (mio mt)	-6.361	-3.018	-4.118	-5.599	-4.903	-6.000	-3.912	-5.262	-5.734	-5.918	-6.578	-8.744	-10.175	-4,0%
-Feed Demand (mio mt)	8.094	7.093	7.150	7.512	8.260	8.800	8.400	9.500	11.200	12.600	12.400	14.700	17.500	6,6%
-Food Demand (mio mt)	15.097	14.997	14.852	15.525	15.400	15.200	15.200	15.200	15.200	15.300	15.500	15.600	15.800	0,4%
-Other Demand (mio mt)														
Consumption (mio mt)	23.191	22.090	22.002	23.037	23.660	24.000	23.600	24.700	26.400	27.900	27.900	30.300	33.300	3,1%
Egypt														
Area (mio Ha)	902	876	837	737	730	705	770	700	672	708	724	725	730	-1,7%
Yield (mt/ha)	5,93	6,65	7,18	7,61	7,78	7,99	8,00	8,57	8,54	8,25	8,19	8,19	8,19	2,7%
Production (mio mt)	5.353	5.825	6.010	5.605	5.678	5.636	6.160	6.000	5.740	5.840	5.932	5.940	5.980	0,9%
Ending Stocks (mio mt)	300	300	300	300	378	382	247	195	478	416	645	885	665	6,9%
Net Imports (mio mt)	-2.257	-3.201	-3.245	-3.687	-4.600	-5.268	-4.905	-4.848	-3.743	-5.398	-4.397	-4.800	-4.500	-5,9%
-Feed Demand (mio mt)	6.065	7.000	7.250	7.250	8.300	9.200	9.400	9.100	7.600	9.500	8.300	8.500	8.600	3,0%
-Food Demand (mio mt)	1.745	2.026	2.005	2.042	1.900	1.700	1.800	1.800	1.600	1.800	1.800	2.000	2.100	1,6%
-Other Demand (mio mt)														
Consumption (mio mt)	7.810	9.026	9.255	9.292	10.200	10.900	11.200	10.900	9.200	11.300	10.100	10.500	10.700	2,7%

Source:

Fapri - World Agricultural Outlook; (*) World Bank

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	137.394	138.248	142.591	152.843	137.394	138.799	137.958	138.369	138.033	137.656	139.247	141.606	144.164	146.363	150.411
Yield (mt/ha)	4,08	4,35	4,63	4,81	4,08	4,26	4,32	4,35	4,34	4,34	4,38	4,57	4,71	4,82	4,80
Production (mio mt)	561.362	601.033	660.408	735.284	561.362	590.836	596.034	601.322	599.505	598.047	610.222	648.421	679.459	704.994	722.312
Ending Stocks (mio mt)	139.453	172.115	121.463	105.024	139.453	155.144	169.866	179.151	172.969	150.514	127.266	120.717	119.879	120.797	111.249
Total Trade (mio mt)	61.158	69.398	73.382	86.822	61.158	60.313	63.663	69.159	71.909	71.887	72.063	73.073	73.846	77.340	82.650
-Feed Demand (mio mt)	387.980	422.776	456.966	482.006	387.980	399.747	410.386	418.311	429.005	432.376	438.106	450.518	464.934	473.967	480.107
-Food Demand (mio mt)	173.609	182.450	210.269	263.769	173.609	175.398	178.030	180.830	183.787	188.126	195.363	204.452	215.363	230.109	251.753
-Other Demand (mio mt)															
Consumption (mio mt)	561.588	605.225	667.235	745.775	561.588	575.145	588.416	599.141	612.792	620.502	633.470	654.971	680.297	704.076	731.860
Price (\$/mt)*	135	93	104	143	135	128	103	94	89	92	98	105	105	111	128

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	4.031	7.855	9.259	8.141	4.031	4.165	5.772	7.321	9.096	9.122	9.197	9.270	9.347	9.168	8.503
Yield (mt/ha)	8,45	6,68	6,29	6,26	8,45	8,69	8,00	6,86	6,06	6,05	5,93	6,17	6,25	6,62	6,38
Production (mio mt)	34.180	50.179	58.299	51.011	34.180	36.204	43.715	47.568	55.140	55.250	54.526	57.345	58.511	60.760	54.393
Ending Stocks (mio mt)	3.335	3.579	6.652	7.630	3.335	3.808	4.240	3.656	3.526	3.834	3.965	5.552	7.035	9.318	8.403
Net Imports (mio mt)	-2.652	-1.910	-2.862	-8.046	-2.652	-2.158	-1.755	-2.232	-1.674	-2.038	-2.805	-3.088	-3.127	-3.456	-6.092
-Feed Demand (mio mt)	27.657	41.129	46.531	46.550	27.657	29.042	35.365	39.679	44.885	44.495	44.684	46.374	47.021	48.017	46.700
-Food Demand (mio mt)	8.685	11.253	12.979	14.800	8.685	8.847	9.712	10.743	12.098	12.486	12.516	12.472	13.133	13.917	14.700
-Other Demand (mio mt)															
Consumption (mio mt)	36.342	52.382	59.510	61.350	36.342	37.889	45.077	50.423	56.983	56.981	57.199	58.847	60.155	61.933	61.400

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	28.399	28.762	29.241	31.806	28.399	29.394	29.103	29.072	28.557	28.401	28.199	28.855	29.636	29.596	31.337
Yield (mt/ha)	7,68	8,53	9,10	9,42	7,68	8,12	8,26	8,48	8,55	8,46	8,57	9,04	9,43	9,57	9,38
Production (mio mt)	218.784	245.166	266.568	299.845	218.784	238.755	240.432	246.428	244.260	240.333	241.807	261.320	279.501	283.274	294.000
Ending Stocks (mio mt)	22.157	44.453	38.901	35.509	22.157	33.681	40.746	45.753	44.140	38.798	30.830	35.212	42.667	45.593	40.328
Net Exports (mio mt)	46.493	49.001	46.938	57.759	46.493	44.410	45.576	49.293	48.694	45.744	45.331	44.591	49.261	51.183	56.498
-Feed Demand (mio mt)	130.827	145.035	150.316	146.630	130.827	137.392	140.676	143.727	147.083	146.219	145.819	148.309	153.321	151.652	149.866
-Food Demand (mio mt)															
-Other Demand (mio mt)					43.581	45.429	47.114	48.401	50.096	53.711	58.625	64.037	69.464	77.514	92.901
Consumption (mio mt)	174.408	194.332	217.276	248.118	174.408	182.820	187.790	192.129	197.180	199.930	204.444	212.347	222.785	229.166	242.767

Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	3.092	2.743	2.493	2.900	3.092	3.060	2.960	2.841	2.789	2.573	2.400	2.510	2.507	2.673	2.747
Yield (mt/ha)	4,92	5,55	6,67	7,77	4,92	5,28	5,61	5,40	5,67	5,93	6,28	6,74	6,79	7,30	7,34
Production (mio mt)	15.320	15.200	16.700	22.500	15.320	16.120	16.687	15.367	15.767	15.200	15.067	17.000	17.100	19.600	20.267
Ending Stocks (mio mt)	897	541	715	1.556	897	1.000	913	612	484	497	358	568	777	1.256	1.423
Net Exports (mio mt)	10.180	10.074	11.517	15.650	10.180	10.309	10.667	9.811	10.805	10.570	10.989	12.223	11.624	13.088	13.567
-Feed Demand (mio mt)	3.428	3.850	3.300	4.800	3.428	4.109	4.517	4.250	3.517	3.017	2.650	2.933	3.567	4.233	4.667
-Food Demand (mio mt)	1.566	1.580	1.675	1.900	1.566	1.599	1.590	1.607	1.573	1.600	1.567	1.633	1.700	1.800	1.867
-Other Demand (mio mt)															
Consumption (mio mt)	4.994	5.430	4.975	6.700	4.994	5.708	6.107	5.857	5.090	4.617	4.217	4.567	5.267	6.033	6.533

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	23.680	24.620	25.127	27.485	23.680	24.504	24.973	24.733	24.414	23.991	24.328	24.716	25.291	26.258	27.109
Yield (mt/ha)	4,84	4,88	5,04	5,29	4,84	4,95	4,87	4,94	4,75	4,74	4,81	4,95	5,07	5,27	5,29
Production (mio mt)	114.593	120.282	126.696	145.240	114.593	121.578	121.783	122.347	116.058	113.796	117.073	122.473	128.495	138.378	143.282
Ending Stocks (mio mt)	93.216	103.263	45.409	30.532	93.216	97.367	104.536	109.421	103.653	84.044	64.871	48.793	38.887	34.764	32.106
Net Trade (mio mt)	2.798	7.175	8.505	3.077	2.798	4.260	6.276	6.710	8.541	10.325	10.446	10.118	6.268	5.502	3.273
-Feed Demand (mio mt)	82.667	90.625	98.000	104.000	82.667	85.333	87.500	89.500	91.833	94.000	95.667	97.000	98.667	100.667	103.000
-Food Demand (mio mt)	27.333	28.410	32.575	41.500	27.333	27.833	27.767	28.180	28.380	29.080	30.133	31.433	33.467	36.333	39.667
-Other Demand (mio mt)															
Consumption (mio mt)	110.000	119.035	130.575	145.500	110.000	113.167	115.267	117.680	120.213	123.080	125.800	128.433	132.133	137.000	142.667

Brazil	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	13.003	12.369	12.464	14.000	13.003	12.447	12.014	12.550	12.459	12.585	12.408	12.319	12.300	12.820	13.633
Yield (mt/ha)	2,53	2,85	3,27	3,61	2,53	2,63	2,61	2,80	2,91	3,21	3,27	3,28	3,21	3,30	3,48
Production (mio mt)	32.760	35.268	40.800	50.500	32.760	32.731	31.378	35.190	36.226	40.512	40.667	40.500	39.567	42.567	47.567
Ending Stocks (mio mt)	2.318	1.713	5.336	4.590	2.318	1.578	1.256	1.784	1.951	3.481	5.212	6.109	5.028	3.974	4.065
Net Trade (mio mt)	-719	1.293	2.896	8.025	-719	-1.033	-1.451	1.162	2.098	3.882	3.236	2.736	2.548	3.954	6.476
-Feed Demand (mio mt)	30.403	28.925	31.400	35.250	30.403	29.317	28.400	28.733	29.167	29.667	30.000	30.867	31.867	33.200	34.500
-Food Demand (mio mt)	5.115	5.229	6.125	6.500	5.115	5.187	5.123	5.138	5.167	5.433	5.700	6.000	6.233	6.467	6.500
-Other Demand (mio mt)															
Consumption (mio mt)	35.518	34.154	37.525	41.750	35.518	34.504	33.523	33.872	34.333	35.100	35.700	36.867	38.100	39.667	41.000

Japan	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Ending Stocks (mio mt)	1.151	1.300	1.115	1.050	1.151	1.247	1.322	1.269	1.282	1.382	1.296	1.174	1.000	1.037	1.012	
Net Imports (mio mt)	-16.120	-16.297	-16.685	-16.506	-16.120	-16.240	-16.292	-16.264	-16.284	-16.533	-16.680	-16.710	-16.626	-16.602	-16.541	
-Feed Demand (mio mt)	12.050	12.038	12.125	11.850	12.050	11.967	12.017	12.050	12.017	12.067	12.167	12.167	12.067	11.967	11.900	
-Food Demand (mio mt)	3.983	4.276	4.675	4.650	3.983	4.179	4.201	4.268	4.256	4.367	4.600	4.667	4.733	4.600	4.667	
-Other Demand (mio mt)																
Consumption (mio mt)	16.033	16.313	16.800	16.500	16.033	16.145	16.218	16.318	16.272	16.433	16.767	16.833	16.800	16.567	16.567	

Mexico	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	7.747	7.512	7.263	7.575	7.747	7.781	7.444	7.423	7.383	7.318	7.500	7.470	7.340	7.243	7.263	
Yield (mt/ha)	2,31	2,51	2,85	2,98	2,31	2,30	2,42	2,47	2,60	2,62	2,73	2,81	2,88	2,93	2,97	
Production (mio mt)	17.879	18.836	20.658	22.600	17.879	17.881	17.987	18.315	19.186	19.199	20.493	21.043	21.117	21.183	21.567	
Ending Stocks (mio mt)	2.183	2.741	3.756	3.189	2.183	1.933	2.069	2.493	3.038	3.195	3.758	4.106	3.899	3.462	3.028	
Net Imports (mio mt)	-4.499	-5.104	-5.873	-9.460	-4.499	-4.245	-4.873	-5.501	-4.938	-5.058	-4.969	-5.638	-6.077	-7.080	-8.499	
-Feed Demand (mio mt)	7.446	8.243	11.425	16.100	7.446	7.252	7.641	8.191	8.487	8.900	9.700	11.100	12.067	13.233	14.867	
-Food Demand (mio mt)	14.982	15.331	15.300	15.700	14.982	15.125	15.259	15.375	15.267	15.200	15.200	15.233	15.333	15.467	15.633	
-Other Demand (mio mt)																
Consumption (mio mt)	22.428	23.574	26.725	31.800	22.428	22.376	22.900	23.566	23.753	24.100	24.900	26.333	27.400	28.700	30.500	

Egypt	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	872	736	701	728	872	817	768	724	735	725	714	693	701	719	726	
Yield (mt/ha)	6,59	7,84	8,39	8,19	6,59	7,15	7,52	7,79	7,92	8,19	8,37	8,45	8,33	8,21	8,19	
Production (mio mt)	5.729	5.770	5.878	5.960	5.729	5.813	5.764	5.640	5.825	5.932	5.967	5.860	5.837	5.904	5.951	
Ending Stocks (mio mt)	300	327	434	775	300	300	326	353	336	275	307	363	513	649	732	
Net Imports (mio mt)	-2.901	-4.615	-4.597	-4.650	-2.901	-3.378	-3.844	-4.518	-4.924	-5.007	-4.499	-4.663	-4.513	-4.865	-4.566	
-Feed Demand (mio mt)	6.772	8.538	8.625	8.550	6.772	7.167	7.600	8.250	8.967	9.233	8.700	8.733	8.467	8.767	8.467	
-Food Demand (mio mt)	1.925	1.861	1.750	2.050	1.925	2.024	1.982	1.881	1.800	1.767	1.733	1.733	1.733	1.867	1.967	
-Other Demand (mio mt)																
Consumption (mio mt)	8.697	10.398	10.375	10.600	8.697	9.191	9.582	10.131	10.767	11.000	10.433	10.467	10.200	10.633	10.433	

Source:

Fapri - World Agricultural Outlook; (*) World Bank

THE CAUSES OF THE FOOD PRICE CRISIS: PALM OIL

SUMMARY OF WORLD PALM OIL MARKET DEVELOPMENTS

World production and consumption of palm oil have increased at similar, high paces over the 1995-2007 period, and there has been no recent market shock explaining the price hike. Population and economic growth has been strong in the main consuming countries (China, Indonesia, India). The Chinese and Indian consumption has grown remarkably over the period. Production has increased in all main producing countries (Indonesia, Malaysia, India), the strongest increase has been in Indonesia.

Stocks have been varying over the period, mostly decreasing with higher prices. The production response in palm oil has a 5-year delay. Current extremely high price levels are thus difficult to explain by palm oil market developments, and seem to be affected more by the overall commodity price boom.

MAIN WORLD MARKET TRENDS

Production

- World production has been increasing at a high rate (7.9% annual average) over the last 12 years. Indonesia stands out, the annual increase of production has been 11.7%, the highest growth recorded both in absolute and relative terms. Indonesia is now the biggest palm oil producer in the world, Malaysia being second.

Consumption

- World consumption grew at a similar annual pace (8.1%). The biggest growth was registered in China and India (14.7% and 13% respectively). China is the leading consuming country followed by Indonesia and India. Indonesian consumption only increased by 4.4%. In the EU consumption has increased by 6.7% over the period.

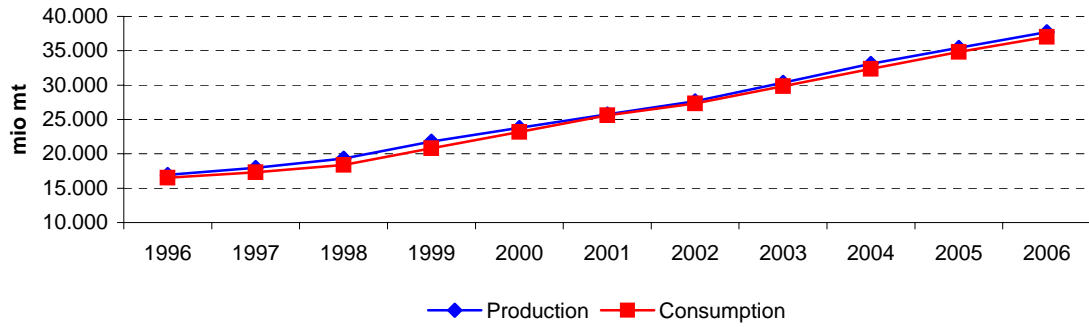
Trade

- Given the strong production increase in Indonesia, concurrent with the slower than average consumption growth, it is not surprising that Indonesian palm oil exports have shown the strongest growth. On average, Indonesian exports have grown by 17.1% annually over the period. Malaysian exports have grown by 5.5% annually. The EU and Chinese annual import growth reflects the consumption pattern since no production takes place in China or EU. India has shown a strong import growth (12.8% annually).

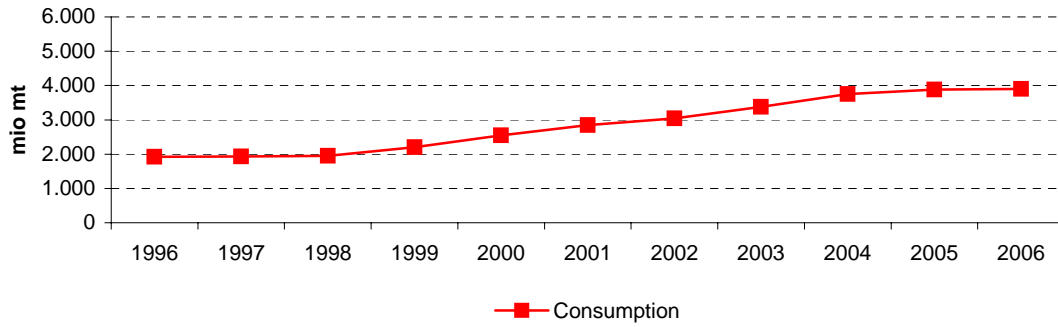
Ending stocks / Prices

- The highest price recorded over the period was last year, when prices increased from 480 to 780 \$/mt. On average, prices have grown by 1.8% annually over the period. Stocks have decreased as a response to price hikes, however note that the current production comes from existing forests, palm oil has a 5-year cultivation period.

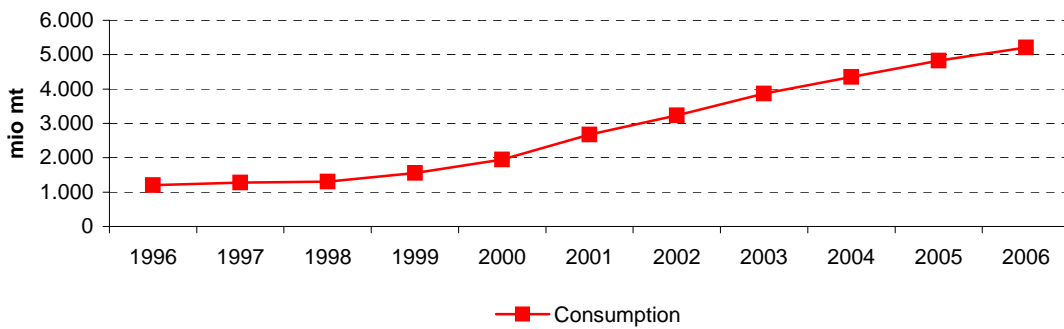
World palm oil - 3 year moving average 1995-2007



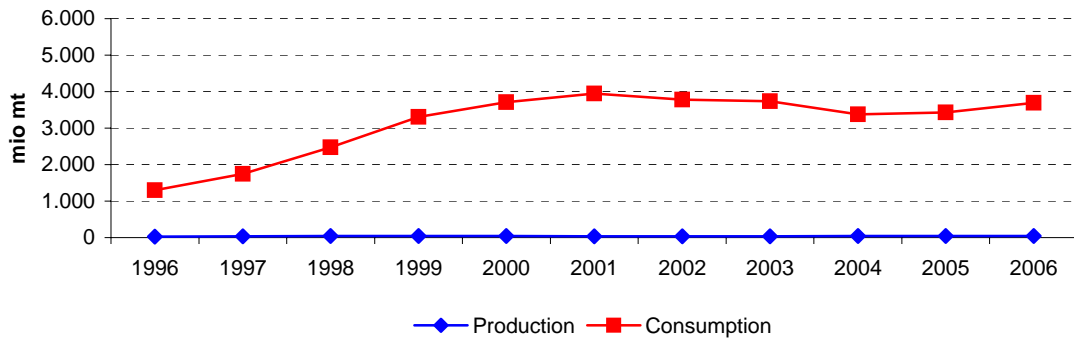
EU palm oil - 3 year moving average 1995-2007



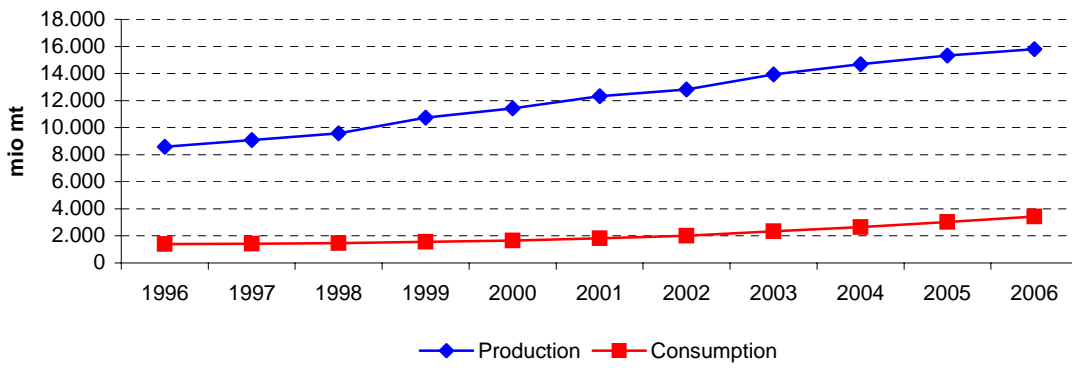
China palm oil - 3 year moving average 1995-2007



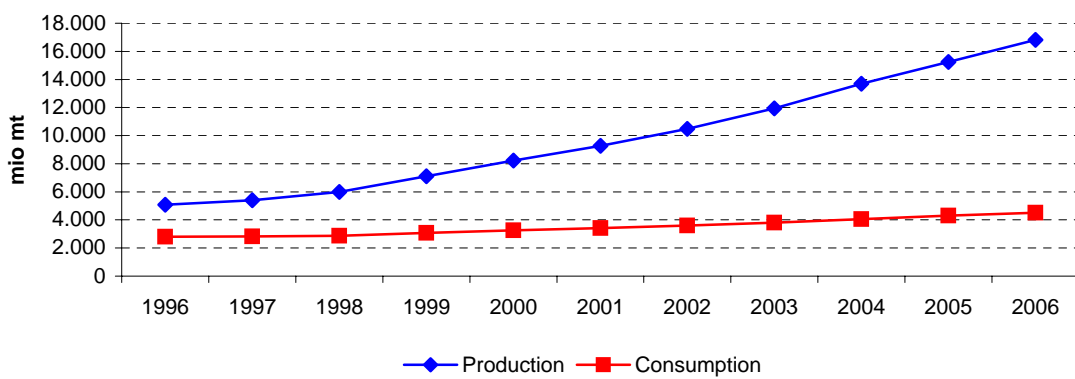
India palm oil - 3 year moving average 1995-2007



Malaysia palm oil - 3 year moving average 1995-2007



Indonesia palm oil - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
World													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	16.207	17.644	16.973	19.251	21.778	24.301	25.322	27.641	30.001	33.400	35.942	37.017	40.197
Ending Stocks (mio mt)													
Ending Stocks/consumption (%)													
Total Trade (mio mt)	8.682	9.816	9.657	10.864	12.635	15.187	16.145	17.817	18.674	21.908	23.719	24.346	26.285
Consumption (mio mt)	15.434	17.317	16.859	17.803	20.513	24.110	24.969	27.710	29.290	32.496	35.348	36.607	39.159
Price (\$/mt)	628,00	530,92	545,88	671,08	436,00	310,25	285,67	390,25	443,25	471,33	422,08	478,35	780,25
European Union													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks (mio mt)	135	161	166	175	136	177	188	221	198	200	200	200	200
Ending Stocks/consumption (%)	7,4%	8,3%	8,4%	9,3%	6,8%	6,5%	6,5%	7,6%	6,0%	5,1%	5,0%	5,4%	5,0%
Net Import (mio mt)	-1.828	-1.967	-1.991	-1.887	-2.004	-2.779	-2.919	-2.938	-3.283	-3.917	-4.022	-3.695	-3.995
Consumption (mio mt)	1.826	1.941	1.986	1.878	2.000	2.738	2.908	2.905	3.306	3.915	4.022	3.695	3.995
China													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Import (mio mt)	-1.063	-1.250	-1.300	-1.275	-1.351	-2.028	-2.470	-3.525	-3.710	-4.363	-4.975	-5.139	5.500
Consumption (mio mt)	1.063	1.250	1.300	1.275	1.351	2.028	2.470	3.525	3.710	4.363	4.975	5.139	5.500

	High prices			Low prices				High prices				Very high prices	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
India													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	20	25	30	40	50	40	35	35	40	40	40	50	50
Ending Stocks (mio mt)	50	60	20	650	500	440	350	124	50	208	20	100	50
Ending Stocks/consumption (%)	5,2%	4,6%	1,3%	28,1%	14,3%	10,7%	9,9%	2,9%	1,4%	6,1%	0,6%	2,7%	1,2%
Net Import (mio mt)	-970	-1.300	-1.530	-2.900	-3.300	-4.000	-3.400	-3.954	-3.484	-3.524	-2.897	-3.799	-4.095
Consumption (mio mt)	970	1.315	1.600	2.310	3.500	4.100	3.525	4.215	3.598	3.406	3.125	3.769	4.195
Price (\$/mt)													
Malaysia													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	8.264	9.005	8.508	9.758	10.491	11.937	11.858	13.180	13.420	15.194	15.485	15.290	16.600
Ending Stocks (mio mt)	894	907	719	1.208	1.368	1.216	1.158	955	1.318	1.527	1.941	1.301	1.251
Ending Stocks/consumption (%)	65,3%	62,2%	52,6%	82,8%	87,4%	72,6%	66,5%	46,0%	59,0%	56,8%	63,9%	39,1%	31,7%
Net Export (mio mt)	6.646	7.534	7.330	7.810	8.765	10.414	10.174	11.309	10.823	12.296	12.034	12.600	12.700
Consumption (mio mt)	1.370	1.458	1.366	1.459	1.566	1.675	1.742	2.074	2.234	2.689	3.037	3.330	3.950
Indonesia													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	4.850	5.385	5.000	5.800	7.200	8.300	9.200	10.300	11.970	13.560	15.560	16.600	18.300
Ending Stocks (mio mt)	143	236	249	202	391	655	503	780	1.120	1.053	567	881	991
Ending Stocks/consumption (%)	5,2%	7,8%	9,4%	7,2%	12,4%	20,1%	14,9%	21,6%	29,6%	26,2%	13,0%	19,4%	21,5%
Net Export (mio mt)	2.036	2.282	2.327	3.054	3.870	4.773	5.971	6.417	7.851	9.612	11.685	11.746	13.585
Consumption (mio mt)	2.745	3.010	2.660	2.793	3.141	3.263	3.381	3.606	3.779	4.015	4.361	4.540	4.605

Source:

Fapri - World Agricultural Outlook (*) World Bank

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World															
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	16.941	22.663	31.746	38.607	16.941	17.956	19.334	21.777	23.800	25.755	27.655	30.347	33.114	35.453	37.719
Ending Stocks (mio mt)															
Ending Stocks/consumption (%)															
Total Trade (mio mt)	9.385	13.708	20.530	25.316	9.385	10.112	11.052	12.895	14.656	16.383	17.545	19.466	21.434	23.324	24.783
Consumption (mio mt)	16.537	21.849	31.211	37.883	16.537	17.326	18.392	20.809	23.197	25.596	27.323	29.832	32.378	34.817	37.038
Price (\$/mt)	568	426	432	629	568	583	551	472	344	329	373	435	446	457	560
European Union															
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks (mio mt)	154	169	205	200	154	167	159	163	167	195	202	206	199	200	200
Ending Stocks/consumption (%)	8,0%	7,3%	5,9%	5,2%	8,0%	8,7%	8,2%	7,5%	6,6%	6,8%	6,7%	6,2%	5,4%	5,2%	5,1%
Net Import (mio mt)	-1.929	-2.397	-3.540	-3.845	-1.929	-1.948	-1.961	-2.223	-2.567	-2.879	-3.047	-3.379	-3.741	-3.878	-3.904
Consumption (mio mt)	1.918	2.381	3.537	3.845	1.918	1.935	1.955	2.205	2.549	2.850	3.040	3.375	3.748	3.877	3.904
China															
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Import (mio mt)	-1.204	-1.781	-4.143	181	-1.204	-1.275	-1.309	-1.551	-1.950	-2.674	-3.235	-3.866	-4.349	-4.826	-1.538
Consumption (mio mt)	1.204	1.781	4.143	5.320	1.204	1.275	1.309	1.551	1.950	2.674	3.235	3.866	4.349	4.826	5.205

India	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	25	41	39	50	25	32	40	43	42	37	37	38	40	43	47
Ending Stocks (mio mt)	43	485	101	75	43	243	390	530	430	305	175	127	93	109	57
Ending Stocks/consumption (%)	3,7%	15,8%	2,8%	1,9%	3,7%	11,3%	14,6%	17,7%	11,6%	7,9%	4,8%	3,5%	2,7%	3,1%	1,5%
Net Import (mio mt)	-1.267	-3.400	-3.465	-3.947	-1.267	-1.910	-2.577	-3.400	-3.567	-3.785	-3.613	-3.654	-3.302	-3.407	-3.597
Consumption (mio mt)	1.295	3.359	3.586	3.982	1.295	1.742	2.470	3.303	3.708	3.947	3.779	3.740	3.376	3.433	3.696
Price (\$/mt)															
Malaysia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	8.592	11.011	14.320	15.945	8.592	9.090	9.586	10.729	11.429	12.325	12.819	13.931	14.700	15.323	15.792
Ending Stocks (mio mt)	840	1.238	1.435	1.276	840	945	1.098	1.264	1.247	1.110	1.144	1.267	1.595	1.590	1.498
Ending Stocks/consumption (%)	60,0%	77,3%	56,4%	35,4%	60,0%	65,9%	74,3%	80,9%	75,5%	61,7%	57,2%	53,9%	59,9%	53,3%	44,9%
Net Export (mio mt)	7.170	9.291	11.616	12.650	7.170	7.558	7.968	8.996	9.784	10.632	10.769	11.476	11.718	12.310	12.445
Consumption (mio mt)	1.398	1.611	2.509	3.640	1.398	1.428	1.464	1.567	1.661	1.830	2.017	2.332	2.653	3.019	3.439
Price (\$/mt)															
Indonesia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	5.078	7.625	12.848	17.450	5.078	5.395	6.000	7.100	8.233	9.267	10.490	11.943	13.697	15.240	16.820
Ending Stocks (mio mt)	209	438	880	936	209	229	281	416	516	646	801	984	913	834	813
Ending Stocks/consumption (%)	7,5%	13,7%	22,6%	20,5%	7,5%	8,1%	9,7%	13,3%	15,8%	18,9%	22,0%	25,8%	23,0%	19,5%	18,0%
Net Export (mio mt)	2.215	4.417	8.891	12.666	2.215	2.554	3.084	3.899	4.871	5.720	6.746	7.960	9.716	11.014	12.339
Consumption (mio mt)	2.805	3.145	3.940	4.573	2.805	2.821	2.865	3.066	3.262	3.417	3.589	3.800	4.052	4.305	4.502
Price (\$/mt)															

Source:

Fapri - World Agricultural Outlook (*) World Bank

THE CAUSES OF THE FOOD PRICE CRISIS: RAPESEED

SUMMARY OF WORLD RAPESEED MARKET DEVELOPMENTS

An acceleration of world consumption occurs since 2002, mainly driven by the increased use of rapeseed in the EU both for feed and other uses. The subsequent price increase led to a strong supply response in Canada and the EU, but to a not so strong decrease of stocks at world level. Trade has been affected, with EU's import demand increasing and Canada even exporting more rapeseed.

MAIN WORLD MARKET TRENDS

Production

- Rapeseed production in the EU has been expanding at a strong pace over the whole period (6.8% annually), although with a relative slow down from 1999 to 2004. Yield variability is at the basis of such trend. The expansion in Canada is less accentuated but follows a similar trend. To note the increase in production registered during the last two year in both countries.

Consumption

- A consistent expansion of consumption in the EU is lead by both for human (+7.5%) and feed demand (6.9%), since other uses remain almost unchanged over the whole period. On the contrary, rapeseed demand for "other" uses has been increasing at a faster pace in Canada (4%) with respect to feed and food (both around 2%).

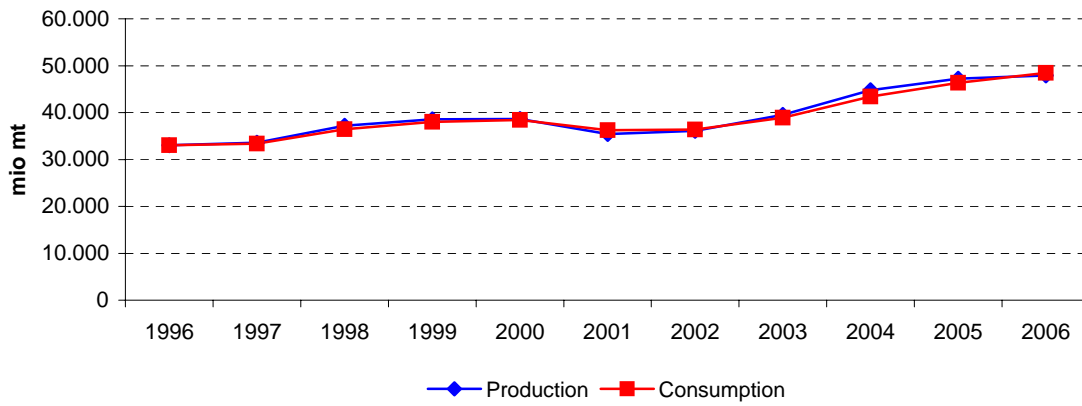
Trade

- Consumption of rapeseed is the leading variable in the EU thus net trade has been changing depending on production. During the last 4 years the EU's balance switched to a deficit position. Diversely, Canada has been consolidating its nett exporter position over time.

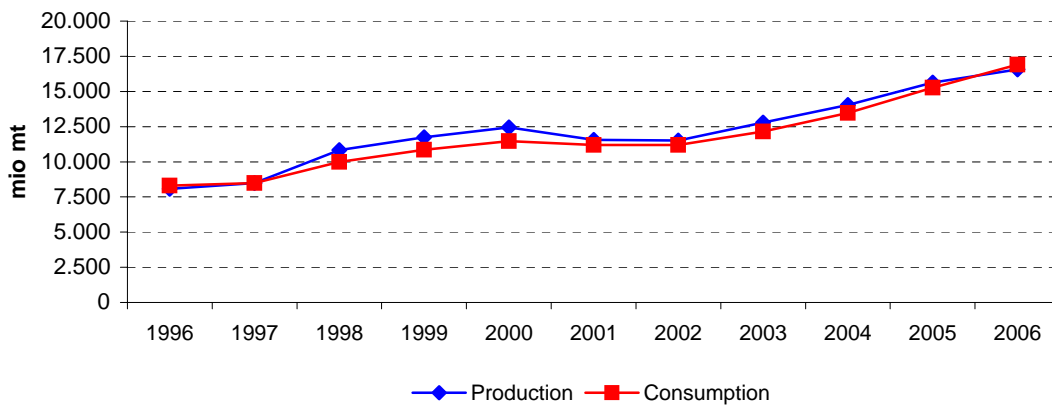
Ending stocks / Prices

- Rapeseed prices have been increasing since 2002, following a shrink in production but the continued to grow even after the recovery of supply. The strongest influence comes from increased consumption in EU, both for feed demand and food demand.

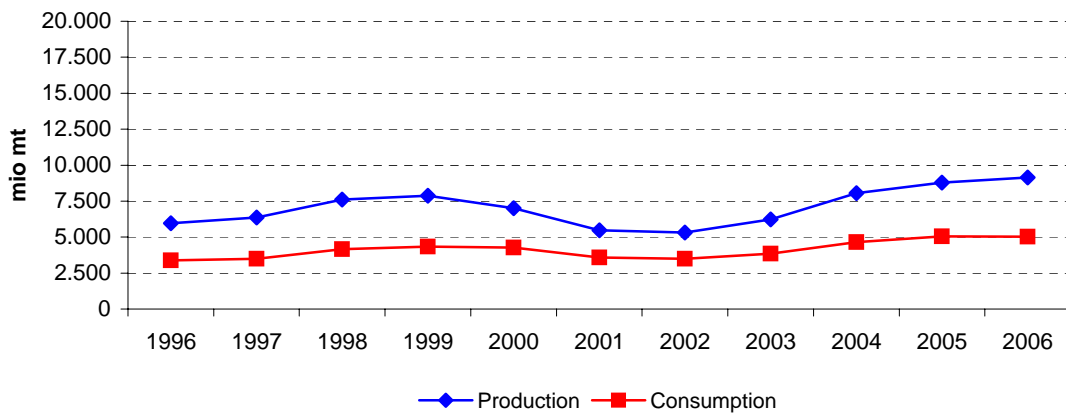
World rapeseed- 3 year moving average 1995-2007



EU rapeseed- 3 year moving average 1995-2007



Canada rapeseed - 3 year moving average 1995-2007



World	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)	24.341	22.069	23.710	25.612	26.754	24.686	23.287	21.731	25.471	26.786	27.445	27.154	28.457	1,3%
Yield (mt/ha)														
Production (mio mt)	34.435	31.531	33.234	35.885	42.481	37.325	36.010	32.913	39.428	46.158	48.738	46.781	48.285	2,9%
Ending Stocks (mio mt)	1.681	2.047	1.081	2.241	4.251	2.693	2.778	1.828	1.859	4.499	5.937	4.396	2.860	4,5%
Ending Stocks/consumption (%)	5,0%	6,6%	3,2%	6,5%	10,5%	6,9%	7,7%	5,4%	4,7%	10,3%	12,6%	9,1%	5,7%	1,2%
Total Trade (mio mt)	3.724	2.614	3.499	5.644	7.859	6.214	4.424	3.626	4.868	4.676	6.350	6.349	7.234	5,7%
Crush into meal (mio mt)	18.468	17.531	18.838	19.114	22.065	21.128	19.944	18.804	21.758	24.152	26.228	26.794	27.588	3,4%
Crush into oil (mio mt)	11.128	10.525	11.425	11.807	13.964	13.310	13.055	12.247	14.167	15.769	17.144	17.663	18.274	4,2%
Other use (mio mt)	4.159	3.109	3.937	3.804	4.435	4.445	2.926	2.812	3.472	3.597	3.928	3.865	3.959	-0,4%
Consumption (mio mt)	33.755	31.165	34.200	34.725	40.464	38.883	35.925	33.863	39.397	43.518	47.300	48.322	49.821	3,3%
Price (\$/mt)	298,00	284,00	296,00	227,00	190,00	202,00	220,00	285,00	317,00	262,00	292,00	375,00	579,23	5,7%

European Union	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)	2.822	2.651	2.810	3.131	4.979	4.124	4.159	4.270	4.198	4.572	4.845	5.355	6.476	7,2%
Yield (mt/ha)	2,93	2,76	3,07	3,04	2,88	2,76	2,79	2,75	2,66	3,38	3,20	2,98	2,81	-0,4%
Production (mio mt)	8.271	7.330	8.636	9.517	14.361	11.364	11.585	11.752	11.185	15.432	15.525	15.962	18.179	6,8%
Ending Stocks (mio mt)	335	169	92	240	448	485	633	334	278	1.691	2.044	1.685	1.281	11,8%
Ending Stocks/consumption (%)	3,8%	2,2%	1,1%	2,6%	3,7%	4,3%	5,7%	3,0%	2,5%	12,2%	13,4%	10,1%	6,8%	4,9%
Net Import (mio mt)	-610	-27	34	133	2.170	39	377	811	-52	129	-79	-357	-180	-9,7%
Crush into meal (mio mt)	4.607	4.007	4.750	5.107	6.474	6.175	6.007	6.067	6.016	7.441	8.216	9.033	10.270	6,9%
Crush into oil (mio mt)	3.132	2.737	3.240	3.471	4.482	4.256	4.305	4.363	4.349	5.375	5.955	6.540	7.425	7,5%
Other use (mio mt)	989	779	689	658	1.097	857	748	810	928	1.074	1.080	1.105	1.068	0,6%
Consumption (mio mt)	8.728	7.523	8.679	9.236	12.053	11.288	11.060	11.240	11.293	13.890	15.251	16.678	18.763	6,6%

Canada	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)	5.273	3.451	4.880	5.429	5.564	4.816	3.785	3.262	4.689	4.938	5.283	5.240	5.910	1,0%
Yield (mt/ha)	1,22	1,47	1,31	1,41	1,58	1,50	1,33	1,28	1,44	1,57	1,83	1,72	1,48	1,6%
Production (mio mt)	6.436	5.062	6.392	7.643	8.798	7.205	5.017	4.178	6.771	7.728	9.660	9.000	8.750	2,6%
Ending Stocks (mio mt)	990	500	361	655	2.157	1.237	1.200	852	570	1.525	2.007	1.820	953	-0,3%
Ending Stocks/consumption (%)	29,8%	15,9%	9,7%	18,0%	42,0%	29,2%	34,6%	28,0%	14,4%	33,5%	37,1%	34,9%	21,4%	-2,7%
Net Export (mio mt)	2.711	2.416	2.823	3.720	3.778	4.612	2.447	2.181	3.520	3.385	5.271	5.305	5.640	6,3%
Crush into meal (mio mt)	1.569	1.546	1.745	1.748	1.701	1.708	1.297	1.250	1.935	1.730	1.950	1.945	2.015	2,1%
Crush into oil (mio mt)	1.154	1.136	1.288	1.292	1.253	1.260	955	920	1.425	1.273	1.430	1.430	1.475	2,1%
Other use (mio mt)	601	454	675	589	2.186	2.263	1.220	872	600	1.552	2.028	1.840	963	4,0%
Consumption (mio mt)	3.324	3.136	3.708	3.629	5.140	4.231	3.472	3.042	3.960	4.555	5.408	5.215	4.453	2,5%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	23.373	25.085	25.358	27.806	23.373	23.797	25.359	25.684	24.909	23.235	23.496	24.663	26.567	27.128	27.685	
Yield (mt/ha)																
Production (mio mt)	33.067	37.925	41.809	47.533	33.067	33.550	37.200	38.564	38.605	35.416	36.117	39.500	44.775	47.226	47.935	
Ending Stocks (mio mt)	1.603	2.991	3.531	3.628	1.603	1.790	2.524	3.062	3.241	2.433	2.155	2.729	4.098	4.944	4.398	
Ending Stocks/consumption (%)	4,9%	7,9%	8,3%	7,4%	4,9%	5,4%	6,7%	8,0%	8,4%	6,7%	5,9%	6,8%	9,2%	10,7%	9,1%	
Total Trade (mio mt)	3.279	6.035	4.880	6.792	3.279	3.919	5.667	6.572	6.166	4.755	4.306	4.390	5.298	5.792	6.644	
Crush into meal (mio mt)	18.279	20.563	22.736	27.191	18.279	18.494	20.006	20.769	21.046	19.959	20.169	21.571	24.046	25.725	26.870	
Crush into oil (mio mt)	11.026	13.034	14.832	17.969	11.026	11.252	12.399	13.027	13.443	12.871	13.156	14.061	15.693	16.859	17.694	
Other use (mio mt)	3.735	3.903	3.452	3.912	3.735	3.617	4.059	4.228	3.935	3.394	3.070	3.294	3.666	3.797	3.917	
Consumption (mio mt)	33.040	37.499	41.020	49.072	33.040	33.363	36.463	38.024	38.424	36.224	36.395	38.926	43.405	46.380	48.481	
Price (\$/mt)	292,67	209,75	289,00	477,12	292,67	276,25	237,67	206,33	204,00	235,67	274,00	288,00	290,33	309,67	415,41	

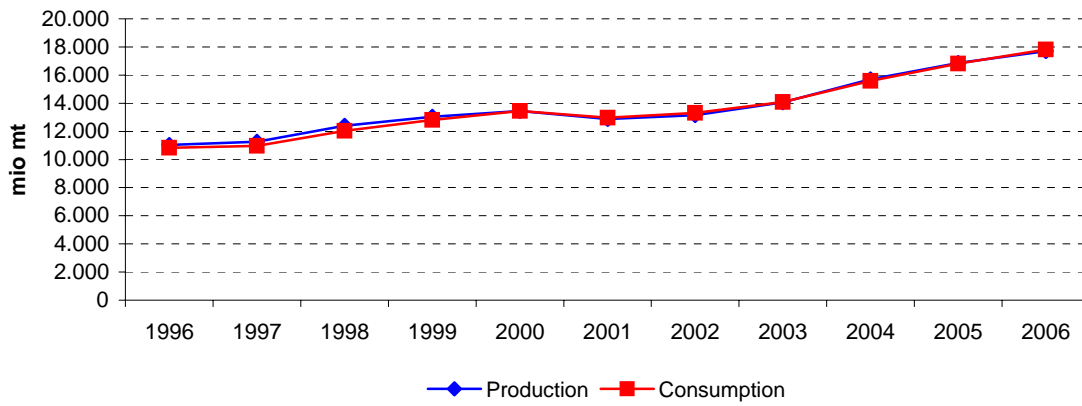
European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	2.761	4.098	4.471	5.916	2.761	2.864	3.640	4.078	4.421	4.184	4.209	4.347	4.538	4.924	5.559	
Yield (mt/ha)	2,92	2,87	3,00	2,89	2,92	2,96	3,00	2,89	2,81	2,76	2,73	2,93	3,08	3,19	3,00	
Production (mio mt)	8.079	11.707	13.474	17.071	8.079	8.494	10.838	11.747	12.437	11.567	11.507	12.790	14.047	15.640	16.555	
Ending Stocks (mio mt)	199	452	1.087	1.483	199	167	260	391	522	484	415	768	1.338	1.807	1.670	
Ending Stocks/consumption (%)	2,4%	4,1%	7,8%	8,5%	2,4%	2,0%	2,5%	3,5%	4,6%	4,3%	3,7%	5,9%	9,3%	11,9%	10,1%	
Net Import (mio mt)	-201	680	202	-269	-201	47	779	781	862	409	379	296	-1	-102	-205	
Crush into meal (mio mt)	4.455	5.941	6.935	9.652	4.455	4.621	5.444	5.919	6.219	6.083	6.030	6.508	7.224	8.230	9.173	
Crush into oil (mio mt)	3.036	4.129	5.011	6.983	3.036	3.149	3.731	4.070	4.348	4.308	4.339	4.696	5.226	5.957	6.640	
Other use (mio mt)	819	840	973	1.087	819	709	815	871	901	805	829	937	1.027	1.086	1.084	
Consumption (mio mt)	8.310	10.909	12.919	17.721	8.310	8.479	9.989	10.859	11.467	11.196	11.198	12.141	13.478	15.273	16.897	

Canada	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	4.535	4.899	4.543	5.575	4.535	4.587	5.291	5.270	4.722	3.954	3.912	4.296	4.970	5.154	5.478	
Yield (mt/ha)	1,33	1,45	1,53	1,60	1,33	1,39	1,43	1,50	1,47	1,37	1,35	1,43	1,61	1,70	1,68	
Production (mio mt)	5.963	7.166	7.084	8.875	5.963	6.366	7.611	7.882	7.007	5.467	5.322	6.226	8.053	8.796	9.137	
Ending Stocks (mio mt)	617	1.312	1.239	1.387	617	505	1.058	1.350	1.531	1.096	874	982	1.367	1.784	1.593	
Ending Stocks/consumption (%)	18,5%	31,0%	28,2%	28,2%	18,5%	14,6%	23,2%	29,8%	35,3%	30,6%	25,7%	25,3%	28,3%	35,2%	31,1%	
Net Export (mio mt)	2.650	3.639	3.589	5.473	2.650	2.986	3.440	4.037	3.612	3.080	2.716	3.029	4.059	4.654	5.405	
Crush into meal (mio mt)	1.620	1.614	1.716	1.980	1.620	1.680	1.731	1.719	1.569	1.418	1.494	1.638	1.872	1.875	1.970	
Crush into oil (mio mt)	1.193	1.190	1.262	1.453	1.193	1.239	1.278	1.268	1.156	1.045	1.100	1.206	1.376	1.378	1.445	
Other use (mio mt)	577	1.315	1.263	1.402	577	573	1.150	1.346	1.556	1.118	897	1.008	1.393	1.807	1.610	
Consumption (mio mt)	3.389	4.118	4.241	4.834	3.389	3.491	4.159	4.333	4.281	3.582	3.491	3.852	4.641	5.059	5.025	

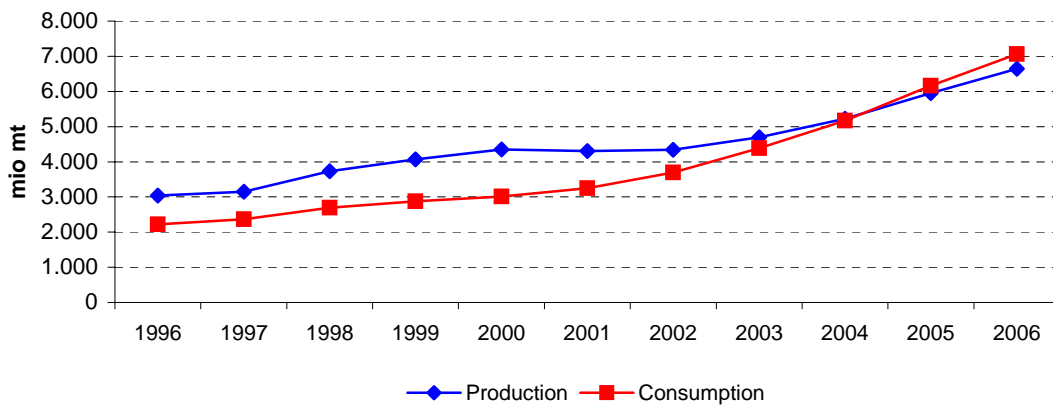
Source:

Fapri - World Agricultural Outlook

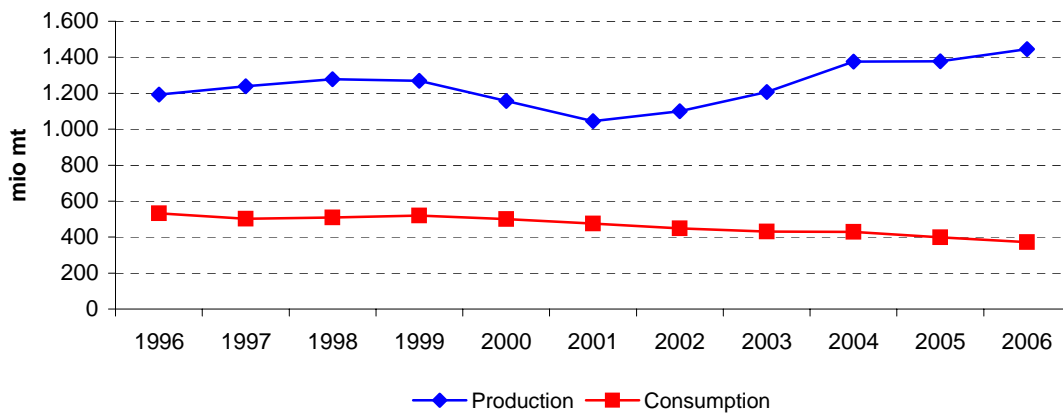
World rapeseed oil - 3 year moving average 1995-2007



EU rapeseed oil - 3 year moving average 1995-2007



Canada rapeseed oil - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	11.128	10.525	11.425	11.807	13.964	13.310	13.055	12.247	14.167	15.769	17.144	17.663	18.274	4,2%
Ending Stocks (mio mt)	450	390	446	488	699	793	700	589	455	511	555	427	388	-1,2%
Ending Stocks/consumption (%)	4,1%	3,7%	4,0%	4,3%	5,1%	5,9%	5,3%	4,8%	3,2%	3,3%	3,3%	2,4%	2,1%	-5,5%
Total Trade (mio mt)	1.440	1.259	1.652	1.703	2	2	2	2	2	2	3	3	3	-40,6%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	10.970	10.507	11.030	11.390	13.717	13.354	13.240	12.339	14.332	15.599	16.825	18.050	18.571	4,5%
Price (\$/mt)	566,00	539,00	637,00	482,00	359,00	372,00	451,00	588,00	670,00	660,00	770,00	852,00	1482,97	8,4%
European Union														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	3.132	2.737	3.240	3.471	4.482	4.256	4.305	4.363	4.349	5.375	5.955	6.540	7.425	7,5%
Ending Stocks (mio mt)	238	166	213	207	257	348	320	317	156	204	192	186	190	-1,9%
Ending Stocks/consumption (%)	11,2%	7,6%	9,0%	8,1%	8,2%	11,9%	10,8%	8,2%	3,7%	4,0%	3,1%	2,6%	2,4%	-11,9%
Net Import (mio mt)	922	631	821	916	709	209	275	243	104	70	-231	-690	-540	:
<i>Food Use (mio mt)</i>	<i>1.606</i>	<i>1.660</i>	<i>1.860</i>	<i>2.114</i>	<i>3.136</i>	<i>2.915</i>	<i>2.967</i>	<i>2.873</i>	<i>2.616</i>	<i>2.653</i>	<i>2.073</i>	<i>2.136</i>	<i>3.016</i>	<i>5,4%</i>
<i>Biodiesel Use (mio mt)</i>	<i>512</i>	<i>512</i>	<i>505</i>	<i>440</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>967</i>	<i>1.632</i>	<i>2.393</i>	<i>4.120</i>	<i>5.095</i>	<i>4.743</i>	<i>20,4%</i>
<i>Other Use (mio mt)</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>7</i>	<i>4</i>	<i>17</i>	<i>7</i>	<i>3</i>	<i>7</i>	<i>6</i>	<i>5</i>	<i>5</i>	<i>5</i>	<i>0,0%</i>
Consumption (mio mt)	2.123	2.178	2.372	2.561	3.140	2.932	2.974	3.843	4.255	5.052	6.198	7.236	7.764	11,4%
Canada														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.154	1.136	1.288	1.292	1.253	1.260	955	920	1.425	1.273	1.430	1.430	1.475	2,1%
Ending Stocks (mio mt)	29	35	20	28	103	163	133	120	166	108	64	17	12	-7,1%
Ending Stocks/consumption (%)	4,6%	7,2%	4,1%	5,3%	20,3%	31,5%	27,8%	27,8%	38,2%	25,4%	15,1%	4,9%	3,5%	-2,3%
Net Export (mio mt)	516	643	818	751	671	683	506	502	944	906	1.049	1.129	1.135	6,8%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	627	487	485	533	507	517	479	431	435	425	425	348	345	-4,9%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	11.026	13.034	14.832	17.969	11.026	11.252	12.399	13.027	13.443	12.871	13.156	14.061	15.693	16.859	17.694	
Ending Stocks (mio mt)	429	670	528	408	429	441	544	660	731	694	581	518	507	498	457	
Ending Stocks/consumption (%)	4,0%	5,2%	3,6%	2,2%	4,0%	4,0%	4,5%	5,1%	5,4%	5,3%	4,4%	3,7%	3,2%	3,0%	2,6%	
Total Trade (mio mt)	1.450	427	2	3	1.450	1.538	1.119	569	2	2	2	2	2	3	3	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other Use (mio mt)																
Consumption (mio mt)	10.836	12.925	14.774	18.311	10.836	10.976	12.046	12.820	13.437	12.978	13.304	14.090	15.585	16.825	17.815	
Price (\$/mt)	581	416	672	1.167	581	553	493	404	394	470	570	639	700	761	1.035	

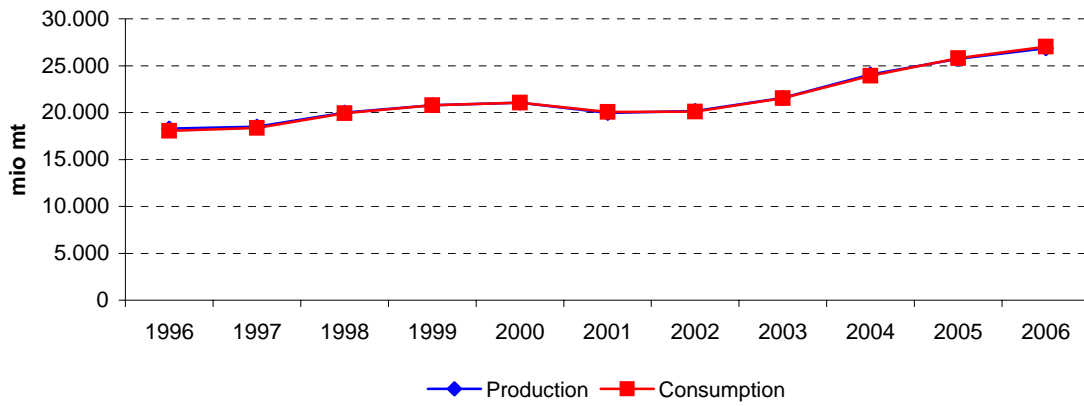
European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	3.036	4.129	5.011	6.983	3.036	3.149	3.731	4.070	4.348	4.308	4.339	4.696	5.226	5.957	6.640	
Ending Stocks (mio mt)	206	283	217	188	206	195	226	271	308	328	264	226	184	194	189	
Ending Stocks/consumption (%)	9,3%	9,7%	4,8%	2,5%	9,3%	8,2%	8,4%	9,4%	10,3%	10,3%	7,6%	5,3%	3,6%	3,2%	2,7%	
Net Import (mio mt)	791	527	47	-615	791	789	815	611	398	242	207	139	-19	-284	-487	
Food Use (mio mt)	1.709	2.783	2.554	2.576	1.709	1.878	2.370	2.722	3.006	2.918	2.819	2.714	2.447	2.287	2.408	
Biodiesel Use (mio mt)	510	110	2.278	4.919	510	486	315	147	0	322	866	1.664	2.715	3.869	4.653	
Other Use (mio mt)	6	9	5	5	6	7	6	9	9	9	6	5	6	5	5	
Consumption (mio mt)	2.224	2.902	4.837	7.500	2.224	2.370	2.691	2.878	3.015	3.250	3.691	4.383	5.168	6.162	7.066	

Canada	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	1.193	1.190	1.262	1.453	1.193	1.239	1.278	1.268	1.156	1.045	1.100	1.206	1.376	1.378	1.445	
Ending Stocks (mio mt)	28	107	115	15	28	28	50	98	133	139	140	131	113	63	31	
Ending Stocks/consumption (%)	5,3%	21,2%	26,6%	4,2%	5,3%	5,5%	9,9%	19,0%	26,5%	29,0%	31,3%	30,5%	26,2%	15,1%	7,8%	
Net Export (mio mt)	659	653	850	1.132	659	737	747	702	620	564	651	784	966	1.028	1.104	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other Use (mio mt)																
Consumption (mio mt)	533	509	429	347	533	502	508	519	501	476	448	430	428	399	373	

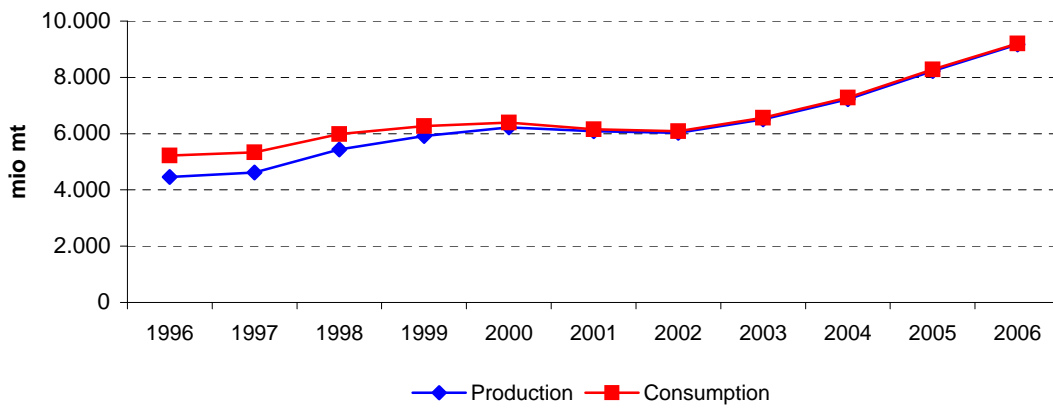
Source:

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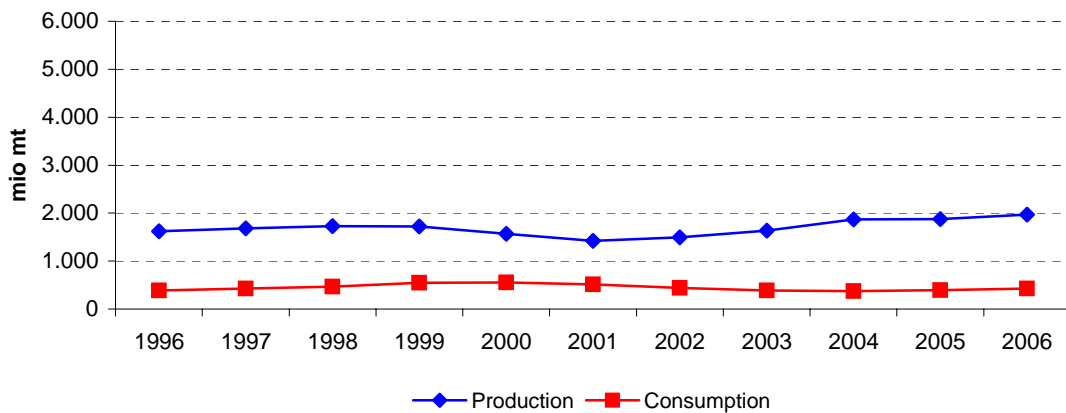
World rapeseed meal - 3 year moving average 1995-2007



EU rapeseed meal - 3 year moving average 1995-2007



Canada rapeseed meal - 3 year moving average 1995-2007



World	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	18.468	17.531	18.838	19.114	22.065	21.128	19.944	18.804	21.758	24.152	26.228	26.794	27.588	3,4%
Ending Stocks (mio mt)	582	510	442	367	384	289	303	279	636	585	664	309	303	-5,3%
Ending Stocks/consumption (%)	3,2%	3,0%	2,4%	1,9%	1,7%	1,4%	1,5%	1,5%	3,0%	2,4%	2,5%	1,1%	1,1%	-8,6%
Total Trade (mio mt)	2.865	2.865	2.828	2.173	2.205	1.885	1.484	1.596	2.317	2.091	2.213	2.558	2.506	-1,1%
Food Use (mio mt)														
Industrial Use (mio mt)														
Other Use (mio mt)														
Consumption (mio mt)	18.139	17.265	18.742	19.121	21.963	21.308	19.953	18.939	21.435	24.259	26.108	27.076	27.913	3,7%
Price (\$/mt)	180,00	175,00	139,00	105,00	124,00	141,00	129,00	139,00	178,00	131,00	129,00	184,00	286,57	4,0%

European Union	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	4.607	4.007	4.750	5.107	6.474	6.175	6.007	6.067	6.016	7.441	8.216	9.033	10.270	6,9%
Ending Stocks (mio mt)	169	92	99	131	217	152	163	137	108	96	86	84	100	-4,3%
Ending Stocks/consumption (%)	3,2%	1,9%	1,8%	2,3%	3,2%	2,4%	2,7%	2,2%	1,8%	1,3%	1,0%	0,9%	1,0%	-9,4%
Net Export (mio mt)	-781	-830	-704	-582	-450	-77	-43	-15	-59	-41	-35	-42	-20	-26,3%
Food Use (mio mt)														
Industrial Use (mio mt)														
Other Use (mio mt)														
Consumption (mio mt)	5.291	4.914	5.447	5.657	6.838	6.317	6.039	6.108	6.104	7.494	8.261	9.077	10.274	5,7%

Canada	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.569	1.546	1.745	1.748	1.701	1.708	1.297	1.250	1.935	1.730	1.950	1.945	2.015	2,1%
Ending Stocks (mio mt)	33	40	17	30	25	15	21	21	14	2	41	33	23	-3,0%
Ending Stocks/consumption (%)	9,2%	8,8%	4,8%	6,2%	4,4%	2,6%	4,2%	4,6%	3,8%	0,6%	9,7%	7,7%	5,4%	-4,4%
Net Export (mio mt)	1.203	1.082	1.415	1.254	1.134	1.132	796	793	1.570	1.412	1.487	1.524	1.596	2,4%
Food Use (mio mt)														
Industrial Use (mio mt)														
Other Use (mio mt)														
Consumption (mio mt)	358	457	353	481	572	586	495	457	372	330	424	429	429	1,5%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	18.279	20.563	22.736	27.191	18.279	18.494	20.006	20.769	21.046	19.959	20.169	21.571	24.046	25.725	26.870
Ending Stocks (mio mt)	511	336	541	306	511	440	398	347	325	290	406	500	628	519	425
Ending Stocks/consumption (%)	2,8%	1,6%	2,3%	1,1%	2,8%	2,4%	2,0%	1,7%	1,5%	1,4%	2,0%	2,3%	2,6%	2,0%	1,6%
Total Trade (mio mt)	2.853	1.937	2.054	2.532	2.853	2.622	2.402	2.088	1.858	1.655	1.799	2.001	2.207	2.287	2.426
<i>Food Use (mio mt)</i>															
<i>Industrial Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	18.049	20.586	22.685	27.495	18.049	18.376	19.942	20.797	21.075	20.067	20.109	21.544	23.934	25.814	27.032
Price (\$/mt)	165	125	144	235	165	140	123	123	131	136	149	149	146	148	200

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	4.455	5.941	6.935	9.652	4.455	4.621	5.444	5.919	6.219	6.083	6.030	6.508	7.224	8.230	9.173
Ending Stocks (mio mt)	120	166	107	92	120	107	149	167	177	151	136	114	97	89	90
Ending Stocks/consumption (%)	2,3%	2,6%	1,6%	0,9%	2,3%	2,0%	2,4%	2,6%	2,8%	2,4%	2,2%	1,8%	1,4%	1,1%	1,0%
Net Export (mio mt)	-772	-288	-38	-31	-772	-705	-579	-370	-190	-45	-39	-38	-45	-39	-32
<i>Food Use (mio mt)</i>															
<i>Industrial Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	5.217	6.213	6.992	9.676	5.217	5.339	5.981	6.271	6.398	6.155	6.084	6.569	7.286	8.277	9.204

Canada	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	1.620	1.614	1.716	1.980	1.620	1.680	1.731	1.719	1.569	1.418	1.494	1.638	1.872	1.875	1.970
Ending Stocks (mio mt)	30	23	20	28	30	29	24	23	20	19	19	12	19	25	32
Ending Stocks/consumption (%)	7,6%	4,4%	4,7%	6,5%	7,6%	6,6%	5,1%	4,4%	3,7%	3,8%	4,2%	3,0%	4,7%	6,0%	7,6%
Net Export (mio mt)	1.233	1.079	1.316	1.560	1.233	1.250	1.268	1.173	1.021	907	1.053	1.258	1.490	1.474	1.536
<i>Food Use (mio mt)</i>															
<i>Industrial Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	389	534	396	429	389	430	469	546	551	513	441	386	375	394	427

Source:

Fapri - World Agricultural Outlook

THE CAUSES OF THE FOOD PRICE CRISIS: RICE

SUMMARY OF WORLD RICE MARKET DEVELOPMENTS

World production and consumption of rice increased at a similar, slow pace during the 1995-07 period, and there has been no recent market shock explaining the price hike. Population and economic growth remain strong in the main consuming countries, but while consumption is growing in some (Vietnam, Philippines, India), but declining in others (China, Thailand).

The significant supply shock in the rice market, due to the poor harvests in India (2002) and China (2003) has had an impact then in the level of stocks by 2004, but stocks have remained stable at these lower levels during the last 4 years. Production has also recovered to meet consumption growth. Current extremely high levels are thus difficult to explain by rice market developments, and seem to be affected more by the overall commodity price boom and export bans that accentuate price variability in a very thin market (only 7% of rice is traded).

MAIN WORLD MARKET TRENDS

Production

- World production has been increasing at a slow annual path (1%) during the last 12 years, mainly through growth in yields, since the cultivated area has remained almost unchanged. Despite the severe supply shock in India and China (2002 and 2003, respectively), production has since fully recovered, but growth in yields has been slowing down during the last years in most of the producing countries.

Consumption

- Consumption grew at a similar annual pace (1%) with production, but shows signs of a slow down in growth in more recent years. The biggest growth, both in absolute and relative terms, were registered in Vietnam, Philippines and India. Unlike what is often thought, rice consumption in China has been declining! Among developed countries, rice consumption has been increasing both in the EU and the US, but at a lower pace.

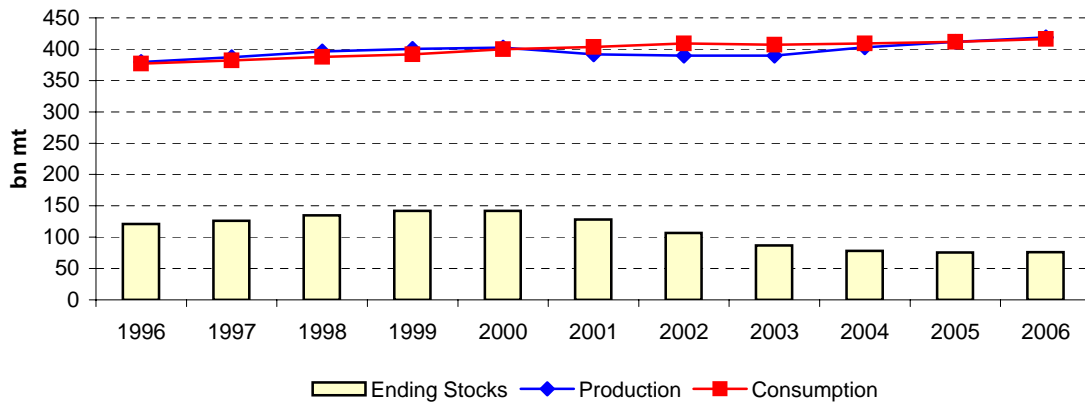
Trade

- Among the main players, Thailand, Vietnam and India have kept stable their exportable surplus, while the deficit in the Philippines has slightly increased. In China, net trade surplus has been reduced to minimal levels.

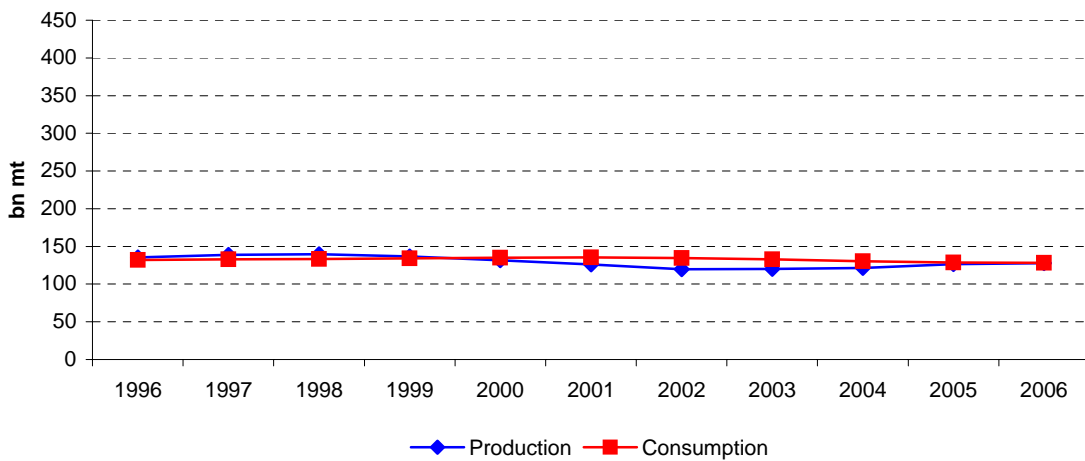
Ending stocks / Prices

- Prices have been increasing constantly and consistently since 2002 onwards due to imbalance between production and consumption. Most producing countries used their stocks to respond to the 2002/03 supply shock. Since then, however, stocks have stabilised, making it difficult to link the price spike in 2007/08 to market developments.

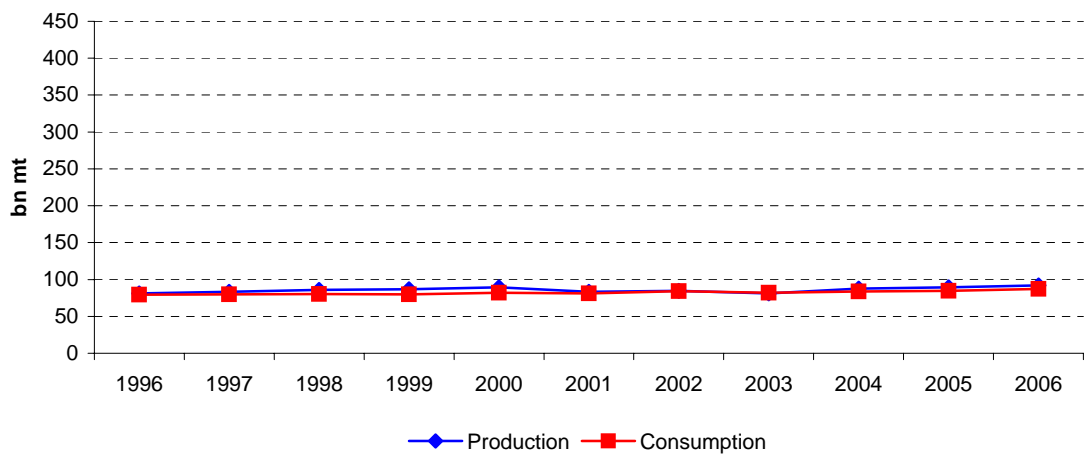
World rice - 3 year moving average 1995-2007



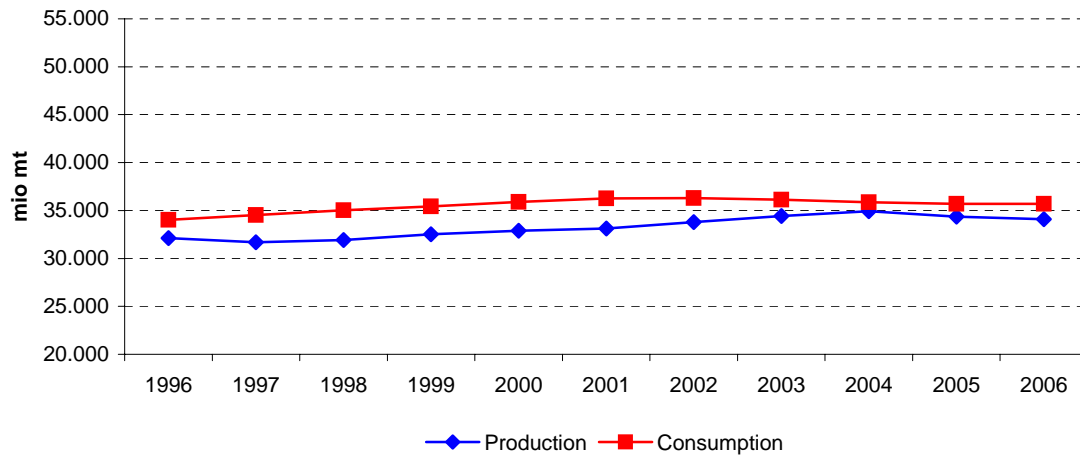
China rice - 3 year moving average 1995-2007



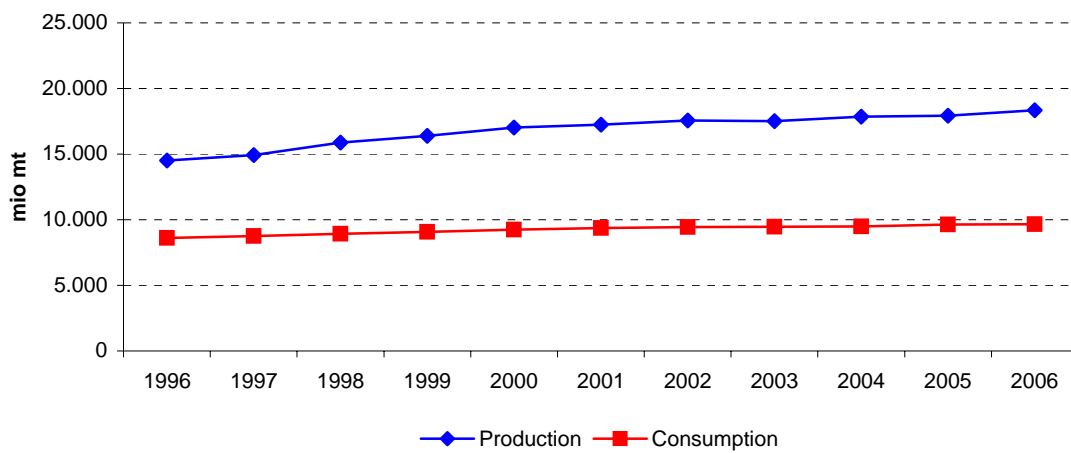
India rice - 3 year moving average 1995-2007



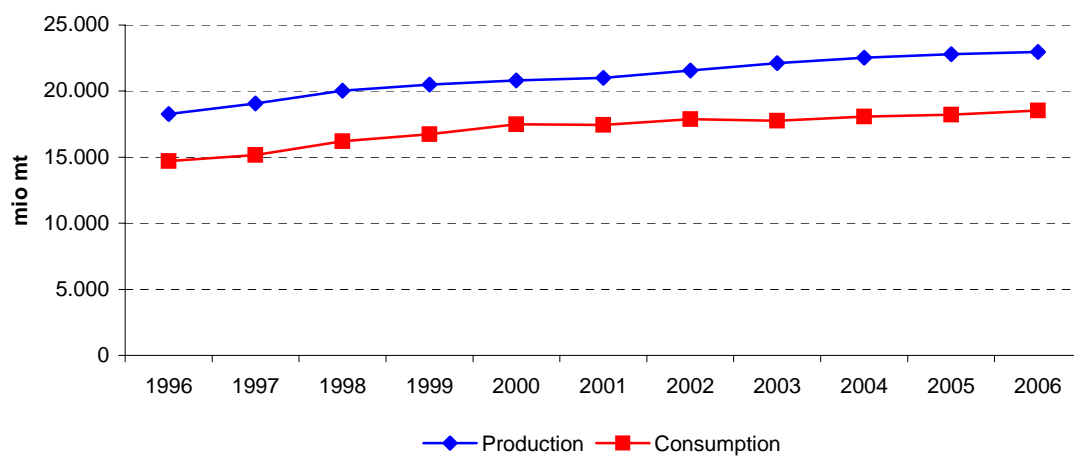
Indonesia rice - 3 year moving average 1995-2007



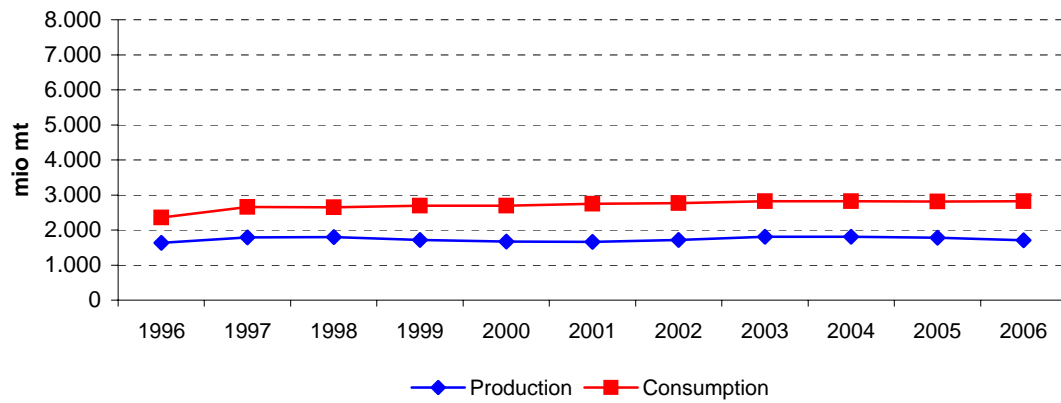
Thailand rice - 3 year moving average 1995-2007



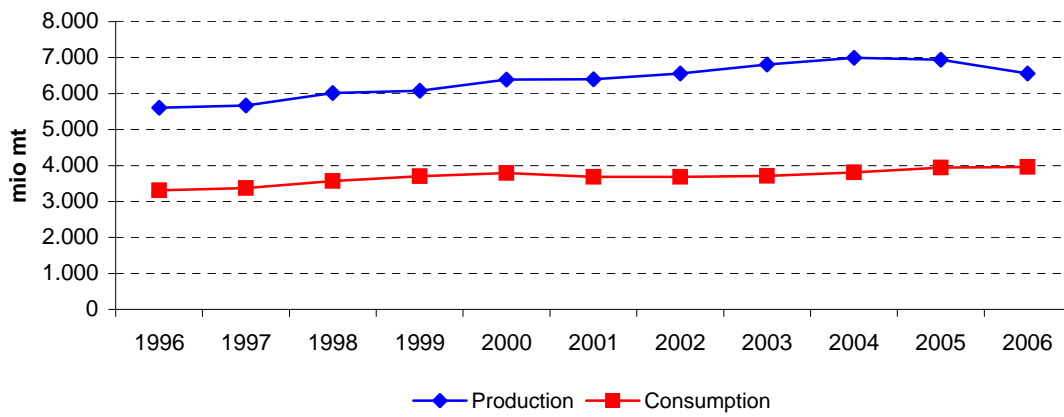
Vietnam rice - 3 year moving average 1995-2007



EU rice - 3 year moving average 1995-2007



US rice - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Area (mio Ha)	148.100	149.700	151.300	152.300	155.247	151.677	150.622	145.906	148.220	150.514	152.571	152.935	153.627	0,3%
Yield (mt/ha)	2,51	2,54	2,56	2,59	2,63	2,63	2,65	2,59	2,64	2,66	2,74	2,73	2,74	0,7%
Production (mio mt)	371.400	380.200	386.800	394.100	408.788	398.807	399.336	377.787	391.507	400.432	417.596	417.640	420.618	1,0%
Ending Stocks (mio mt)	117.800	119.000	126.300	133.000	145.093	147.335	133.619	103.866	82.388	74.730	76.871	75.565	76.549	-3,5%
Total Trade (mio mt)	19.700	18.900	27.700	24.900	22.837	24.117	26.882	28.660	27.354	28.459	30.159	29.249	28.729	3,2%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	372.000	379.000	379.500	387.400	395.512	392.753	412.164	405.079	410.367	405.212	411.425	417.864	419.634	1,0%
-Other Demand (mio mt)														
Consumption (mio mt)	372.000	379.000	379.500	387.400	395.512	392.753	412.164	405.079	410.367	405.212	411.425	417.864	419.634	1,0%
Price (\$/mt)*	320,83	338,90	303,51	304,19	248,42	202,40	172,84	191,87	197,62	237,67	286,27	304,88	326,43	0,1%
European Union**														
Area (mio Ha)	378	431	429	413	402	404	401	401	410	426	416	400	391	0,3%
Yield (mt/ha)	3,48	4,08	4,28	4,31	4,42	3,95	4,11	4,38	4,29	4,49	4,23	4,19	4,31	1,8%
Production (mio mt)	1.315	1.761	1.838	1.779	1.775	1.595	1.646	1.756	1.760	1.912	1.760	1.677	1.686	2,1%
Ending Stocks (mio mt)	492	447	644	805	877	887	882	976	986	1.154	1.076	874	714	3,1%
Net Imports (mio mt)	-604	-884	-986	-1.042	-968	-1.153	-1.028	-1.177	-1.037	-1.099	-994	-881	-1.016	4,4%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	1.748	2.690	2.626	2.661	2.671	2.738	2.679	2.838	2.787	2.843	2.832	2.761	2.862	4,2%
-Other Demand (mio mt)														
Consumption (mio mt)	1.748	2.690	2.626	2.661	2.671	2.738	2.679	2.838	2.787	2.843	2.832	2.761	2.862	4,2%
United States														
Area (mio Ha)	1.252	1.135	1.256	1.318	1.421	1.230	1.341	1.298	1.213	1.346	1.361	1.142	1.112	-1,0%
Yield (mt/ha)	4,50	4,80	4,58	4,40	4,58	4,83	5,01	5,04	5,29	5,54	5,23	5,46	5,68	2,0%
Production (mio mt)	5.628	5.453	5.750	5.798	6.502	5.941	6.714	6.536	6.420	7.462	7.113	6.239	6.314	1,0%
Ending Stocks (mio mt)	810	866	877	694	867	887	1.216	829	761	1.211	1.370	1.266	768	-0,4%
Net Exports (mio mt)	2.449	2.154	2.461	2.394	2.483	2.245	2.535	3.389	2.832	3.077	3.116	2.289	2.829	1,2%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	3.420	3.243	3.278	3.587	3.846	3.676	3.850	3.534	3.656	3.935	3.838	4.054	3.975	1,3%
-Other Demand (mio mt)														
Consumption (mio mt)	3.420	3.243	3.278	3.587	3.846	3.676	3.850	3.534	3.656	3.935	3.838	4.054	3.975	1,3%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Thailand														
Area (mio Ha)	9.032	9.267	9.937	9.900	9.970	9.891	10.125	10.158	10.315	9.995	10.220	10.270	10.360	1,1%
Yield (mt/ha)	1,59	1,47	1,56	1,57	1,65	1,72	1,73	1,69	1,75	1,74	1,78	1,78	1,80	1,0%
Production (mio mt)	14.388	13.662	15.510	15.589	16.500	17.057	17.499	17.198	18.011	17.360	18.200	18.250	18.600	2,2%
Ending Stocks (mio mt)	850	706	1.049	1.060	1.961	2.247	3.116	3.302	1.706	2.312	3.594	2.479	3.490	12,5%
Net Exports (mio mt)	5.281	5.216	6.367	6.678	6.549	7.521	7.230	7.552	10.137	7.274	7.374	9.495	8.031	3,6%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	8.443	8.590	8.800	8.900	9.050	9.250	9.400	9.460	9.470	9.480	9.544	9.870	9.558	1,0%
-Other Demand (mio mt)														
Consumption (mio mt)	8.443	8.590	8.800	8.900	9.050	9.250	9.400	9.460	9.470	9.480	9.544	9.870	9.558	1,0%
Vietnam														
Area (mio Ha)	7.124	7.040	7.377	7.575	7.660	7.493	7.471	7.463	7.468	7.450	7.314	7.211	7.250	0,1%
Yield (mt/ha)	2,48	2,56	2,59	2,65	2,73	2,73	2,82	2,88	2,96	3,05	3,11	3,17	3,21	2,2%
Production (mio mt)	17.683	18.003	19.094	20.108	20.926	20.473	21.036	21.527	22.082	22.716	22.772	22.894	23.261	2,3%
Ending Stocks (mio mt)	250	450	500	350	925	978	843	1.168	1.025	1.292	1.317	1.392	1.253	14,4%
Net Exports (mio mt)	3.039	3.326	3.776	4.495	3.330	3.488	3.205	3.755	3.995	4.854	4.355	4.150	4.865	4,0%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	14.394	14.477	15.268	15.763	17.552	16.932	17.966	17.447	18.230	17.595	18.392	18.669	18.535	2,1%
-Other Demand (mio mt)														
Consumption (mio mt)	14.394	14.477	15.268	15.763	17.552	16.932	17.966	17.447	18.230	17.595	18.392	18.669	18.535	2,1%
Philippines														
Area (mio Ha)	3.924	3.909	3.501	3.630	3.995	4.030	4.080	4.100	4.094	4.100	4.163	4.180	4.200	0,6%
Yield (mt/ha)	1,85	1,86	1,85	1,84	1,95	2,02	2,07	2,06	2,25	2,30	2,36	2,41	2,38	2,1%
Production (mio mt)	7.263	7.265	6.488	6.674	7.772	8.135	8.450	8.450	9.200	9.425	9.820	10.085	10.010	2,7%
Ending Stocks (mio mt)	1.670	1.590	1.566	1.965	2.002	2.797	3.407	3.807	4.047	4.572	5.292	5.627	5.377	10,2%
Net Imports (mio mt)	-975	-682	-1.288	-1.725	-665	-1.410	-1.200	-1.500	-1.290	-1.500	-1.622	-1.800	-1.635	4,4%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	7.509	8.027	7.800	8.000	8.400	8.750	9.040	9.550	10.250	10.400	10.722	11.550	11.895	3,9%
-Other Demand (mio mt)														
Consumption (mio mt)	7.509	8.027	7.800	8.000	8.400	8.750	9.040	9.550	10.250	10.400	10.722	11.550	11.895	3,9%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
India														
Area (mio Ha)	42.300	43.283	43.420	44.600	45.160	44.361	44.600	40.400	42.400	42.300	43.400	44.000	44.000	0,3%
Yield (mt/ha)	1,88	1,88	1,90	1,93	1,99	1,92	2,09	1,78	2,09	1,97	2,11	2,11	2,09	0,9%
Production (mio mt)	79.620	81.312	82.540	86.000	89.680	84.980	93.340	71.820	88.530	83.130	91.790	92.760	92.000	1,2%
Ending Stocks (mio mt)	11.500	9.500	10.500	12.000	17.716	25.051	24.480	11.000	10.800	8.500	10.520	11.430	10.954	-0,4%
Net Exports (mio mt)	3.700	2.100	3.988	3.346	1.314	1.685	6.300	5.440	3.100	4.569	4.682	4.200	3.375	-0,8%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	78.920	81.212	77.552	81.154	82.650	75.960	87.611	79.860	85.630	80.861	85.088	87.650	89.101	1,0%
-Other Demand (mio mt)														
Consumption (mio mt)	78.920	81.212	77.552	81.154	82.650	75.960	87.611	79.860	85.630	80.861	85.088	87.650	89.101	1,0%
Indonesia														
Area (mio Ha)	11.570	11.137	11.730	11.850	11.790	11.600	11.600	11.500	11.900	11.650	11.800	11.400	11.600	0,0%
Yield (mt/ha)	2,87	2,88	2,65	2,69	2,78	2,84	2,84	2,91	2,94	2,99	2,96	2,92	2,93	0,2%
Production (mio mt)	33.215	32.084	31.118	31.853	32.800	32.960	32.960	33.411	35.024	34.830	34.959	33.300	34.000	0,2%
Ending Stocks (mio mt)	5.051	4.063	6.279	6.828	6.022	4.605	4.683	4.344	4.018	3.448	3.207	2.857	2.441	-5,9%
Net Imports (mio mt)	-1.081	-839	-5.765	-3.729	-1.500	-1.500	-3.500	-2.750	-650	-450	-539	-1.900	-1.342	1,8%
-Feed Demand (mio mt)														
-Food Demand (mio mt)	33.461	33.911	34.667	35.033	35.400	35.877	36.382	36.500	36.000	35.850	35.739	35.550	35.759	0,6%
-Other Demand (mio mt)														
Consumption (mio mt)	33.461	33.911	34.667	35.033	35.400	35.877	36.382	36.500	36.000	35.850	35.739	35.550	35.759	0,6%
China														
Area (mio Ha)	30.745	31.406	31.765	31.214	31.284	29.962	28.812	28.200	26.508	28.379	28.847	29.295	29.600	-0,3%
Yield (mt/ha)	4,22	4,35	4,42	4,46	4,44	4,39	4,31	4,33	4,24	4,42	4,38	4,36	4,38	0,3%
Production (mio mt)	129.650	136.570	140.490	139.100	138.936	131.536	124.306	122.180	112.462	125.363	126.414	127.800	129.500	0,0%
Ending Stocks (mio mt)	84.500	88.500	93.000	96.000	97.350	93.009	79.156	63.311	43.915	38.931	36.783	36.083	35.791	-6,9%
Net Trade (mio mt)	-587	616	3.473	2.530	2.673	1.577	1.659	2.325	-242	47	562	700	435	:
-Feed Demand (mio mt)														
-Food Demand (mio mt)	131.237	131.954	132.517	133.570	134.200	134.300	136.500	135.700	132.100	130.300	128.000	127.800	129.357	-0,1%
-Other Demand (mio mt)														
Consumption (mio mt)	131.237	131.954	132.517	133.570	134.200	134.300	136.500	135.700	132.100	130.300	128.000	127.800	129.357	-0,1%

Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World															
Area (mio Ha)	149.700	152.462	149.303	153.281	149.700	151.100	152.949	153.075	152.515	149.402	148.249	148.213	150.435	152.007	153.044
Yield (mt/ha)	2,53	2,63	2,66	2,73	2,53	2,56	2,59	2,62	2,64	2,62	2,63	2,63	2,68	2,71	2,74
Production (mio mt)	379.467	400.258	396.831	419.129	379.467	387.033	396.563	400.565	402.310	391.977	389.543	389.909	403.178	411.889	418.618
Ending Stocks (mio mt)	121.033	139.762	84.464	76.057	121.033	126.100	134.798	141.809	142.016	128.273	106.624	86.995	77.996	75.722	76.328
Total Trade (mio mt)	22.100	24.684	28.658	28.989	22.100	23.833	25.146	23.951	24.612	26.553	27.632	28.158	28.657	29.289	29.379
-Feed Demand (mio mt)															
-Food Demand (mio mt)	376.833	396.957	408.021	418.749	376.833	381.967	387.471	391.888	400.143	403.332	409.203	406.886	409.001	411.500	416.308
-Other Demand (mio mt)															
Consumption (mio mt)	376.833	396.957	408.021	418.749	376.833	381.967	387.471	391.888	400.143	403.332	409.203	406.886	409.001	411.500	416.308
Price (\$/mt)*	321	232	228	316	321	316	285	252	208	189	187	209	241	276	306
	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
European Union**															
Area (mio Ha)	413	405	413	395	413	424	415	406	402	402	404	412	417	414	402
Yield (mt/ha)	3,95	4,19	4,35	4,25	3,95	4,23	4,34	4,22	4,16	4,14	4,26	4,39	4,34	4,30	4,25
Production (mio mt)	1.638	1.699	1.797	1.681	1.638	1.793	1.798	1.717	1.672	1.666	1.720	1.809	1.811	1.783	1.708
Ending Stocks (mio mt)	528	863	1.048	794	528	632	775	856	882	915	948	1.039	1.072	1.035	888
Net Imports (mio mt)	-825	-1.048	-1.077	-949	-825	-971	-998	-1.054	-1.050	-1.119	-1.081	-1.104	-1.043	-991	-964
-Feed Demand (mio mt)															
-Food Demand (mio mt)	2.355	2.687	2.825	2.811	2.355	2.659	2.652	2.690	2.696	2.752	2.768	2.822	2.821	2.812	2.818
-Other Demand (mio mt)															
Consumption (mio mt)	2.355	2.687	2.825	2.811	2.355	2.659	2.652	2.690	2.696	2.752	2.768	2.822	2.821	2.812	2.818
	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
United States															
Area (mio Ha)	1.214	1.328	1.305	1.127	1.214	1.236	1.332	1.323	1.331	1.290	1.284	1.286	1.307	1.283	1.205
Yield (mt/ha)	4,63	4,70	5,27	5,57	4,63	4,59	4,52	4,60	4,80	4,96	5,11	5,29	5,35	5,41	5,46
Production (mio mt)	5.610	6.239	6.883	6.277	5.610	5.667	6.017	6.080	6.386	6.397	6.557	6.806	6.998	6.938	6.555
Ending Stocks (mio mt)	851	916	1.043	1.017	851	812	813	816	990	977	935	934	1.114	1.282	1.135
Net Exports (mio mt)	2.355	2.414	3.104	2.559	2.355	2.336	2.446	2.374	2.421	2.723	2.919	3.099	3.008	2.827	2.745
-Feed Demand (mio mt)															
-Food Demand (mio mt)	3.314	3.740	3.741	4.014	3.314	3.369	3.570	3.703	3.791	3.687	3.680	3.708	3.810	3.942	3.956
-Other Demand (mio mt)															
Consumption (mio mt)	3.314	3.740	3.741	4.014	3.314	3.369	3.570	3.703	3.791	3.687	3.680	3.708	3.810	3.942	3.956

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Thailand																
Area (mio Ha)	9.412	9.972	10.172	10.315	9.412	9.701	9.936	9.920	9.995	10.058	10.199	10.156	10.177	10.162	10.283	
Yield (mt/ha)	1.54	1.67	1.74	1.79	1.54	1.54	1.60	1.65	1.70	1.72	1.72	1.73	1.75	1.76	1.78	
Production (mio mt)	14.520	16.661	17.692	18.425	14.520	14.920	15.866	16.382	17.019	17.251	17.569	17.523	17.857	17.937	18.350	
Ending Stocks (mio mt)	868	2.096	2.729	2.985	868	938	1.357	1.756	2.441	2.888	2.708	2.440	2.537	2.795	3.188	
Net Exports (mio mt)	5.621	6.995	8.084	8.763	5.621	6.087	6.531	6.916	7.100	7.434	8.306	8.321	8.262	8.048	8.300	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	8.611	9.150	9.489	9.714	8.611	8.763	8.917	9.067	9.233	9.370	9.443	9.470	9.498	9.631	9.657	
-Other Demand (mio mt)																
Consumption (mio mt)	8.611	9.150	9.489	9.714	8.611	8.763	8.917	9.067	9.233	9.370	9.443	9.470	9.498	9.631	9.657	
	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Vietnam																
Area (mio Ha)	7.180	7.550	7.424	7.231	7.180	7.331	7.537	7.576	7.541	7.476	7.467	7.460	7.411	7.325	7.258	
Yield (mt/ha)	2.54	2.73	3.00	3.19	2.54	2.60	2.66	2.71	2.76	2.81	2.89	2.96	3.04	3.11	3.17	
Production (mio mt)	18.260	20.636	22.274	23.078	18.260	19.068	20.043	20.502	20.812	21.012	21.548	22.108	22.523	22.794	22.976	
Ending Stocks (mio mt)	400	774	1.201	1.323	400	433	592	751	915	996	1.012	1.162	1.211	1.334	1.321	
Net Exports (mio mt)	3.380	3.630	4.240	4.507	3.380	3.866	3.867	3.771	3.341	3.483	3.652	4.201	4.401	4.453	4.457	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	14.713	17.053	17.916	18.602	14.713	15.169	16.194	16.749	17.483	17.448	17.881	17.757	18.072	18.219	18.532	
-Other Demand (mio mt)																
Consumption (mio mt)	14.713	17.053	17.916	18.602	14.713	15.169	16.194	16.749	17.483	17.448	17.881	17.757	18.072	18.219	18.532	
	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Philippines																
Area (mio Ha)	3.778	3.934	4.114	4.190	3.778	3.680	3.709	3.885	4.035	4.070	4.091	4.098	4.119	4.148	4.181	
Yield (mt/ha)	1.85	1.97	2.24	2.40	1.85	1.85	1.88	1.93	2.01	2.05	2.13	2.20	2.30	2.36	2.38	
Production (mio mt)	7.005	7.758	9.224	10.048	7.005	6.809	6.978	7.527	8.119	8.345	8.700	9.025	9.482	9.777	9.972	
Ending Stocks (mio mt)	1.609	2.543	4.430	5.502	1.609	1.707	1.844	2.255	2.735	3.337	3.754	4.142	4.637	5.164	5.432	
Net Imports (mio mt)	-982	-1.250	-1.478	-1.718	-982	-1.232	-1.226	-1.267	-1.092	-1.370	-1.330	-1.430	-1.471	-1.641	-1.686	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	7.779	8.548	10.231	11.722	7.779	7.942	8.067	8.383	8.730	9.113	9.613	10.067	10.457	10.891	11.389	
-Other Demand (mio mt)																
Consumption (mio mt)	7.779	8.548	10.231	11.722	7.779	7.942	8.067	8.383	8.730	9.113	9.613	10.067	10.457	10.891	11.389	

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
India																
Area (mio Ha)	43.001	44.680	42.125	44.000	43.001	43.768	44.393	44.707	44.707	43.120	42.467	41.700	42.700	43.233	43.800	
Yield (mt/ha)	1,89	1,98	1,99	2,10	1,89	1,90	1,94	1,94	2,00	1,93	1,99	1,94	2,06	2,06	2,10	
Production (mio mt)	81.157	88.500	83.818	92.380	81.157	83.284	86.073	86.887	89.333	83.380	84.563	81.160	87.817	89.227	92.183	
Ending Stocks (mio mt)	10.500	19.812	10.205	11.192	10.500	10.667	13.405	18.256	22.416	20.177	15.427	10.100	9.940	10.150	10.968	
Net Exports (mio mt)	3.263	3.161	4.448	3.788	3.263	3.145	2.883	2.115	3.100	4.475	4.947	4.370	4.117	4.484	4.086	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	79.228	81.844	82.860	88.375	79.228	79.973	80.452	79.921	82.074	81.144	84.367	82.117	83.860	84.533	87.280	
-Other Demand (mio mt)																
Consumption (mio mt)	79.228	81.844	82.860	88.375	79.228	79.973	80.452	79.921	82.074	81.144	84.367	82.117	83.860	84.533	87.280	
	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Indonesia																
Area (mio Ha)	11.479	11.710	11.713	11.500	11.479	11.572	11.790	11.747	11.663	11.567	11.667	11.683	11.783	11.617	11.600	
Yield (mt/ha)	2,80	2,79	2,95	2,93	2,80	2,74	2,71	2,77	2,82	2,86	2,90	2,95	2,97	2,96	2,94	
Production (mio mt)	32.139	32.643	34.556	33.650	32.139	31.685	31.924	32.538	32.907	33.110	33.798	34.422	34.938	34.363	34.086	
Ending Stocks (mio mt)	5.131	5.535	3.754	2.649	5.131	5.723	6.376	5.818	5.103	4.544	4.348	3.937	3.558	3.171	2.835	
Net Imports (mio mt)	-2.562	-2.557	-1.097	-1.621	-2.562	-3.444	-3.665	-2.243	-2.167	-2.583	-2.300	-1.283	-546	-963	-1.260	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	34.013	35.673	36.022	35.654	34.013	34.537	35.033	35.437	35.886	36.253	36.294	36.117	35.863	35.713	35.683	
-Other Demand (mio mt)																
Consumption (mio mt)	34.013	35.673	36.022	35.654	34.013	34.537	35.033	35.437	35.886	36.253	36.294	36.117	35.863	35.713	35.683	
	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
China																
Area (mio Ha)	31.305	30.318	27.984	29.448												
Yield (mt/ha)	4,33	4,40	4,34	4,37												
Production (mio mt)	135.570	133.470	121.605	128.650	135.570	138.720	139.509	136.524	131.593	126.007	119.649	120.002	121.413	126.526	127.905	
Ending Stocks (mio mt)	88.667	91.379	45.735	35.937	88.667	92.500	95.450	95.453	89.838	78.492	62.127	48.719	39.876	37.266	36.219	
Net Trade (mio mt)	1.167	2.110	673	567	1.167	2.206	2.892	2.260	1.970	1.854	1.247	710	122	436	566	
-Feed Demand (mio mt)																
-Food Demand (mio mt)	131.903	134.643	131.525	128.579	131.903	132.680	133.429	134.023	135.000	135.500	134.767	132.700	130.133	128.700	128.386	
-Other Demand (mio mt)																
Consumption (mio mt)	131.903	134.643	131.525	128.579	131.903	132.680	133.429	134.023	135.000	135.500	134.767	132.700	130.133	128.700	128.386	

Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD

THE CAUSES OF THE FOOD PRICE CRISIS: SOYBEANS

SUMMARY OF WORLD SOYBEAN MARKET DEVELOPMENTS

Strong growth in world production and consumption has been mainly driven by the increased use of soybeans in China. Traditional importers EU and Japan have decreased their consumption, while the acceleration of Indian consumption since 2003 has been met by strong domestic production growth. Strong and steady supply response by Brazil and Argentina has been driven by both area and yield growth. US soybean growth has been more modest, and has recently been influenced by significant shifts in area towards and away from maize, that led to a decrease in stocks. Trade has been strongly affected, with increased Chinese imports being matched by an equally strong increase in exports from Brazil and Argentina, and to a lesser extent from the US.

MAIN WORLD MARKET TRENDS

Production

- Production increased in all 3 major exporters. In Argentina and Brazil, this is led by both explained by augmented area and also to technology improvements leading to higher yields. In the US, the significant shift of area to soybeans after the 1996 farm Bill ended by 2000, with production mainly increasing due to improved yields. Area had remained unchanged until recently, when the increases in biofuel demand resulted in significant annual shifts to maize. Chinese production has remained steady, while Indian production has accelerated its growth after 2001.

Consumption

- China became recently the largest world importer, due to a constant and consistent increase in consumption (10% over the whole period). Soybean consumption has been increasing at a constant pace also in Argentina, India and Brazil, while in the period of high prices consumption pace slow down in EU and Japan.

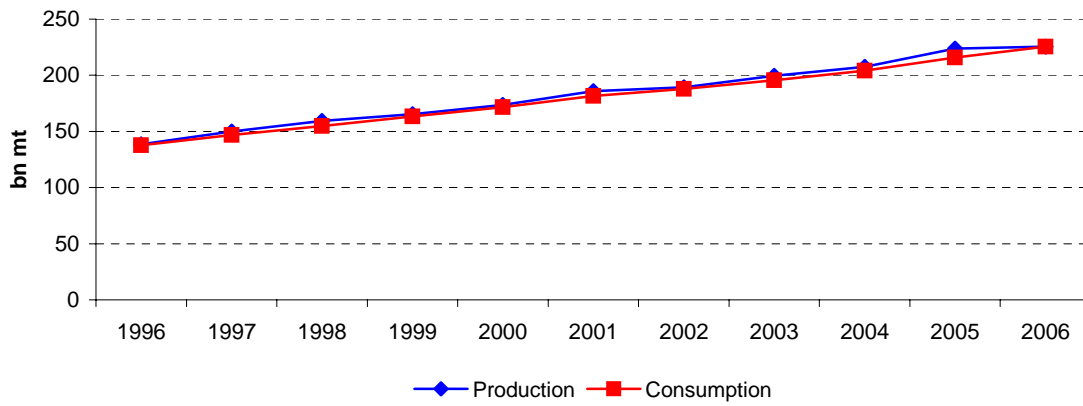
Trade

- Among the main payers, Brazil's and Argentina's net exports have been constantly increasing over time. In the US, its net export position has been more stable, although it has been expanding during the last period of high prices. Among the major importers, the only clear sign of strong increase has been in China; in Japan and EU their net import position has not changed greatly, remaining almost unchanged for the EU, and decreasing in Japan.

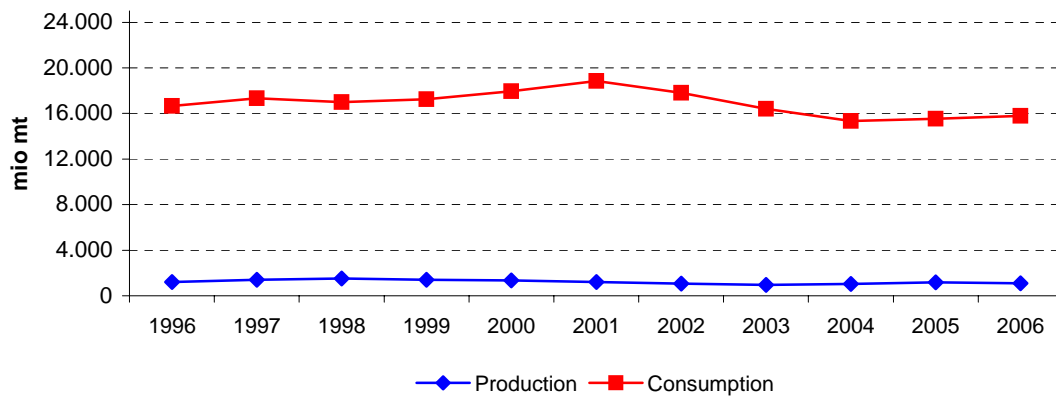
Ending stocks / Prices

- Similarly to maize, the recent soybean price hike can be attributed to the rapid decline in ending stocks, which up to 2002 were mainly driven by supply factors. The strongest recent influence (since 2002) comes from increased consumption in China (mainly for feed demand), and the delayed response of production.

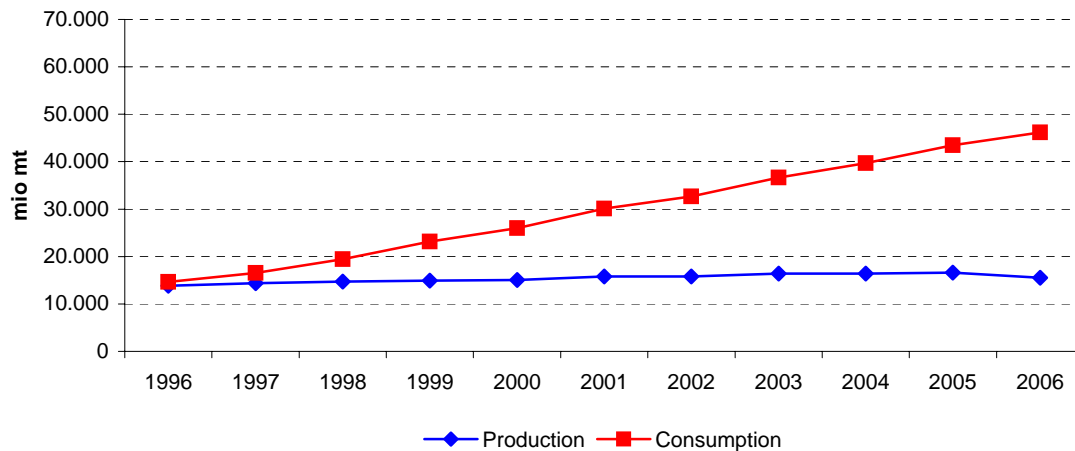
World soybean - 3 year moving average 1995-2007



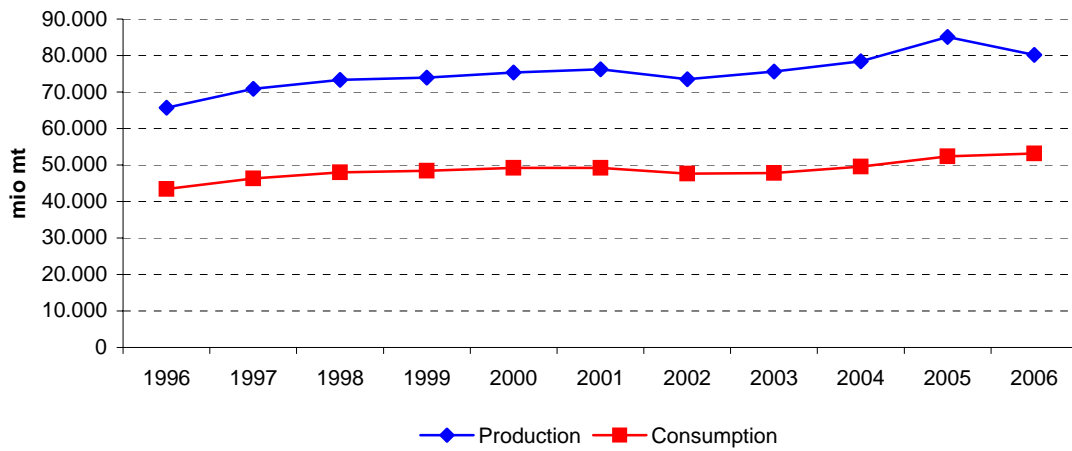
EU soybean - 3 year moving average 1995-2007



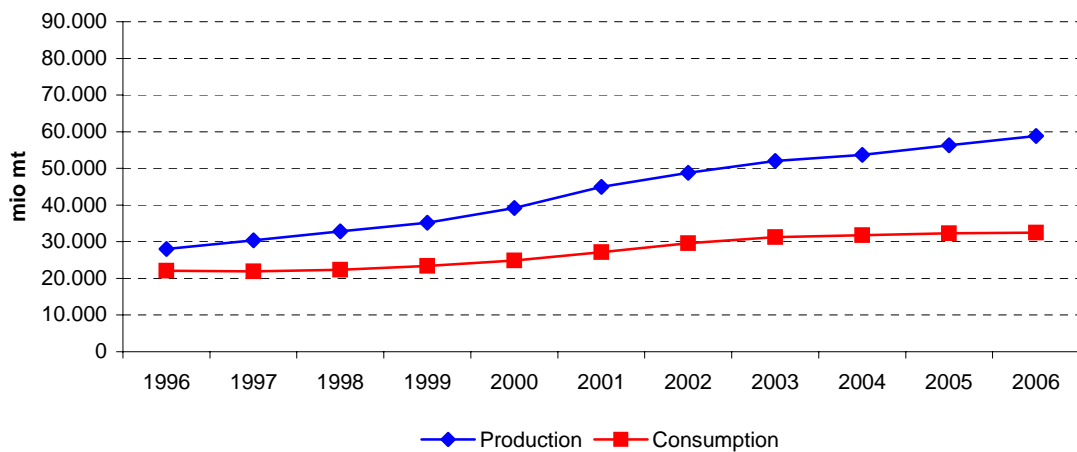
China soybean - 3 year moving average 1995-2007



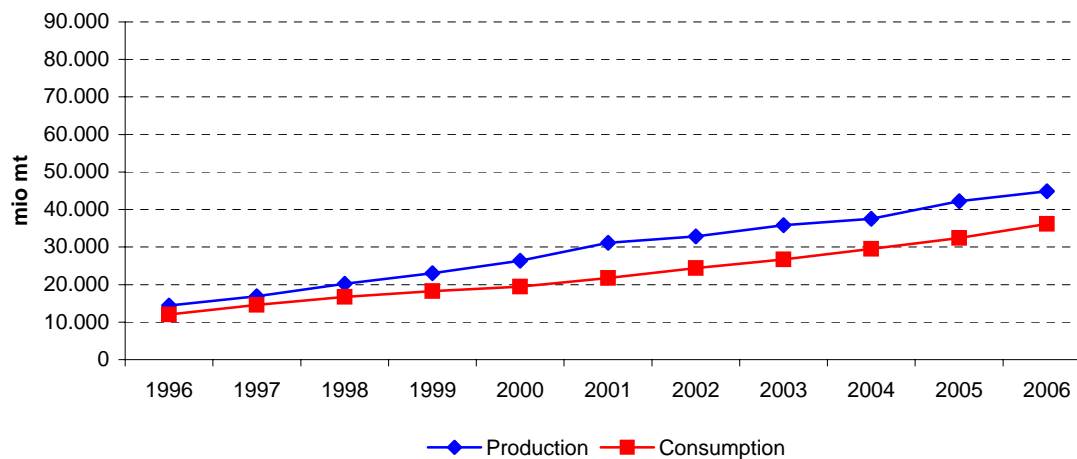
US soybean - 3 year moving average 1995-2007



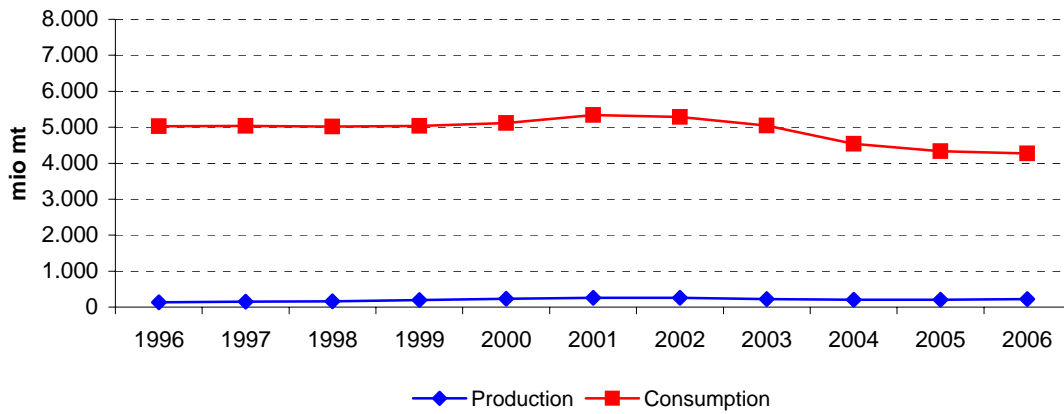
Brazil soybean - 3 year moving average 1995-2007



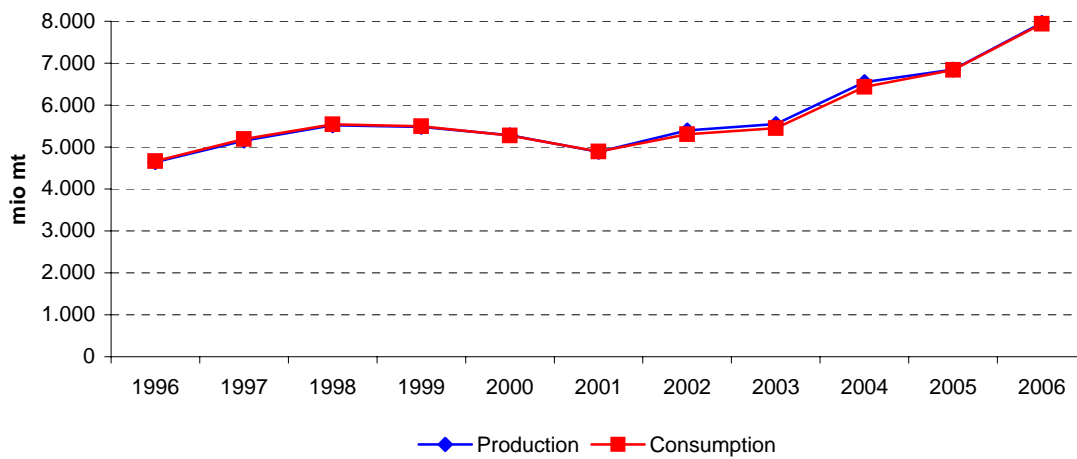
Argentina soybean - 3 year moving average 1995-2007



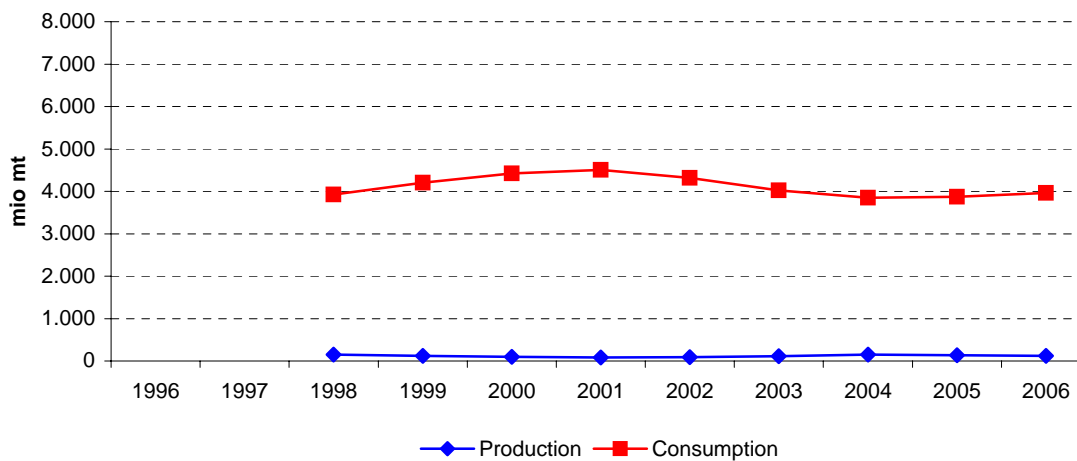
Japan soybean - 3 year moving average 1995-2007



India soybean - 3 year moving average 1995-2007



Mexico soybean - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
World														
Area (mio Ha)	61.281	62.682	68.622	71.168	71.957	75.439	79.465	82.309	88.405	93.057	92.916	93.746	91.150	3,4%
Yield (mt/ha)														
Production (mio mt)	124.912	132.217	158.066	159.819	160.409	175.771	184.831	196.789	186.531	215.689	220.438	235.223	220.567	4,9%
Ending Stocks (mio mt)	17.420	14.334	25.390	27.288	30.176	33.484	35.347	42.701	37.716	47.408	52.832	61.566	46.793	8,6%
Ending Stocks/consumption (%)	13,3%	10,6%	17,3%	17,3%	18,9%	19,4%	19,3%	22,5%	19,7%	23,0%	24,6%	27,2%	19,9%	3,4%
Total Trade (mio mt)	27.997	32.028	34.075	33.501	43.225	51.544	51.754	59.642	53.615	61.821	61.825	66.937	71.490	8,1%
<i>Crush into meal (mio mt)</i>	89.389	90.860	98.756	107.537	107.218	116.166	125.082	130.598	128.578	138.744	145.549	153.219	161.189	5,0%
<i>Crush into oil (mio mt)</i>	20.229	20.560	22.555	24.650	24.491	26.714	28.875	30.541	30.160	32.534	34.498	36.175	37.983	5,4%
<i>Other use (mio mt)</i>	21.544	23.883	25.699	25.734	27.757	29.583	29.011	28.296	32.778	34.719	34.967	37.093	36.168	4,4%
Consumption (mio mt)	131.162	135.303	147.010	157.921	159.466	172.463	182.968	189.435	191.516	205.997	215.014	226.487	235.340	5,0%
Price (\$/mt)*	259,00	304,83	295,42	242,83	201,67	211,83	195,83	212,67	264,00	306,50	274,69	268,56	384,05	3,3%
European Union														
Area (mio Ha)	291	337	456	522	483	466	437	343	409	394	403	496	364	1,9%
Yield (mt/ha)	3,23	3,39	3,44	2,95	2,91	2,70	3,15	2,90	2,02	2,76	2,91	2,50	2,30	-2,8%
Production (mio mt)	939	1.144	1.570	1.541	1.406	1.258	1.375	993	825	1.086	1.174	1.241	839	-0,9%
Ending Stocks (mio mt)	760	730	990	874	667	959	1.074	876	906	880	987	1.472	1.296	4,5%
Ending Stocks/consumption (%)	4,8%	4,4%	5,6%	4,9%	4,3%	5,2%	5,4%	4,8%	5,9%	5,6%	6,6%	9,2%	7,9%	4,1%
Net Export (mio mt)	-14.547	-15.291	-16.500	-16.075	-14.093	-17.580	-18.634	-16.920	-14.650	-14.505	-13.903	-15.241	-15.405	0,5%
<i>Crush into meal (mio mt)</i>	11.387	11.987	12.866	12.916	11.331	13.175	14.042	12.950	11.084	11.194	10.643	11.450	11.800	0,3%
<i>Crush into oil (mio mt)</i>	2.567	2.685	2.914	2.923	2.529	2.984	3.198	2.950	2.531	2.545	2.419	2.600	2.680	0,4%
<i>Other use (mio mt)</i>	1.729	1.793	2.030	1.893	1.586	2.387	2.654	2.211	1.830	1.878	1.908	1.947	1.940	1,0%
Consumption (mio mt)	15.683	16.465	17.810	17.732	15.446	18.546	19.894	18.111	15.445	15.617	14.970	15.997	16.420	0,4%
Japan														
Area (mio Ha)	69	82	83	109	108	123	144	150	152	137	134	142	150	6,7%
Yield (mt/ha)	1,72	1,80	1,75	1,45	1,73	1,91	1,88	1,80	1,53	1,19	1,69	1,58	1,50	-1,2%
Production (mio mt)	119	148	145	158	187	235	271	270	232	163	226	225	225	5,5%
Ending Stocks (mio mt)	552	635	633	618	662	589	670	310	299	258	256	265	315	-4,6%
Ending Stocks/consumption (%)	11,1%	12,4%	12,6%	12,4%	13,1%	11,6%	12,9%	5,4%	6,1%	5,7%	6,1%	6,1%	7,3%	-3,5%
Net Export (mio mt)	-4.776	-5.043	-4.873	-4.807	-4.907	-4.767	-5.023	-5.087	-4.688	-4.295	-3.962	-4.094	-4.150	-1,2%
<i>Crush into meal (mio mt)</i>	2.870	2.935	2.890	2.870	2.908	2.927	3.013	3.267	2.740	2.456	2.199	2.275	2.275	-1,9%
<i>Crush into oil (mio mt)</i>	666	690	670	667	670	675	695	770	645	579	515	534	534	-1,8%
<i>Other use (mio mt)</i>	1.429	1.483	1.460	1.443	1.472	1.473	1.505	1.680	1.546	1.464	1.476	1.501	1.516	0,5%
Consumption (mio mt)	4.965	5.108	5.020	4.980	5.050	5.075	5.213	5.717	4.931	4.499	4.190	4.310	4.325	-1,1%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
United States														
Area (mio Ha)	24.907	25.637	27.969	28.507	29.318	29.303	29.533	29.339	29.331	29.930	28.835	30.191	25.423	0,2%
Yield (mt/ha)	2,38	2,53	2,62	2,62	2,46	2,56	2,66	2,56	2,28	2,84	2,89	2,87	2,77	1,3%
Production (mio mt)	59.174	64.780	73.176	74.598	72.225	75.057	78.673	75.011	66.779	85.014	83.369	86.771	70.359	1,5%
Ending Stocks (mio mt)	4.980	3.592	5.443	9.471	7.897	6.743	5.663	4.853	3.059	6.960	12.229	15.617	5.310	0,5%
Ending Stocks/consumption (%)	12,4%	8,5%	11,4%	19,4%	16,6%	13,7%	11,1%	10,2%	6,9%	13,5%	23,2%	29,4%	9,9%	-1,9%
Net Export (mio mt)	23.041	23.759	23.623	21.832	26.372	27.007	28.885	28.297	23.977	29.710	25.489	30.183	26.907	1,3%
Crush into meal (mio mt)	29.508	31.035	34.633	34.284	34.102	35.729	36.552	34.649	32.953	36.936	37.416	39.033	39.227	2,4%
Crush into oil (mio mt)	6.913	7.145	8.230	8.201	8.085	8.355	8.572	8.360	7.748	8.781	9.248	9.293	9.395	2,6%
Other use (mio mt)	3.831	4.249	4.847	6.257	5.252	5.120	5.743	4.515	3.895	5.686	5.948	4.875	5.136	2,5%
Consumption (mio mt)	40.252	42.429	47.709	48.743	47.440	49.204	50.868	47.524	44.596	51.404	52.612	53.201	53.759	2,4%
Brazil														
Area (mio Ha)	10.950	11.800	13.000	12.900	13.600	13.934	16.350	18.448	21.520	22.800	22.229	20.700	21.500	5,8%
Yield (mt/ha)	2,21	2,31	2,50	2,43	2,55	2,83	2,66	2,82	2,37	2,32	2,56	2,85	2,81	2,1%
Production (mio mt)	24.150	27.300	32.500	31.300	34.700	39.500	43.500	52.000	51.000	53.000	57.000	59.000	60.500	8,0%
Ending Stocks (mio mt)	5.800	4.000	7.150	7.510	9.418	9.448	12.593	16.636	15.507	16.750	16.733	18.673	16.905	9,3%
Ending Stocks/consumption (%)	25,1%	18,5%	33,3%	33,2%	41,1%	38,2%	46,7%	56,1%	48,4%	52,2%	53,7%	55,5%	51,7%	6,2%
Net Export (mio mt)	2.404	7.463	7.850	8.330	10.427	14.736	13.392	18.308	20.089	19.662	25.848	23.432	29.588	23,3%
Crush into meal (mio mt)	17.040	15.722	15.728	16.595	16.478	17.725	19.407	21.449	22.360	22.658	21.842	23.684	23.000	2,5%
Crush into oil (mio mt)	4.034	3.723	3.740	3.931	3.943	4.333	4.700	5.205	5.588	5.615	5.430	5.890	5.700	2,9%
Other use (mio mt)	2.068	2.192	2.032	2.084	2.520	2.676	2.856	2.995	4.092	3.822	3.897	4.054	3.980	5,6%
Consumption (mio mt)	23.142	21.637	21.500	22.610	22.941	24.734	26.963	29.649	32.040	32.095	31.169	33.628	32.680	2,9%
Argentina														
Area (mio Ha)	5.980	6.200	6.954	8.165	8.583	10.400	11.400	12.600	14.000	14.400	15.200	15.900	16.800	9,0%
Yield (mt/ha)	2,08	1,81	2,80	2,45	2,47	2,67	2,63	2,82	2,36	2,71	2,66	2,97	2,80	2,5%
Production (mio mt)	12.430	11.200	19.500	20.000	21.200	27.800	30.000	35.500	33.000	39.000	40.500	47.200	47.000	11,7%
Ending Stocks (mio mt)	4.215	3.400	7.174	6.034	7.052	9.537	11.816	14.262	14.615	15.976	16.473	21.052	18.917	13,3%
Ending Stocks/consumption (%)	39,0%	29,4%	52,2%	32,8%	39,3%	52,0%	53,7%	57,5%	55,3%	55,5%	49,4%	60,0%	47,3%	1,6%
Net Export (mio mt)	2.077	450	1.980	2.733	3.907	6.984	5.709	8.241	6.204	8.876	6.665	7.527	9.100	13,1%
Crush into meal (mio mt)	8.382	8.850	10.300	13.850	13.712	13.718	16.559	18.663	19.761	21.601	25.012	26.061	30.225	11,3%
Crush into oil (mio mt)	1.779	1.966	2.235	3.162	3.121	3.190	3.876	4.394	4.729	5.128	5.998	6.424	7.350	12,5%
Other use (mio mt)	650	749	1.211	1.395	1.094	1.423	1.577	1.756	1.953	2.034	2.328	2.609	2.460	11,7%
Consumption (mio mt)	10.811	11.565	13.746	18.407	17.927	18.331	22.012	24.813	26.443	28.763	33.338	35.094	40.035	11,5%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
China														
Area (mio Ha)	8.127	7.470	8.346	8.500	8.000	9.300	9.480	9.546	9.313	9.590	9.591	9.300	8.700	0,6%
Yield (mt/ha)	1,66	1,77	1,76	1,78	1,79	1,66	1,63	1,73	1,65	1,81	1,70	1,72	1,64	-0,1%
Production (mio mt)	13.500	13.220	14.728	15.152	14.290	15.400	15.410	16.510	15.394	17.400	16.350	16.000	14.300	0,5%
Ending Stocks (mio mt)	0	990	3.018	1.904	3.170	4.910	2.095	4.467	2.100	4.700	4.473	3.122	2.772	:
Ending Stocks/consumption (%)	0,0%	6,9%	19,5%	9,6%	13,8%	18,4%	7,4%	12,7%	6,1%	11,7%	10,0%	6,8%	5,7%	:
Net Import (mio mt)	-573	-2.079	-2.772	-3.663	-9.870	-13.037	-10.085	-21.152	-16.614	-25.412	-27.963	-28.279	-33.700	40,4%
Crush into meal (mio mt)	6.051	5.963	6.717	10.023	11.975	15.050	16.300	21.000	20.190	24.026	27.296	28.100	30.150	14,3%
Crush into oil (mio mt)	1.150	1.203	1.383	2.050	2.480	3.240	3.575	4.730	4.535	5.421	6.149	6.340	6.800	16,0%
Other use (mio mt)	6.872	7.143	7.372	7.856	8.439	8.407	8.435	9.560	9.650	10.765	11.095	11.190	11.400	4,3%
Consumption (mio mt)	14.073	14.309	15.472	19.929	22.894	26.697	28.310	35.290	34.375	40.212	44.540	45.630	48.350	10,8%
India														
Area (mio Ha)	4.817	5.000	5.600	6.350	5.645	5.800	6.000	5.670	6.450	7.990	7.800	8.120	8.800	5,1%
Yield (mt/ha)	0,93	0,82	0,96	0,94	0,92	0,91	0,90	0,71	1,05	0,73	0,90	0,95	1,05	1,0%
Production (mio mt)	4.476	4.100	5.350	6.000	5.200	5.250	5.400	4.000	6.800	5.850	7.000	7.690	9.200	6,2%
Ending Stocks (mio mt)	116	116	56	0	40	25	25	19	65	90	106	53	145	1,9%
Ending Stocks/consumption (%)	2,6%	2,8%	1,0%	0,0%	0,8%	0,5%	0,5%	0,5%	1,0%	1,5%	1,5%	0,7%	1,6%	-4,0%
Net Trade (mio mt)	0	0	0	0	0	0	0	0	239	6	9	7	5	:
Crush into meal (mio mt)	3.200	2.920	3.800	4.295	3.515	3.614	3.700	2.730	4.422	4.005	4.772	5.268	6.245	5,7%
Crush into oil (mio mt)	712	657	859	972	792	814	833	615	996	900	1.050	1.180	1.395	5,8%
Other use (mio mt)	564	523	751	789	853	837	867	661	1.097	914	1.153	1.288	1.463	8,3%
Consumption (mio mt)	4.476	4.100	5.410	6.056	5.160	5.265	5.400	4.006	6.515	5.819	6.975	7.736	9.103	6,1%
Mexico														
Area (mio Ha)	n.a	n.a	128	90	79	70	45	56	68	88	93	54	65	-8,1%
Yield (mt/ha)	n.a	n.a	1,48	1,59	1,56	1,47	1,47	1,59	1,84	1,50	1,99	1,48	1,54	0,5%
Production (mio mt)	n.a	n.a	189	143	123	103	66	89	125	132	185	80	100	-7,6%
Ending Stocks (mio mt)	n.a	n.a	228	155	182	181	102	45	40	47	41	39	44	-18,6%
Ending Stocks/consumption (%)	n.a	n.a	6,2%	3,9%	4,4%	4,0%	2,2%	1,0%	1,0%	1,2%	1,1%	1,0%	1,1%	-19,6%
Net Import (mio mt)	n.a	n.a	-3.502	-3.766	-4.039	-4.381	-4.510	-4.229	-3.795	-3.639	-3.667	-3.909	-3.950	1,5%
Crush into meal (mio mt)	n.a	n.a	2.870	3.150	3.250	3.530	3.656	3.440	3.090	2.958	3.030	3.134	3.178	1,3%
Crush into oil (mio mt)	n.a	n.a	613	673	698	760	787	740	663	635	657	680	690	1,5%
Other use (mio mt)	n.a	n.a	175	159	187	195	212	195	172	171	171	177	177	0,1%
Consumption (mio mt)	n.a	n.a	3.658	3.982	4.135	4.485	4.655	4.375	3.925	3.764	3.858	3.991	4.045	1,3%

Source:

Fapri - World Agricultural Outlook; (*) World Bank

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	64.195	74.507	89.172	92.448	64.195	67.491	70.582	72.855	75.620	79.071	83.393	87.924	91.459	93.240	92.604
Yield (mt/ha)															
Production (mio mt)	138.398	170.208	204.862	227.895	138.398	150.034	159.431	165.333	173.670	185.797	189.384	199.670	207.553	223.783	225.409
Ending Stocks (mio mt)	19.048	31.574	45.164	54.179	19.048	22.337	27.618	30.316	33.002	37.177	38.588	42.608	45.985	53.935	53.730
Ending Stocks/consumption (%)	13.7%	18.7%	22.5%	23.5%	13.7%	15.0%	17.8%	18.5%	19.2%	20.4%	20.5%	21.7%	22.4%	24.9%	23.9%
Total Trade (mio mt)	31.367	45.006	59.225	69.213	31.367	33.201	36.934	42.757	48.841	54.313	55.004	58.359	59.087	63.527	66.750
<i>Crush into meal (mio mt)</i>	93.002	114.001	135.867	157.204	93.002	99.051	104.504	110.307	116.155	123.949	128.086	132.640	137.624	145.837	153.319
<i>Crush into oil (mio mt)</i>	21.115	26.183	31.933	37.079	21.115	22.588	23.899	25.285	26.693	28.710	29.859	31.078	32.397	34.402	36.219
<i>Other use (mio mt)</i>	23.709	28.021	32.690	36.631	23.709	25.105	26.397	27.691	28.784	28.963	30.028	31.931	34.155	35.593	36.076
Consumption (mio mt)	137.825	168.205	200.491	230.914	137.825	146.745	154.799	163.283	171.632	181.622	187.973	195.649	204.176	215.833	225.614
Price (\$/mt)*	286.42	213.04	264.46	326.31	286.42	281.03	246.64	218.78	203.11	206.78	224.17	261.06	281.73	283.25	309.10

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	361	477	387	430	361	438	487	490	462	415	396	382	402	431	421
Yield (mt/ha)	3.35	2.93	2.65	2.40	3.35	3.26	3.10	2.85	2.92	2.91	2.69	2.56	2.56	2.72	2.57
Production (mio mt)	1.218	1.395	1.020	1.040	1.218	1.418	1.506	1.402	1.346	1.209	1.064	968	1.028	1.167	1.085
Ending Stocks (mio mt)	827	894	912	1.384	827	865	844	833	900	970	952	887	924	1.113	1.252
Ending Stocks/consumption (%)	4.9%	5.0%	5.7%	8.5%	4.9%	5.0%	4.9%	4.8%	5.0%	5.1%	5.4%	5.4%	6.0%	7.1%	7.9%
Net Export (mio mt)	-15.446	-16.596	-14.995	-15.323	-15.446	-15.955	-15.556	-15.916	-16.769	-17.711	-16.735	-15.358	-14.353	-14.550	-14.850
<i>Crush into meal (mio mt)</i>	12.080	12.866	11.468	11.625	12.080	12.590	12.371	12.474	12.849	13.389	12.692	11.743	10.974	11.096	11.298
<i>Crush into oil (mio mt)</i>	2.722	2.909	2.611	2.640	2.722	2.841	2.789	2.812	2.904	3.044	2.893	2.675	2.498	2.521	2.566
<i>Other use (mio mt)</i>	1.851	2.130	1.957	1.944	1.851	1.905	1.836	1.955	2.209	2.417	2.232	1.973	1.872	1.911	1.932
Consumption (mio mt)	16.653	17.905	16.036	16.209	16.653	17.336	16.996	17.241	17.962	18.850	17.817	16.391	15.344	15.528	15.796

Japan	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	78	121	143	146	78	91	100	113	125	139	149	146	141	138	142
Yield (mt/ha)	1.76	1.74	1.55	1.54	1.76	1.67	1.64	1.70	1.84	1.86	1.74	1.51	1.47	1.49	1.59
Production (mio mt)	137	213	223	225	137	150	163	193	231	259	258	222	207	205	225
Ending Stocks (mio mt)	607	635	281	290	607	629	638	623	640	523	426	289	271	260	279
Ending Stocks/consumption (%)	12.1%	12.5%	5.8%	6.7%	12.1%	12.5%	12.7%	12.4%	12.5%	10.0%	8.1%	5.7%	6.0%	6.0%	6.5%
Net Export (mio mt)	-4.897	-4.876	-4.508	-4.122	-4.897	-4.908	-4.862	-4.827	-4.899	-4.959	-4.933	-4.690	-4.315	-4.117	-4.069
<i>Crush into meal (mio mt)</i>	2.898	2.930	2.666	2.275	2.898	2.898	2.889	2.902	2.949	3.069	3.007	2.821	2.465	2.310	2.250
<i>Crush into oil (mio mt)</i>	675	677	627	534	675	676	669	671	680	713	703	665	580	543	528
<i>Other use (mio mt)</i>	1.457	1.473	1.542	1.509	1.457	1.462	1.458	1.463	1.483	1.553	1.577	1.563	1.495	1.480	1.498
Consumption (mio mt)	5.031	5.080	4.834	4.318	5.031	5.036	5.017	5.035	5.113	5.335	5.287	5.049	4.540	4.333	4.275

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	26.171	29.165	29.359	27.807	26.171	27.371	28.598	29.043	29.385	29.392	29.401	29.533	29.365	29.652	28.150
Yield (mt/ha)	2,51	2,58	2,64	2,82	2,51	2,59	2,57	2,55	2,56	2,59	2,50	2,56	2,67	2,87	2,84
Production (mio mt)	65.710	75.138	77.543	78.565	65.710	70.851	73.333	73.960	75.318	76.247	73.488	75.601	78.387	85.052	80.166
Ending Stocks (mio mt)	4.672	7.443	6.775	10.463	4.672	6.169	7.604	8.037	6.767	5.753	4.525	4.958	7.416	11.602	11.052
Ending Stocks/consumption (%)	10,7%	15,2%	13,5%	19,6%	10,7%	13,1%	15,8%	16,6%	13,8%	11,7%	9,4%	10,2%	14,5%	22,0%	20,8%
Net Export (mio mt)	23.474	26.024	26.868	28.545	23.474	23.072	23.943	25.070	27.421	28.063	27.053	27.328	26.392	28.460	27.526
Crush into meal (mio mt)	31.725	35.167	35.489	39.130	31.725	33.317	34.340	34.705	35.461	35.644	34.718	34.846	35.768	37.795	38.559
Crush into oil (mio mt)	7.429	8.303	8.534	9.344	7.429	7.859	8.172	8.214	8.337	8.429	8.226	8.296	8.592	9.107	9.312
Other use (mio mt)	4.309	5.593	5.011	5.005	4.309	5.118	5.452	5.543	5.372	5.126	4.718	4.699	5.177	5.503	5.320
Consumption (mio mt)	43.463	49.064	49.034	53.480	43.463	46.294	47.964	48.462	49.171	49.199	47.662	47.841	49.537	52.406	53.190

Brazil	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	11.917	14.196	21.249	21.100	11.917	12.567	13.167	13.478	14.628	16.244	18.773	20.923	22.183	21.910	21.476
Yield (mt/ha)	2,34	2,62	2,52	2,83	2,34	2,41	2,49	2,60	2,68	2,77	2,62	2,50	2,42	2,58	2,74
Production (mio mt)	27.983	37.250	53.250	59.750	27.983	30.367	32.833	35.167	39.233	45.000	48.833	52.000	53.667	56.333	58.833
Ending Stocks (mio mt)	5.650	9.742	16.407	17.789	5.650	6.220	8.026	8.792	10.486	12.892	14.912	16.298	16.330	17.385	17.437
Ending Stocks/consumption (%)	25,6%	39,8%	52,6%	53,6%	25,6%	28,3%	35,8%	37,5%	42,0%	47,0%	50,4%	52,2%	51,4%	53,8%	53,6%
Net Export (mio mt)	5.906	11.721	20.977	26.510	5.906	7.881	8.869	11.164	12.852	15.479	17.263	19.353	21.866	22.981	26.289
Crush into meal (mio mt)	16.163	17.551	22.077	23.342	16.163	16.015	16.267	16.933	17.870	19.527	21.072	22.156	22.287	22.728	22.842
Crush into oil (mio mt)	3.832	4.227	5.460	5.795	3.832	3.798	3.871	4.069	4.325	4.746	5.164	5.469	5.544	5.645	5.673
Other use (mio mt)	2.097	2.534	3.702	4.017	2.097	2.103	2.212	2.427	2.684	2.842	3.314	3.636	3.937	3.924	3.977
Consumption (mio mt)	22.093	24.312	31.238	33.154	22.093	21.916	22.350	23.428	24.879	27.115	29.551	31.261	31.768	32.297	32.492

Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	6.378	9.637	14.050	16.350	6.378	7.106	7.901	9.049	10.128	11.467	12.667	13.667	14.533	15.167	15.967
Yield (mt/ha)	2,23	2,56	2,64	2,88	2,23	2,35	2,57	2,53	2,59	2,71	2,60	2,63	2,58	2,78	2,81
Production (mio mt)	14.377	24.750	37.000	47.100	14.377	16.900	20.233	23.000	26.333	31.100	32.833	35.833	37.500	42.233	44.900
Ending Stocks (mio mt)	4.930	8.610	15.332	19.985	4.930	5.536	6.753	7.541	9.468	11.872	13.564	14.951	15.688	17.834	18.814
Ending Stocks/consumption (%)	40,2%	44,5%	54,4%	53,6%	40,2%	38,1%	41,4%	41,4%	48,3%	54,4%	55,5%	56,1%	53,4%	55,0%	52,2%
Net Export (mio mt)	1.502	4.833	7.497	8.314	1.502	1.721	2.873	4.541	5.533	6.978	6.718	7.774	7.248	7.689	7.764
Crush into meal (mio mt)	9.177	14.460	21.259	28.143	9.177	11.000	12.621	13.760	14.663	16.313	18.328	20.008	22.125	24.225	27.099
Crush into oil (mio mt)	1.993	3.337	5.062	6.887	1.993	2.454	2.839	3.158	3.396	3.820	4.333	4.750	5.285	5.850	6.591
Other use (mio mt)	870	1.372	2.018	2.535	870	1.118	1.233	1.304	1.365	1.585	1.762	1.914	2.105	2.324	2.466
Consumption (mio mt)	12.041	19.169	28.339	37.565	12.041	14.573	16.693	18.222	19.423	21.719	24.423	26.673	29.515	32.398	36.156

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	7.981	8.820	9.510	9.000	7.981	8.105	8.282	8.600	8.927	9.442	9.446	9.483	9.498	9.494	9.197
Yield (mt/ha)	1,73	1,71	1,73	1,68	1,73	1,77	1,78	1,74	1,69	1,67	1,67	1,73	1,72	1,75	1,69
Production (mio mt)	13.816	15.063	16.414	15.150	13.816	14.367	14.723	14.947	15.033	15.773	15.771	16.435	16.381	16.583	15.550
Ending Stocks (mio mt)	1.336	3.020	3.935	2.947	1.336	1.971	2.697	3.328	3.392	3.824	2.887	3.756	3.758	4.098	3.456
Ending Stocks/consumption (%)	8,8%	12,3%	10,1%	6,3%	8,8%	12,0%	14,3%	13,9%	13,2%	12,8%	8,7%	10,2%	9,3%	9,5%	7,5%
Net Import (mio mt)	-1.808	-9.164	-22.785	-30.990	-1.808	-2.838	-5.435	-8.857	-10.997	-14.758	-15.950	-21.059	-23.330	-27.218	-29.981
<i>Crush into meal (mio mt)</i>	6.244	13.337	23.128	29.125	6.244	7.568	9.572	12.349	14.442	17.450	19.163	21.739	23.837	26.474	28.515
<i>Crush into oil (mio mt)</i>	1.245	2.836	5.209	6.570	1.245	1.545	1.971	2.590	3.098	3.848	4.280	4.895	5.368	5.970	6.430
<i>Other use (mio mt)</i>	7.129	8.284	10.268	11.295	7.129	7.457	7.889	8.234	8.427	8.801	9.215	9.992	10.503	11.017	11.228
Consumption (mio mt)	14.618	24.458	38.604	46.990	14.618	16.570	19.432	23.173	25.967	30.099	32.658	36.626	39.709	43.461	46.173

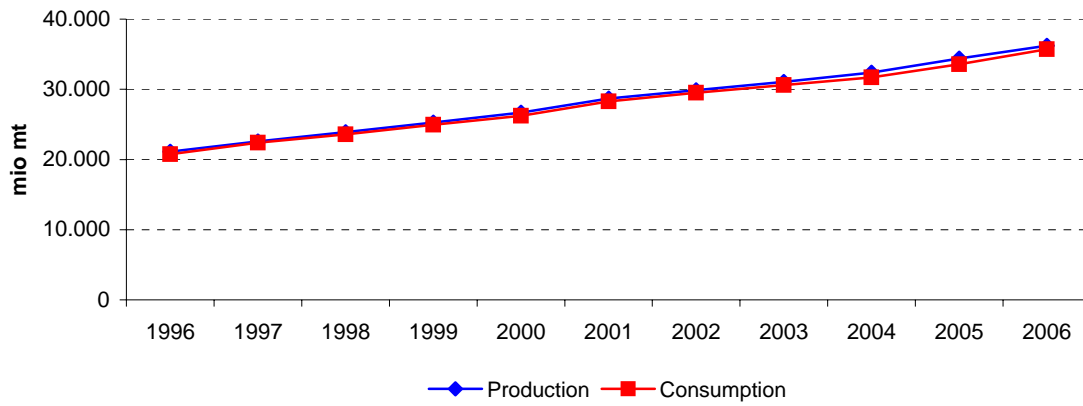
India	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	5.139	5.949	6.978	8.460	5.139	5.650	5.865	5.932	5.815	5.823	6.040	6.703	7.413	7.970	8.240
Yield (mt/ha)	0,90	0,92	0,85	1,00	0,90	0,91	0,94	0,92	0,91	0,84	0,89	0,83	0,89	0,86	0,96
Production (mio mt)	4.642	5.463	5.913	8.445	4.642	5.150	5.517	5.483	5.283	4.883	5.400	5.550	6.550	6.847	7.963
Ending Stocks (mio mt)	96	23	70	99	96	57	32	22	30	23	36	58	87	83	101
Ending Stocks/consumption (%)	2,2%	0,4%	1,1%	1,1%	2,2%	1,3%	0,6%	0,4%	0,6%	0,5%	0,6%	1,0%	1,4%	1,3%	1,3%
Net Trade (mio mt)	0	0	64	6	0	0	0	0	0	0	80	82	85	7	7
<i>Crush into meal (mio mt)</i>	3.307	3.781	3.982	5.757	3.307	3.672	3.870	3.808	3.610	3.348	3.617	3.719	4.400	4.682	5.428
<i>Crush into oil (mio mt)</i>	743	853	890	1.288	743	829	874	859	813	754	815	837	982	1.043	1.208
<i>Other use (mio mt)</i>	613	837	956	1.376	613	688	798	826	852	788	875	891	1.055	1.118	1.301
Consumption (mio mt)	4.662	5.470	5.829	8.420	4.662	5.189	5.542	5.494	5.275	4.890	5.307	5.447	6.436	6.843	7.938

Mexico	Averages			3 year moving average										
	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	71	76	60	n.a	n.a	99	80	65	57	56	71	83	78	71
Yield (mt/ha)	1,52	1,73	1,51	n.a	n.a	1,54	1,54	1,50	1,51	1,63	1,64	1,78	1,66	1,67
Production (mio mt)	109	133	90	n.a	n.a	152	123	97	86	93	115	147	132	122
Ending Stocks (mio mt)	155	43	42	n.a	n.a	188	173	155	109	62	44	43	42	41
Ending Stocks/consumption (%)	3,6%	1,1%	1,0%	n.a	n.a									
Net Import (mio mt)	-4.174	-3.833	-3.930	n.a	n.a	-3.769	-4.062	-4.310	-4.373	-4.178	-3.888	-3.700	-3.738	-3.842
<i>Crush into meal (mio mt)</i>	3.397	3.130	3.156	n.a	n.a									
<i>Crush into oil (mio mt)</i>	730	674	685	n.a	n.a									
<i>Other use (mio mt)</i>	188	177	177	n.a	n.a	174	180	198	201	193	179	171	173	175
Consumption (mio mt)	4.314	3.981	4.018	n.a	n.a	3.925	4.201	4.425	4.505	4.318	4.021	3.849	3.871	3.965

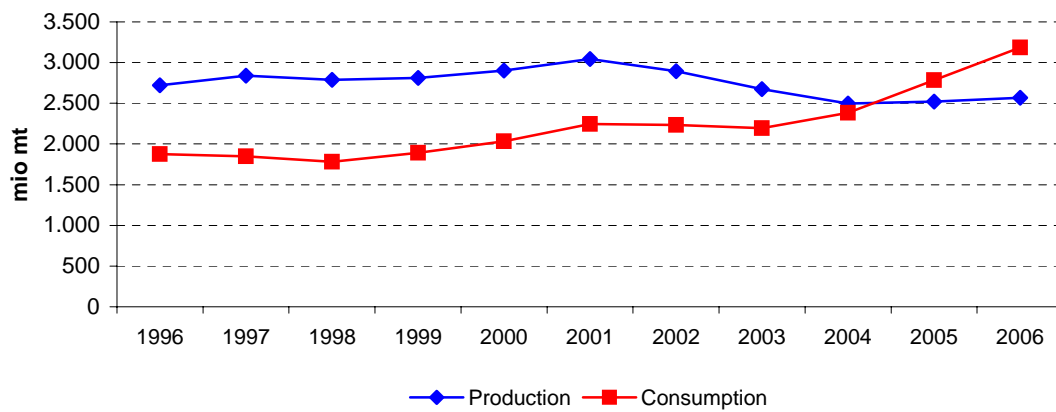
Source:

Fapri - World Agricultural Outlook; (*) World Bank

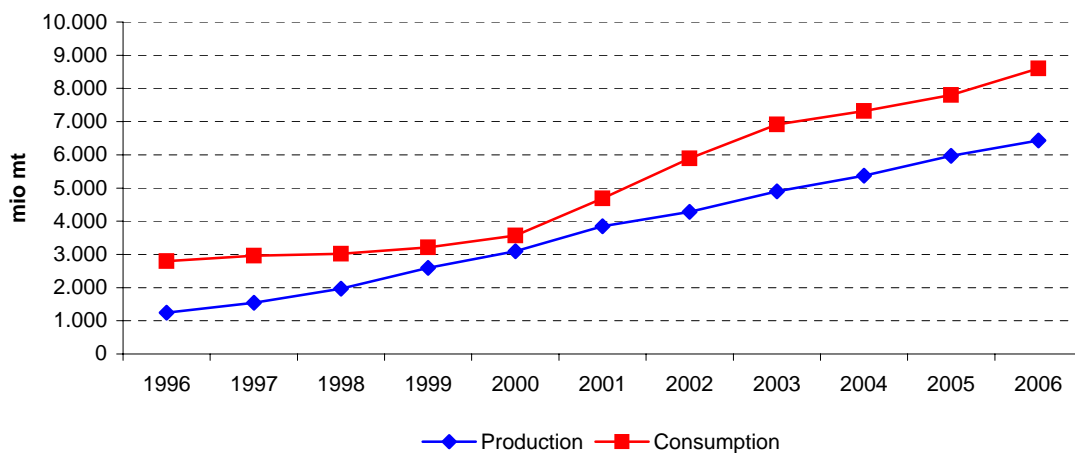
World soybean oil - 3 year moving average 1995-2007



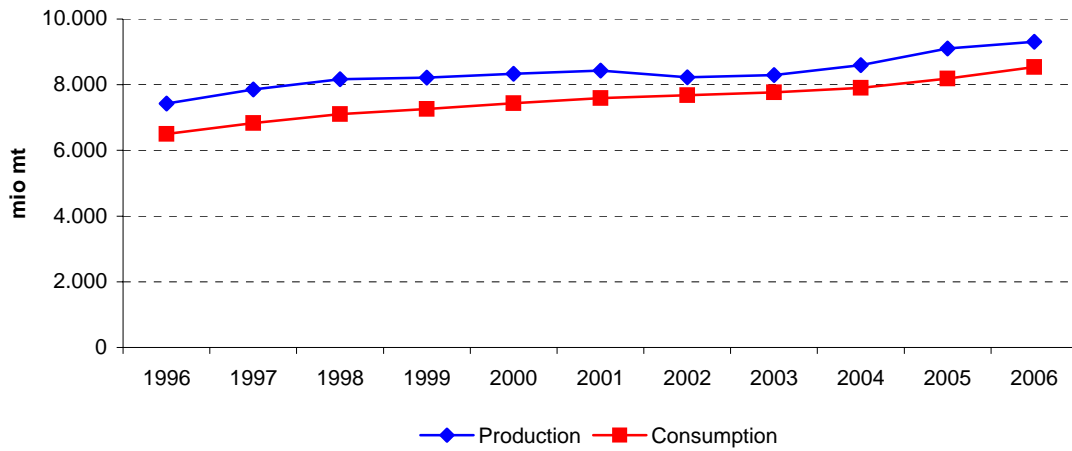
EU soybean oil - 3 year moving average 1995-2007



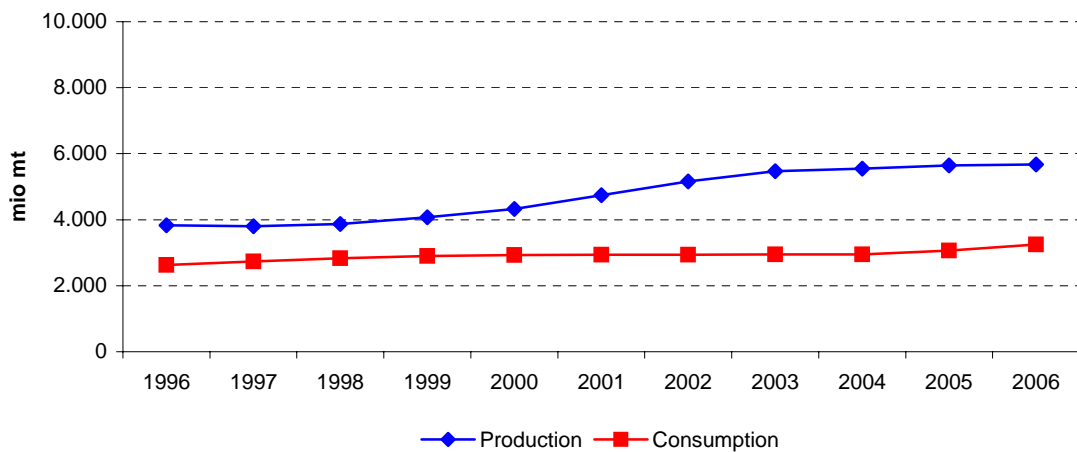
China soybean oil - 3 year moving average 1995-2007



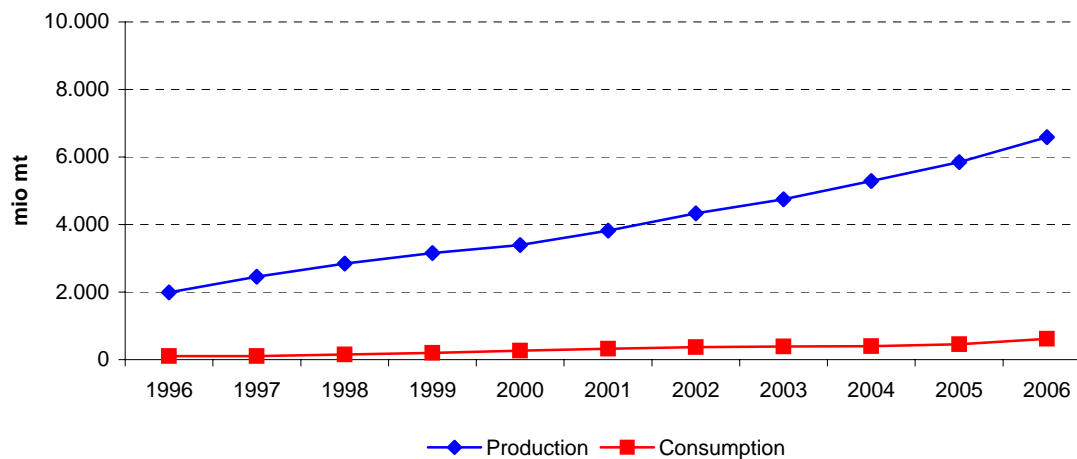
US soybean oil - 3 year moving average 1995-2007



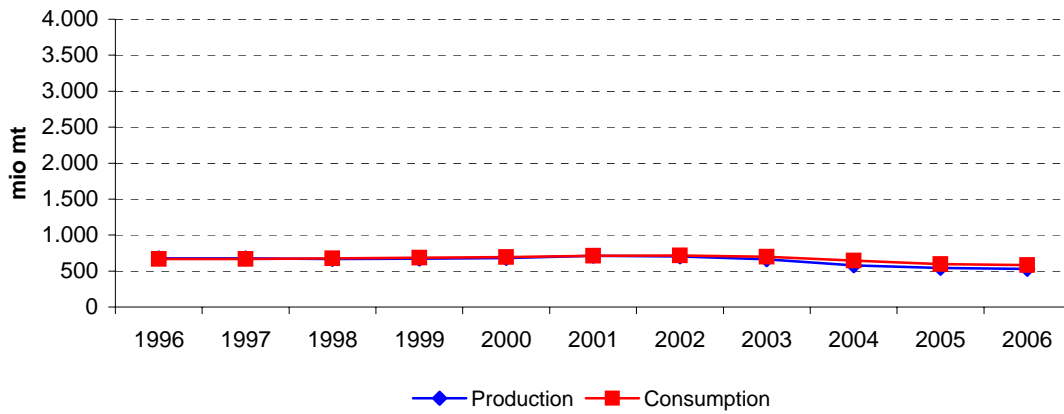
Brazil soybean oil - 3 year moving average 1995-2007



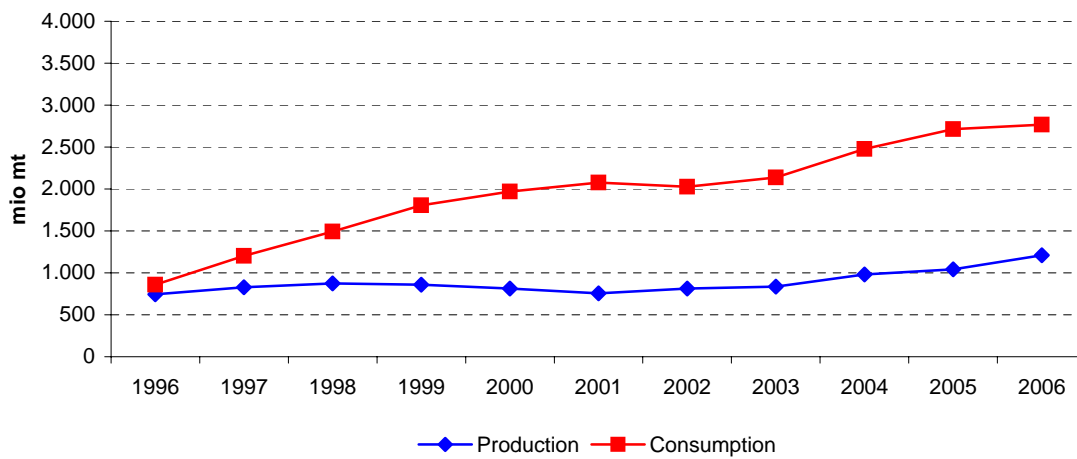
Argentina soybean oil - 3 year moving average 1995-2007



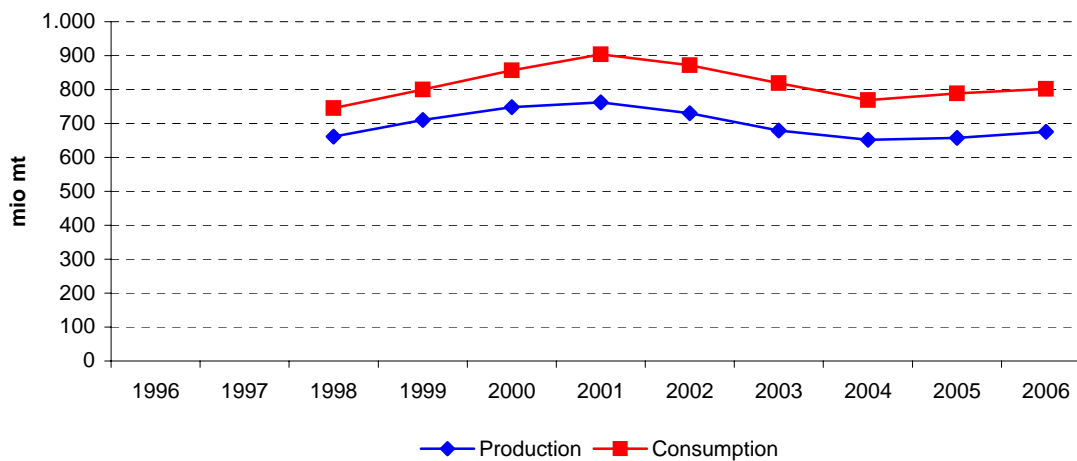
Japan soybean oil - 3 year moving average 1995-2007



India soybean oil - 3 year moving average 1995-2007



Mexico soybean oil - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
World														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	20.229	20.560	22.555	24.650	24.491	26.714	28.875	30.541	30.160	32.534	34.498	36.175	37.983	5,4%
Ending Stocks (mio mt)	0	0	0	0	2.866	3.134	3.116	2.715	2.371	3.016	3.186	3.019	2.608	:
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	12,0%	11,9%	11,0%	9,0%	7,9%	9,5%	9,5%	8,5%	6,8%	:
Total Trade (mio mt)	4.125	4.695	5.585	6.375	5.204	5.928	7.054	7.735	7.631	7.957	8.421	9.630	9.780	7,5%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	19.524	20.500	22.243	24.504	23.956	26.406	28.310	30.187	30.003	31.652	33.456	35.533	38.178	5,7%
Price (\$/mt)	625,00	551,50	564,75	625,92	427,33	338,08	354,00	454,25	553,92	616,00	544,92	598,56	881,43	2,9%
European Union														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2.567	2.685	2.914	2.923	2.529	2.984	3.198	2.950	2.531	2.545	2.419	2.600	2.680	0,4%
Ending Stocks (mio mt)	220	175	163	183	227	214	291	255	180	201	194	199	186	-1,4%
Ending Stocks/consumption (%)	11,2%	9,4%	9,1%	9,8%	13,6%	10,0%	12,7%	11,1%	8,5%	9,2%	6,8%	6,0%	5,5%	-5,8%
Net Import (mio mt)	662	859	1.127	1.027	868	860	830	682	499	346	-443	-708	-691	:
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	1.960	1.871	1.799	1.876	1.666	2.137	2.291	2.304	2.107	2.178	2.869	3.303	3.384	4,7%
Japan														
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	666	690	670	667	670	675	695	770	645	579	515	534	534	-1,8%
Ending Stocks (mio mt)	37	65	71	67	55	33	30	81	30	15	18	25	25	-3,2%
Ending Stocks/consumption (%)	5,6%	9,8%	10,6%	9,9%	8,0%	4,7%	4,3%	11,1%	4,2%	2,3%	3,1%	4,3%	4,2%	-2,3%
Net Import (mio mt)	-1	-3	-3	-4	-2	-3	-2	-12	-24	-45	-61	-50	-62	41,0%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	665	665	667	675	684	700	700	731	720	639	573	577	596	-0,9%

United States	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	6.913	7.145	8.230	8.201	8.085	8.355	8.572	8.360	7.748	8.781	9.248	9.293	9.395	2,6%
Ending Stocks (mio mt)	914	689	627	689	904	1.255	1.070	676	488	771	1.365	1.317	1.029	1,0%
Ending Stocks/consumption (%)	15,0%	10,7%	9,1%	9,7%	12,4%	17,0%	14,0%	8,7%	6,4%	9,7%	16,8%	15,5%	11,5%	-2,2%
Net Export (mio mt)	407	900	1.369	1.039	586	602	1.122	1.005	286	589	507	839	722	4,9%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	6.108	6.470	6.923	7.101	7.284	7.402	7.635	7.749	7.650	7.910	8.146	8.502	8.962	3,2%

Brazil	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	4.034	3.723	3.740	3.931	3.943	4.333	4.700	5.205	5.588	5.615	5.430	5.890	5.700	2,9%
Ending Stocks (mio mt)	375	405	405	315	408	325	447	423	365	454	313	363	301	-1,8%
Ending Stocks/consumption (%)	14,8%	15,6%	14,7%	11,1%	14,1%	11,0%	15,2%	14,5%	12,4%	15,3%	10,7%	11,0%	8,6%	-4,4%
Net Export (mio mt)	1.500	1.093	991	1.171	990	1.464	1.629	2.309	2.692	2.411	2.438	2.456	2.262	3,5%
<i>Food Use (mio mt)</i>	2.530	2.600	2.749	2.850	2.899	2.952	2.949	2.920	2.954	2.965	2.893	3.054	2.883	1,1%
<i>Biodiesel Use (mio mt)</i>	0	0	0	0	0	0	0	0	0	0	41	253	617	:
<i>Other use (mio mt)</i>														
Consumption (mio mt)	2.530	2.600	2.749	2.850	2.899	2.952	2.949	2.920	2.954	2.965	2.934	3.307	3.500	2,7%

Argentina	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.779	1.966	2.235	3.162	3.121	3.190	3.876	4.394	4.729	5.128	5.998	6.424	7.350	12,5%
Ending Stocks (mio mt)	275	298	333	252	545	408	327	414	511	486	490	385	400	3,2%
Ending Stocks/consumption (%)	280,6%	304,1%	323,3%	240,0%	232,9%	166,5%	100,6%	107,5%	131,4%	122,7%	123,4%	67,0%	46,1%	-14,0%
Net Export (mio mt)	1.556	1.845	2.097	3.138	2.843	3.080	3.630	3.920	4.238	4.757	5.597	5.954	6.400	12,5%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	98	98	103	105	234	245	325	385	389	396	397	575	868	19,9%

China	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.150	1.203	1.383	2.050	2.480	3.240	3.575	4.730	4.535	5.421	6.149	6.340	6.800	16,0%
Ending Stocks (mio mt)	404	350	350	190	280	280	210	250	341	247	200	250	210	-5,3%
Ending Stocks/consumption (%)	15,7%	12,3%	11,9%	6,2%	9,3%	7,9%	5,1%	3,9%	4,8%	3,4%	2,6%	2,9%	2,2%	-15,1%
Net Import (mio mt)	-1.379	-1.594	-1.570	-870	-634	-302	-492	-1.699	-2.713	-1.688	-1.411	-2.310	-2.760	6,0%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	2.575	2.851	2.953	3.080	3.024	3.542	4.137	6.389	7.157	7.203	7.607	8.600	9.600	11,6%

India	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	712	657	859	972	792	814	833	615	996	900	1.050	1.180	1.395	5,8%
Ending Stocks (mio mt)	0	0	0	0	0	171	179	86	98	386	232	207	207	:
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	8,4%	7,8%	4,5%	5,2%	14,7%	8,0%	8,0%	7,4%	:
Net Import (mio mt)	-60	-49	-236	-833	-790	-1.381	-1.475	-1.192	-901	-2.015	-1.714	-1.393	-1.385	29,9%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	772	706	1.095	1.805	1.582	2.024	2.300	1.900	1.885	2.627	2.918	2.598	2.780	11,3%

Mexico	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1997-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	n.a	n.a	613	673	698	760	787	740	663	635	657	680	690	1,5%
Ending Stocks (mio mt)	n.a	n.a	5	6	15	10	15	6	6	6	5	7	9	7,6%
Ending Stocks/consumption (%)	n.a	n.a	0,7%	0,8%	1,9%	1,2%	1,6%	0,6%	0,8%	0,8%	0,6%	0,9%	1,1%	5,1%
Net Import (mio mt)	n.a	n.a	-65	-96	-99	-78	-157	-181	-84	-146	-121	-129	-132	9,3%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other use (mio mt)</i>														
Consumption (mio mt)	n.a	n.a	680	768	788	843	939	930	747	781	779	807	820	2,4%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	21.115	26.183	31.933	37.079	21.115	22.588	23.899	25.285	26.693	28.710	29.859	31.078	32.397	34.402	36.219	
Ending Stocks (mio mt)	0	2.279	2.822	2.814	0	0	955	2.000	3.039	2.988	2.734	2.701	2.858	3.074	2.938	
Ending Stocks/consumption (%)	0,0%	8,7%	9,0%	7,7%	0,0%	0,0%	4,0%	7,9%	11,6%	10,6%	9,3%	8,8%	9,0%	9,2%	8,3%	
Total Trade (mio mt)	4.802	6.140	7.936	9.705	4.802	5.552	5.721	5.836	6.062	6.906	7.473	7.774	8.003	8.669	9.277	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	20.756	25.794	31.325	36.856	20.756	22.416	23.568	24.955	26.224	28.301	29.500	30.614	31.704	33.547	35.722	
Price (\$/mt)	580	436	542	740	580	581	539	464	373	382	454	541	572	586	675	

European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	2.722	2.909	2.611	2.640	2.722	2.841	2.789	2.812	2.904	3.044	2.893	2.675	2.498	2.521	2.566	
Ending Stocks (mio mt)	186	229	208	193	186	174	191	208	244	253	242	212	192	198	193	
Ending Stocks/consumption (%)	9,9%	11,5%	8,9%	5,8%	9,9%	9,4%	10,8%	11,1%	12,1%	11,3%	10,8%	9,6%	8,2%	7,3%	6,1%	
Net Import (mio mt)	883	896	271	-700	883	1.004	1.007	918	853	791	670	509	134	-268	-614	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	1.877	1.993	2.365	3.344	1.877	1.849	1.780	1.893	2.031	2.244	2.234	2.196	2.385	2.783	3.185	

Japan	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	675	677	627	534	675	676	669	671	680	713	703	665	580	543	528	
Ending Stocks (mio mt)	58	46	36	25	58	68	64	52	39	48	47	42	21	19	23	
Ending Stocks/consumption (%)	8,7%	6,7%	5,2%	4,3%	8,7%	10,1%	9,5%	7,6%	5,7%	6,7%	6,5%	5,9%	3,2%	3,3%	3,9%	
Net Import (mio mt)	-2	-3	-36	-56	-2	-3	-3	-3	-2	-6	-13	-27	-43	-52	-58	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	666	690	666	587	666	669	675	686	695	710	717	697	644	596	582	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	7.429	8.303	8.534	9.344	7.429	7.859	8.172	8.214	8.337	8.429	8.226	8.296	8.592	9.107	9.312	
Ending Stocks (mio mt)	743	980	825	1.173	743	669	740	949	1.076	1.000	745	645	875	1.151	1.237	
Ending Stocks/consumption (%)	11,6%	13,3%	10,4%	13,5%	11,6%	9,8%	10,4%	13,0%	14,5%	13,2%	9,7%	8,3%	11,0%	14,0%	14,6%	
Net Export (mio mt)	892	837	596	781	892	1.103	998	742	770	910	804	626	460	645	689	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	6.500	7.356	7.864	8.732	6.500	6.831	7.103	7.262	7.440	7.595	7.678	7.770	7.902	8.186	8.536	

Brazil	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	3.832	4.227	5.460	5.795	3.832	3.798	3.871	4.069	4.325	4.746	5.164	5.469	5.544	5.645	5.673	
Ending Stocks (mio mt)	395	374	389	332	395	375	376	349	393	398	412	414	377	377	326	
Ending Stocks/consumption (%)	15,0%	12,8%	13,2%	9,8%	15,0%	13,8%	13,3%	12,0%	13,4%	13,6%	14,0%	14,1%	12,8%	12,3%	10,1%	
Net Export (mio mt)	1.195	1.314	2.463	2.359	1.195	1.085	1.051	1.208	1.361	1.801	2.210	2.471	2.514	2.435	2.385	
Food Use (mio mt)	2.626	2.913	2.933	2.969	2.626	2.733	2.833	2.900	2.933	2.940	2.941	2.946	2.937	2.971	2.943	
Biodiesel Use (mio mt)	0	0	10	435	0	0	0	0	0	0	0	0	14	98	304	
Other use (mio mt)																
Consumption (mio mt)	2.626	2.913	2.943	3.404	2.626	2.733	2.833	2.900	2.933	2.940	2.941	2.946	2.951	3.069	3.247	

Argentina	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	1.993	3.337	5.062	6.887	1.993	2.454	2.839	3.158	3.396	3.820	4.333	4.750	5.285	5.850	6.591	
Ending Stocks (mio mt)	302	383	475	393	302	294	377	402	427	383	417	470	496	454	425	
Ending Stocks/consumption (%)	302,7%	185,0%	121,3%	56,5%	302,7%	289,1%	265,4%	213,1%	166,7%	124,9%	113,2%	120,5%	125,8%	104,4%	78,8%	
Net Export (mio mt)	1.833	3.173	4.628	6.177	1.833	2.360	2.693	3.020	3.184	3.543	3.929	4.305	4.864	5.436	5.984	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	100	227	392	721	100	102	147	195	268	318	366	390	394	456	613	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	1.245	2.836	5.209	6.570	1.245	1.545	1.971	2.590	3.098	3.848	4.280	4.895	5.368	5.970	6.430	
Ending Stocks (mio mt)	368	240	260	230	368	297	273	250	257	247	267	279	263	232	220	
Ending Stocks/consumption (%)	13,3%	7,1%	3,7%	2,5%	13,3%	10,1%	9,1%	7,8%	7,4%	5,6%	4,6%	4,0%	3,6%	3,0%	2,6%	
Net Import (mio mt)	-1.514	-575	-1.878	-2.535	-1.514	-1.345	-1.025	-602	-476	-831	-1.635	-2.033	-1.937	-1.803	-2.160	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	2.793	3.446	7.089	9.100	2.793	2.961	3.019	3.215	3.568	4.689	5.894	6.916	7.322	7.803	8.602	

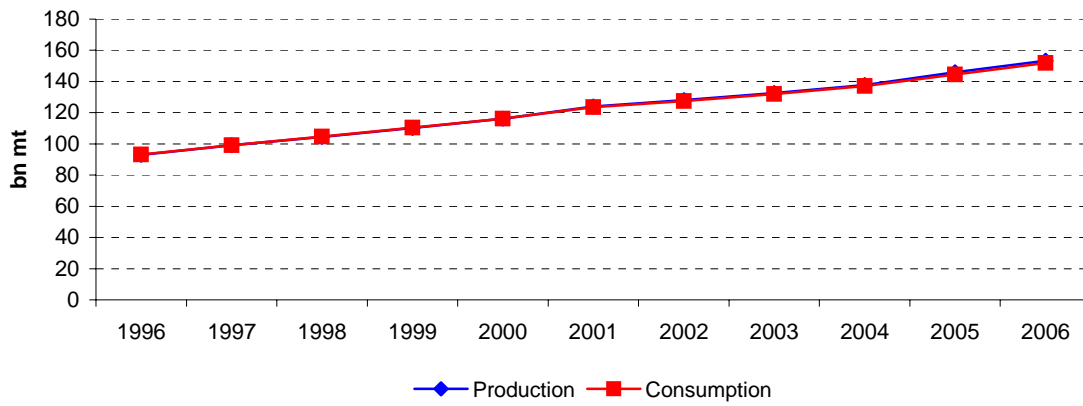
India	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	743	853	890	1.288	743	829	874	859	813	754	815	837	982	1.043	1.208	
Ending Stocks (mio mt)	0	88	201	207	0	0	0	57	117	145	121	190	239	275	215	
Ending Stocks/consumption (%)	0,0%	4,1%	8,1%	7,7%	0,0%	0,0%	0,0%	2,8%	5,4%	6,9%	5,8%	8,1%	9,3%	10,2%	7,8%	
Net Import (mio mt)	-115	-1.120	-1.456	-1.389	-115	-373	-620	-1.001	-1.215	-1.349	-1.189	-1.369	-1.543	-1.707	-1.497	
Food Use (mio mt)																
Biodiesel Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	858	1.928	2.333	2.689	858	1.202	1.494	1.804	1.969	2.075	2.028	2.137	2.477	2.714	2.765	

Mexico	Averages			3 year moving average											
	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	730	674	685	n.a	n.a	661	710	748	762	730	679	652	657	676	
Ending Stocks (mio mt)	12	6	8	n.a	n.a	9	10	13	10	9	6	6	6	7	
Ending Stocks/consumption (%)	1,4%	0,7%	1,0%	n.a	n.a										
Net Import (mio mt)	-108	-133	-131	n.a	n.a	-87	-91	-111	-139	-141	-137	-117	-132	-127	
Food Use (mio mt)															
Biodiesel Use (mio mt)															
Other use (mio mt)															
Consumption (mio mt)	835	809	814	n.a	n.a	745	800	857	904	872	819	769	789	802	

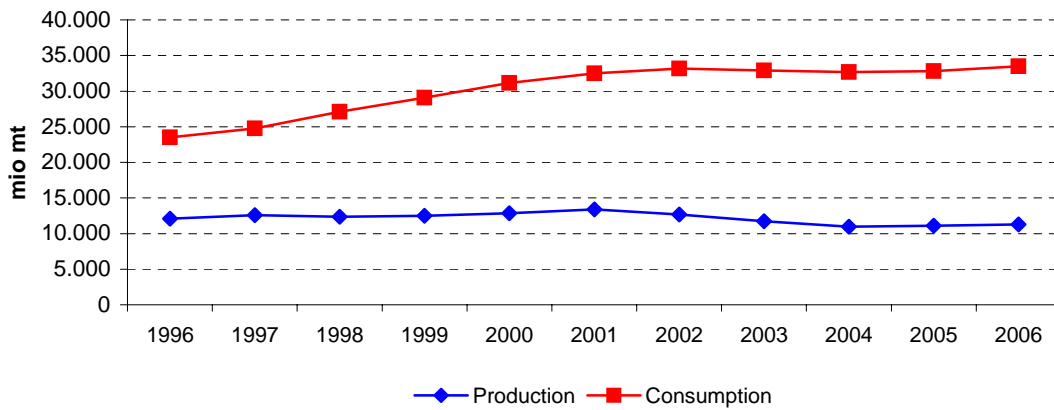
Source:

Fapri - World Agricultural Outlook

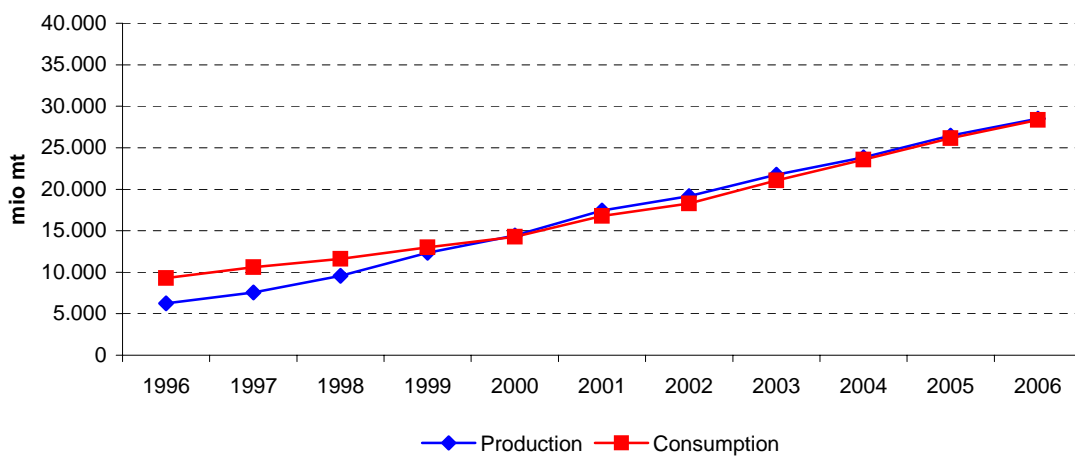
World soybean meal - 3 year moving average 1995-2007



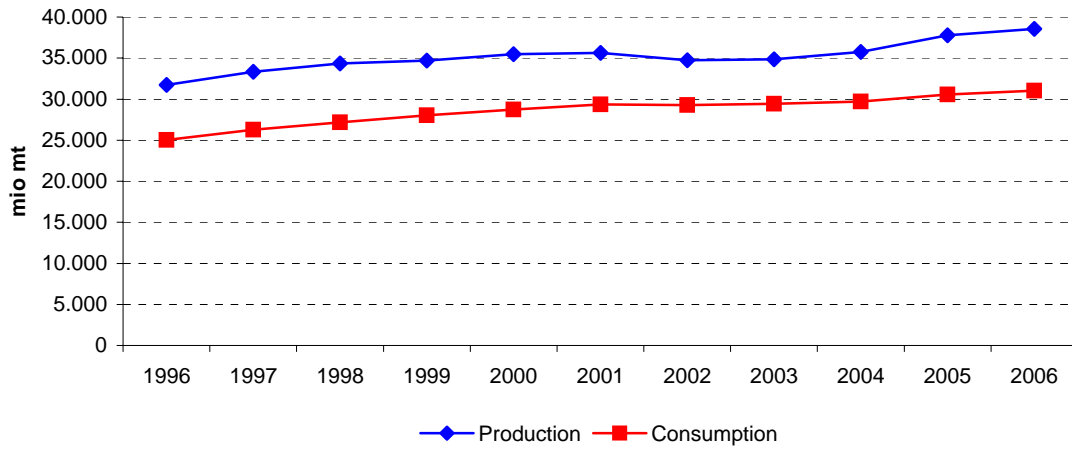
EU soybean meal - 3 year moving average 1995-2007



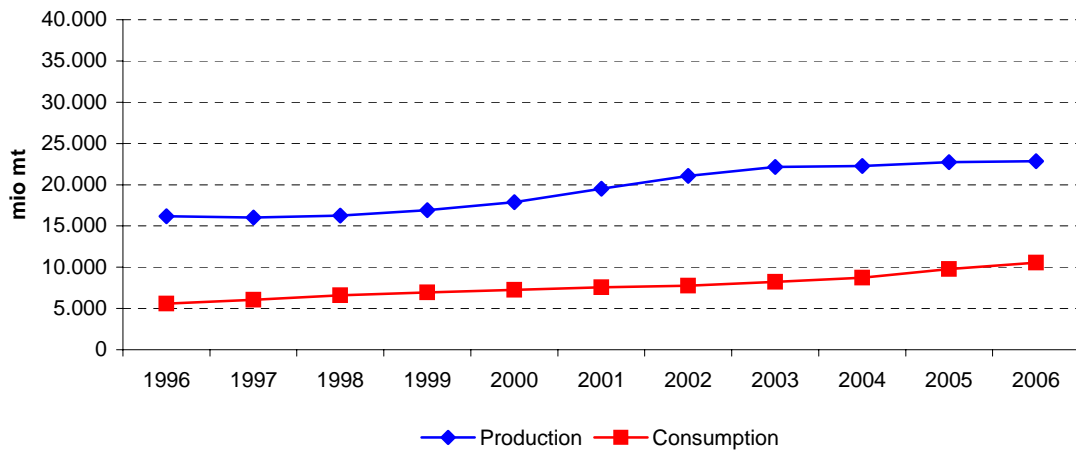
China soybean meal - 3 year moving average 1995-2007



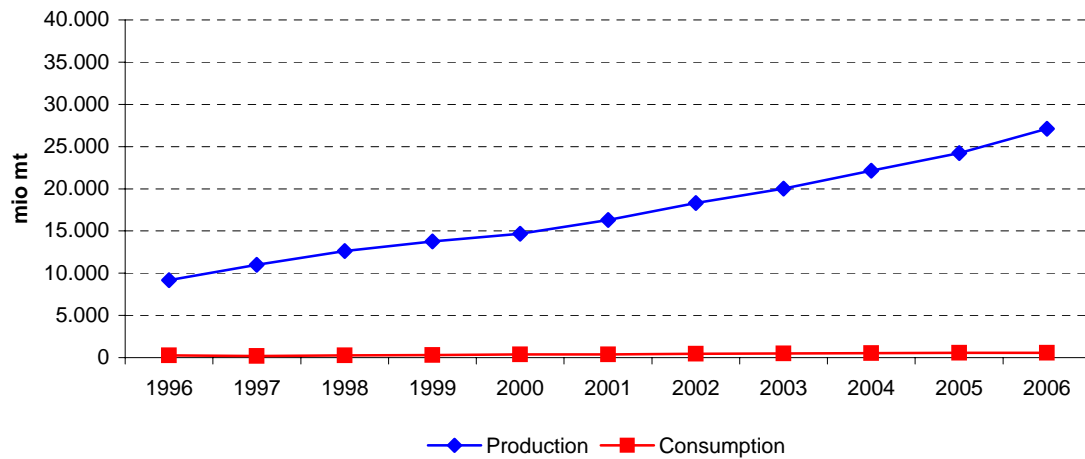
US soybean meal - 3 year moving average 1995-2007



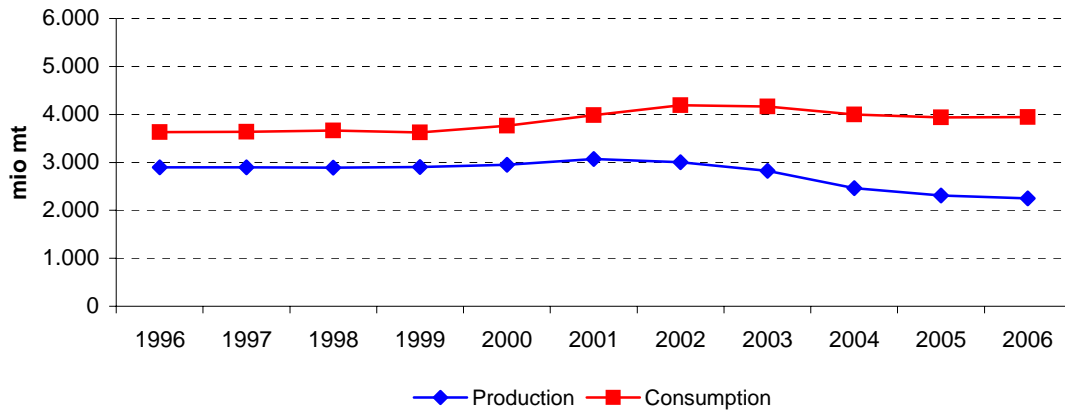
Brazil soybean meal - 3 year moving average 1995-2007



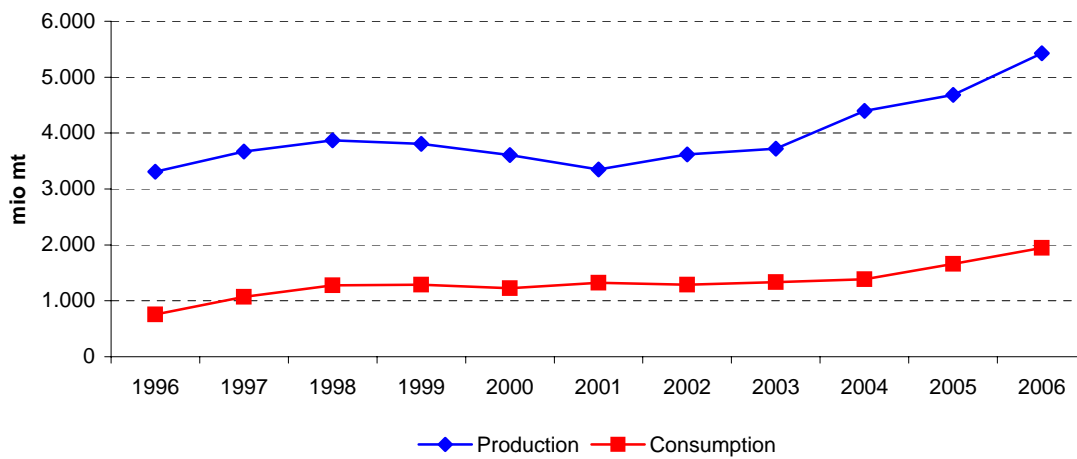
Argentina soybean meal - 3 year moving average 1995-2007



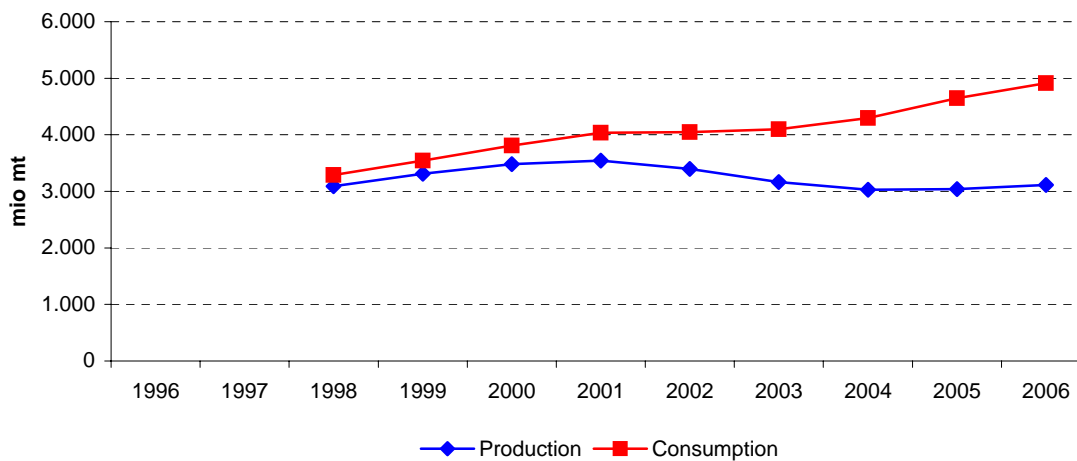
Japan soybean meal - 3 year moving average 1995-2007



India soybean meal - 3 year moving average 1995-2007



Mexico soybean meal - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
World													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	89.389	90.860	98.756	107.537	107.218	116.166	125.082	130.598	128.578	138.744	145.549	153.219	161.189
Ending Stocks (mio mt)	0	1	2	3	5.901	5.695	5.850	5.833	5.402	6.441	5.498	5.396	5.419
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	5,4%	4,9%	4,7%	4,5%	4,2%	4,7%	3,8%	3,6%	3,4%
Total Trade (mio mt)	26.592	24.266	26.171	30.908	32.945	33.561	38.334	39.153	42.112	43.549	47.747	51.828	54.578
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)*	88.666	91.470	99.319	106.337	108.673	116.209	123.735	130.447	128.466	137.127	145.777	150.807	158.953
Price (\$/mt)	197,00	267,50	275,75	170,33	152,17	189,17	181,00	175,17	210,92	241,17	214,38	209,19	306,89
European Union													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	11.387	11.987	12.866	12.916	11.331	13.175	14.042	12.950	11.084	11.194	10.643	11.450	11.800
Ending Stocks (mio mt)	1.056	761	751	940	886	809	1.074	890	858	859	866	855	863
Ending Stocks/consumption (%)	4,5%	3,4%	3,0%	3,4%	3,0%	2,6%	3,2%	2,7%	2,6%	2,6%	2,6%	2,6%	2,5%
Net Import (mio mt)	-12.031	-10.052	-11.864	-14.543	-17.786	-17.459	-19.629	-20.201	-21.619	-21.381	-22.121	-21.581	-22.850
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	23.462	22.334	24.740	27.270	29.294	30.711	33.406	33.335	32.735	32.574	32.757	33.042	34.642
Japan													
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	2.870	2.935	2.890	2.870	2.908	2.927	3.013	3.267	2.740	2.456	2.199	2.275	2.275
Ending Stocks (mio mt)	112	234	273	456	460	439	467	478	238	219	173	193	191
Ending Stocks/consumption (%)	3,1%	6,5%	7,4%	12,5%	12,6%	12,3%	11,5%	11,0%	5,7%	5,5%	4,5%	4,8%	4,8%
Net Import (mio mt)	-748	-772	-823	-963	-758	-611	-1.081	-1.075	-1.195	-1.503	-1.601	-1.737	-1.725
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	3.625	3.585	3.674	3.650	3.662	3.559	4.066	4.331	4.175	3.978	3.846	3.992	4.002

United States	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	29.508	31.035	34.633	34.284	34.102	35.729	36.552	34.649	32.953	36.936	37.416	39.033	39.227
Ending Stocks (mio mt)	192	191	198	299	266	347	218	200	191	156	285	318	278
Ending Stocks/consumption (%)	0,8%	0,8%	0,8%	1,1%	1,0%	1,2%	0,7%	0,7%	0,7%	0,5%	0,9%	1,0%	0,9%
Net Export (mio mt)	5.377	6.252	8.412	6.371	6.606	6.942	6.682	5.310	4.431	6.525	7.173	7.829	7.441
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	24.141	24.784	26.213	27.812	27.530	28.706	30.000	29.358	28.530	30.446	30.114	31.171	31.826

Brazil	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	17.040	15.722	15.728	16.595	16.478	17.725	19.407	21.449	22.360	22.658	21.842	23.684	23.000
Ending Stocks (mio mt)	973	835	975	1.190	1.080	1.253	1.560	1.647	1.801	1.577	1.119	1.383	1.363
Ending Stocks/consumption (%)	18,7%	15,5%	16,0%	17,9%	15,2%	17,7%	20,6%	20,4%	23,4%	17,8%	11,7%	12,7%	12,1%
Net Export (mio mt)	11.841	10.460	9.488	9.730	9.852	10.489	11.520	13.307	14.510	14.004	12.700	12.547	11.780
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	5.210	5.400	6.100	6.650	7.086	7.063	7.580	8.055	7.696	8.878	9.600	10.873	11.240

Argentina	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	8.382	8.850	10.300	13.850	13.712	13.718	16.559	18.663	19.761	21.601	25.012	26.061	30.225
Ending Stocks (mio mt)	304	279	529	775	2.023	1.661	1.244	1.000	1.017	1.423	1.672	1.585	1.683
Ending Stocks/consumption (%)	81,1%	143,1%	264,5%	379,9%	591,5%	467,9%	319,0%	227,8%	193,7%	261,1%	294,9%	285,6%	265,0%
Net Export (mio mt)	8.223	8.680	9.850	13.400	13.309	13.725	16.586	18.468	19.219	20.650	24.196	25.593	29.492
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	375	195	200	204	342	355	390	439	525	545	567	555	635

China	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	6.051	5.963	6.717	10.023	11.975	15.050	16.300	21.000	20.190	24.026	27.296	28.100	30.150
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Export (mio mt)	-1.450	-3.576	-4.180	-1.393	-587	55	1.096	843	643	589	-480	835	150
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	7.501	9.539	10.897	11.416	12.562	14.995	15.204	20.157	19.547	23.437	27.776	27.265	30.000

India	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	3.200	2.920	3.800	4.295	3.515	3.614	3.700	2.730	4.422	4.005	4.772	5.268	6.245
Ending Stocks (mio mt)	110	0	0	70	0	40	42	45	35	880	314	176	189
Ending Stocks/consumption (%)	22,4%	0,0%	0,0%	4,9%	0,0%	3,3%	3,4%	3,0%	3,1%	63,8%	18,9%	9,0%	8,5%
Net Export (mio mt)	2.600	2.450	2.600	2.800	2.375	2.350	2.450	1.225	3.309	1.781	3.678	3.461	4.000
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	490	580	1.200	1.425	1.210	1.224	1.248	1.502	1.123	1.379	1.660	1.945	2.232

Mexico	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area (mio Ha)													
Yield (mt/ha)													
Production (mio mt)	n.a	n.a	2.870	3.150	3.250	3.530	3.656	3.440	3.090	2.958	3.030	3.134	3.178
Ending Stocks (mio mt)	n.a	n.a	150	150	150	137	125	93	109	108	111	111	110
Ending Stocks/consumption (%)	n.a	n.a	4,9%	4,5%	4,3%	3,6%	3,0%	2,2%	2,8%	2,5%	2,3%	2,3%	2,2%
Net Import (mio mt)	n.a	n.a	-204	-163	-223	-295	-444	-691	-791	-1.309	-1.724	-1.786	-1.895
<i>Food Use (mio mt)</i>													
<i>Industrial Use (mio mt)</i>													
<i>Other use (mio mt)</i>													
Consumption (mio mt)	n.a	n.a	3.074	3.313	3.473	3.838	4.112	4.163	3.865	4.268	4.751	4.920	5.074

Source:

Fapri - World Agricultural Outlook; (*) World Bank

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	93.002	114.001	135.867	157.204	93.002	99.051	104.504	110.307	116.155	123.949	128.086	132.640	137.624	145.837	153.319	
Ending Stocks (mio mt)	1	4.362	5.794	5.408	1	2	1.969	3.866	5.815	5.793	5.695	5.892	5.780	5.778	5.438	
Ending Stocks/consumption (%)	0,0%	3,8%	4,3%	3,5%	0,0%	0,0%	1,8%	3,4%	5,0%	4,7%	4,5%	4,5%	4,2%	4,0%	3,6%	
Total Trade (mio mt)	25.676	33.937	43.140	53.203	25.676	27.115	30.008	32.471	34.946	37.016	39.866	41.605	44.470	47.708	51.384	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)*	93.152	113.739	135.454	154.880	93.152	99.042	104.776	110.406	116.206	123.464	127.549	132.013	137.123	144.570	151.846	
Price (\$/mt)	247	173	210	258	247	238	199	171	174	182	189	209	222	222	243	

European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	12.080	12.866	11.468	11.625	12.080	12.590	12.371	12.474	12.849	13.389	12.692	11.743	10.974	11.096	11.298	
Ending Stocks (mio mt)	856	927	868	859	856	817	859	878	923	924	941	869	861	860	861	
Ending Stocks/consumption (%)	3,6%	3,1%	2,6%	2,5%	3,6%	3,3%	3,2%	3,0%	3,0%	2,8%	2,8%	2,6%	2,6%	2,6%	2,6%	
Net Import (mio mt)	-11.316	-17.354	-21.331	-22.216	-11.316	-12.153	-14.731	-16.596	-18.291	-19.096	-20.483	-21.067	-21.707	-21.694	-22.184	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	23.512	30.170	32.850	33.842	23.512	24.781	27.101	29.092	31.137	32.484	33.159	32.881	32.689	32.791	33.480	

Japan	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	2.898	2.930	2.666	2.275	2.898	2.898	2.889	2.902	2.949	3.069	3.007	2.821	2.465	2.310	2.250	
Ending Stocks (mio mt)	206	456	277	192	206	321	396	452	455	461	394	312	210	195	186	
Ending Stocks/consumption (%)	5,7%	12,2%	6,7%	4,8%	5,7%	8,8%	10,8%	12,5%	12,1%	11,6%	9,4%	7,4%	5,2%	4,9%	4,7%	
Net Import (mio mt)	-781	-853	-1.344	-1.731	-781	-853	-848	-777	-817	-922	-1.117	-1.258	-1.433	-1.614	-1.688	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	3.628	3.734	4.083	3.997	3.628	3.636	3.662	3.624	3.762	3.985	4.191	4.161	4.000	3.939	3.947	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	31.725	35.167	35.489	39.130	31.725	33.317	34.340	34.705	35.461	35.644	34.718	34.846	35.768	37.795	38.559	
Ending Stocks (mio mt)	194	283	208	298	194	229	254	304	277	255	203	182	211	253	294	
Ending Stocks/consumption (%)	0,8%	1,0%	0,7%	0,9%	0,8%	0,9%	0,9%	1,1%	1,0%	0,9%	0,7%	0,6%	0,7%	0,8%	0,9%	
Net Export (mio mt)	6.681	6.650	5.860	7.635	6.681	7.012	7.130	6.640	6.743	6.311	5.474	5.422	6.043	7.176	7.481	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	25.046	28.512	29.612	31.499	25.046	26.270	27.185	28.016	28.745	29.355	29.296	29.445	29.697	30.577	31.037	

Brazil	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	16.163	17.551	22.077	23.342	16.163	16.015	16.267	16.933	17.870	19.527	21.072	22.156	22.287	22.728	22.842	
Ending Stocks (mio mt)	928	1.271	1.536	1.373	928	1.000	1.082	1.174	1.298	1.487	1.669	1.675	1.499	1.360	1.288	
Ending Stocks/consumption (%)	16,7%	17,9%	18,3%	12,4%	16,7%	16,4%	16,4%	17,0%	17,9%	19,6%	21,5%	20,5%	17,6%	14,0%	12,2%	
Net Export (mio mt)	10.596	10.398	13.630	12.164	10.596	9.893	9.690	10.024	10.620	11.772	13.112	13.940	13.738	13.084	12.342	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	5.570	7.095	8.557	11.057	5.570	6.050	6.612	6.933	7.243	7.566	7.777	8.210	8.725	9.784	10.571	

Argentina	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	9.177	14.460	21.259	28.143	9.177	11.000	12.621	13.760	14.663	16.313	18.328	20.008	22.125	24.225	27.099	
Ending Stocks (mio mt)	371	1.426	1.278	1.634	371	528	1.109	1.486	1.643	1.302	1.087	1.147	1.371	1.560	1.647	
Ending Stocks/consumption (%)	162,9%	439,6%	244,4%	275,3%	162,9%	262,5%	412,0%	479,8%	459,5%	338,2%	246,8%	227,5%	249,9%	280,5%	281,8%	
Net Export (mio mt)	8.918	14.255	20.633	27.543	8.918	10.643	12.186	13.478	14.540	16.260	18.091	19.446	21.355	23.480	26.427	
Food Use (mio mt)																
Industrial Use (mio mt)																
Other use (mio mt)																
Consumption (mio mt)	257	323	519	595	257	200	249	300	362	395	451	503	546	556	586	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	6.244	13.337	23.128	29.125	6.244	7.568	9.572	12.349	14.442	17.450	19.163	21.739	23.837	26.474	28.515	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Net Export (mio mt)	-3.069	-207	399	493	-3.069	-3.050	-2.053	-642	188	665	861	692	251	315	168	
<i>Food Use (mio mt)</i>																
<i>Industrial Use (mio mt)</i>																
<i>Other use (mio mt)</i>																
Consumption (mio mt)	9.312	13.544	22.729	28.633	9.312	10.617	11.625	12.991	14.254	16.785	18.303	21.047	23.587	26.159	28.347	

India	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)																
Yield (mt/ha)																
Production (mio mt)	3.307	3.781	3.982	5.757	3.307	3.672	3.870	3.808	3.610	3.348	3.617	3.719	4.400	4.682	5.428	
Ending Stocks (mio mt)	37	38	319	183	37	23	23	37	27	42	41	320	410	457	226	
Ending Stocks/consumption (%)	7,5%	2,9%	22,2%	8,8%	7,5%	1,6%	1,6%	2,7%	2,2%	3,2%	3,2%	23,3%	28,6%	30,6%	12,1%	
Net Export (mio mt)	2.550	2.494	2.498	3.731	2.550	2.617	2.592	2.508	2.392	2.008	2.328	2.105	2.923	2.973	3.713	
<i>Food Use (mio mt)</i>																
<i>Industrial Use (mio mt)</i>																
<i>Other use (mio mt)</i>																
Consumption (mio mt)	757	1.277	1.416	2.089	757	1.068	1.278	1.286	1.227	1.325	1.291	1.335	1.387	1.661	1.946	

Mexico	Averages			3 year moving average											
	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	3.397	3.130	3.156	n.a	n.a	3.090	3.310	3.479	3.542	3.395	3.163	3.026	3.041	3.114	
Ending Stocks (mio mt)	141	105	111	n.a	n.a	150	146	137	118	109	103	109	110	111	
Ending Stocks/consumption (%)	3,9%	2,5%	2,2%	n.a	n.a										
Net Import (mio mt)	-281	-1.129	-1.841	n.a	n.a	-197	-227	-321	-477	-642	-930	-1.275	-1.606	-1.802	
<i>Food Use (mio mt)</i>															
<i>Industrial Use (mio mt)</i>															
<i>Other use (mio mt)</i>															
Consumption (mio mt)	3.684	4.262	4.997	n.a	n.a	3.287	3.541	3.808	4.038	4.047	4.099	4.295	4.646	4.915	

Source:

Fapri - World Agricultural Outlook; (*) World Bank

THE CAUSES OF THE FOOD PRICE CRISIS: SUGAR

SUMMARY OF WORLD SUGAR MARKET DEVELOPMENTS

World sugar production has been growing faster than consumption. This is due to the strong and steady increase of production and exports by Brazil, the leading player on the sugar market, has kept world stocks at comfortable levels. As a consequence, world sugar prices did not follow the recent spike of other commodity prices, despite the significant impact of the EU sugar reform on decreasing the EU's production and exportable surplus. Although both Australia and Thailand affected by low yields in recent years, sugar prices showed volatility and a surge in 2006, the long-term trend in the sector is basically driven by ethanol use of sugar cane. Human consumption is increasing in the developing world, but the strongest factor of increase has been demand for ethanol in Brazil, which accounts for over 40% of world ethanol production, essentially all from sugarcane.

MAIN WORLD MARKET TRENDS

Production

- Area stayed roughly the same in all major players except for Brazil, where it increased notably since 2002, and in the EU where it diminished starting from 2006. World sugar production has risen during the 1995-2004 period, made a jump upwards in 2006 and continued slower growth in 2007. Brazil, the major sugar producer, has substantially increased its production, especially since 2002. Production in the EU starts to decrease from 2006 due to the impact of the sugar reform. The US shows an increase in 2006/07, while production in Australia decreased 2006/07 due to droughts. Thai production falls in 2004/05, as a result of low yields, but picks up again in 2006.

Consumption

- World sugar consumption shows a steady path of moderate increase. Some major players (US, EU, Australia) have moved to more steady consumption in recent years, in others consumption continues to grow.

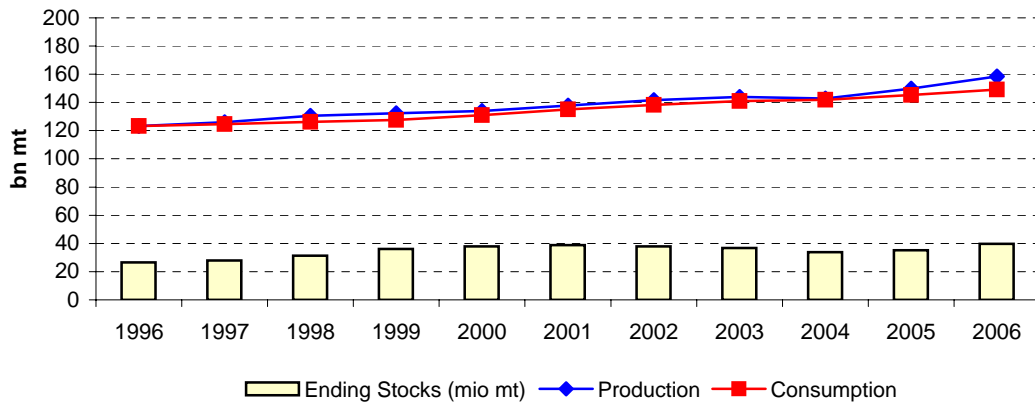
Trade

- Brazil strengthened its position as main exporter steadily and substantially with growth of 350% in net exports from 1995 to 2007. Thailand is back to being second largest exporter after a drop in 2004/05. Australia saw a reduction of net export in 2006/07. The EU, due to the impact of the sugar reform, moves from being net exporter to being net importer in 2006/07.

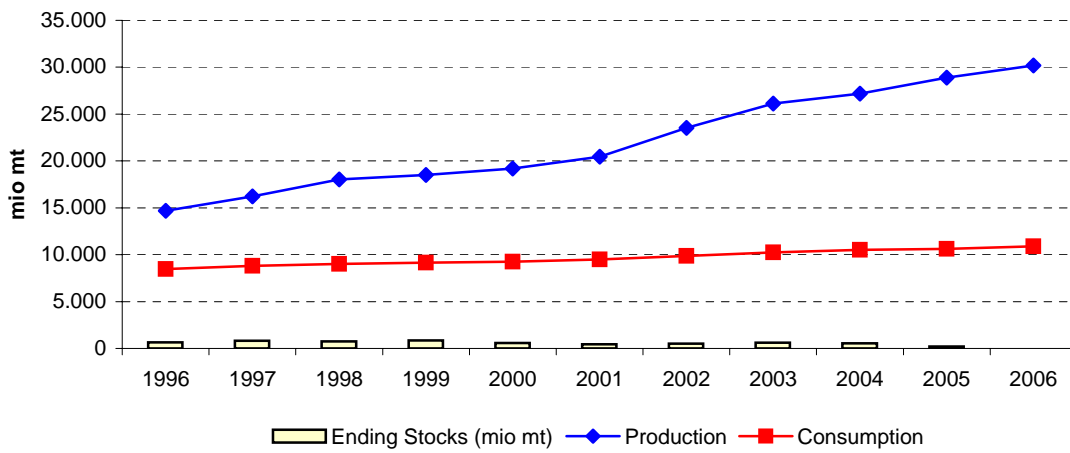
Ending stocks / Prices

- High volatility, but also a clear downward path in real terms, characterise the market, with production growing faster than consumption, and a comfortable level of stocks at world level, despite their decline among some of major players.

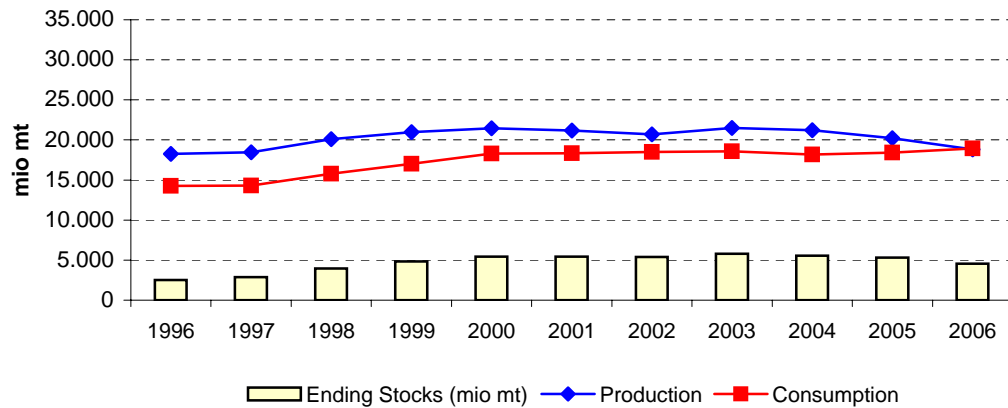
World sugar - 3 year moving average 1995-2007



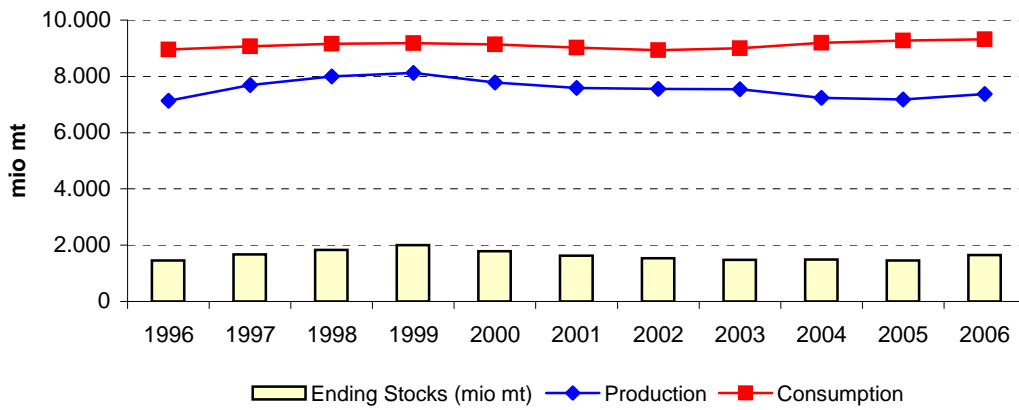
Brazil sugar - 3 year moving average 1995-2007



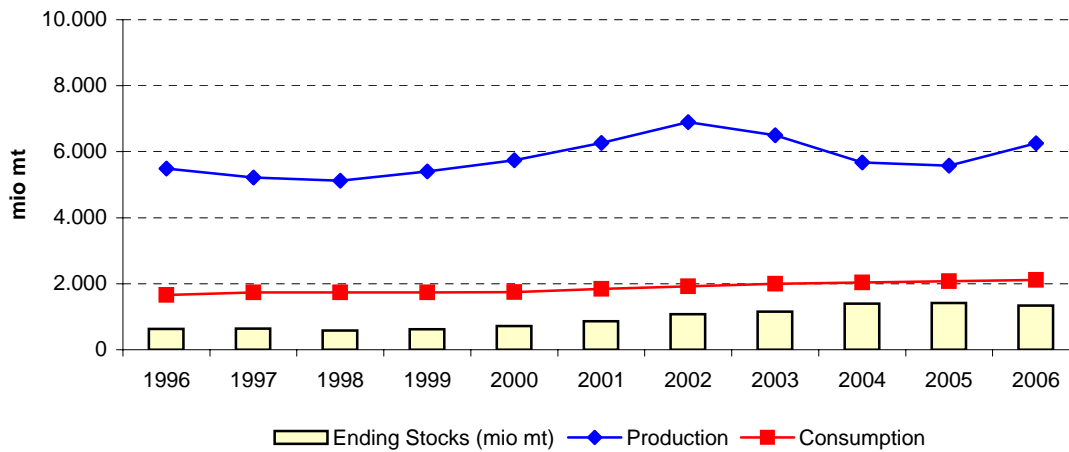
EU sugar - 3 year moving average 1995-2007



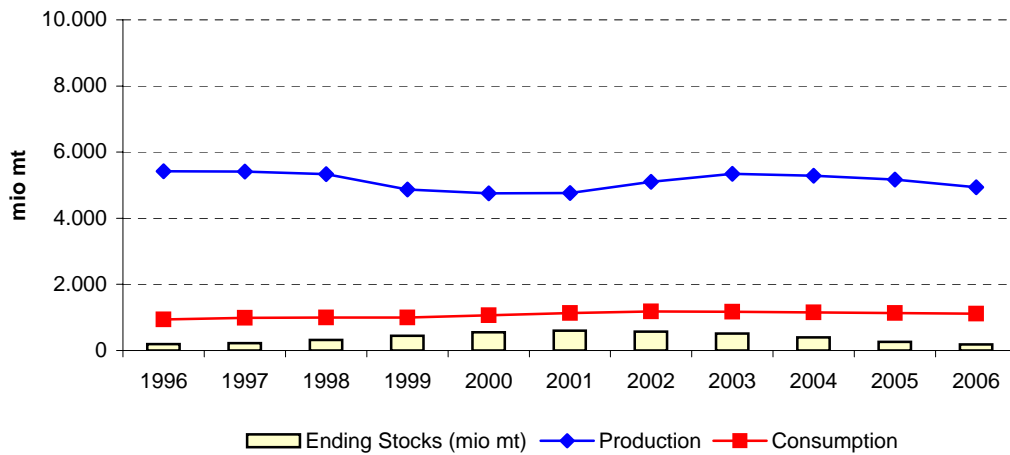
US sugar - 3 year moving average 1995-2007



Thailand sugar - 3 year moving average 1995-2007



Australia sugar - 3 year moving average 1995-2007



World	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area Sugar beet (mio Ha)	8	8	7	7	6	7	6	6	6	6	5	6	5
Area Sugarcane (mio Ha)	19	19	19	19	19	19	19	20	20	20	20	21	22
Total Area (mio Ha)	28	27	27	26	26	26	25	26	25	25	26	27	27
Yield Sugar beet (mt/ha)	34	35	36	39	41	39	41	41	44	46	47	46	44
Yield Sugarcane (mt/ha)	63	65	65	66	65	64	65	65	65	65	65	68	71
Production Sugar beet (mio mt)	274.160	270.489	263.144	264.286	263.190	252.864	250.171	263.888	252.394	262.232	255.273	259.396	242.262
Production Sugarcane (mio mt)	1.220.031	1.252.137	1.251.759	1.274.065	1.250.223	1.220.533	1.252.511	1.282.857	1.275.228	1.276.757	1.359.153	1.488.834	1.562.905
Production Sugar (mio mt)	122.168	122.549	125.032	130.237	136.264	130.867	134.432	148.341	142.421	140.829	144.860	164.066	166.676
Ending Stocks (mio mt)	27.258	26.712	25.738	31.061	37.281	40.046	36.568	39.758	37.713	32.850	31.064	41.581	46.509
Total Trade (mio mt)	25.668	23.916	24.590	25.140	31.017	29.062	29.450	33.215	32.326	33.106	34.977	36.587	37.350
Consumption (mio mt)	120.754	123.095	126.005	124.914	127.581	130.123	135.259	139.638	139.705	143.259	142.967	149.385	155.049
Price (\$/mt)*	29,28	26,36	25,06	19,67	13,81	18,03	19,04	15,18	15,63	15,80	21,79	32,59	22,22

European Union	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area Sugar beet (mio Ha)	2.094	2.023	2.041	2.005	2.518	2.466	2.459	2.339	2.247	2.240	2.182	1.807	1.677
Area Sugarcane (mio Ha)	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Area (mio Ha)	2.095	2.024	2.042	2.006	2.519	2.467	2.460	2.340	2.248	2.241	2.183	1.808	1.678
Yield Sugar beet (mt/ha)	53,45	56,27	59,51	57,43	54,73	51,66	56,00	54,34	57,89	60,18	58,37	59,08	60,40
Yield Sugarcane (mt/ha)	45,98	62,47	86,68	76,99	97,48	91,08	88,55	78,65	65,38	68,15	62,13	60,66	60,76
Production Sugar beet (mio mt)	111.922	113.841	121.468	115.145	137.821	127.409	137.715	127.083	130.078	134.798	127.374	106.750	101.285
Production Sugarcane (mio mt)	55	79	115	84	115	95	84	86	75	53	57	55	53
Production Sugar (mio mt)	17.234	18.221	19.305	17.818	23.114	22.024	19.224	22.311	20.500	21.707	21.471	17.450	17.490
Ending Stocks (mio mt)	2.066	2.535	3.001	3.107	5.719	5.647	4.913	5.768	5.450	6.132	5.088	4.704	3.840
Net Trade (mio mt)	5.021	3.420	4.532	3.462	3.615	4.075	1.886	2.500	2.344	2.664	4.857	-1.366	-1.546
Consumption (mio mt)	14.146	14.332	14.307	14.250	18.776	18.021	18.072	18.956	18.474	18.361	17.658	19.200	19.900

United States	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Area Sugar beet (mio Ha)	536	578	587	618	618	556	502	551	545	529	503	528	505
Area Sugarcane (mio Ha)	336	348	359	381	381	395	393	393	377	356	347	343	337
Total Area (mio Ha)	871	926	947	999	999	951	895	944	922	885	850	870	841
Yield Sugar beet (mt/ha)	45,19	46,90	50,22	49,05	49,05	53,13	46,43	45,65	51,08	51,50	49,48	58,58	57,37
Yield Sugarcane (mt/ha)	74,82	78,18	82,63	79,95	79,95	78,70	75,72	78,20	76,94	69,44	64,59	74,04	78,43
Production Sugar beet (mio mt)	24.204	27.112	29.483	30.318	30.318	29.521	23.322	25.135	27.860	27.235	24.887	30.902	28.950
Production Sugarcane (mio mt)	25.117	27.218	29.704	30.461	30.461	31.108	29.733	30.756	28.977	24.714	22.433	25.367	26.400
Production Sugar (mio mt)	6.535	7.276	7.597	8.203	8.210	7.955	7.167	7.644	7.846	7.146	6.712	7.662	7.726
Ending Stocks (mio mt)	1.350	1.523	1.487	2.013	2.010	1.977	1.386	1.515	1.721	1.208	1.540	1.632	1.782
Net Import (mio mt)	-2.325	-1.800	-1.446	-1.372	-1.372	-1.315	-1.268	-1.441	-1.330	-1.670	-2.939	-1.504	-1.799
Consumption (mio mt)	8.838	8.904	9.132	9.173	9.173	9.191	9.048	8.810	8.947	9.242	9.381	9.194	9.375

	High prices			Low prices				High prices			Very high prices		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Brazil													
<i>Area Sugar beet (mio Ha)</i>													
<i>Area Sugarcane (mio Ha)</i>	4.827	4.880	4.880	4.972	4.860	4.650	4.550	4.810	5.050	5.350	5.610	5.940	6.470
Total Area (mio Ha)	4.827	4.880	4.880	4.972	4.860	4.650	4.550	4.810	5.050	5.350	5.610	5.940	6.470
<i>Yield Sugar beet (mt/ha)</i>													
<i>Yield Sugarcane (mt/ha)</i>	52,00	58,50	61,48	61,95	62,76	55,16	64,40	66,53	71,07	72,11	68,89	72,05	73,57
<i>Production Sugar beet (mio mt)</i>													
<i>Production Sugarcane (mio mt)</i>	251.000	285.500	300.000	308.000	305.000	256.500	293.000	320.000	358.900	385.800	386.500	428.000	476.000
Production Sugar (mio mt)	13.700	14.650	15.700	18.300	20.100	17.100	20.400	23.810	26.400	28.175	26.945	31.517	32.067
Ending Stocks (mio mt)	510	860	560	1.010	710	860	210	270	1.030	585	0	0	0
Net Export (mio mt)	5.800	5.800	7.200	8.750	11.300	7.700	11.600	14.000	15.240	18.020	16.995	20.783	20.633
Consumption (mio mt)	8.100	8.500	8.800	9.100	9.100	9.250	9.450	9.750	10.400	10.600	10.535	10.733	11.433
Thailand													
<i>Area Sugar beet (mio Ha)</i>													
<i>Area Sugarcane (mio Ha)</i>	965	930	930	920	920	920	950	1.121	1.050	990	950	1.030	1.040
Total Area (mio Ha)	965	930	930	920	920	920	950	1.121	1.050	990	950	1.030	1.040
<i>Yield Sugar beet (mt/ha)</i>													
<i>Yield Sugarcane (mt/ha)</i>	58,44	50,40	52,15	54,41	57,75	52,88	62,62	66,10	61,43	48,30	49,16	61,94	65,38
<i>Production Sugar beet (mio mt)</i>													
<i>Production Sugarcane (mio mt)</i>	56.394	46.874	48.500	50.059	53.129	48.652	59.493	74.100	64.500	47.820	46.700	63.800	68.000
Production Sugar (mio mt)	6.223	6.013	4.245	5.386	5.721	5.107	6.397	7.286	7.010	5.187	4.835	6.720	7.200
Ending Stocks (mio mt)	632	800	450	684	608	571	979	1.045	1.215	1.217	1.760	1.280	980
Net Export (mio mt)	4.537	4.194	2.839	3.352	4.147	3.394	4.157	5.280	4.860	3.115	2.242	5.100	5.300
Consumption (mio mt)	1.560	1.651	1.756	1.800	1.650	1.750	1.832	1.940	1.980	2.070	2.050	2.100	2.200
Australia													
<i>Area Sugar beet (mio Ha)</i>													
<i>Area Sugarcane (mio Ha)</i>	377	390	415	414	419	411	417	423	448	434	415	420	425
Total Area (mio Ha)	377	390	415	414	419	411	417	423	448	434	415	420	425
<i>Yield Sugar beet (mt/ha)</i>													
<i>Yield Sugarcane (mt/ha)</i>	95,20	99,06	95,21	94,48	95,32	75,98	77,93	89,76	82,33	88,94	91,95	85,71	77,65
<i>Production Sugar beet (mio mt)</i>													
<i>Production Sugarcane (mio mt)</i>	35.889	38.632	39.513	39.116	39.940	31.228	32.496	37.968	36.884	38.600	38.161	36.000	33.000
Production Sugar (mio mt)	5.049	5.659	5.567	4.997	5.448	4.162	4.662	5.461	5.178	5.388	5.297	4.822	4.700
Ending Stocks (mio mt)	101	228	253	183	518	634	507	662	543	343	291	162	111
Net Export (mio mt)	4.240	4.562	4.552	4.072	4.118	3.051	3.589	4.106	4.147	4.438	4.199	3.851	3.651
Consumption (mio mt)	860	970	990	995	995	995	1.200	1.200	1.150	1.150	1.150	1.100	1.100

Source:

Fapri - World Agricultural Outlook; (*) World Bank

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area Sugar beet (mio Ha)	8	6	6	6	8	7	7	7	6	6	6	6	6	6	6	
Area Sugarcane (mio Ha)	19	19	20	22	19	19	19	19	19	19	20	20	20	20	21	
Total Area (mio Ha)	27	26	26	27	27	27	26	26	26	26	26	26	25	26	27	
Yield Sugar beet (mt/ha)	35	40	45	45	35	37	39	39	40	40	42	44	46	46	46	
Yield Sugarcane (mt/ha)	64	65	66	71	64	65	65	65	64	65	65	65	66	68	70	
Production Sugar beet (mio mt)	269.264	257.628	258.447	250.829	269.264	265.973	263.540	260.113	255.408	255.641	255.484	259.504	256.633	258.967	252.310	
Production Sugarcane (mio mt)	1.241.309	1.249.333	1.298.499	1.525.870	1.241.309	1.259.321	1.258.683	1.248.274	1.241.089	1.251.967	1.270.199	1.278.281	1.303.713	1.374.915	1.470.298	
Production Sugar (mio mt)	123.250	132.950	144.113	165.371	123.250	125.939	130.511	132.456	133.854	137.880	141.731	143.864	142.703	149.918	158.534	
Ending Stocks (mio mt)	26.569,19	36.238,97	35.346,25	44.045,00	26.569,19	27.836,98	31.360,01	36.129,29	37.965,00	38.790,67	38.013,00	36.773,67	33.875,67	35.165,00	39.718,00	
Total Trade (mio mt)	24.725	28.667	33.406	36.969	24.725	24.549	26.916	28.406	29.843	30.576	31.664	32.882	33.470	34.890	36.305	
Consumption (mio mt)	123.285	129.469	141.392	152.217	123.285	124.671	126.167	127.539	130.988	135.007	138.201	140.867	141.977	145.204	149.134	
Price (\$/mt)*	27	18	17	27	27	24	20	17	17	17	17	16	18	23	26	

European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area Sugar beet (mio Ha)	2.053	2.362	2.252	1.742	2.053	2.023	2.188	2.330	2.481	2.421	2.348	2.275	2.223	2.076	1.889	
Area Sugarcane (mio Ha)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Area (mio Ha)	2.054	2.363	2.253	1.743	2.054	2.024	2.189	2.331	2.482	2.422	2.349	2.276	2.224	2.077	1.890	
Yield Sugar beet (mt/ha)	56	55	58	60	56	58	57	55	54	54	56	57	59	59	59	
Yield Sugarcane (mt/ha)	65	89	69	61	65	75	87	89	92	86	78	71	65	64	61	
Production Sugar beet (mio mt)	115.743	129.523	129.833	104.018	115.743	116.818	124.811	126.792	134.315	130.736	131.625	130.653	130.750	122.974	111.803	
Production Sugarcane (mio mt)	83	94	68	54	83	92	104	98	98	89	82	72	62	55	55	
Production Sugar (mio mt)	18.253	20.545	21.497	17.470	18.253	18.448	20.079	20.985	21.454	21.186	20.678	21.506	21.226	20.209	18.804	
Ending Stocks (mio mt)	2.534,00	4.846,50	5.609,50	4.272,00	2.534,00	2.881,00	3.942,33	4.824,33	5.426,33	5.442,67	5.377,00	5.783,33	5.556,67	5.308,00	4.544,00	
Net Trade (mio mt)	4.324	3.260	3.091	-1.456	4.324	3.805	3.870	3.717	3.192	2.820	2.243	2.503	3.288	2.052	648	
Consumption (mio mt)	14.262	17.280	18.362	19.550	14.262	14.296	15.778	17.016	18.290	18.350	18.501	18.597	18.164	18.406	18.919	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area Sugar beet (mio Ha)	567	574	532	516	567	594	608	597	559	536	533	542	526	520	512	
Area Sugarcane (mio Ha)	348	387	368	340	348	363	374	386	390	394	388	375	360	349	342	
Total Area (mio Ha)	915	961	900	856	915	957	982	983	948	930	920	917	886	868	854	
Yield Sugar beet (mt/ha)	47	49	49	58	47	49	49	50	50	48	48	49	51	53	55	
Yield Sugarcane (mt/ha)	79	79	72	76	79	80	81	80	78	78	77	75	70	69	72	
Production Sugar beet (mio mt)	26.933	28.370	26.279	29.926	26.933	28.971	30.040	30.052	27.720	25.993	25.439	26.743	26.660	27.675	28.246	
Production Sugarcane (mio mt)	27.346	30.441	26.720	25.883	27.346	29.128	30.208	30.676	30.434	30.533	29.822	28.149	25.375	24.171	24.733	
Production Sugar (mio mt)	7.136	7.884	7.337	7.694	7.136	7.692	8.003	8.123	7.777	7.589	7.552	7.545	7.235	7.173	7.367	
Ending Stocks (mio mt)	1.453,31	1.846,71	1.496,17	1.706,78	1.453,31	1.674,36	1.836,78	2.000,28	1.791,26	1.626,12	1.540,64	1.481,43	1.489,90	1.460,27	1.651,32	
Net Import (mio mt)	-1.857	-1.332	-1.845	-1.652	-1.857	-1.539	-1.396	-1.353	-1.318	-1.341	-1.346	-1.480	-1.980	-2.038	-2.081	
Consumption (mio mt)	8.958	9.146	9.095	9.285	8.958	9.069	9.159	9.179	9.137	9.016	8.935	9.000	9.190	9.273	9.317	

	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Brazil																
Area Sugar beet (mio Ha)																
Area Sugarcane (mio Ha)	4.862	4.758	5.205	6.205	4.862	4.911	4.904	4.827	4.687	4.670	4.803	5.070	5.337	5.633	6.007	
Total Area (mio Ha)	4.862	4.758	5.205	6.205	4.862	4.911	4.904	4.827	4.687	4.670	4.803	5.070	5.337	5.633	6.007	
Yield Sugar beet (mt/ha)																
Yield Sugarcane (mt/ha)	57	61	70	73	57	61	62	60	61	62	67	70	71	71	72	
Production Sugar beet (mio mt)																
Production Sugarcane (mio mt)	278.833	290.625	362.800	452.000	278.833	297.833	304.333	289.833	284.833	289.833	323.967	354.900	377.067	400.100	430.167	
Production Sugar (mio mt)	14.683	18.975	26.333	31.792	14.683	16.217	18.033	18.500	19.200	20.437	23.537	26.128	27.173	28.879	30.176	
Ending Stocks (mio mt)	643,33	697,50	471,25	0,00	643,33	810,00	760,00	860,00	593,33	446,67	503,33	628,33	538,33	195,00	0,00	
Net Export (mio mt)	6.267	9.838	16.064	20.708	6.267	7.250	9.083	9.250	10.200	11.100	13.613	15.753	16.752	18.599	19.471	
Consumption (mio mt)	8.467	9.225	10.321	11.083	8.467	8.800	9.000	9.150	9.267	9.483	9.867	10.250	10.512	10.623	10.901	
Thailand																
Area Sugar beet (mio Ha)																
Area Sugarcane (mio Ha)	942	928	1.028	1.035	942	927	923	920	930	997	1.040	1.054	997	990	1.007	
Total Area (mio Ha)	942	928	1.028	1.035	942	927	923	920	930	997	1.040	1.054	997	990	1.007	
Yield Sugar beet (mt/ha)																
Yield Sugarcane (mt/ha)	54	57	56	64	54	52	55	55	58	61	63	59	53	53	59	
Production Sugar beet (mio mt)																
Production Sugarcane (mio mt)	50.589	52.833	58.280	65.900	50.589	48.478	50.563	50.613	53.758	60.748	66.031	62.140	53.007	52.773	59.500	
Production Sugar (mio mt)	5.494	5.653	6.080	6.960	5.494	5.215	5.117	5.405	5.742	6.263	6.898	6.494	5.677	5.581	6.252	
Ending Stocks (mio mt)	627,33	710,50	1.309,25	1.130,00	627,33	644,67	580,67	621,00	719,33	865,00	1.079,67	1.159,00	1.397,33	1.419,00	1.340,00	
Net Export (mio mt)	3.857	3.763	3.874	5.200	3.857	3.462	3.446	3.631	3.899	4.277	4.766	4.418	3.406	3.486	4.214	
Consumption (mio mt)	1.656	1.758	2.010	2.150	1.656	1.736	1.735	1.733	1.744	1.841	1.917	1.997	2.033	2.073	2.117	
Australia																
Area Sugar beet (mio Ha)																
Area Sugarcane (mio Ha)	394	415	430	423	394	406	416	415	416	417	429	435	432	423	420	
Total Area (mio Ha)	394	415	430	423	394	406	416	415	416	417	429	435	432	423	420	
Yield Sugar beet (mt/ha)																
Yield Sugarcane (mt/ha)	96	86	88	82	96	96	95	89	83	81	83	87	88	89	85	
Production Sugar beet (mio mt)																
Production Sugarcane (mio mt)	38.011	35.695	37.903	34.500	38.011	39.087	39.523	36.761	34.555	33.897	35.783	37.817	37.882	37.587	35.720	
Production Sugar (mio mt)	5.425	4.817	5.331	4.761	5.425	5.408	5.337	4.869	4.757	4.762	5.100	5.342	5.288	5.169	4.940	
Ending Stocks (mio mt)	194,00	460,50	459,75	136,50	194,00	221,33	318,00	445,00	553,00	601,00	570,67	516,00	392,33	265,33	188,00	
Net Export (mio mt)	4.451	3.708	4.223	3.751	4.451	4.395	4.247	3.747	3.586	3.582	3.947	4.230	4.261	4.163	3.900	
Consumption (mio mt)	940	1.046	1.163	1.100	940	985	993	995	1.063	1.132	1.183	1.167	1.150	1.133	1.117	

Source:

Fapri - World Agricultural Outlook; (*) World Bank

THE CAUSES OF THE FOOD PRICE CRISIS: SUNFLOWER

SUMMARY OF WORLD SUNFLOWER MARKET DEVELOPMENTS

World production and consumption of sunflower have increased at similar, slow paces over the 1995-2007 period. Both production and consumption declined in 2007. EU consumption has increased over the period, thus EU has gone from being a net exporter to being the biggest importer. At the same time, production in CIS has more than doubled whereby CIS has gone from being net importer to the second largest exporter. Argentina is the biggest sunflower exporter. In the US, production has decreased whereas consumption has increased, thus US imports have grown substantially although starting from a low level.

MAIN WORLD MARKET TRENDS

Production

- World production has been increasing at a slow pace (0.8% annual average) over the 12 year period, but decreased last year. While production decreased in the EU, US and Argentina, it increased in the CIS and China (6.4 and 4.8% annual increase respectively) over the period. The CIS produces almost half of the total world production; Argentina and EU are also important producers. Production in the EU and CIS fell substantially in 2007, explaining the total world production drop.

Consumption

- World consumption grew slightly faster than production over the period (1.2%). However, big differences are recorded between countries. In the US consumption increased strongly, but starting from a very low level. Consumption in Argentina fell over the period. Consumption in the EU and CIS grew on average by 3.3 and 3.6% respectively; the EU is the biggest consumer, CIS the second. Sunflower is grown almost exclusively for food use.

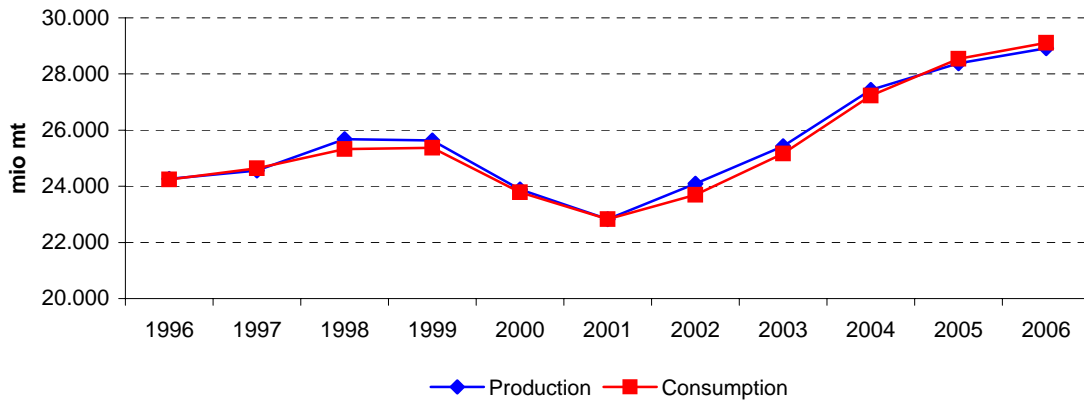
Trade

- Trade patterns have changed dramatically over the period, with the EU has gone from being a net exporter to being the biggest sunflower importer. Concurrently, CIS has gone from being a net importer to being the second biggest exporter. Argentina is the leading exporting country and has experienced stable exports throughout the period. US and Chinese exports have decreased strongly over the period (by 16% and 10% respectively).

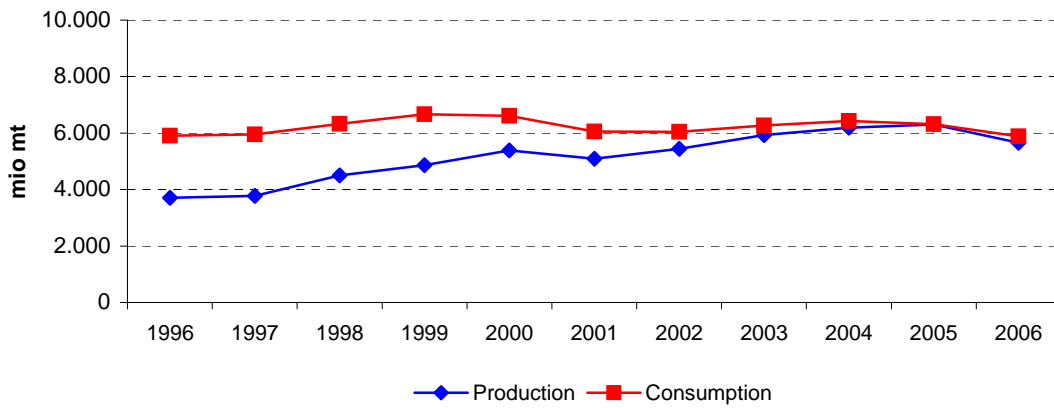
Ending stocks / Prices

- In 2007 stocks were at its lowest level recorded over the period. Stocks have decreased steadily over the period, most notably in the EU and the US. EU stocks decreased by 2/3 between 2006 and 2007. Stocks in Argentina have remained stable.

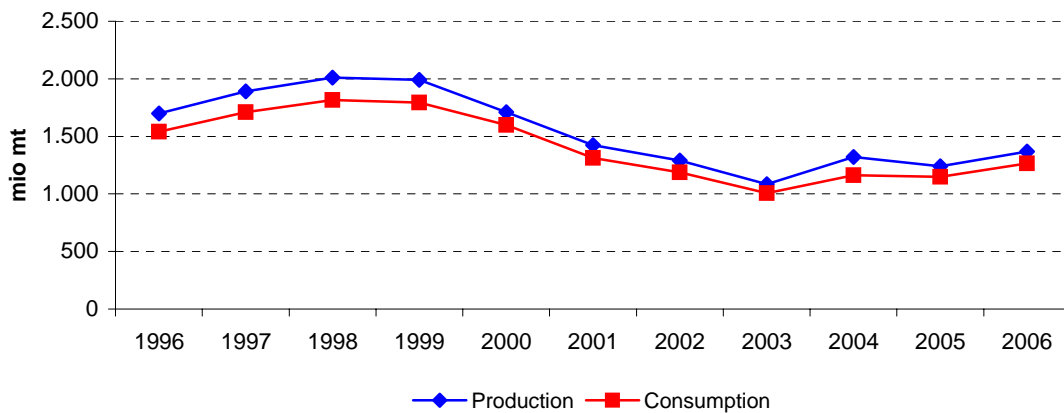
World sunflower - 3 year moving average 1995-2007



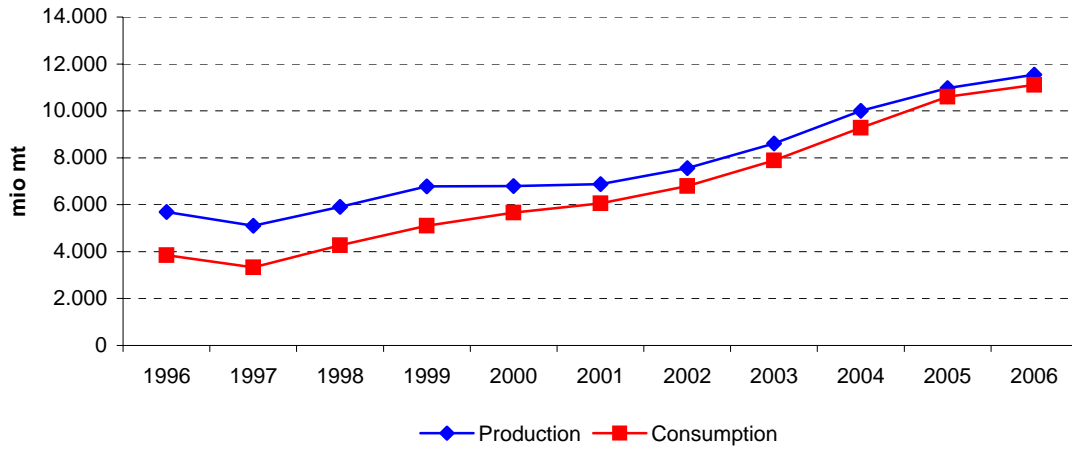
EU sunflower - 3 year moving average 1995-2007



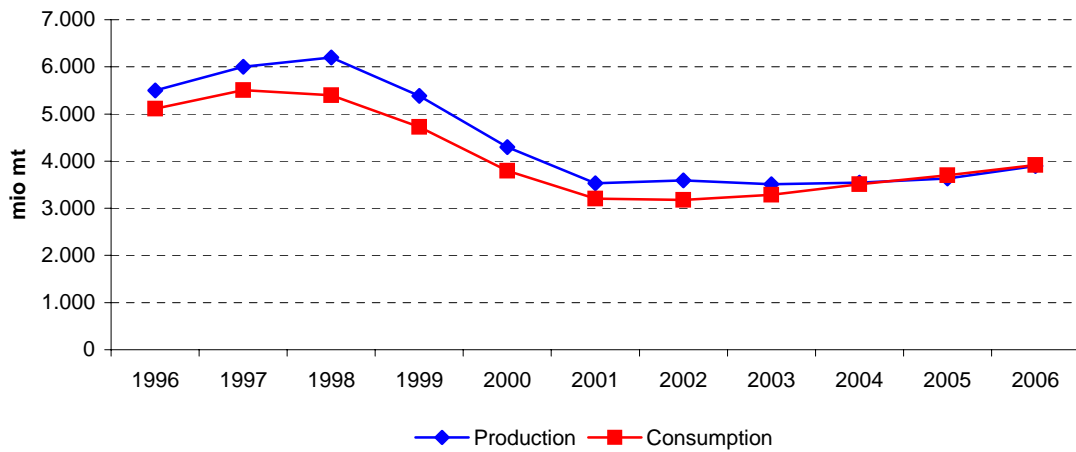
US sunflower - 3 year moving average 1995-2007



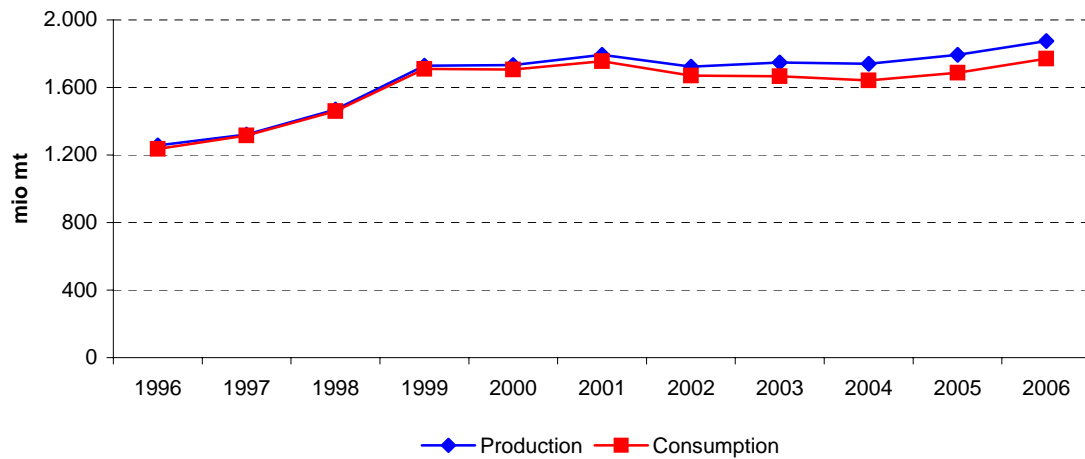
CIS sunflower - 3 year moving average 1995-2007



Argentina sunflower - 3 year moving average 1995-2007



China sunflower - 3 year moving average 1995-2007



	High prices		Low prices				High prices			Very high prices		CHG (%)		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
World														
Area (mio Ha)	20.533	19.445	19.326	22.026	23.056	19.918	18.832	20.205	23.287	21.369	23.117	23.631	22.555	0,8%
Yield (mt/ha)														
Production (mio mt)	25.742	23.800	23.237	26.633	27.178	23.078	21.413	23.987	26.891	25.402	29.994	29.745	27.026	0,4%
Ending Stocks (mio mt)	1.682	1.187	991	1.423	2.230	1.736	1.711	2.227	2.960	2.508	2.816	2.430	1.884	0,9%
Ending Stocks/consumption (%)	6,7%	4,9%	4,2%	5,4%	8,5%	7,4%	8,0%	9,5%	11,3%	9,7%	9,5%	8,1%	6,8%	0,1%
Total Trade (mio mt)	2.626	2.729	2.412	2.987	1.809	2.127	710	798	1.452	474	880	883	668	-10,8%
<i>Crush into meal (mio mt)</i>	10.133	9.988	9.477	10.508	10.609	9.351	8.326	9.043	10.217	10.018	11.430	11.751	10.743	0,5%
<i>Crush into oil (mio mt)</i>	8.995	8.572	8.248	9.182	9.301	8.172	7.417	8.139	9.190	9.174	10.498	10.772	9.931	0,8%
<i>Other use (mio mt)</i>	5.875	5.735	5.708	6.511	6.439	6.049	5.695	6.289	6.751	6.662	7.758	7.552	6.898	1,3%
Consumption (mio mt)	25.003	24.295	23.433	26.201	26.349	23.572	21.438	23.471	26.158	25.854	29.686	30.075	27.572	0,8%
Price (\$/mt)	312,00	266,00	309,00	257,00	214,00	219,00	287,00	286,00	321,00	313,00	291,00	401,00	671,69	6,6%
European Union														
Area (mio Ha)	2.388	2.352	2.333	2.239	4.259	3.557	3.549	3.444	4.152	3.654	3.568	3.977	3.389	3,0%
Yield (mt/ha)	1,34	1,65	1,73	1,52	1,42	1,44	1,40	1,50	1,48	1,77	1,67	1,63	1,34	0,0%
Production (mio mt)	3.210	3.885	4.038	3.400	6.066	5.117	4.972	5.183	6.155	6.463	5.958	6.483	4.532	2,9%
Ending Stocks (mio mt)	449	409	391	556	705	526	487	512	556	591	662	515	258	-4,5%
Ending Stocks/consumption (%)	7,9%	6,6%	6,7%	9,6%	9,6%	7,7%	8,7%	9,0%	8,2%	9,3%	10,7%	8,0%	5,1%	-3,6%
Net Import (mio mt)	-2.473	-2.309	-1.775	-2.563	-1.349	-1.535	-618	-537	-679	105	-272	177	-261	-17,1%
<i>Crush into meal (mio mt)</i>	2.661	2.922	2.677	2.683	3.694	3.411	2.733	2.744	3.276	2.998	2.892	3.055	2.430	-0,8%
<i>Crush into oil (mio mt)</i>	2.149	2.327	2.140	2.163	2.668	2.442	1.967	1.985	2.374	2.181	2.105	2.223	1.765	-1,6%
<i>Other use (mio mt)</i>	860	985	1.014	952	1.004	978	929	966	1.140	1.144	1.162	1.175	855	0,0%
Consumption (mio mt)	5.670	6.234	5.831	5.798	7.366	6.831	5.629	5.695	6.790	6.323	6.159	6.453	5.050	-1,0%
United States														
Area (mio Ha)	1.363	1.003	1.130	1.413	1.393	1.071	1.034	877	889	692	1.056	716	813	-4,2%
Yield (mt/ha)	1,33	1,61	1,48	1,69	1,41	1,50	1,50	1,27	1,36	1,34	1,73	1,36	1,61	1,6%
Production (mio mt)	1.819	1.614	1.668	2.392	1.969	1.608	1.551	1.112	1.209	930	1.823	972	1.310	-2,7%
Ending Stocks (mio mt)	205	196	92	231	231	156	109	199	163	90	356	137	110	-5,1%
Ending Stocks/consumption (%)	13,5%	13,1%	5,7%	11,4%	12,8%	10,1%	7,5%	20,9%	14,0%	10,0%	25,1%	12,2%	8,8%	-3,6%
Net Export (mio mt)	203	131	160	226	163	135	158	68	80	97	139	69	82	-7,3%
<i>Crush into meal (mio mt)</i>	458	440	494	617	549	458	358	172	308	136	278	326	340	-2,5%
<i>Crush into oil (mio mt)</i>	390	381	435	534	474	396	305	156	270	120	247	283	299	-2,2%
<i>Other use (mio mt)</i>	666	671	683	876	782	693	777	624	587	649	893	513	616	-0,6%
Consumption (mio mt)	1.514	1.492	1.612	2.027	1.805	1.547	1.440	953	1.165	905	1.418	1.122	1.255	-1,5%

CIS	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)	6.100	5.919	5.583	6.568	8.230	7.682	6.273	7.094	9.368	8.700	9.690	10.450	9.040	3,3%
Yield (mt/ha)	1,16	0,83	0,92	0,80	0,89	1,01	0,85	1,06	1,05	0,97	1,21	1,21	1,13	-0,2%
Production (mio mt)	7.050	4.888	5.139	5.266	7.334	7.745	5.325	7.542	9.794	8.475	11.745	12.695	10.190	3,1%
Ending Stocks (mio mt)	407	14	23	30	139	55	15	55	407	344	259	371	231	-4,6%
Ending Stocks/consumption (%)	8,0%	0,5%	0,7%	0,8%	2,4%	0,9%	0,3%	0,8%	5,0%	4,1%	2,3%	3,1%	2,3%	-9,8%
Net Export (mio mt)	1.608	2.278	1.693	1.724	1.389	1.883	158	465	1.282	71	613	479	343	-12,1%
<i>Crush into meal (mio mt)</i>	1.762	1.088	1.167	1.252	2.065	2.149	1.882	2.607	2.970	3.093	4.172	4.482	3.652	6,3%
<i>Crush into oil (mio mt)</i>	1.869	1.077	1.215	1.282	2.198	2.316	2.008	2.755	3.159	3.307	4.468	4.749	3.947	6,4%
<i>Other use (mio mt)</i>	1.454	838	1.055	1.001	1.581	1.481	1.317	1.675	2.031	2.067	2.577	2.873	2.388	4,2%
Consumption (mio mt)	5.085	3.003	3.437	3.535	5.844	5.946	5.207	7.037	8.160	8.467	11.217	12.104	9.987	5,8%

Argentina	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)	3.200	2.900	3.331	3.909	3.477	1.886	2.015	2.350	1.830	1.890	2.200	2.400	2.600	-1,7%
Yield (mt/ha)	1,75	1,86	1,65	1,82	1,73	1,62	1,91	1,57	1,77	1,90	1,73	1,46	1,69	-0,3%
Production (mio mt)	5.600	5.400	5.500	7.100	6.000	3.050	3.844	3.700	3.240	3.600	3.800	3.500	4.400	-2,0%
Ending Stocks (mio mt)	111	176	188	123	949	904	916	1.293	1.576	1.278	1.272	1.208	1.018	20,3%
Ending Stocks/consumption (%)	2,2%	3,4%	3,7%	2,0%	19,4%	30,0%	26,3%	41,5%	53,6%	33,5%	33,6%	34,5%	22,8%	21,6%
Net Export (mio mt)	550	100	453	910	207	78	354	208	18	88	17	65	130	-11,3%
<i>Crush into meal (mio mt)</i>	2.100	2.174	2.092	2.573	1.958	1.227	1.397	1.258	1.198	1.591	1.595	1.451	1.850	-1,1%
<i>Crush into oil (mio mt)</i>	2.000	2.070	1.990	2.450	2.019	1.227	1.441	1.294	1.205	1.592	1.551	1.425	1.820	-0,8%
<i>Other use (mio mt)</i>	960	991	953	1.232	918	563	640	563	536	627	643	623	790	-1,6%
Consumption (mio mt)	5.060	5.235	5.035	6.255	4.895	3.017	3.478	3.115	2.939	3.810	3.789	3.499	4.460	-1,0%

China	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)	813	690	716	890	1.131	1.229	1.016	1.131	1.173	935	1.020	1.000	990	1,7%
Yield (mt/ha)	1,56	1,92	1,64	1,65	1,56	1,59	1,45	1,72	1,49	1,66	1,89	1,90	1,82	1,3%
Production (mio mt)	1.270	1.325	1.176	1.465	1.765	1.954	1.478	1.946	1.743	1.552	1.927	1.900	1.800	2,9%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	:
Net Export (mio mt)	40	20	3	-2	24	31	26	57	72	113	111	93	113	9,0%
<i>Crush into meal (mio mt)</i>	428	442	400	455	490	517	355	469	430	375	526	519	456	0,5%
<i>Crush into oil (mio mt)</i>	170	183	167	180	199	335	230	305	280	247	346	343	300	4,8%
<i>Other use (mio mt)</i>	632	680	606	832	1.052	1.071	867	1.115	961	817	944	945	931	3,3%
Consumption (mio mt)	1.230	1.305	1.173	1.467	1.741	1.923	1.452	1.889	1.671	1.439	1.816	1.807	1.687	2,7%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	19.768	20.958	21.995	23.093	19.768	20.266	21.469	21.667	20.602	19.652	20.775	21.620	22.591	22.706	23.101	
Yield (mt/ha)																
Production (mio mt)	24.260	24.576	26.569	28.386	24.260	24.557	25.683	25.630	23.890	22.826	24.097	25.427	27.429	28.380	28.922	
Ending Stocks (mio mt)	1.287	1.775	2.628	2.157	1.287	1.200	1.548	1.796	1.892	1.891	2.299	2.565	2.761	2.585	2.377	
Ending Stocks/consumption (%)	5,3%	7,3%	10,0%	7,5%	5,3%	4,8%	6,0%	7,1%	7,9%	8,3%	9,6%	10,2%	10,2%	9,1%	8,1%	
Total Trade (mio mt)	2.589	1.908	901	775	2.589	2.709	2.403	2.308	1.549	1.212	987	908	935	746	810	
<i>Crush into meal (mio mt)</i>	9.866	9.699	10.177	11.247	9.866	9.991	10.198	10.156	9.429	8.907	9.195	9.759	10.555	11.066	11.308	
<i>Crush into oil (mio mt)</i>	8.605	8.518	9.250	10.352	8.605	8.667	8.910	8.885	8.297	7.909	8.249	8.834	9.621	10.148	10.400	
<i>Other use (mio mt)</i>	5.773	6.174	6.865	7.225	5.773	5.985	6.219	6.333	6.061	6.011	6.245	6.567	7.057	7.324	7.403	
Consumption (mio mt)	24.244	24.390	26.292	28.824	24.244	24.643	25.328	25.374	23.786	22.827	23.689	25.161	27.233	28.538	29.111	
Price (\$/mt)	295,67	244,25	302,75	536,34	295,67	277,33	260,00	230,00	240,00	264,00	298,00	306,67	308,33	335,00	454,56	

European Union	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	2.358	3.401	3.705	3.683	2.358	2.308	2.944	3.352	3.788	3.517	3.715	3.750	3.791	3.733	3.645	
Yield (mt/ha)	1,58	1,45	1,61	1,48	1,58	1,63	1,56	1,46	1,42	1,45	1,46	1,59	1,64	1,69	1,55	
Production (mio mt)	3.711	4.889	5.940	5.508	3.711	3.774	4.501	4.861	5.385	5.091	5.437	5.934	6.192	6.301	5.658	
Ending Stocks (mio mt)	416	569	580	387	416	452	551	596	573	508	518	553	603	589	478	
Ending Stocks/consumption (%)	7,1%	8,9%	9,3%	6,5%	7,1%	7,6%	8,6%	9,0%	8,6%	8,4%	8,6%	8,8%	9,4%	9,4%	7,9%	
Net Import (mio mt)	-2.186	-1.516	-346	-42	-2.186	-2.216	-1.896	-1.816	-1.167	-897	-611	-370	-282	3	-119	
<i>Crush into meal (mio mt)</i>	2.753	3.130	2.978	2.743	2.753	2.761	3.018	3.263	3.279	2.963	2.918	3.006	3.055	2.982	2.792	
<i>Crush into oil (mio mt)</i>	2.205	2.310	2.161	1.994	2.205	2.210	2.324	2.424	2.359	2.131	2.109	2.180	2.220	2.170	2.031	
<i>Other use (mio mt)</i>	953	966	1.103	1.015	953	984	990	978	970	958	1.012	1.083	1.149	1.160	1.064	
Consumption (mio mt)	5.912	6.406	6.242	5.752	5.912	5.954	6.332	6.665	6.609	6.052	6.038	6.269	6.424	6.312	5.887	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	1.165	1.228	879	765	1.165	1.182	1.312	1.292	1.166	994	933	820	879	822	862	
Yield (mt/ha)	1,47	1,53	1,42	1,48	1,47	1,59	1,53	1,54	1,47	1,42	1,38	1,32	1,48	1,48	1,56	
Production (mio mt)	1.700	1.880	1.268	1.141	1.700	1.891	2.010	1.990	1.709	1.423	1.291	1.083	1.320	1.242	1.368	
Ending Stocks (mio mt)	164	182	202	123	164	173	185	206	166	155	157	151	203	194	201	
Ending Stocks/consumption (%)	10,8%	10,5%	17,5%	10,5%	10,8%	10,1%	10,0%	11,4%	10,2%	12,9%	14,2%	15,0%	16,4%	15,8%	15,4%	
Net Export (mio mt)	165	171	96	75	165	172	183	175	152	121	102	82	105	102	97	
<i>Crush into meal (mio mt)</i>	464	496	224	333	464	517	553	541	455	330	280	206	241	247	315	
<i>Crush into oil (mio mt)</i>	402	427	198	291	402	450	481	468	392	286	244	182	212	217	276	
<i>Other use (mio mt)</i>	673	782	688	565	673	743	780	784	751	698	663	620	710	685	674	
Consumption (mio mt)	1.539	1.705	1.110	1.189	1.539	1.710	1.815	1.793	1.598	1.314	1.186	1.008	1.163	1.149	1.265	

CIS	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	5.867	7.188	8.713	9.745	5.867	6.023	6.794	7.493	7.395	7.016	7.578	8.387	9.253	9.613	9.727
Yield (mt/ha)	0.97	0.89	1.07	1.17	0.97	0.85	0.87	0.90	0.92	0.97	0.99	1.03	1.08	1.13	1.18
Production (mio mt)	5.692	6.418	9.389	11.443	5.692	5.098	5.913	6.782	6.801	6.871	7.554	8.604	10.005	10.972	11.543
Ending Stocks (mio mt)	148	60	266	301	148	22	64	75	70	42	159	269	337	325	287
Ending Stocks/consumption (%)	3,0%	1,1%	3,0%	2,7%	3,0%	0,7%	1,3%	1,4%	1,2%	0,7%	2,0%	3,3%	3,8%	3,1%	2,6%
Net Export (mio mt)	1.860	1.289	608	411	1.860	1.898	1.602	1.665	1.143	835	635	606	655	388	478
<i>Crush into meal (mio mt)</i>	1.339	1.837	3.211	4.067	1.339	1.169	1.495	1.822	2.032	2.213	2.486	2.890	3.412	3.916	4.102
<i>Crush into oil (mio mt)</i>	1.387	1.951	3.422	4.348	1.387	1.191	1.565	1.932	2.174	2.360	2.641	3.074	3.645	4.175	4.388
<i>Other use (mio mt)</i>	1.116	1.345	2.088	2.631	1.116	965	1.212	1.354	1.460	1.491	1.674	1.924	2.225	2.506	2.613
Consumption (mio mt)	3.842	5.133	8.720	11.046	3.842	3.325	4.272	5.108	5.666	6.063	6.801	7.888	9.281	10.596	11.103

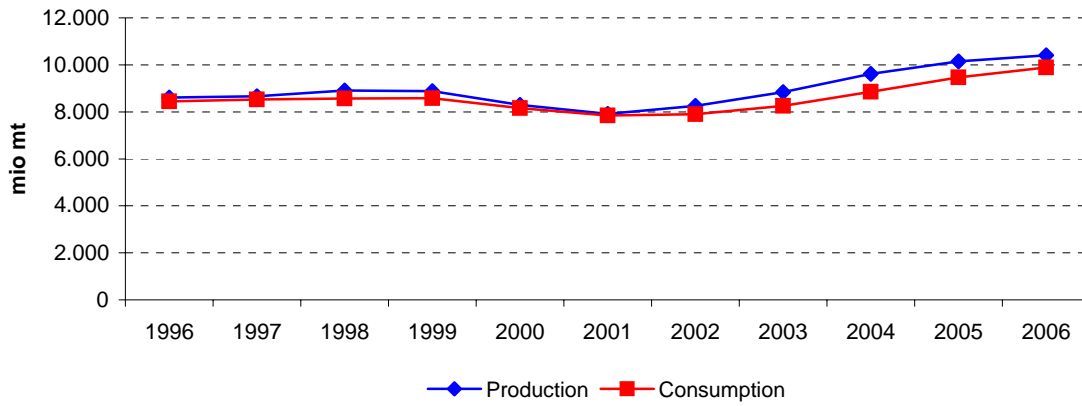
Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	3.144	2.822	2.068	2.500	3.144	3.380	3.572	3.091	2.459	2.084	2.065	2.023	1.973	2.163	2.400
Yield (mt/ha)	1.75	1.77	1.74	1.58	1.75	1.78	1.73	1.72	1.75	1.70	1.75	1.75	1.80	1.70	1.63
Production (mio mt)	5.500	4.999	3.585	3.950	5.500	6.000	6.200	5.383	4.298	3.531	3.595	3.513	3.547	3.633	3.900
Ending Stocks (mio mt)	158	723	1.355	1.113	158	162	420	659	923	1.038	1.262	1.382	1.375	1.253	1.166
Ending Stocks/consumption (%)	3,1%	19,4%	40,6%	28,7%	3,1%	3,0%	8,4%	17,1%	25,2%	32,6%	40,5%	42,9%	40,2%	33,9%	30,3%
Net Export (mio mt)	368	387	83	98	368	488	523	398	213	213	193	105	41	57	71
<i>Crush into meal (mio mt)</i>	2.122	1.789	1.411	1.651	2.122	2.280	2.208	1.919	1.527	1.294	1.284	1.349	1.461	1.546	1.632
<i>Crush into oil (mio mt)</i>	2.020	1.784	1.411	1.623	2.020	2.170	2.153	1.899	1.562	1.321	1.313	1.364	1.449	1.523	1.599
<i>Other use (mio mt)</i>	968	838	592	707	968	1.059	1.034	904	707	589	580	575	602	631	685
Consumption (mio mt)	5.110	4.411	3.413	3.980	5.110	5.508	5.395	4.722	3.797	3.203	3.177	3.288	3.513	3.699	3.916

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)	740	1.067	1.065	995	740	765	912	1.083	1.125	1.125	1.107	1.080	1.043	985	1.003
Yield (mt/ha)	1,71	1,56	1,69	1,86	1,71	1,74	1,62	1,60	1,54	1,59	1,55	1,62	1,68	1,82	1,87
Production (mio mt)	1.257	1.666	1.792	1.850	1.257	1.322	1.469	1.728	1.732	1.793	1.722	1.747	1.741	1.793	1.876
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Export (mio mt)	21	20	88	103	21	7	8	18	27	38	52	81	99	106	106
<i>Crush into meal (mio mt)</i>	423	454	450	488	423	432	448	487	454	447	418	425	444	473	500
<i>Crush into oil (mio mt)</i>	173	236	295	322	173	177	182	238	255	290	272	277	291	312	330
<i>Other use (mio mt)</i>	639	956	959	938	639	706	830	985	997	1.018	981	964	907	902	940
Consumption (mio mt)	1.236	1.646	1.704	1.747	1.236	1.315	1.460	1.710	1.705	1.755	1.671	1.666	1.642	1.687	1.770

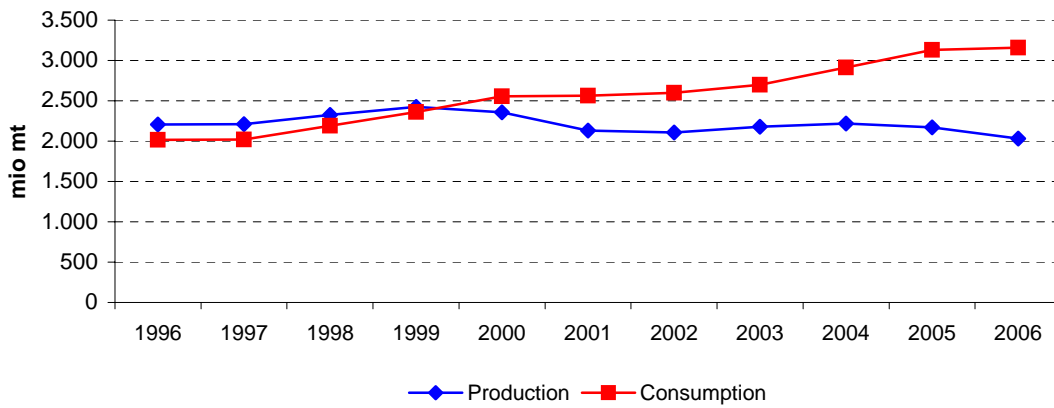
Source:

Fapri - World Agricultural Outlook

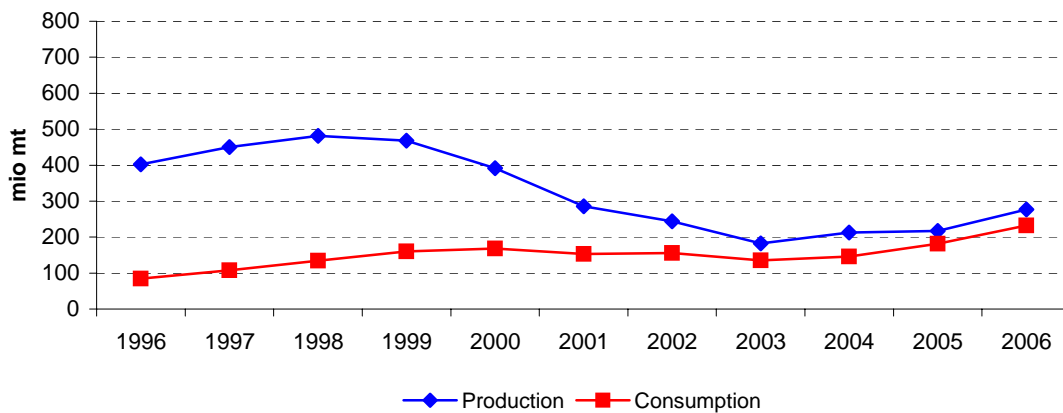
World sunflower oil - 3 year moving average 1995-2007



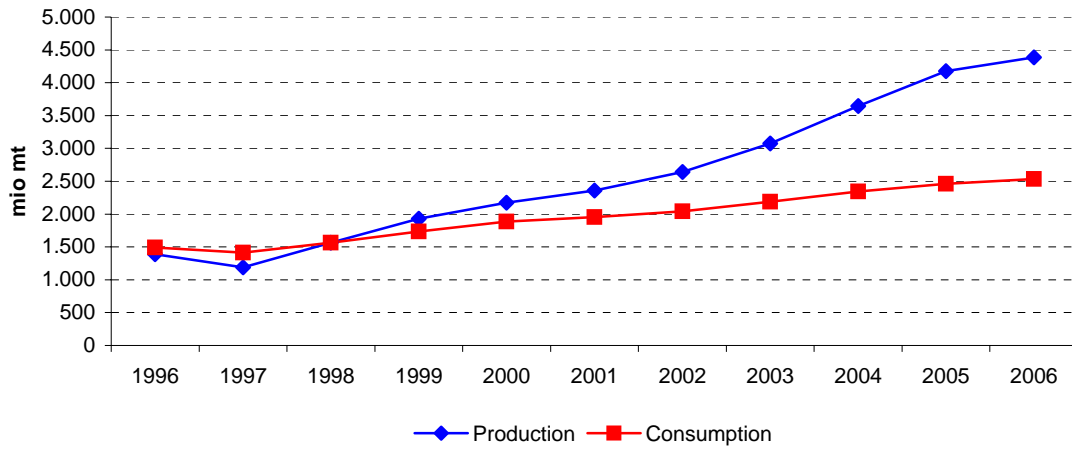
EU sunflower oil - 3 year moving average 1995-2007



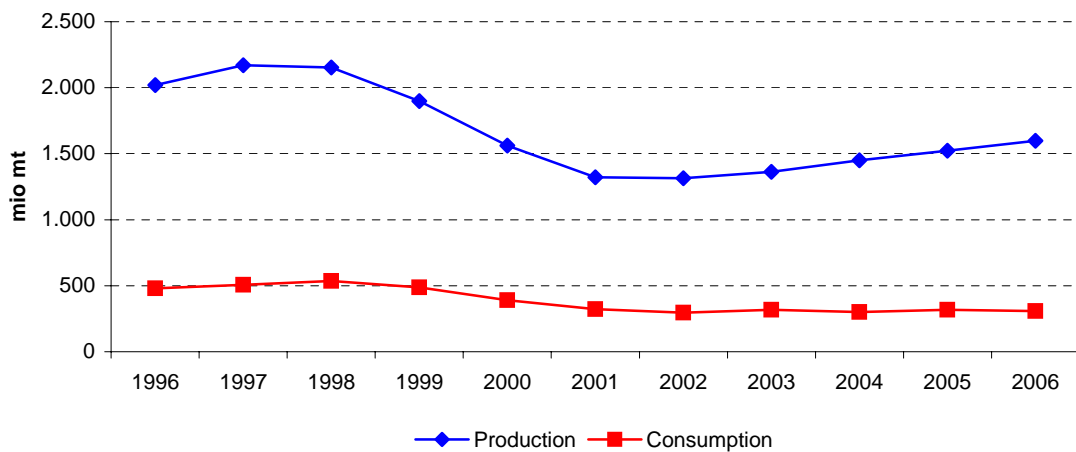
US sunflower oil - 3 year moving average 1995-2007



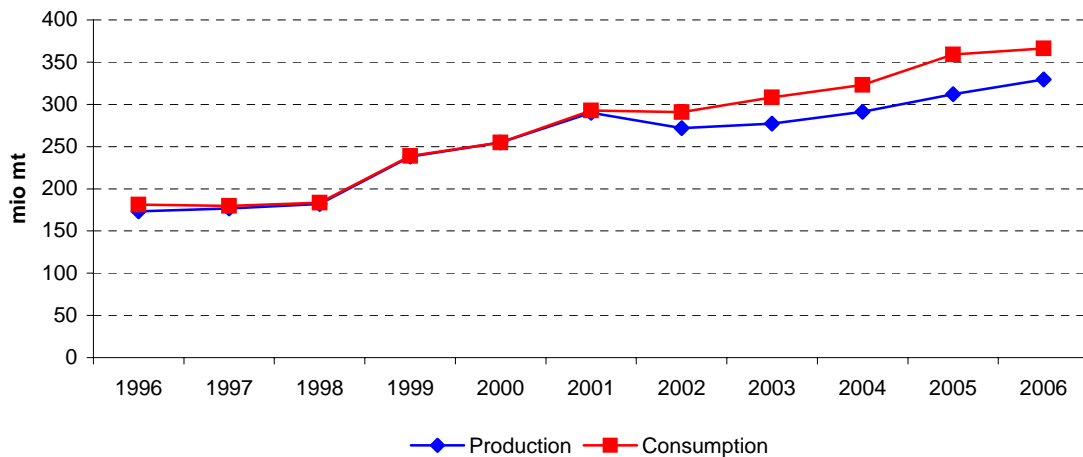
CIS sunflower oil - 3 year moving average 1995-2007



Argentina sunflower oil - 3 year moving average 1995-2007



China sunflower oil - 3 year moving average 1995-2007



World	High prices		Low prices				High prices			Very high prices		CHG (%)		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	8.995	8.572	8.248	9.182	9.301	8.172	7.417	8.139	9.190	9.174	10.498	10.772	9.931	0,8%
Ending Stocks (mio mt)	1.068	734	569	753	904	673	466	487	544	749	825	551	383	-8,2%
Ending Stocks/consumption (%)	12,6%	8,4%	7,0%	8,6%	10,3%	8,2%	6,2%	6,2%	6,5%	8,8%	8,5%	5,4%	3,9%	-9,2%
Total Trade (mio mt)	1.748	1.838	1.736	2.102	2.266	1.639	1.473	1.672	1.997	1.986	3.291	3.508	2.947	4,4%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	8.500	8.692	8.152	8.755	8.816	8.189	7.463	7.867	8.386	8.506	9.685	10.215	9.757	1,2%
Price (\$/mt)	617,00	545,00	730,00	560,00	413,00	428,00	587,00	592,00	663,00	703,00	635,00	846,00	1542,53	7,9%

European Union	High prices		Low prices				High prices			Very high prices		CHG (%)		
	2006	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2.149	2.327	2.140	2.163	2.668	2.442	1.967	1.985	2.374	2.181	2.105	2.223	1.765	-1,6%
Ending Stocks (mio mt)	374	296	238	299	320	326	284	292	306	265	283	240	78	-12,2%
Ending Stocks/consumption (%)	18,6%	14,7%	11,8%	14,8%	12,7%	12,8%	10,9%	11,4%	11,6%	9,1%	8,9%	7,3%	2,6%	-15,1%
Net Import (mio mt)	37	395	178	77	144	-101	-594	-576	-287	-678	-1.107	-1.036	-1.055	:
<i>Food Use (mio mt)</i>	<i>1.860</i>	<i>1.829</i>	<i>1.873</i>	<i>1.876</i>	<i>2.367</i>	<i>2.398</i>	<i>2.503</i>	<i>2.448</i>	<i>2.542</i>	<i>2.783</i>	<i>3.078</i>	<i>3.185</i>	<i>2.865</i>	<i>3,7%</i>
<i>Biodiesel Use (mio mt)</i>	<i>152</i>	<i>181</i>	<i>147</i>	<i>149</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>62</i>	<i>46</i>	<i>-9,5%</i>
<i>Other Use (mio mt)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>159</i>	<i>139</i>	<i>100</i>	<i>105</i>	<i>105</i>	<i>117</i>	<i>116</i>	<i>55</i>	<i>71</i>	<i>:</i>
Consumption (mio mt)	2.012	2.010	2.020	2.025	2.526	2.537	2.603	2.553	2.647	2.900	3.194	3.302	2.982	3,3%

United States	High prices		Low prices				High prices			Very high prices		CHG (%)		
	2006	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	390	381	435	534	474	396	305	156	270	120	247	283	299	-2,2%
Ending Stocks (mio mt)	67	42	27	55	71	62	10	12	18	10	25	27	31	-6,2%
Ending Stocks/consumption (%)	88,2%	44,7%	32,5%	37,9%	40,7%	38,2%	6,2%	9,3%	10,8%	9,6%	15,3%	9,8%	12,0%	-15,3%
Net Export (mio mt)	284	312	367	361	284	244	189	24	96	23	69	6	36	-15,8%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	76	94	83	145	174	162	168	131	168	106	163	275	259	10,8%

CIS	High prices			Low prices				High prices			Very high prices		CHG (%)	
	2006	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.869	1.077	1.215	1.282	2.198	2.316	2.008	2.755	3.159	3.307	4.468	4.749	3.947	6,4%
Ending Stocks (mio mt)	386	161	89	37	99	95	85	54	113	305	269	132	135	-8,4%
Ending Stocks/consumption (%)	23,2%	11,6%	6,2%	2,6%	5,4%	4,9%	4,5%	2,7%	5,1%	13,1%	10,8%	5,2%	5,3%	-11,6%
Net Export (mio mt)	-46	-84	-141	-94	295	391	127	750	895	788	2.002	2.332	1.401	:
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	1.666	1.386	1.428	1.428	1.841	1.929	1.891	2.036	2.205	2.327	2.502	2.554	2.543	3,6%

Argentina	High prices			Low prices				High prices			Very high prices		CHG (%)	
	2006	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2.000	2.070	1.990	2.450	2.019	1.227	1.441	1.294	1.205	1.592	1.551	1.425	1.820	-0,8%
Ending Stocks (mio mt)	91	71	71	125	150	40	54	88	31	111	135	83	86	-0,5%
Ending Stocks/consumption (%)	19,0%	14,8%	14,8%	22,3%	26,5%	12,0%	20,0%	24,3%	12,1%	32,9%	44,0%	27,0%	28,0%	3,3%
Net Export (mio mt)	1.510	1.610	1.510	1.835	1.543	1.004	1.157	898	1.006	1.175	1.220	1.170	1.510	0,0%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	480	480	480	561	567	333	270	362	256	337	307	307	307	-3,7%

China	High prices			Low prices				High prices			Very high prices		CHG (%)	
	2006	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	170	183	167	180	199	335	230	305	280	247	346	343	300	4,8%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	:
Net Import (mio mt)	-18	-4	-2	-3	0	0	0	-8	-49	-36	-11	-94	-5	-10,1%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	188	187	169	183	199	335	230	313	329	283	357	437	305	4,1%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	8.605	8.518	9.250	10.352	8.605	8.667	8.910	8.885	8.297	7.909	8.249	8.834	9.621	10.148	10.400
Ending Stocks (mio mt)	790	699	651	467	790	685	742	777	681	542	499	593	706	708	586
Ending Stocks/consumption (%)	9,3%	8,3%	7,5%	4,7%	9,3%	8,0%	8,6%	9,0%	8,2%	6,9%	6,3%	7,2%	7,9%	7,6%	5,9%
Total Trade (mio mt)	1.774	1.870	2.236	3.227	1.774	1.892	2.035	2.002	1.792	1.594	1.714	1.885	2.424	2.928	3.249
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	8.448	8.306	8.611	9.986	8.448	8.533	8.574	8.587	8.156	7.840	7.905	8.253	8.859	9.469	9.886
Price (\$/mt)	631	497	648	1.194	631	612	568	467	476	536	614	653	667	728	1.008

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	2.205	2.310	2.161	1.994	2.205	2.210	2.324	2.424	2.359	2.131	2.109	2.180	2.220	2.170	2.031
Ending Stocks (mio mt)	303	307	287	159	303	278	286	315	310	301	294	288	285	263	200
Ending Stocks/consumption (%)	15%	13%	10%	5%	15,0%	13,8%	13,1%	13,4%	12,1%	11,7%	11,3%	10,7%	9,9%	8,4%	6,2%
Net Import (mio mt)	203	-119	-662	-1.046	203	217	133	40	-184	-424	-486	-514	-691	-940	-1.066
<i>Food Use (mio mt)</i>	<i>1.854</i>	<i>2.286</i>	<i>2.713</i>	<i>3.025</i>	<i>1.854</i>	<i>1.859</i>	<i>2.039</i>	<i>2.214</i>	<i>2.423</i>	<i>2.450</i>	<i>2.498</i>	<i>2.591</i>	<i>2.801</i>	<i>3.015</i>	<i>3.043</i>
<i>Biodiesel Use (mio mt)</i>	<i>160</i>	<i>37</i>	<i>0</i>	<i>54</i>	<i>160</i>	<i>159</i>	<i>99</i>	<i>50</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>21</i>	<i>36</i>
<i>Other Use (mio mt)</i>	<i>0</i>	<i>100</i>	<i>111</i>	<i>63</i>	<i>0</i>	<i>0</i>	<i>53</i>	<i>99</i>	<i>133</i>	<i>115</i>	<i>103</i>	<i>109</i>	<i>113</i>	<i>96</i>	<i>81</i>
Consumption (mio mt)	2.014	2.423	2.824	3.142	2.014	2.018	2.190	2.363	2.555	2.564	2.601	2.700	2.914	3.132	3.159

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	402	427	198	291	402	450	481	468	392	286	244	182	212	217	276
Ending Stocks (mio mt)	45	50	16	29	45	41	51	63	48	28	14	13	18	21	28
Ending Stocks/consumption (%)	55,1%	30,7%	11,2%	10,9%	55,1%	38,4%	37,1%	38,9%	28,4%	17,9%	8,8%	9,9%	11,9%	11,6%	12,4%
Net Export (mio mt)	321	269	53	21	321	347	337	296	239	152	103	47	62	33	37
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	84	162	142	267	84	107	134	160	168	153	156	135	146	181	232

CIS	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	1.387	1.951	3.422	4.348	1.387	1.191	1.565	1.932	2.174	2.360	2.641	3.074	3.645	4.175	4.388
Ending Stocks (mio mt)	212	79	185	134	212	96	75	77	93	78	84	157	229	235	179
Ending Stocks/consumption (%)	13,7%	4,3%	7,9%	5,2%	13,7%	6,8%	4,7%	4,3%	4,9%	4,0%	4,1%	7,0%	9,7%	9,7%	7,1%
Net Export (mio mt)	-90	180	1.109	1.867	-90	-106	20	197	271	423	591	811	1.228	1.707	1.912
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	1.493	1.772	2.268	2.549	1.493	1.414	1.566	1.733	1.887	1.952	2.044	2.189	2.345	2.461	2.533

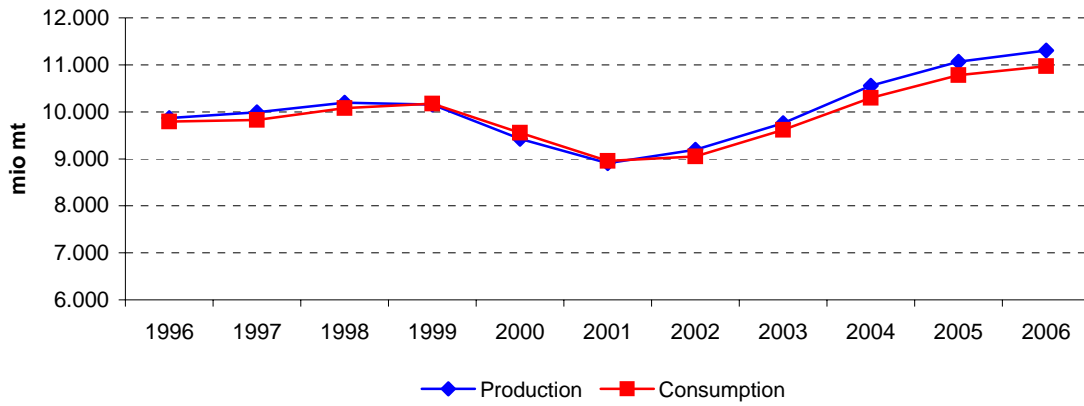
Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	2.020	1.784	1.411	1.623	2.020	2.170	2.153	1.899	1.562	1.321	1.313	1.364	1.449	1.523	1.599
Ending Stocks (mio mt)	78	92	91	85	78	89	115	105	81	61	58	77	92	110	101
Ending Stocks/consumption (%)	16,2%	20,2%	28,3%	27,5%	16,2%	17,3%	21,2%	20,2%	19,5%	18,8%	18,8%	23,1%	29,7%	34,6%	33,0%
Net Export (mio mt)	1.543	1.385	1.075	1.340	1.543	1.652	1.629	1.461	1.235	1.020	1.020	1.026	1.134	1.188	1.300
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	480	433	316	307	480	507	536	487	390	322	296	318	300	317	307

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	173	236	295	322	173	177	182	238	255	290	272	277	291	312	330
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Import (mio mt)	-8	-1	-26	-50	-8	-3	-2	-1	0	-3	-19	-31	-32	-47	-37
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	181	237	321	371	181	180	184	239	255	293	291	308	323	359	366

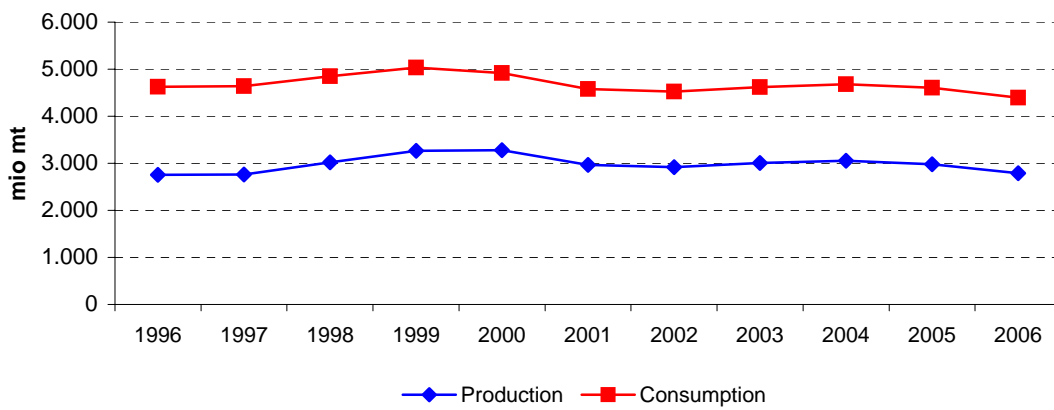
Source:

Fapri - World Agricultural Outlook

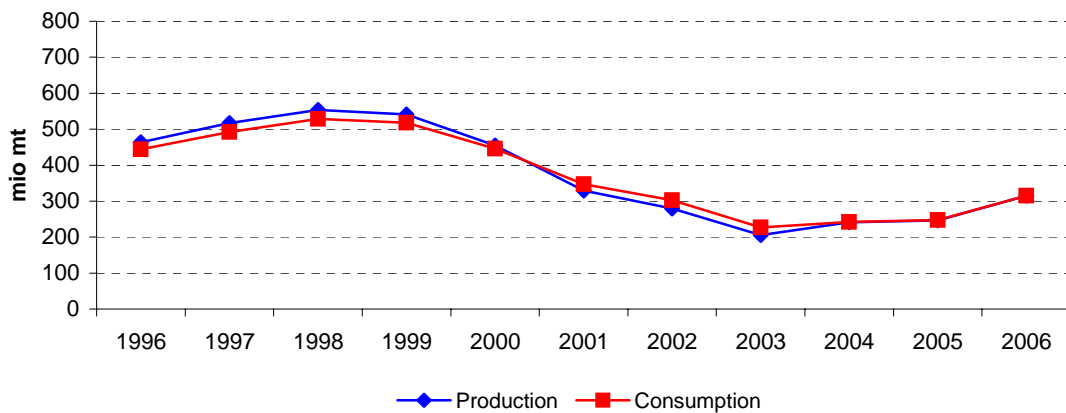
World sunflower meal - 3 year moving average 1995-2007



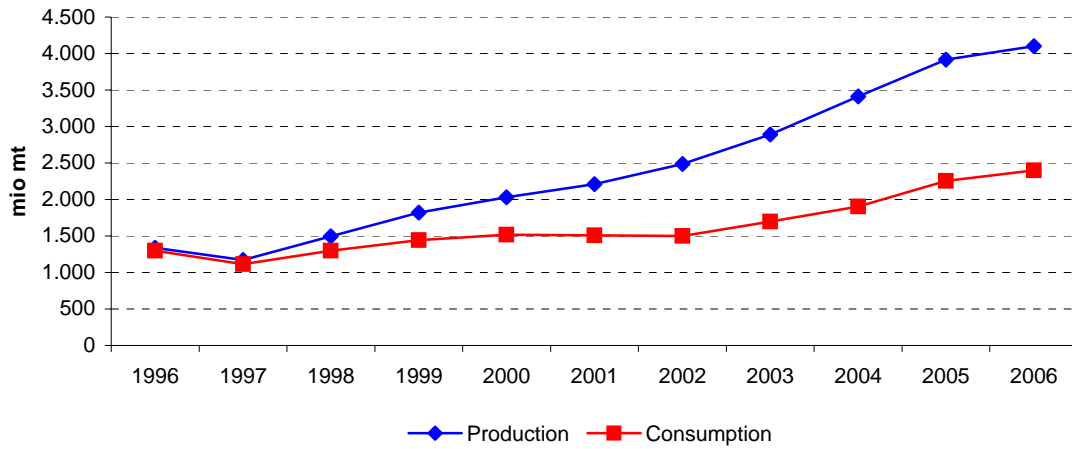
EU sunflower meal - 3 year moving average 1995-2007



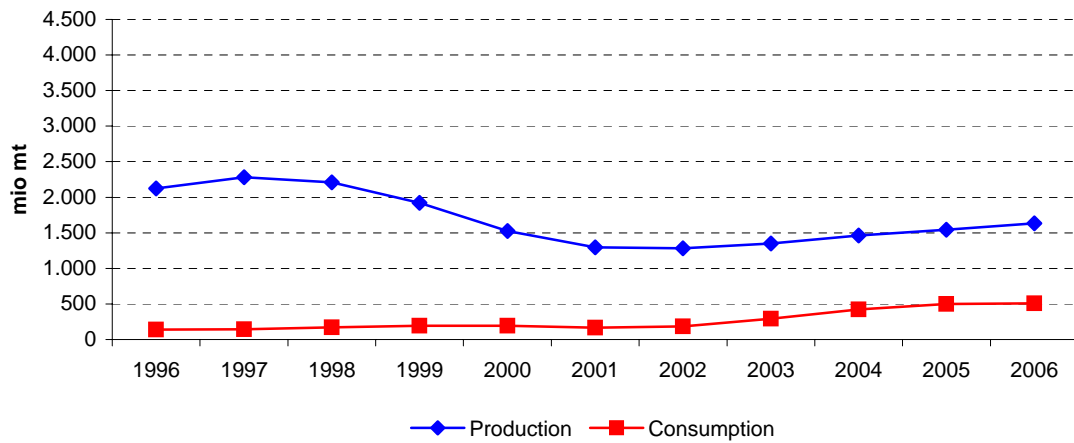
US sunflower meal - 3 year moving average 1995-2007



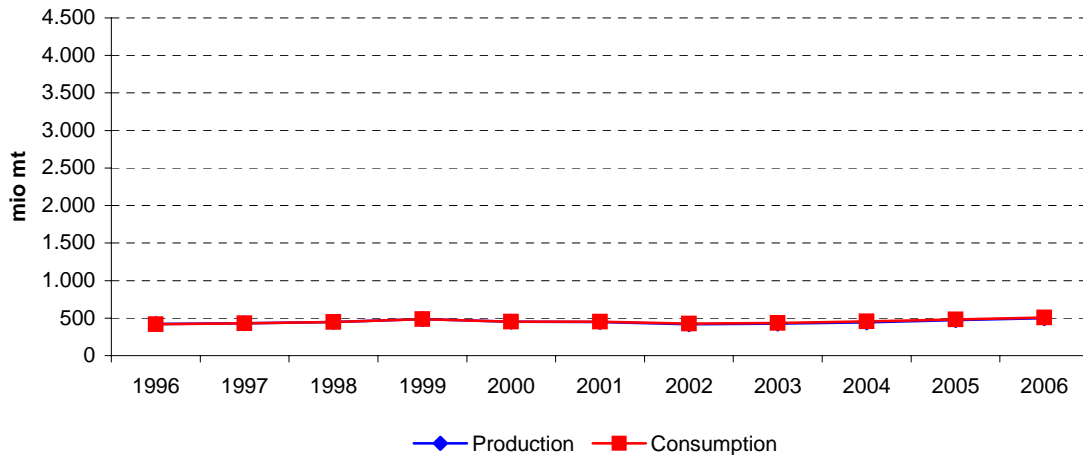
CIS sunflower meal - 3 year moving average 1995-2007



Argentina sunflower meal - 3 year moving average 1995-2007



China sunflower meal - 3 year moving average 1995-2007



World	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	10.133	9.988	9.477	10.508	10.609	9.351	8.326	9.043	10.217	10.018	11.430	11.751	10.743	0,5%
Ending Stocks (mio mt)	454	295	271	307	389	309	231	165	189	180	262	285	237	-5,3%
Ending Stocks/consumption (%)	4,6%	2,9%	2,9%	3,1%	3,6%	3,2%	2,8%	1,8%	1,9%	1,8%	2,4%	2,5%	2,3%	-5,7%
Total Trade (mio mt)	1.942	2.075	2.057	2.490	2.317	1.990	1.813	2.007	2.475	2.261	2.817	2.930	2.653	2,6%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	9.969	10.034	9.374	10.065	10.808	9.659	8.205	8.998	9.957	9.887	11.053	11.398	10.473	0,4%
Price (\$/mt)	151,00	138,00	103,00	76,00	102,00	118,00	110,00	106,00	149,00	120,00	122,00	178,00	316,97	6,4%

European Union	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2.661	2.922	2.677	2.683	3.694	3.411	2.733	2.744	3.276	2.998	2.892	3.055	2.430	-0,8%
Ending Stocks (mio mt)	191	163	140	183	250	211	170	101	129	97	105	86	44	-11,5%
Ending Stocks/consumption (%)	4,2%	3,4%	3,1%	4,0%	4,6%	4,1%	4,0%	2,3%	2,6%	2,2%	2,3%	1,8%	1,1%	-10,4%
Net Import (mio mt)	-1.902	-1.844	-1.862	-1.914	-1.778	-1.666	-1.441	-1.600	-1.692	-1.473	-1.722	-1.625	-1.402	-2,5%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	4.520	4.794	4.562	4.554	5.431	5.116	4.215	4.413	4.940	4.503	4.606	4.699	3.874	-1,3%

United States	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	458	440	494	617	549	458	358	172	308	136	278	326	340	-2,5%
Ending Stocks (mio mt)	5	5	5	5	5	5	5	5	5	5	5	5	5	-0,8%
Ending Stocks/consumption (%)	1,2%	1,2%	1,0%	0,9%	0,9%	1,0%	1,3%	2,0%	1,4%	3,4%	1,6%	1,4%	1,4%	1,3%
Net Export (mio mt)	25	21	13	41	21	8	0	-60	-8	3	1	-7	5	-12,6%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	433	419	481	576	528	450	358	232	316	133	277	333	335	-2,1%

CIS	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	1.762	1.088	1.167	1.252	2.065	2.149	1.882	2.607	2.970	3.093	4.172	4.482	3.652	6,3%
Ending Stocks (mio mt)	140	10	0	0	2	2	2	24	24	25	30	65	25	-13,4%
Ending Stocks/consumption (%)	8,3%	0,8%	0,0%	0,0%	0,1%	0,1%	0,1%	1,4%	1,7%	1,3%	1,3%	2,6%	1,1%	-15,8%
Net Export (mio mt)	-10	22	157	125	320	686	529	877	1.530	1.152	1.838	1.951	1.323	:
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	1.682	1.196	1.020	1.127	1.743	1.463	1.353	1.708	1.440	1.940	2.329	2.496	2.369	2,9%

Argentina	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	1995-07
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	2.100	2.174	2.092	2.573	1.958	1.227	1.397	1.258	1.198	1.591	1.595	1.451	1.850	-1,1%
Ending Stocks (mio mt)	96	80	90	93	131	90	53	34	30	43	121	108	133	2,8%
Ending Stocks/consumption (%)	68,6%	57,1%	63,4%	62,0%	58,2%	45,0%	35,3%	23,1%	11,7%	9,1%	22,4%	22,3%	26,6%	-7,6%
Net Export (mio mt)	1.954	2.050	1.940	2.420	1.775	1.068	1.284	1.130	945	1.106	978	979	1.325	-3,2%
<i>Food Use (mio mt)</i>														
<i>Biodiesel Use (mio mt)</i>														
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	140	140	142	150	225	200	150	147	257	472	539	485	500	11,2%

China	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Area (mio Ha)														
Yield (mt/ha)														
Production (mio mt)	428	442	400	455	490	517	355	469	430	375	526	519	456	0,5%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	:
Net Import (mio mt)	5	6	0	0	0	0	0	-13	-14	-10	-9	-4	-10	:
<i>Food Use (mio mt)</i>	<i>344</i>	<i>360</i>	<i>335</i>	<i>374</i>	<i>410</i>	<i>437</i>	<i>280</i>	<i>402</i>	<i>364</i>	<i>305</i>	<i>455</i>	<i>443</i>	<i>386</i>	<i>1,0%</i>
<i>Industrial Use (mio mt)</i>	<i>79</i>	<i>76</i>	<i>65</i>	<i>81</i>	<i>80</i>	<i>80</i>	<i>75</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>0,1%</i>
<i>Other Use (mio mt)</i>														
Consumption (mio mt)	423	436	400	455	490	517	355	482	444	385	535	523	466	0,8%

Source:

Fapri - World Agricultural Outlook

World	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	9.866	9.699	10.177	11.247	9.866	9.991	10.198	10.156	9.429	8.907	9.195	9.759	10.555	11.066	11.308
Ending Stocks (mio mt)	340	309	199	261	340	291	322	335	310	235	195	178	210	242	261
Ending Stocks/consumption (%)	3,5%	3,2%	2,0%	2,4%	3,5%	3,0%	3,2%	3,3%	3,2%	2,6%	2,2%	1,9%	2,0%	2,2%	2,4%
Total Trade (mio mt)	2.025	2.152	2.390	2.791	2.025	2.207	2.288	2.266	2.040	1.937	2.098	2.248	2.518	2.669	2.800
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	9.792	9.684	9.974	10.936	9.792	9.824	10.082	10.177	9.557	8.954	9.053	9.614	10.299	10.779	10.975
Price (\$/mt)	131	102	124	247	131	106	94	99	110	111	122	125	130	140	206

European Union	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	2.753	3.130	2.978	2.743	2.753	2.761	3.018	3.263	3.279	2.963	2.918	3.006	3.055	2.982	2.792
Ending Stocks (mio mt)	165	204	108	65	165	162	191	215	210	161	133	109	110	96	78
Ending Stocks/consumption (%)	3,6%	4,2%	2,3%	1,5%	3,6%	3,5%	3,9%	4,2%	4,3%	3,5%	3,0%	2,4%	2,3%	2,1%	1,7%
Net Import (mio mt)	-1.869	-1.700	-1.622	-1.514	-1.869	-1.873	-1.851	-1.786	-1.628	-1.569	-1.578	-1.588	-1.629	-1.607	-1.583
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	4.625	4.829	4.616	4.287	4.625	4.637	4.849	5.034	4.921	4.581	4.523	4.619	4.683	4.603	4.393

United States	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	464	496	224	333	464	517	553	541	455	330	280	206	241	247	315
Ending Stocks (mio mt)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Ending Stocks/consumption (%)	1,1%	1,0%	2,1%	1,4%	1,1%	1,0%	0,9%	0,9%	1,0%	1,4%	1,6%	2,3%	2,2%	2,1%	1,5%
Net Export (mio mt)	20	17	-16	-1	20	25	25	23	10	-17	-23	-22	-1	-1	0
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	444	478	240	334	444	492	528	518	446	347	302	227	242	248	315

CIS	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	1.339	1.837	3.211	4.067	1.339	1.169	1.495	1.822	2.032	2.213	2.486	2.890	3.412	3.916	4.102
Ending Stocks (mio mt)	50	2	26	45	50	3	1	1	2	9	17	24	26	40	40
Ending Stocks/consumption (%)	3,1%	0,1%	1,4%	1,8%	3,1%	0,3%	0,0%	0,1%	0,1%	0,6%	1,1%	1,5%	1,4%	1,7%	1,6%
Net Export (mio mt)	56	415	1.349	1.637	56	101	201	377	512	697	979	1.186	1.507	1.647	1.704
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	1.299	1.422	1.854	2.433	1.299	1.114	1.297	1.444	1.520	1.508	1.500	1.696	1.903	2.255	2.398

Argentina	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	2.122	1.789	1.411	1.651	2.122	2.280	2.208	1.919	1.527	1.294	1.284	1.349	1.461	1.546	1.632
Ending Stocks (mio mt)	89	92	57	121	89	88	105	105	91	59	39	36	65	91	121
Ending Stocks/consumption (%)	63,0%	50,1%	16,6%	24,4%	63,0%	60,8%	61,2%	55,1%	46,2%	34,5%	23,4%	14,6%	14,4%	17,9%	23,8%
Net Export (mio mt)	1.981	1.637	1.040	1.152	1.981	2.137	2.045	1.754	1.376	1.161	1.120	1.060	1.010	1.021	1.094
<i>Food Use (mio mt)</i>															
<i>Biodiesel Use (mio mt)</i>															
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	141	181	354	493	141	144	172	192	192	166	185	292	423	499	508

China	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Area (mio Ha)															
Yield (mt/ha)															
Production (mio mt)	423	454	450	488	423	432	448	487	454	447	418	425	444	473	500
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Stocks/consumption (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net Import (mio mt)	4	0	-12	-7	4	2	0	0	0	-4	-9	-12	-11	-8	-8
<i>Food Use (mio mt)</i>	<i>346</i>	<i>375</i>	<i>382</i>	<i>415</i>	<i>346</i>	<i>356</i>	<i>373</i>	<i>407</i>	<i>376</i>	<i>373</i>	<i>349</i>	<i>357</i>	<i>375</i>	<i>401</i>	<i>428</i>
<i>Industrial Use (mio mt)</i>	<i>73</i>	<i>79</i>	<i>80</i>	<i>80</i>	<i>73</i>	<i>74</i>	<i>75</i>	<i>80</i>	<i>78</i>	<i>78</i>	<i>78</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>
<i>Other Use (mio mt)</i>															
Consumption (mio mt)	420	454	462	495	420	430	448	487	454	451	427	437	455	481	508

Source:

Fapri - World Agricultural Outlook

THE CAUSES OF THE FOOD PRICE CRISIS: WHEAT

SUMMARY OF WORLD WHEAT MARKET DEVELOPMENTS

World production has stayed below world consumption in wheat during the last 6 years. This development is not due to changes in demand, which has continued increasing at a rather constant pace (while the combined consumption of China and India even declined since 2000) but to the significant production shortfall in major suppliers (with Australia facing 3 severe droughts in the last 6 years). As a result, world stock declined significantly during the same period, thus contributing to the increase in prices.

Prospects for recovery in world production is already evident in some major players (China, Russia, Ukraine), but not among the traditional 5 main exporters. Positive policy contributions could come from the abolition of set-aside in the EU and of export taxes in Argentina, Russia and Ukraine, but climate uncertainties complicate prospects in another major exporter, Australia.

MAIN WORLD MARKET TRENDS

Production

- Area declined slightly in most major exporters. While in the US and Argentina this decline has been compensated by increasing yields, yields in the EU and Canada have stagnated, while those of Australia severely affected by successive droughts. Mixed developments among other players, with notable yield increases in China, Russia and Brazil.

Consumption

- Very stable path of annual increase (1%) characterises world wheat consumption, with no dramatic changes. Unlike what is often thought, wheat consumption in China has been declining, thus neutralising India's 1.3% annual increase. In the developed world, feed consumption has increased in the EU and Australia.

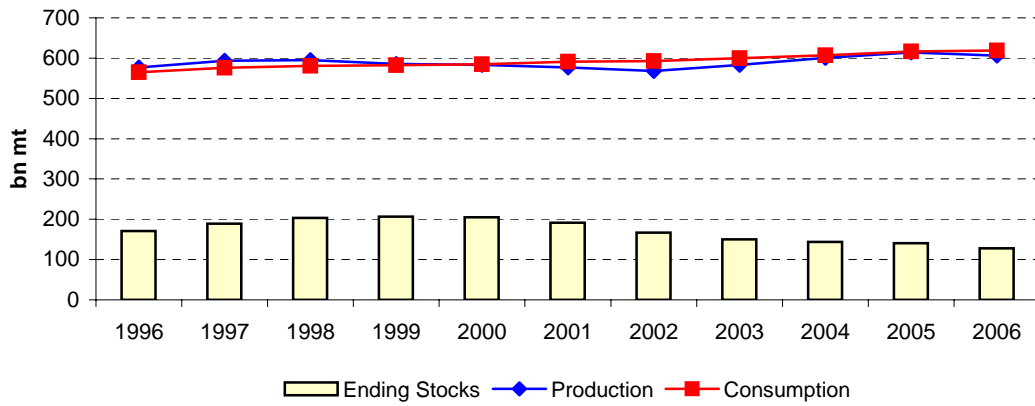
Trade

- Among the main payers, the US, Canada and Argentina have kept stable their exportable surplus, while that of the EU and Australia has been declining (mainly due to weather factors). Russia and Ukraine have become clear (albeit unstable) net exporters, India a small net importer, while China is again recovering from its net import position due to declining consumption.

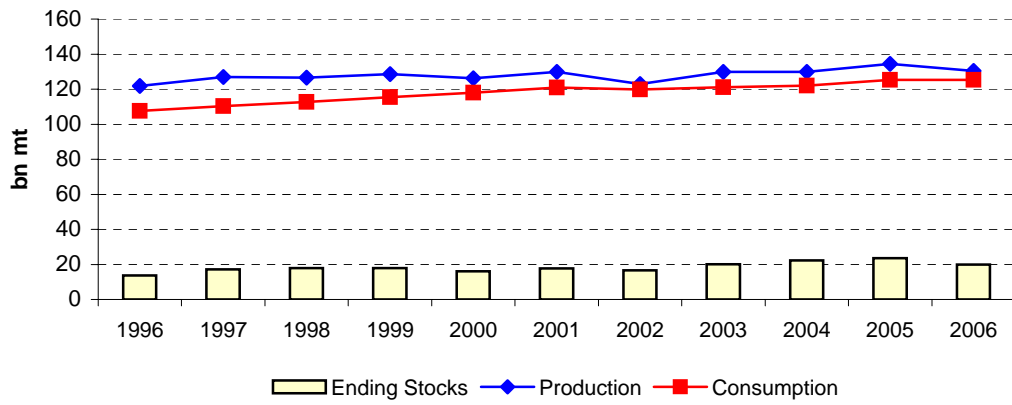
Ending stocks / Prices

- Price fluctuations in wheat can be attributed to changes in ending stocks, which have been driven by supply factors. The strongest recent influence (since 2002) comes from the Australian droughts, which explain three quarters of the decline in world stocks.

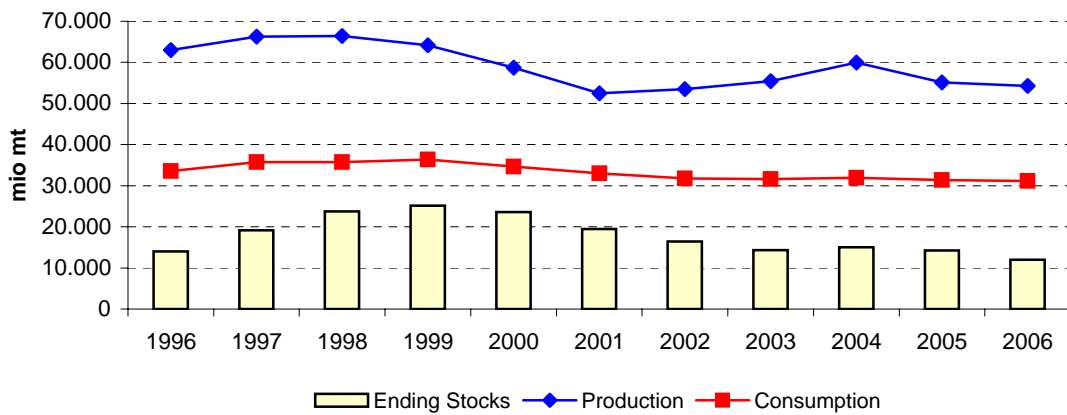
World wheat - 3 year moving average 1995-2007



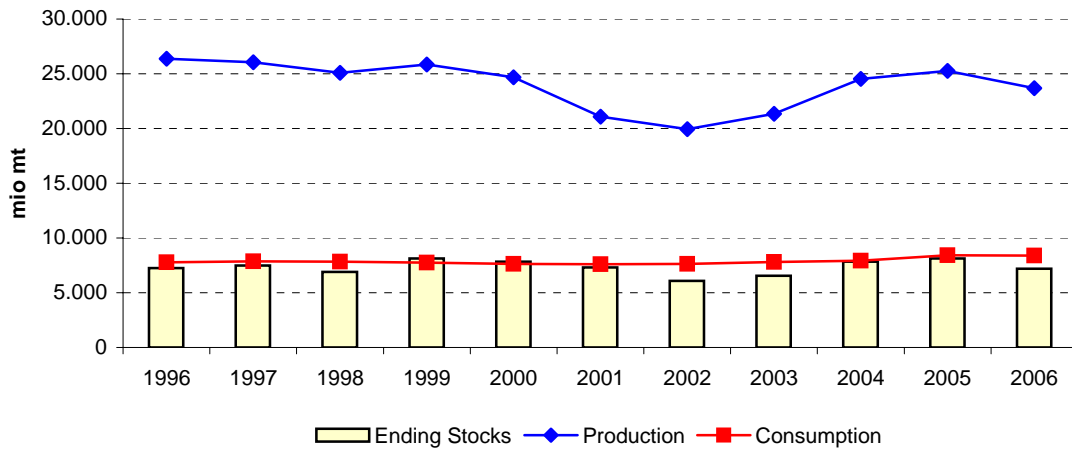
EU wheat - 3 year moving average 1995-2007



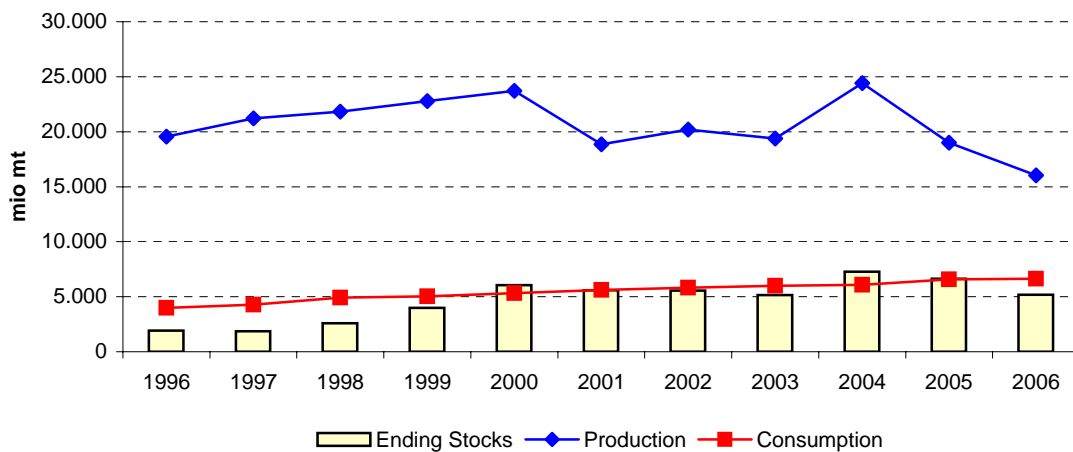
US wheat - 3 year moving average 1995-2007



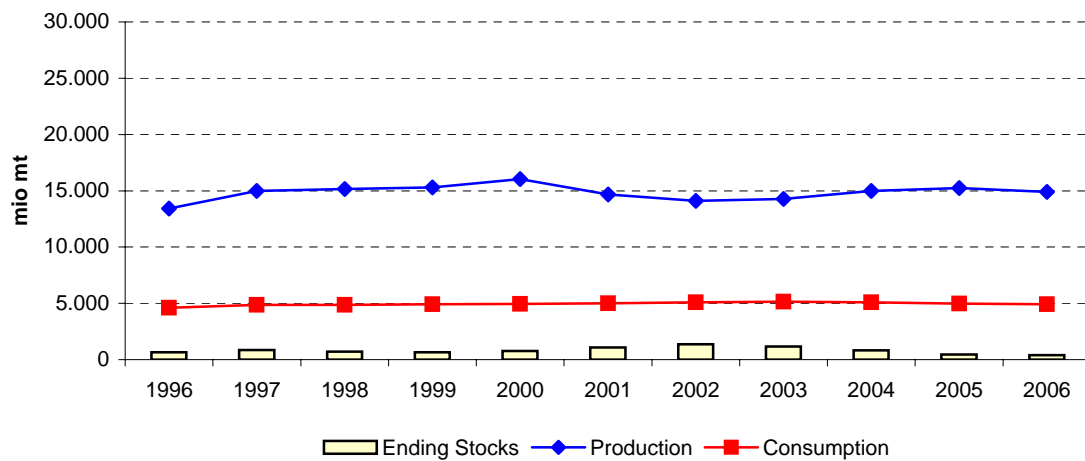
Canada wheat - 3 year moving average 1995-2007



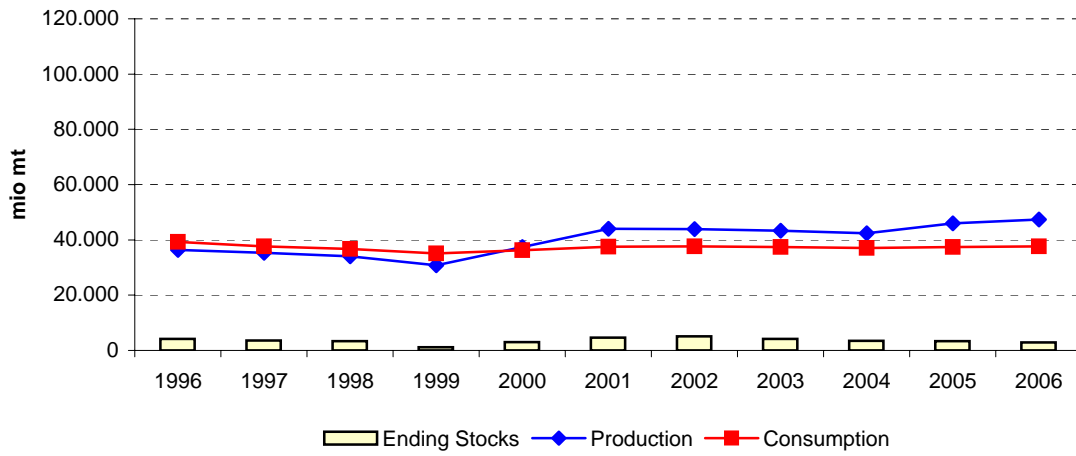
Australia wheat - 3 year moving average 1995-2007



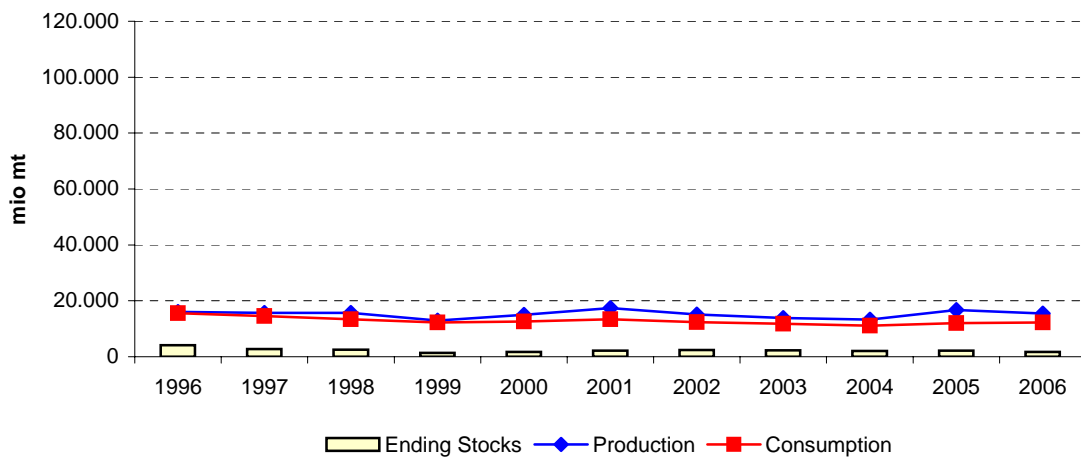
Argentina wheat - 3 year moving average 1995-2007



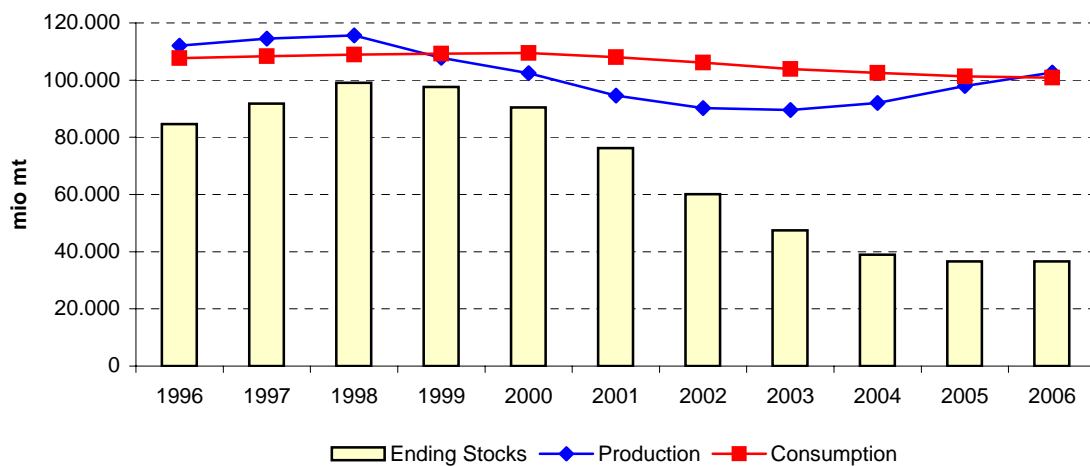
Russia wheat - 3 year moving average 1995-2007



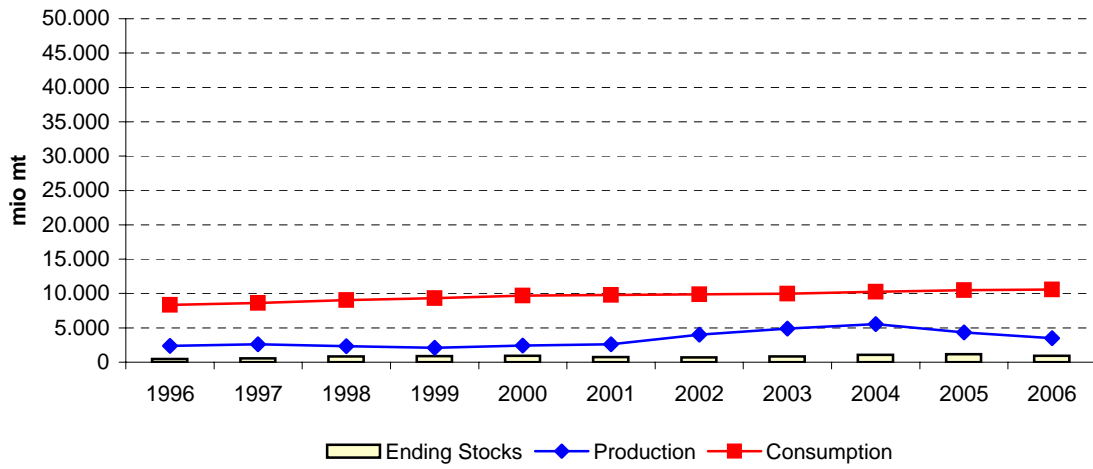
Ukraine wheat - 3 year moving average 1995-2007



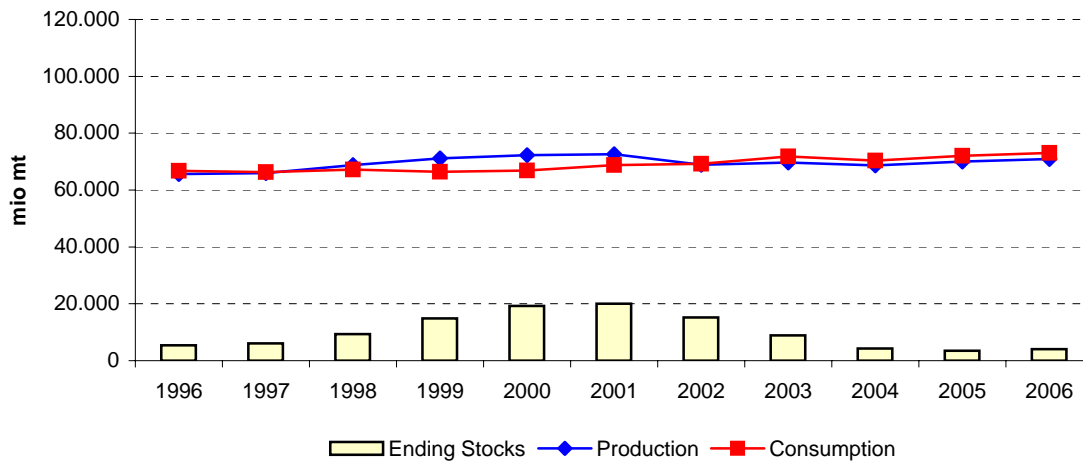
China wheat - 3 year moving average 1995-2007



Brazil wheat - 3 year moving average 1995-2007



India wheat - 3 year moving average 1995-2007



World	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	218.478	229.812	227.951	225.008	215.377	217.570	214.684	214.629	209.565	217.677	218.354	211.926	216.771	-0,1%
Yield (mt/ha)	2,46	2,53	2,68	2,62	2,72	2,67	2,71	2,65	2,65	2,88	2,85	2,80	2,78	1,0%
Production (mio mt)	538.161	581.903	610.100	589.697	585.817	581.500	581.179	568.440	554.418	626.830	621.461	593.661	603.005	1,0%
Ending Stocks (mio mt)	153.310	164.709	195.422	206.101	208.528	205.795	201.604	166.346	132.391	150.621	147.647	124.380	111.043	-2,7%
Total Trade (mio mt)	75.231	83.649	83.741	81.564	96.130	85.909	83.481	81.366	84.991	89.081	92.344	87.558	82.309	0,8%
-Feed Demand (mio mt)	90.667	97.662	101.837	103.498	98.923	104.122	107.406	111.684	96.164	105.429	111.301	105.559	98.490	0,7%
-Food and Other Demand (mio mt)	454.350	472.842	477.550	475.520	486.216	480.111	477.964	492.014	492.209	503.171	513.134	511.369	517.852	1,1%
Consumption (mio mt)	545.017	570.504	579.387	579.018	585.139	584.233	585.370	603.698	588.373	608.600	624.435	616.928	616.342	1,0%
Price (\$/mt)*	176,98	207,60	159,48	126,13	112,04	114,09	126,81	148,08	146,14	156,88	152,35	192,04	255,21	13,0%

European Union**	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	25.380	25.121	26.493	26.087	24.790	26.595	26.351	26.879	24.705	26.512	26.370	25.488	25.999	0,2%
Yield (mt/ha)	4,61	4,90	4,73	5,07	4,92	4,94	4,75	4,94	4,50	5,50	5,03	4,91	5,14	0,9%
Production (mio mt)	116.923	123.127	125.222	132.256	122.047	131.454	125.134	132.797	111.065	145.776	132.542	125.216	133.626	1,1%
Ending Stocks (mio mt)	12.251	13.018	15.995	22.446	15.387	16.039	16.966	20.198	12.689	27.366	26.825	16.479	16.435	2,5%
Net Exports (mio mt)	14.884	15.329	12.208	11.880	15.056	12.480	2.836	6.567	3.254	5.935	7.452	10.427	8.740	-4,3%
-Feed Demand (mio mt)	43.872	44.523	46.501	50.148	50.103	53.030	54.735	56.092	49.143	57.690	55.215	53.700	51.783	1,4%
-Food and Other Demand (mio mt)	61.663	62.508	63.536	63.777	63.946	65.292	66.637	66.906	66.177	67.474	70.416	71.435	73.147	1,4%
Consumption (mio mt)	105.535	107.031	110.037	113.925	114.050	118.322	121.372	122.997	115.320	125.164	125.630	125.135	124.930	1,4%

United States	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	24.668	25.422	25.431	23.877	21.761	21.474	19.616	18.544	21.474	20.234	20.283	18.943	20.644	-1,5%
Yield (mt/ha)	2,41	2,44	2,66	2,90	2,87	2,82	2,70	2,36	2,97	2,90	2,82	2,60	2,72	1,0%
Production (mio mt)	59.404	61.980	67.534	69.327	62.475	60.641	53.001	43.705	63.814	58.738	57.280	49.316	56.247	-0,5%
Ending Stocks (mio mt)	10.234	12.073	19.663	25.744	25.848	23.846	21.150	13.374	14.872	14.699	15.545	12.414	8.053	-2,0%
Net Exports (mio mt)	31.929	24.744	25.732	25.667	26.998	26.459	23.263	21.033	29.809	27.088	25.077	21.412	29.529	-0,6%
-Feed Demand (mio mt)	4.184	8.371	6.818	10.645	7.600	8.176	4.953	3.150	5.521	4.955	4.347	3.416	3.130	-2,4%
-Food and Other Demand (mio mt)	26.844	27.026	27.394	26.934	27.773	28.008	27.481	27.298	26.986	26.868	27.010	27.619	27.949	0,3%
Consumption (mio mt)	31.028	35.397	34.212	37.579	35.373	36.184	32.434	30.448	32.507	31.823	31.357	31.035	31.079	0,0%

Canada	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	11.141	12.262	11.410	10.769	10.375	10.963	10.585	8.836	10.215	9.389	9.404	9.682	8.640	-2,1%
Yield (mt/ha)	2,25	2,43	2,13	2,24	2,60	2,42	1,94	1,83	2,26	2,64	2,74	2,61	2,32	0,3%
Production (mio mt)	25.037	29.801	24.280	24.076	26.941	26.519	20.568	16.198	23.049	24.796	25.748	25.265	20.050	-1,8%
Ending Stocks (mio mt)	6.728	9.047	5.989	7.435	7.299	9.658	6.549	5.725	5.985	7.922	9.638	6.849	5.074	-2,3%
Net Exports (mio mt)	16.184	19.260	20.002	14.553	18.975	17.117	15.931	9.021	15.603	14.627	15.713	19.316	13.725	-1,4%
-Feed Demand (mio mt)	3.900	4.389	3.350	4.100	4.062	2.978	3.575	3.778	3.138	4.064	4.184	4.328	3.500	-0,9%
-Food and Other Demand (mio mt)	3.904	3.833	3.986	3.977	4.030	4.065	4.171	4.223	4.048	4.168	4.135	4.410	4.600	1,4%
Consumption (mio mt)	7.804	8.222	7.336	8.077	8.092	7.043	7.746	8.001	7.186	8.232	8.319	8.738	8.100	0,3%

Australia	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	9.221	10.936	10.439	11.543	12.168	12.141	11.592	11.070	13.067	13.399	12.456	11.200	12.200	2,4%
Yield (mt/ha)	1,79	2,10	1,84	1,86	2,03	1,82	2,10	0,92	2,00	1,63	2,02	0,88	1,07	-4,2%
Production (mio mt)	16.504	22.925	19.224	21.465	24.757	22.108	24.299	10.132	26.132	21.905	25.173	9.900	13.000	-2,0%
Ending Stocks (mio mt)	1.975	2.395	1.348	1.868	4.585	5.509	8.048	3.195	5.444	6.782	9.618	3.483	2.458	1,8%
Net Exports (mio mt)	13.265	19.173	15.298	16.415	17.783	15.856	16.333	8.860	17.958	14.667	15.937	8.635	7.925	-4,2%
-Feed Demand (mio mt)	1.078	717	2.323	1.831	2.478	2.600	2.700	3.400	3.200	3.200	3.700	4.700	3.400	10,0%
-Food and Other Demand (mio mt)	2.591	2.615	2.650	2.699	2.749	2.728	2.727	2.725	2.725	2.700	2.700	2.700	2.700	0,3%
Consumption (mio mt)	3.669	3.332	4.973	4.530	5.227	5.328	5.427	6.125	5.925	5.900	6.400	7.400	6.100	4,3%

Argentina	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	4.500	7.100	5.702	5.399	6.153	6.408	6.825	5.900	5.700	6.100	5.000	5.285	5.200	1,2%
Yield (mt/ha)	1,91	2,24	2,76	2,46	2,67	2,53	2,27	2,08	2,54	2,62	2,90	2,88	2,88	3,5%
Production (mio mt)	8.600	15.900	15.740	13.300	16.400	16.230	15.500	12.300	14.500	16.000	14.500	15.200	15.000	4,7%
Ending Stocks (mio mt)	150	1.000	820	720	615	589	1.139	1.530	1.395	553	500	305	405	8,6%
Net Exports (mio mt)	4.435	10.155	11.124	8.535	11.577	11.265	10.063	6.752	9.403	11.832	9.553	10.495	10.000	7,0%
-Feed Demand (mio mt)	150	8	14	23	82	82	85	80	80	80	80	80	80	-5,1%
-Food and Other Demand (mio mt)	4.015	4.887	4.782	4.842	4.846	4.909	4.802	5.077	5.152	4.930	4.920	4.820	4.820	1,5%
Consumption (mio mt)	4.165	4.895	4.796	4.865	4.928	4.991	4.887	5.157	5.232	5.010	5.000	4.900	4.900	1,4%

Russia	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	23.909	25.721	26.056	26.101	23.000	23.200	23.800	25.700	22.150	24.200	25.400	23.700	24.500	0,2%
Yield (mt/ha)	1,26	1,36	1,70	1,03	1,35	1,48	1,97	1,97	1,54	1,88	1,88	1,89	2,02	4,0%
Production (mio mt)	30.100	34.900	44.200	27.000	31.000	34.450	46.900	50.550	34.100	45.400	47.700	44.900	49.400	4,2%
Ending Stocks (mio mt)	2.900	1.600	8.000	1.000	1.200	1.400	6.479	6.133	2.645	3.891	3.809	2.380	2.580	-1,0%
Net Exports (mio mt)	-5.110	-1.934	-2.009	-838	-4.565	-908	3.743	11.576	2.088	6.754	9.382	9.929	11.000	:
-Feed Demand (mio mt)	17.969	14.360	16.397	11.150	11.800	11.500	14.000	16.000	12.500	13.600	14.900	14.100	15.400	-1,3%
-Food and Other Demand (mio mt)	21.841	23.774	23.412	23.688	23.565	23.658	24.078	23.320	23.000	23.800	23.500	22.300	22.800	0,4%
Consumption (mio mt)	39.810	38.134	39.809	34.838	35.365	35.158	38.078	39.320	35.500	37.400	38.400	36.400	38.200	-0,3%

Ukraine	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	5.479	5.892	6.508	5.641	5.931	5.161	6.882	6.750	2.450	5.900	6.570	5.500	6.000	0,8%
Yield (mt/ha)	2,97	2,30	2,83	2,65	2,29	1,98	3,10	3,05	1,47	2,97	2,85	2,55	2,30	-2,1%
Production (mio mt)	16.273	13.550	18.404	14.937	13.585	10.197	21.349	20.556	3.600	17.500	18.700	14.000	13.800	-1,4%
Ending Stocks (mio mt)	5.700	2.500	4.000	1.900	1.800	450	2.955	3.252	1.126	2.609	2.414	1.428	1.478	-10,6%
Net Exports (mio mt)	1.160	1.235	1.261	4.618	1.499	-608	5.394	5.759	-3.299	4.317	6.395	3.286	1.250	0,6%
-Feed Demand (mio mt)	5.200	5.200	5.200	2.100	1.900	1.700	3.000	4.000	425	2.100	2.900	2.100	2.900	-4,7%
-Food and Other Demand (mio mt)	10.213	10.315	10.443	10.319	10.286	10.455	10.450	10.500	8.600	9.600	9.600	9.600	9.600	-0,5%
Consumption (mio mt)	15.413	15.515	15.643	12.419	12.186	12.155	13.450	14.500	9.025	11.700	12.500	11.700	12.500	-1,7%

China	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	28.860	29.610	30.057	29.774	28.855	26.650	24.640	23.910	22.000	21.626	22.792	22.960	23.100	-1,8%
Yield (mt/ha)	3,54	3,73	4,10	3,69	3,95	3,74	3,81	3,78	3,93	4,25	4,28	4,55	4,59	2,2%
Production (mio mt)	102.215	110.570	123.289	109.726	113.880	99.640	93.873	90.290	86.490	91.950	97.450	104.470	106.000	0,3%
Ending Stocks (mio mt)	76.494	81.185	96.172	97.935	102.943	91.877	76.588	60.378	43.293	38.819	34.890	35.957	39.107	-5,4%
Net Trade (mio mt)	-12.035	-1.736	-754	-287	-468	428	420	1.300	-925	-5.576	379	2.403	2.350	:
-Feed Demand (mio mt)	3.200	3.400	4.900	5.000	6.500	10.000	9.000	6.500	6.000	4.000	3.500	4.000	4.000	1,9%
-Food and Other Demand (mio mt)	103.299	104.215	104.156	103.250	102.840	100.278	99.742	98.700	98.500	98.000	97.500	97.000	96.500	-0,6%
Consumption (mio mt)	106.499	107.615	109.056	108.250	109.340	110.278	108.742	105.200	104.500	102.000	101.000	101.000	100.500	-0,5%

India	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	25.600	25.011	25.887	26.700	27.400	27.486	25.700	25.900	24.860	26.620	26.500	26.400	28.000	0,7%
Yield (mt/ha)	2,56	2,48	2,68	2,49	2,58	2,78	2,71	2,77	2,62	2,71	2,59	2,63	2,67	0,4%
Production (mio mt)	65.470	62.097	69.350	66.350	70.780	76.369	69.680	71.810	65.100	72.150	68.640	69.350	74.890	1,1%
Ending Stocks (mio mt)	7.762	3.240	5.075	9.921	13.080	21.500	23.000	15.700	6.900	4.100	2.000	4.500	5.490	-2,8%
Net Trade (mio mt)	1.450	555	-1.731	-2.203	-1.172	1.128	3.055	4.816	5.642	2.112	769	-6.508	-1.950	:
-Feed Demand (mio mt)	300	350	350	350	350	500	500	600	600	500	300	300	200	-3,3%
-Food and Other Demand (mio mt)	64.678	65.714	68.896	63.357	68.443	66.321	64.625	73.694	67.658	72.338	69.671	73.058	75.650	1,3%
Consumption (mio mt)	64.978	66.064	69.246	63.707	68.793	66.821	65.125	74.294	68.258	72.838	69.971	73.358	75.850	1,3%

Brazil	High prices			Low prices				High prices				Very high prices		CHG (%) 1995-07
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Area (mio Ha)	1.035	1.833	1.510	1.425	1.252	1.468	1.725	2.043	2.464	2.756	2.360	1.758	1.800	4,7%
Yield (mt/ha)	1,47	1,74	1,58	1,54	1,92	1,13	1,88	1,43	2,37	2,12	2,06	1,27	1,89	2,1%
Production (mio mt)	1.526	3.195	2.380	2.188	2.403	1.660	3.250	2.925	5.851	5.845	4.873	2.234	3.400	6,9%
Ending Stocks (mio mt)	479	450	450	750	1.300	650	900	656	508	1.349	1.333	777	672	2,9%
Net Importer (mio mt)	-5.808	-5.057	-6.180	-7.067	-7.694	-7.201	-7.002	-6.721	-3.801	-5.196	-5.911	-7.710	-6.995	1,6%
-Feed Demand (mio mt)	0	0	0	200	200	200	400	450	200	300	600	200	200	:
-Food and Other Demand (mio mt)	8.214	8.281	8.560	8.755	9.347	9.311	9.602	9.440	9.600	9.900	10.200	10.300	10.300	1,9%
Consumption (mio mt)	8.214	8.281	8.560	8.955	9.547	9.511	10.002	9.890	9.800	10.200	10.800	10.500	10.500	2,1%

Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD

World	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	225.414	218.160	215.056	214.349	225.414	227.590	222.779	219.318	215.877	215.628	212.959	213.957	215.199	215.986	215.684	
Yield (mt/ha)	2,56	2,68	2,75	2,79	2,56	2,61	2,67	2,67	2,70	2,68	2,67	2,72	2,79	2,84	2,81	
Production (mio mt)	576.721	584.548	592.787	598.333	576.721	593.900	595.205	585.671	582.832	577.040	568.012	583.229	600.903	613.984	606.042	
Ending Stocks (mio mt)	171.147	205.507	149.251	117.711	171.147	188.744	203.350	206.808	205.309	191.248	166.780	149.786	143.553	140.883	127.690	
Total Trade (mio mt)	80.874	86.771	86.946	84.934	80.874	82.985	87.145	87.868	88.507	83.585	83.279	85.146	88.805	89.661	87.404	
-Feed Demand (mio mt)	96.722	103.487	106.145	102.025	96.722	100.999	101.419	102.181	103.484	107.737	105.085	104.426	104.298	107.430	105.117	
-Food and Other Demand (mio mt)	468.247	479.953	500.132	514.611	468.247	475.304	479.762	480.616	481.430	483.363	487.396	495.798	502.838	509.225	514.118	
Consumption (mio mt)	564.969	583.440	606.277	616.635	564.969	576.303	581.181	582.797	584.914	591.100	592.480	600.224	607.136	616.654	619.235	
Price (\$/mt)*	181,4	119,8	150,9	223,6	181,4	164,4	132,6	117,4	117,6	129,7	140,3	150,4	151,8	167,1	199,9	

European Union**	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	25.665	25.956	26.116	25.744	25.665	25.900	25.790	25.824	25.912	26.608	25.978	26.032	25.862	26.123	25.952	
Yield (mt/ha)	4,74	4,92	4,99	5,03	4,74	4,90	4,91	4,98	4,87	4,88	4,73	4,98	5,01	5,15	5,03	
Production (mio mt)	121.757	127.723	130.545	129.421	121.757	126.868	126.508	128.586	126.212	129.795	122.999	129.879	129.794	134.511	130.461	
Ending Stocks (mio mt)	13.754	17.709	21.770	16.457	13.754	17.153	17.942	17.957	16.131	17.734	16.618	20.084	22.293	23.557	19.913	
Net Exports (mio mt)	14.140	10.563	5.802	9.583	14.140	13.139	13.048	13.139	10.124	7.294	4.219	5.252	5.547	7.938	8.873	
-Feed Demand (mio mt)	44.965	52.004	54.535	52.742	44.965	47.057	48.917	51.094	52.623	54.619	53.323	54.308	54.016	55.535	53.566	
-Food and Other Demand (mio mt)	62.569	64.913	67.743	72.291	62.569	63.274	63.753	64.338	65.292	66.278	66.573	66.852	68.022	69.775	71.666	
Consumption (mio mt)	107.535	116.917	122.278	125.033	107.535	110.331	112.671	115.432	117.914	120.897	119.896	121.160	122.038	125.310	125.232	

United States	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	25.174	21.682	20.134	19.794	25.174	24.910	23.690	22.371	20.950	19.878	19.878	20.084	20.664	19.820	19.957	
Yield (mt/ha)	2,50	2,83	2,76	2,66	2,50	2,67	2,81	2,87	2,80	2,63	2,68	2,74	2,90	2,78	2,72	
Production (mio mt)	62.973	61.361	55.884	52.782	62.973	66.280	66.445	64.148	58.706	52.449	53.507	55.419	59.944	55.111	54.281	
Ending Stocks (mio mt)	13.990	24.147	14.623	10.233	13.990	19.160	23.752	25.146	23.615	19.457	16.465	14.315	15.039	14.219	12.004	
Net Exports (mio mt)	27.468	25.597	25.752	25.471	27.468	25.381	26.132	26.375	25.573	23.585	24.702	25.977	27.325	24.526	25.339	
-Feed Demand (mio mt)	6.458	7.844	4.493	3.273	6.458	8.611	8.354	8.807	6.910	5.426	4.541	4.542	4.941	4.239	3.631	
-Food and Other Demand (mio mt)	27.088	27.549	27.041	27.784	27.088	27.118	27.367	27.572	27.754	27.596	27.255	27.051	26.955	27.166	27.526	
Consumption (mio mt)	33.546	35.393	31.534	31.057	33.546	35.729	35.721	36.379	34.664	33.022	31.796	31.593	31.896	31.405	31.157	

Canada	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	11.604	10.673	9.461	9.161	11.604	11.480	10.851	10.702	10.641	10.128	9.879	9.480	9.669	9.492	9.242	
Yield (mt/ha)	2,27	2,30	2,37	2,47	2,27	2,26	2,32	2,42	2,32	2,07	2,01	2,24	2,55	2,66	2,56	
Production (mio mt)	26.373	24.526	22.448	22.658	26.373	26.052	25.099	25.845	24.676	21.095	19.938	21.348	24.531	25.270	23.688	
Ending Stocks (mio mt)	7.255	7.735	7.318	5.962	7.255	7.490	6.908	8.131	7.835	7.311	6.086	6.544	7.848	8.136	7.187	
Net Exports (mio mt)	18.482	16.644	13.741	16.521	18.482	17.938	17.843	16.882	17.341	14.023	13.518	13.084	15.314	16.552	16.251	
-Feed Demand (mio mt)	3.880	3.679	3.791	3.914	3.880	3.946	3.837	3.713	3.538	3.444	3.497	3.660	3.795	4.192	4.004	
-Food and Other Demand (mio mt)	3.908	4.061	4.144	4.505	3.908	3.932	3.998	4.024	4.089	4.153	4.147	4.146	4.117	4.238	4.382	
Consumption (mio mt)	7.787	7.740	7.935	8.419	7.787	7.878	7.835	7.737	7.627	7.597	7.644	7.806	7.912	8.430	8.386	

Australia	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	10.199	11.861	12.498	11.700	10.199	10.973	11.383	11.951	11.967	11.601	11.910	12.512	12.974	12.352	11.952	
Yield (mt/ha)	1,91	1,95	1,64	0,97	1,91	1,93	1,91	1,91	1,98	1,61	1,67	1,52	1,89	1,51	1,32	
Production (mio mt)	19.551	23.157	20.836	11.450	19.551	21.205	21.815	22.777	23.721	18.846	20.188	19.390	24.403	18.993	16.024	
Ending Stocks (mio mt)	1.906	5.003	6.260	2.971	1.906	1.870	2.600	3.987	6.047	5.584	5.562	5.140	7.281	6.628	5.186	
Net Exports (mio mt)	15.912	16.597	14.356	8.280	15.912	16.962	16.499	16.685	16.657	13.683	14.384	13.828	16.187	13.080	10.832	
-Feed Demand (mio mt)	1.373	2.402	3.375	4.050	1.373	1.624	2.211	2.303	2.593	2.900	3.100	3.267	3.367	3.867	3.933	
-Food and Other Demand (mio mt)	2.619	2.726	2.713	2.700	2.619	2.655	2.699	2.725	2.735	2.727	2.726	2.717	2.708	2.700	2.700	
Consumption (mio mt)	3.991	5.128	6.088	6.750	3.991	4.278	4.910	5.028	5.327	5.627	5.826	5.983	6.075	6.567	6.633	

Argentina	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	5.767	6.196	5.675	5.243	5.767	6.067	5.751	5.987	6.462	6.378	6.142	5.900	5.600	5.462	5.162	
Yield (mt/ha)	2,30	2,48	2,54	2,88	2,30	2,49	2,63	2,55	2,49	2,30	2,30	2,42	2,69	2,80	2,89	
Production (mio mt)	13.413	15.358	14.325	15.100	13.413	14.980	15.147	15.310	16.043	14.677	14.100	14.267	15.000	15.233	14.900	
Ending Stocks (mio mt)	657	766	995	355	657	847	718	641	781	1.086	1.355	1.159	816	453	403	
Net Exports (mio mt)	8.571	10.360	9.385	10.248	8.571	9.938	10.412	10.459	10.968	9.360	8.739	9.329	10.263	10.627	10.016	
-Feed Demand (mio mt)	57	68	80	80	57	15	40	62	83	82	82	80	80	80	80	
-Food and Other Demand (mio mt)	4.561	4.850	5.020	4.820	4.561	4.837	4.823	4.866	4.852	4.929	5.010	5.053	5.001	4.890	4.853	
Consumption (mio mt)	4.619	4.918	5.100	4.900	4.619	4.852	4.863	4.928	4.935	5.012	5.092	5.133	5.081	4.970	4.933	

Russia	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	25.229	24.025	24.363	24.100	25.229	25.959	25.052	24.100	23.333	24.233	23.883	24.017	23.917	24.433	24.533	
Yield (mt/ha)	1,44	1,46	1,82	1,96	1,44	1,36	1,36	1,29	1,60	1,81	1,83	1,79	1,76	1,88	1,93	
Production (mio mt)	36.400	34.838	44.438	47.150	36.400	35.367	34.067	30.817	37.450	43.967	43.850	43.350	42.400	46.000	47.333	
Ending Stocks (mio mt)	4.167	2.520	4.120	2.480	4.167	3.533	3.400	1.200	3.026	4.671	5.086	4.223	3.448	3.360	2.923	
Net Exports (mio mt)	-3.018	-642	7.450	10.465	-3.018	-1.594	-2.471	-2.104	-577	4.804	5.802	6.806	6.075	8.688	10.104	
-Feed Demand (mio mt)	16.242	12.113	14.250	14.750	16.242	13.969	13.116	11.483	12.433	13.833	14.167	14.033	13.667	14.200	14.800	
-Food and Other Demand (mio mt)	23.009	23.747	23.405	22.550	23.009	23.625	23.555	23.637	23.767	23.685	23.466	23.373	23.433	23.200	22.867	
Consumption (mio mt)	39.251	35.860	37.655	37.300	39.251	37.594	36.671	35.120	36.200	37.519	37.633	37.407	37.100	37.400	37.667	

Ukraine	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	5.960	5.904	5.418	5.750	5.960	6.014	6.027	5.578	5.991	6.264	5.361	5.033	4.973	5.990	6.023	
Yield (mt/ha)	2,70	2,50	2,58	2,42	2,70	2,59	2,59	2,30	2,46	2,71	2,54	2,49	2,43	2,79	2,56	
Production (mio mt)	16.076	15.017	15.089	13.900	16.076	15.630	15.642	12.906	15.044	17.367	15.168	13.885	13.267	16.733	15.500	
Ending Stocks (mio mt)	4.067	1.776	2.350	1.453	4.067	2.800	2.567	1.383	1.735	2.219	2.444	2.329	2.050	2.150	1.773	
Net Exports (mio mt)	1.219	2.726	3.293	2.268	1.219	2.371	2.459	1.836	2.095	3.515	2.618	2.259	2.471	4.666	3.644	
-Feed Demand (mio mt)	5.200	2.175	2.356	2.500	5.200	4.167	3.067	1.900	2.200	2.900	2.475	2.175	1.808	2.367	2.633	
-Food and Other Demand (mio mt)	10.324	10.378	9.575	9.600	10.324	10.359	10.349	10.353	10.397	10.468	9.850	9.567	9.267	9.600	9.600	
Consumption (mio mt)	15.524	12.553	11.931	12.100	15.524	14.526	13.416	12.253	12.597	13.368	12.325	11.742	11.075	11.967	12.233	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	29.509	27.480	22.582	23.030	29.509	29.814	29.562	28.426	26.715	25.067	23.517	22.512	22.139	22.459	22.951	
Yield (mt/ha)	3,79	3,80	4,06	4,57	3,79	3,84	3,91	3,79	3,83	3,77	3,84	3,99	4,15	4,36	4,47	
Production (mio mt)	112.025	104.280	91.545	105.235	112.025	114.528	115.632	107.749	102.464	94.601	90.218	89.577	91.963	97.957	102.640	
Ending Stocks (mio mt)	84.617	92.336	44.345	37.532	84.617	91.764	99.017	97.585	90.469	76.281	60.086	47.497	39.001	36.555	36.651	
Net Trade (mio mt)	-4.842	23	-1.206	2.377	-4.842	-926	-503	-109	127	716	265	-1.734	-2.041	-931	1.711	
-Feed Demand (mio mt)	3.833	7.625	5.000	4.000	3.833	4.433	5.467	7.167	8.500	8.500	7.167	5.500	4.500	3.833	3.833	
-Food and Other Demand (mio mt)	103.890	101.528	98.175	96.750	103.890	103.874	103.415	102.123	100.953	99.573	98.981	98.400	98.000	97.500	97.000	
Consumption (mio mt)	107.723	109.153	103.175	100.750	107.723	108.307	108.882	109.289	109.453	108.073	106.147	103.900	102.500	101.333	100.833	

India	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	25.499	26.822	25.970	27.200	25.499	25.866	26.662	27.195	26.862	26.362	25.487	25.793	25.993	26.507	26.967	
Yield (mt/ha)	2,57	2,64	2,67	2,65	2,57	2,55	2,58	2,62	2,69	2,75	2,70	2,70	2,64	2,64	2,63	
Production (mio mt)	65.639	70.795	69.425	72.120	65.639	65.932	68.827	71.166	72.276	72.620	68.863	69.687	68.630	70.047	70.960	
Ending Stocks (mio mt)	5.359	16.875	7.175	4.995	5.359	6.079	9.359	14.834	19.193	20.067	15.200	8.900	4.333	3.533	3.997	
Net Trade (mio mt)	91	202	3.335	-4.229	91	-1.126	-1.702	-749	1.004	3.000	4.504	4.190	2.841	-1.209	-2.563	
-Feed Demand (mio mt)	333	425	500	250	333	350	350	400	450	533	567	567	467	367	267	
-Food and Other Demand (mio mt)	66.429	65.687	70.840	74.354	66.429	65.989	66.899	66.040	66.463	68.213	68.659	71.230	69.889	71.689	72.793	
Consumption (mio mt)	66.763	66.112	71.340	74.604	66.763	66.339	67.249	66.440	66.913	68.747	69.226	71.797	70.356	72.056	73.060	

Brazil	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Area (mio Ha)	1.459	1.468	2.406	1.779	1.459	1.589	1.396	1.382	1.482	1.745	2.077	2.421	2.527	2.291	1.973	
Yield (mt/ha)	1,60	1,62	2,00	1,58	1,60	1,62	1,68	1,53	1,64	1,48	1,90	1,98	2,19	1,82	1,74	
Production (mio mt)	2.367	2.375	4.874	2.817	2.367	2.588	2.324	2.084	2.438	2.612	4.009	4.874	5.523	4.317	3.502	
Ending Stocks (mio mt)	460	900	962	725	460	550	833	900	950	735	688	838	1.063	1.153	927	
Net Importer (mio mt)	-5.682	-7.241	-5.407	-7.353	-5.682	-6.101	-6.980	-7.321	-7.299	-6.975	-5.841	-5.239	-4.969	-6.272	-6.872	
-Feed Demand (mio mt)	0	250	388	200	0	67	133	200	267	350	350	317	367	367	333	
-Food and Other Demand (mio mt)	8.352	9.254	9.785	10.300	8.352	8.532	8.887	9.138	9.420	9.451	9.547	9.647	9.900	10.133	10.267	
Consumption (mio mt)	8.352	9.504	10.173	10.500	8.352	8.599	9.021	9.338	9.687	9.801	9.897	9.963	10.267	10.500	10.600	

Source:

Fapri - World Agricultural Outlook; (*) World Bank; (**) OECD