Required citation:

Although high input costs and water constrains may prevent world rice production from rising, the 2022 harvest is predicted to remain abundant amid

MARKET

World production of coarse grains in 2022 is forecast to fall slightly (0.6 percent) from last year's record level. This is entirely attributed to a predicted drop in maize production, while outputs of all other major coarse grains, including barley and sorghum, are forecast to increase. Making up the bulk of the expected decline in maize production are a smaller harvest foreseen in the United States of America, the largest maize producer in the world, and a considerable decrease expected in Ukraine's output due to war-related disruptions.

Global total utilization of coarse grains in 2022/23 is set to decline marginally from the 2021/22 level, by just 0.1 percent, representing the first decrease in 10 years. At 1 498 million tonnes, utilization would fall 2.0 percent below the 10-year trend. A forecast contraction in the feed use of coarse grains, largely due to an anticipated reduction in Northern America, is expected to outweigh a predicted growth in food consumption, while the total industrial use component is projected to remain nearly unchanged from last season.

With production forecast to fall below utilization in 2022/23, global inventories of coarse grains are projected to decline by 1.1 percent below their opening levels. Among the major coarse grains, maize stocks are predicted to contract the most, with most of the foreseen drawdown concentrated in China (mainland) and the United States. World barley stocks are also forecast to decline below their opening levels. Consequently, the world stocks-to-use ratio of coarse grains would drop from its 2021/22 level, reach9.5 48.10tpuse rw.19cne

FAO's 2021/22 forecasts point towards a tightening market outlook for oilseeds and derived products, broadly underpinned by production shortfalls coinciding with a

FAO's forecast for world sugar production in 2021/22 (October/September) is pegged at 174.6 million tonnes, Global meat production is forecast to reach 361 million tonnes (carcass weight equivalent) in 2022, expanding by 1.4 percent in 2022, albeit at a slower pace than the 4.5 percent growth realized in 2021. The expansion is driven mainly by a steep growth in meat output foreseen in China and notable increases in Brazil, Australia and Viet Nam, to be partly offset by anticipated declines in the European

As the effects of the pandemic diminish, the dynamics in the global market for fisheries and aquaculture products are shifting. Newly reopened foodservice businesses have revived demand, boosting sales significantly. The recovery of the tourism industry is also contributing to a rapidly strengthening market, particularly for popular restaurant species such as bivalves, lobster, crab, seabass and seabream. Despite its negative impacts, the pandemic has served as a catalyst for various innovations in delivery, sales, marketing and products, which look set to endure in the long term. The revitalization of tourism and retail markets is driving prices steeply upwards for many aquatic products. For some species, such as salmon, prices are now at levels that have not been seen in several decades.

MARKET ASSESSMENTS

remaining well above India's export average over the past five-years. Exports from the

European Union is part of an expected overall decrease in feed demand due to the high prices of feed grains, as well as reduced meat demand and the impact of avian influenza.

Other uses of wheat, which include the industrial

Figure 3. Major maize producers

2022/23. At this level, the ratio would be the lowest since 2012/13, but would remain well above the historical low of 18.2 percent registered in 1983/84. The **ratio of major exporters’ stocks-to-disappearance** (defined as domestic consumption plus exports), which reflects global availabilitiei7jortradease f rcent

RICE

Figure 1. FAO rice price indices

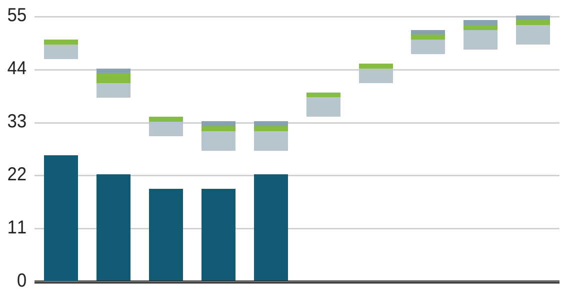
Figure 4. Rice imports by region

Figure 5. Rice exporters’ shares in global trade

Figure 6. World rice trade and FAO all rice price index

just 200 000 tonnes this year, owing to refurbished state stockpiles and domestic output growth. Nevertheless, purchases by **Viet Nam**, a major rice exporter, could also drop by nearly half in 2022, as its feed and industrial needs may be met by ample inventories of lower-grade rice amassed through record imports last year. Ample glutinous availabilities already at hand are, likewise, behind an anticipated 3.7 percent cut in imports by **China (mainland)** to 4.9 million tonnes, even though at that level they would remain comparatively abundant due to attractive prices of lower grades abroad. Among other Asian buyers, little import change is expected in the **Philippines**, with overall purchases steadying at 3.0 million tonnes, while **Malaysia**

Figure 8. Stocks held by the five major rice exporters and stocks-to-disappearance ratio



side, production prospects in South America weakened considerably, owing to prolonged dry and hot conditions across major growing regions. From the demand perspective, favourable processing margins, particularly in the United States of America, prompted robust uptakes from the crushing industry, while soybean imports by China

Figure 2. FAO monthly price index for oilseeds (2014-2016=100)

Note:

OVINE MEAT

Growth prospects up

Global ovine meat output is forecast to expand by 1.0 percent in 2022 to around 17 million tonnes, with Asia and Oceania likely leading the expansion, while slight

from weaker SMPweakAndker frfrfrfr

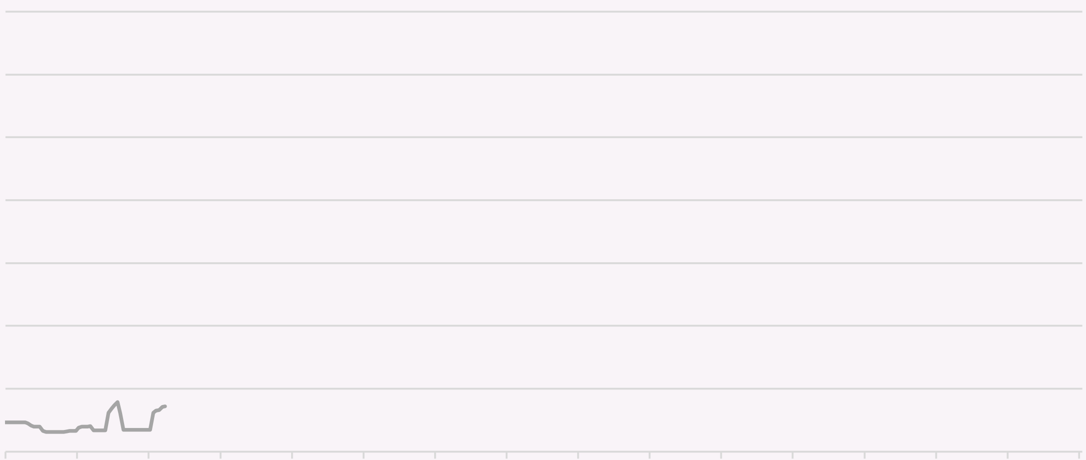
by more significant growth in consumer demand compared to domestic production. Despite reeling under the twin crises of unemployment and the COVID-19 pandemic, partial economic recovery in **Mexico** is likely to lift butter imports but anticipated to remain below pre-pandemic levels. By contrast, notably low purchases are anticipated emic

Figure 4. Chinese mackerel imports

Union (EU) and India account for the lion's share of Russian fertilizer exports in absolute terms, due to the larger area extensions they cultivate, but also higher fertilizer application levels. However, comparing fertilizer import levels with the amount of arable land to which fertilizer the introduction of licensing requirements or outright that they could be considerably depressed by economic sanctions imposed on the country in response to the war. Although these sanctions do not directly target the Russian food and fertilizer sectors,MCID 75oer

of fertilizers, Russian agriculture is particularly dependent on imported seeds and pesticides, as depicted in Figure 6. In 2021, the Russian Federation purchased USD 872 million worth of herbicides, fungicides, insecticides and other pesticides, 58 percent of which came from the EU. Russian imports of -high-value- seeds (i.e. hybrid, genetically

Figure 8. Urea price vs natural gas price, 2014–2016=100



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rising output prices (FFPI) or falling costs/input prices (GIPI) or, ideally, a combination of the two.

- Either record or high input prices fuelled sharp increases in agricultural input import bills in 2021 and price momentum is forecast to heighten bills further in 2022 (see Section 3).
- Increases in agricultural input import bills do not imply an increased inflow of inputs. The bills are being driven by price rises at the expense of greatly reduced imports of inputs. Again, this bodes ill for a much-needed positive production response in 2023.

The findings do not augur well for a market-led supply response that could conceivably rein in further increases in food prices for the DC uelled sharp

compounding the upward trend in international food prices.

These factors limit the prospects for a substantial downturn in prices of internationally-traded foodstuffs. The benchmark indicator – the FAO Food Price Index (FFPI) – registered its highest monthly jump ever in March them to invest in productivity-raising initiatives that ultimately increase supply. However, these are not normal circumstances and a supply response to equilibrate markets can no longer be assured as long as fertilizers and other inputs remain too costly and scarce to procure (see Box 1).

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Box Figure 2. ‘Real’ output prices of food.

It can be seen that the real output prices of food fell by more than 20 percent from the index base by April 2022 (2014–2016=100). Despite this fall being less, in relative terms, than during the food (price) crisis of 2006–2008, the slump in real prices then lasted for around six months. Given the circumstances of the world today and the

COUNTRY	PRODUCT	DATE	POLICY INSTRUMENT	DESCRIPTION
Zimbabwe	Maize and wheat	Apr-22	Government procurement	Raised maize and wheat procurement prices to ZWL 75 000 (USD 233.3) per tonne, up respectively from ZWL 58 533 (USD 182) and ZWL 70 263.9 (USD 218.5) per tonne.
	Barley,			

MEAT: MAJOR POLICY DEVELOPMENTS MID-OCTOBER 2021 TO MID-MAY 2022*

GENERAL

- FAO estimates and forecasts are based on official and unofficial sources.
- Unless otherwise stated, all charts and tables refer to FAO data as source.
- Estimates of world imports and exports may not always match, mainly because shipments and deliveries

APPENDIX TABLE 5(B):

APPENDIX TABLE 8(A): **RICE STATISTICS**2021CS0 708.3299 Tm[f)7 ('c)7 (ast)]TJETQ

	2018-2020 average	2021	2022	2018-2020 average	2021	2022	2018-2020 average	2021	2022
		f'cast	*f'cast*		*estim.7 Tw 7.6616 0 0 7.7435 228.0215 708.3299 Tm[f)7 (*				

APPENDIX TABLE 15: **BOVINE MEAT STATISTICS**

(*thousand tonnes - carcass weight equivalent*)

APPENDIX TABLE 19: **MILK AND MILK PRODUCTS STATISTICS**
(*thousand tonnes - milk equivalent*)

APPENDIX TABLE 20: **FISH AND FISHERY PRODUCTS STATISTICS**[1]

APPENDIX TABLE 23: **SELECTED INTERNATIONAL PRICES FOR RICE AND PRICE INDICES**

MARKET
INIDCATORS

PRICES

Futures prices for wheat, maize and soybeans shot to historical highs over the past 6 months as the war in Ukraine, export restrictions and various other prexpor eictiohiso

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ducedo

Forward curves snapshots as of May 2020, 2021 and 2022

Wheat

Maize

Soybeans

Note: IGC Grains and Oilseeds Freight Index, constructed based on nominal

Food import bills

above their value last year and only 11 percent below the record high reached in March 2008. The steep increase in wheat prices was in response to an export ban imposed by India amidst concerns over crop conditions in several leading exporting countries, as well as reduced production prospects in Ukraine because of the war. By contrast, international coarse grain prices declined by 2.1 percent in May but remained 18.1 percent above their value a year ago. Slightly improved crop conditions in the United States of America, seasonal supplies in Argentina and the imminent start of Brazil's main maize harvest led maize